

Allegany County, Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2009

Cover: Town Creek Aqueduct, Photographed by David Dorsey,
Allegany County Planning Division

ALLEGANY COUNTY, MARYLAND

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR

JULY 1, 2008 - JUNE 30, 2009

Prepared by:
The Allegany County Finance Office
Jerry L. Frantz, CPA, Director

ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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ALLEGANY COUNTY, MARYLAND

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BOARD OF COMMISSIONERS

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

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

November 20, 2009

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, 2009, 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, 2009, 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, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of 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 5.8% at June 30, 2008 to 8.9% at June 30, 2009. 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 2009 the County borrowed \$4.6 million to fund \$600,000 of stream restorations, remodel the Allegany College library for \$1,160,000 and fund a geothermal project for \$327,000, upgrade the computer aided 911 dispatch system for

\$538,200, make improvements to the public safety building for \$700,000 and repair the courthouse roof for \$250,000 among others. The new Mt. Ridge High School located in Frostburg, Maryland was completed in the current year at a total cost of slightly over \$11 million. An upgrade to the Georges Creek Waste Water Treatment facility was started in fiscal year 2008, and will continue into fiscal year 2010, 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 sanitary district.

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 boast 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 complete and will be open for operations on November 21, 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, 2008. This was the seventeenth 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,

A handwritten signature in blue ink, appearing to read "J. L. Frantz".

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, 2008

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



A handwritten signature in black ink.

President

A handwritten signature in black ink.

Executive Director

Allegany County, Maryland
Summary of Certain Officials
June 30, 2009

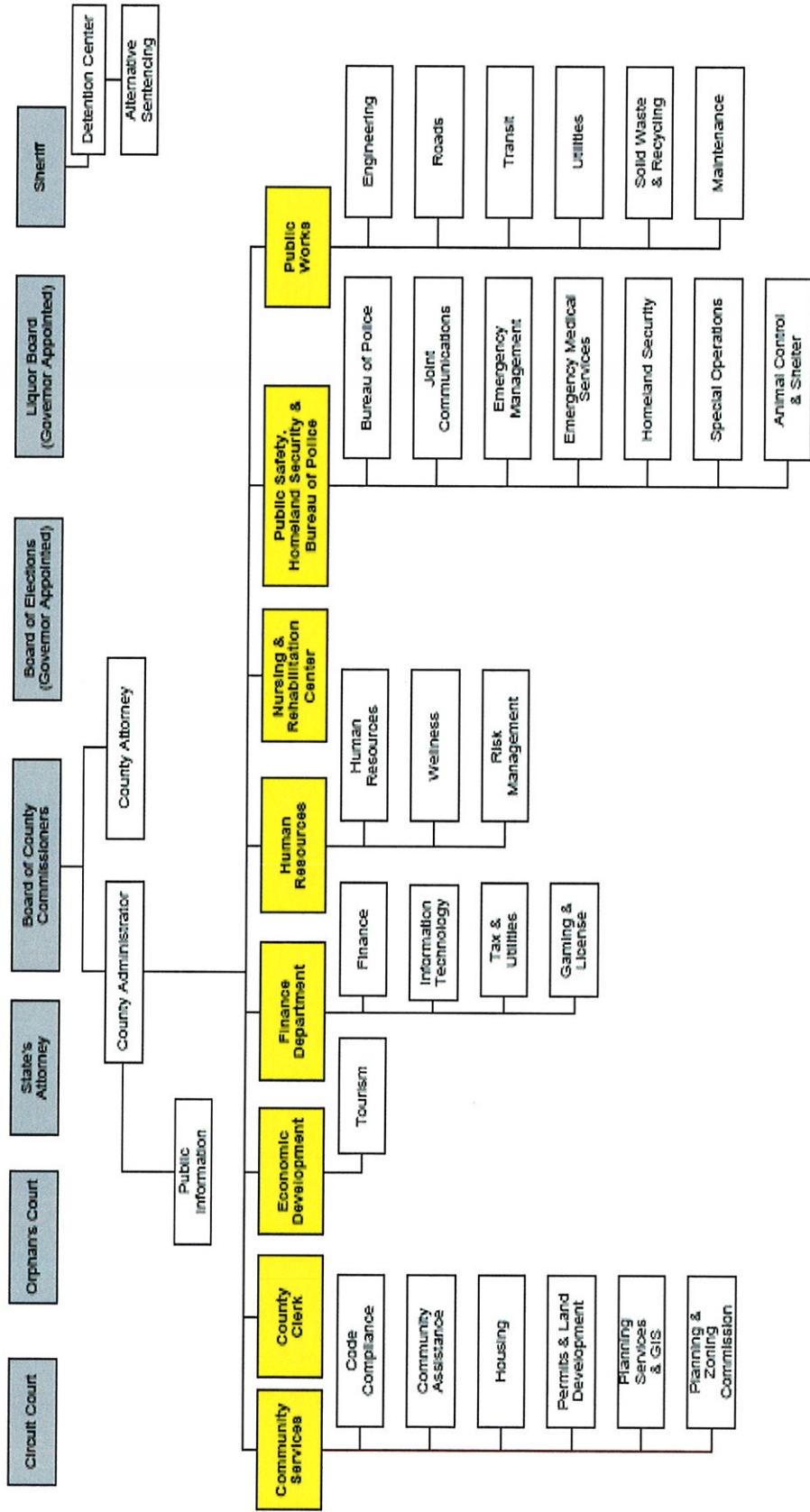
Board of Commissioners

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

| | |
|---|----------------------------|
| Acting County Administrator | David A. Eberly |
| 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 2009



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FINANCIAL SECTION

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



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Board of Allegany County Commissioners
County Office Complex
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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, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions 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, 71 percent, and 79 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 opinions.

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, 2009, 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 November 20, 2009, on our consideration of Allegany County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages B-1 through B-11, the schedule of pension and other post-employment benefit 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 inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual 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 reports 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.

Tumehall, Hoover; Kahl, P.C.

Cumberland, Maryland
November 20, 2009

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, 2009. 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 \$153.7 million (*net assets*). Of this amount, \$155.1 million is invested in capital assets net of related debt and \$4.6 million is restricted for specific purposes (restricted net assets). The County's total unrestricted net assets are a deficit of \$6.1 million. This total unrestricted net asset amount includes deficit balances of \$2.4 million from governmental activities, and unrestricted net assets from business-type activities of \$3.7 million.
- The government's total net assets decreased by \$13.2 million or 9.4%. The governmental net assets increased \$4.5 million (or 6.0%). Business-type net assets increased by \$8.6 million (or 13.4%) during the year.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$28.4 million, an increase of \$140,000 in comparison with the prior year. The modest increase is largely due to debt proceeds of \$4.6 million being received in fiscal year 2009 and a similar amount of debt proceeds being spent in the Capital Improvement Bond Fund and for PPG building renovations in the revolving building fund. Approximately 5.0% of this total amount, \$1.4 million, is *available for spending* at the government's discretion (*unreserved fund balance*) and another \$22.4 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 \$1.2 million, or 1.8% of total general fund expenditures.
- Allegany County's governmental activity outstanding debt decreased by \$65,000 (or .2%) during the current fiscal year reflecting debt principal payments of \$4.7 million and new debt of \$4.7 million. The County's business-type debt increased by \$3.6 million (or 19.8%) due to borrowing for improvements to George's Creek wastewater treatment plant. Debt of approximately \$856,000 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 fifteen 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, the revolving building fund, and the capital projects fund, all of which are considered to be major funds. Data from the other eleven 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-E54 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 \$153.7 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (\$155.1 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 2009 | FY 2008 | FY 2009 | FY 2008 | FY 2009 | FY 2008 |
| Assets: | | | | | | |
| Current and other assets | \$ 36,916,492 | \$ 35,135,319 | \$ 6,317,703 | \$ 6,397,428 | \$ 43,234,195 | \$ 41,532,747 |
| Capital assets | 91,258,725 | 87,665,207 | 98,381,135 | 82,461,931 | 189,639,860 | 170,127,138 |
| Total assets | 128,175,217 | 122,800,526 | 104,698,838 | 88,859,359 | 232,874,055 | 211,659,885 |
| Liabilities: | | | | | | |
| Current and other liabilities | 12,359,570 | 11,276,698 | 7,074,826 | 2,948,461 | 19,434,396 | 14,225,159 |
| Long-term liabilities outstanding | 35,172,031 | 35,413,655 | 24,599,982 | 21,511,079 | 59,772,013 | 56,924,734 |
| Total liabilities | 47,531,601 | 46,690,353 | 31,674,808 | 24,459,540 | 79,206,409 | 71,149,893 |
| Net assets: | | | | | | |
| Investment in capital assets net of related debt | 78,593,428 | 76,516,700 | 76,553,963 | 64,244,563 | 155,147,391 | 140,761,263 |
| Restricted | 4,418,898 | 5,939,861 | 184,204 | 175,654 | 4,603,102 | 6,115,515 |
| Unrestricted | (2,368,710) | (6,346,388) | (3,714,137) | (20,398) | (6,082,847) | (6,366,786) |
| Total net assets | \$ 80,643,616 | \$ 76,110,173 | \$ 73,024,030 | \$ 64,399,819 | \$ 153,667,646 | \$ 140,509,992 |

An additional portion of Allegany County's net assets (3.0%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net assets* deficit balance of \$6.1 million. The *unrestricted net assets* balance for the governmental activities was a deficit of \$2.4 million and the business-type activities deficit balance was \$3.7 million.

During the current fiscal year, the government's net assets increased by \$13.2 million. Revenues increased by approximately \$6.9 million to \$122.5 million while expenses decreased by \$8.3 million from the prior year to \$109.3 million.

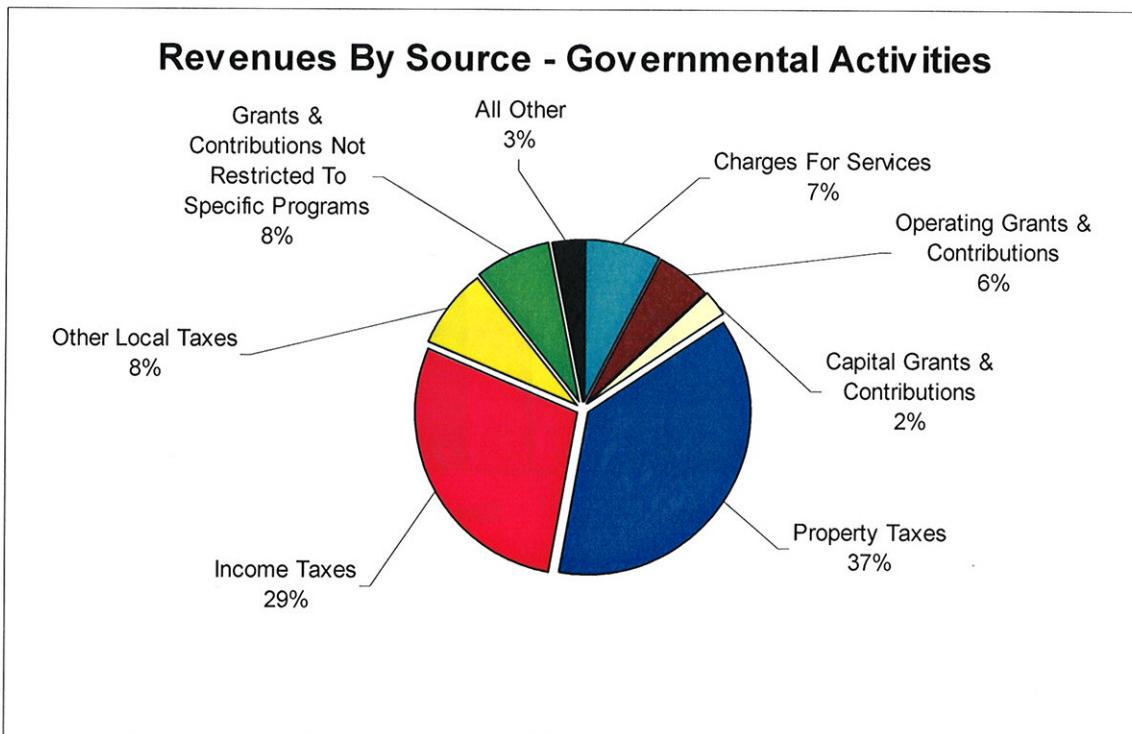
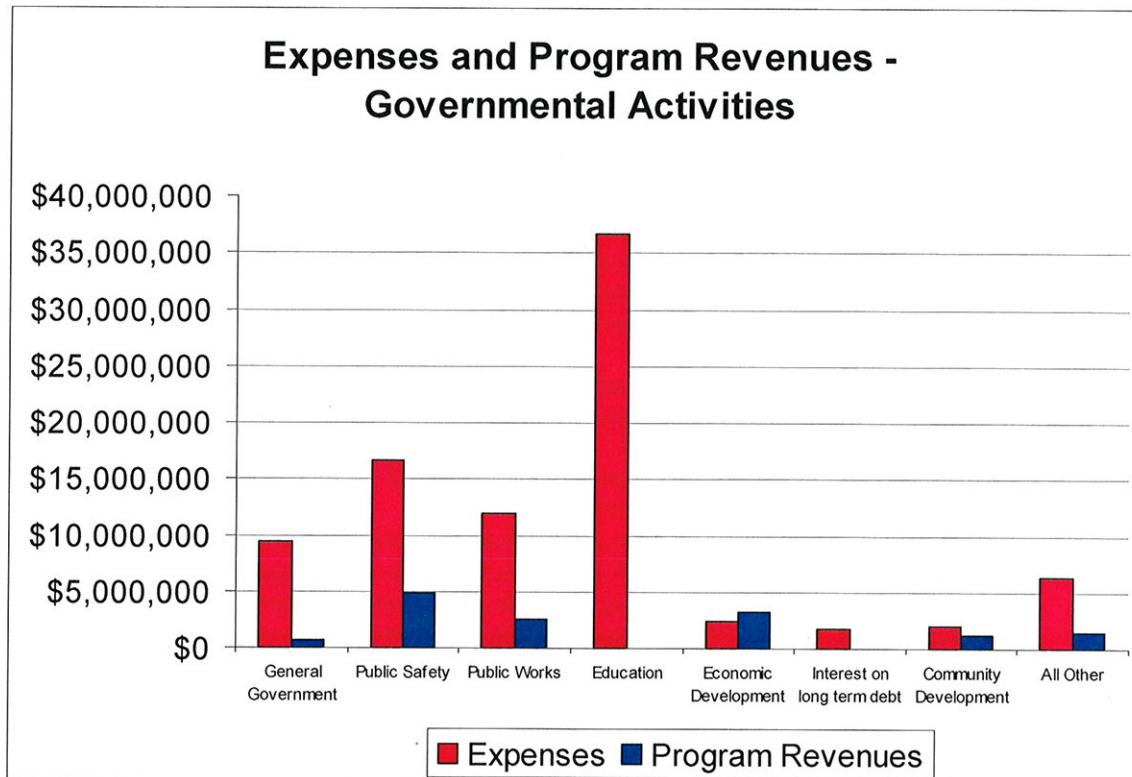
ALLEGANY COUNTY'S CHANGES IN NET ASSETS

| | Governmental Activities | | Business-type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | FY 2009 | FY 2008 | FY 2009 | FY 2008 | FY 2009 | FY 2008 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 6,864,210 | \$ 6,159,623 | \$ 18,607,137 | \$ 17,545,198 | \$ 25,471,347 | \$ 23,704,821 |
| Operating grants and contributions | 5,111,876 | 5,130,297 | - | - | 5,111,876 | 5,130,297 |
| Capital grants and contributions | 2,193,383 | 6,009,919 | 10,872,588 | 3,290,107 | 13,065,971 | 9,300,026 |
| General revenues: | | | | | | |
| Property taxes | 34,266,623 | 32,492,011 | 891,363 | 819,542 | 35,157,986 | 33,311,553 |
| Income taxes | 26,338,493 | 24,990,613 | - | - | 26,338,493 | 24,990,613 |
| Other local taxes | 7,160,132 | 8,752,593 | - | - | 7,160,132 | 8,752,593 |
| Franchise taxes | 342,819 | 332,774 | - | - | 342,819 | 332,774 |
| Grants and contributions not restricted to specific programs | 6,966,889 | 7,173,715 | - | - | 6,966,889 | 7,173,715 |
| Unrestricted fees | - | - | - | - | - | 0 |
| Unrestricted investment earnings | 1,303,210 | 1,923,408 | 179,171 | 202,249 | 1,482,381 | 2,125,657 |
| Gain on sale/retirement of capital assets | - | - | - | - | 0 | (685,462) |
| Miscellaneous | 1,259,689 | 1,288,442 | 110,495 | 116,816 | 1,370,184 | 1,405,258 |
| Total revenues | <u>91,807,324</u> | <u>94,253,395</u> | <u>30,660,754</u> | <u>21,288,450</u> | <u>122,468,078</u> | <u>115,541,845</u> |
| Expenses: | | | | | | |
| General government | 9,072,487 | 8,871,329 | - | - | 9,072,487 | 8,871,329 |
| Payment to data processing | 350,334 | 328,464 | - | - | 350,334 | 328,464 |
| Public safety | 16,626,793 | 15,612,059 | - | - | 16,626,793 | 15,612,059 |
| Public works | 12,000,493 | 12,280,040 | - | - | 12,000,493 | 12,280,040 |
| Health | 1,902,151 | 2,083,410 | - | - | 1,902,151 | 2,083,410 |
| Social services | 1,932,208 | 2,312,169 | - | - | 1,932,208 | 2,312,169 |
| Education | 317,766 | 1,274,899 | - | - | 317,766 | 1,274,899 |
| Payment to public school system | 28,883,694 | 36,171,292 | - | - | 28,883,694 | 36,171,292 |
| Payment to community college | 7,425,000 | 7,175,000 | - | - | 7,425,000 | 7,175,000 |
| Recreation, culture & libraries | 1,041,683 | 1,050,609 | - | - | 1,041,683 | 1,050,609 |
| Payment to public library system | 905,000 | 905,000 | - | - | 905,000 | 905,000 |
| Conservation of natural resources | 506,897 | 327,747 | - | - | 506,897 | 327,747 |
| Community development & housing | 2,002,596 | 1,774,905 | - | - | 2,002,596 | 1,774,905 |
| Economic development | 2,407,460 | 4,113,586 | - | - | 2,407,460 | 4,113,586 |
| Miscellaneous | 0 | 250,146 | - | - | 0 | 250,146 |
| Interest on long-term debt | 1,810,688 | 1,810,725 | - | - | 1,810,688 | 1,810,725 |
| Water | - | - | 3,272,629 | 2,977,733 | 3,272,629 | 2,977,733 |
| Sewer | - | - | 7,220,779 | 7,249,045 | 7,220,779 | 7,249,045 |
| Nursing Home | - | - | 11,034,410 | 10,425,903 | 11,034,410 | 10,425,903 |
| Other proprietary funds | - | - | 597,356 | 578,996 | 597,356 | 578,996 |
| Total expenses | <u>87,185,250</u> | <u>96,341,380</u> | <u>22,125,174</u> | <u>21,231,677</u> | <u>109,310,424</u> | <u>117,573,057</u> |
| Increase in net assets before transfers | 4,622,074 | (2,087,985) | 8,535,580 | 56,773 | 13,157,654 | (2,031,212) |
| Transfers | (88,631) | (315,004) | 88,631 | 315,004 | - | - |
| Increase (decrease) in net assets | 4,533,443 | (2,402,989) | 8,624,211 | 371,777 | 13,157,654 | (2,031,212) |
| Net assets, beginning | 76,110,173 | 78,513,162 | 64,399,819 | 64,028,042 | 140,509,992 | 142,541,204 |
| Net assets, ending | <u>\$ 80,643,616</u> | <u>\$ 76,110,173</u> | <u>\$ 73,024,030</u> | <u>\$ 64,399,819</u> | <u>\$ 153,667,646</u> | <u>\$ 140,509,992</u> |

Governmental activities. Governmental activities increased Allegany County's net assets by \$4.5 million. Total revenues decreased \$2.4 million (or 2.6%) and expenses decreased \$9.2 (or 9.5%). Key elements of the changes in governmental net assets are as follows:

- Property taxes in the governmental funds increased by \$1.8 million (5.5%). The increase was the result of property assessments increasing by \$239 million.
- Income tax revenue increased \$1.3 million or 5.4%. The County increased the income tax rate from 2.93% to 3.05% of Maryland taxable income effective January 1, 2008. The increase was mitigated due to the State increasing the individual personal exemptions. Income tax revenue is expected to be flat in the next several years due to the ongoing recession.
- The small increases in tax revenue were offset by a \$3.8 million decrease in capital grants and contributions. During fiscal year 2008 the County had received capital grants from the State for the purchase or construction of shell buildings; those types of grants were not available in fiscal year 2009.

- Recordation and transfer taxes amounted to \$1.7 million for fiscal year 2009 which represents a decrease from the prior year of 32.5%. The decrease is a result of the current economic conditions.
- In addition, investment earnings dropped 32%; a reduction of \$620,000 from the prior year.

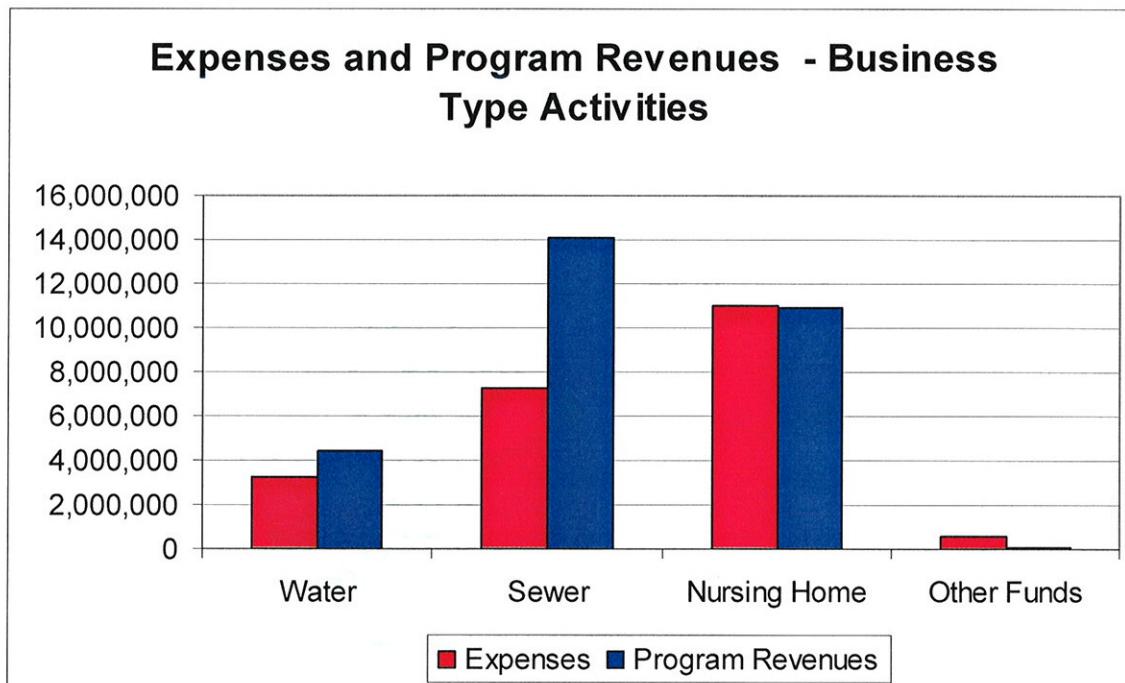


The decrease in governmental expenses of \$9.2 million (or 9.5%) was the result of the following:

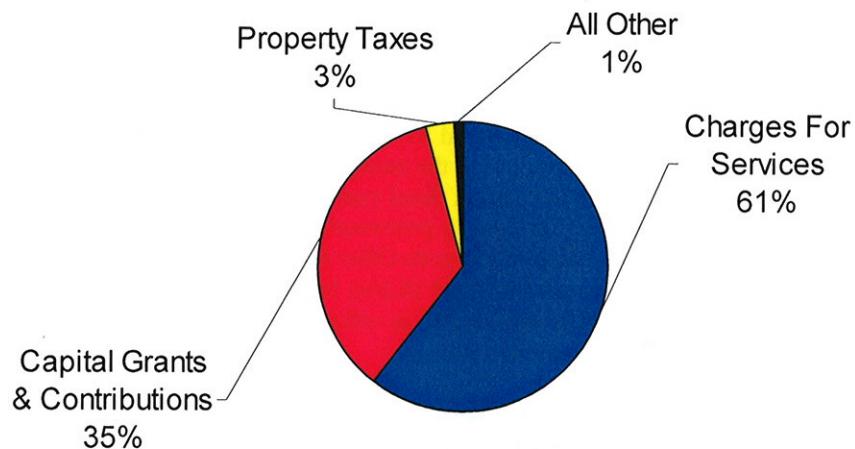
- Payments to the public school system dropped \$7.3 million due to the completion of the Mountain Ridge High School in the prior year resulting in the County's funding commitment being eliminated.
- Economic development expenditures decreased \$1.7 million (41.5%) due to pass-through grants for the business technology park at Frostburg State University completing in fiscal year 2008. Similar types of expenses did not occur in the 2009 fiscal year.
- Educational expenses decreased \$957,000 (75.1%) as a result the County's commitment for the Allegany College's library building ending in the prior fiscal year. Payments were made directly to the vendor by the County for the building improvements. The building is an asset of the College and can not be capitalized on the County's books.
- Expenses for public safety increased \$1 million dollars (or 6.5%) largely due flood mitigation projects and various other public safety functions (fire, emergency medical services, 911 call center, etc.) except for police activities which fell slightly.

Business-type activities. The net assets of the County's business-type activities increased by \$8.6 million after transfers. Key elements of the increase were:

- Charges for services for business-type activities increased by \$1.1 million (6.1%) due to increases in user fees for sanitary and water customers.
- Capital contributions increased dramatically from the previous fiscal year to \$10.9 million in fiscal year 2009. An increase of \$7.6 million. Construction on the George's Creek Wastewater Treatment Plant upgrade started in the prior fiscal year with a total estimated cost in excess of \$29 million dollars. Significant grant revenues for the project are also anticipated in the next fiscal year.
- Expenses of the water districts increase \$295,000 (9.9%) as a result of higher costs for water which is purchased from other sources and resold to County customers.



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 \$28.4 million, an increase of \$140,000 in comparison with the prior year. Approximately 83.7 percent of this total amount (\$23.8 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 \$4.6 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 \$1.2 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 1.8 percent of total general fund expenditures, while total fund balance represents 23.0 percent of that same amount.

Key factors in the \$140,000 increase in the governmental fund balances are:

The fund balance of Allegany County's general fund remained relatively unchanged, decreasing slightly by \$20,000; which was the result of:

- Revenues increased \$1.4 million (or 1.9%) and expenditures increased \$2.0 million (or 3%).
- Property taxes grew 8.7%, an increase of \$2.8 million from the prior year. Effects of the housing collapse have had little impact to date due to the three year assessment cycle but the trend will reverse as the properties assessed three years ago were being reassessed.
- Income taxes increased \$570,000 (or 2.3%) as the effects of the economic downturn are realized.
- Offsetting the increases in property and income taxes was a decrease in intergovernmental revenues of \$532,000 (or 5.7%). The decrease was largely due to a reduction in state operating grants of \$391,000.
- General government expenditures increased \$1.1 million, or 15.5%. Almost all of the increase was due to new accounting standards requiring the recognition of a portion of the future and past liability for post-employment benefits in the current fiscal year. In past years the expenditures were recognized as they were paid. The change resulted in post-employment benefit costs increasing \$871,000 as a result of the County making a contribution to an Other Post-Employment Benefit Trust Fund.
- Transfers to other funds increased \$728,000 (8.3%) largely due to an increase in the transfer to the highway fund of \$546,000 which was needed to offset the impact of the State of Maryland reducing the highway user tax distribution to the County.

The Highway Fund, a major fund, fund balance decreased \$196,000 due to the State of Maryland continuing to reduce the amount of shared highway user's taxes being distributed to the County.

The Revolving Building Fund, another major fund, reported a decrease in fund balance of \$1.7 million. Revenues fell \$1.8 million (33.8%) and expenditures dropped \$4.7 million (56.7%). Both reductions were the result of several projects being completed in the prior year which had used debt proceeds to pay for the expenditures. Sales of capital assets had generated \$2.3 million in funds in the prior year which dropped to \$73,000 in the current year.

The Capital Projects Fund, another major fund, fund balance increase \$185,000. As a result of the economy, the activity in all of the County's capital project funds has declined significantly. This fund, in particular, has not seen any new projects added and any activity has been to complete existing projects.

The non-major governmental funds fund balance increased by \$1.9 million due to the County issuing bonds in the amount of \$4.6 million. A large portion, \$1.2 million, of the bond proceeds remain unspent at the end of the fiscal year.

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 | \$ 18,624,684 | \$ 54,501,333 | \$ 1,662,593 | \$ 1,765,353 | \$ 76,553,963 |
| Restricted for debt service | | 184,204 | - | - | 184,204 |
| Unrestricted | (169,626) | (1,934,630) | (2,868,049) | 1,258,168 | (3,714,137) |
| Total net assets | \$ 18,455,058 | \$ 52,750,907 | \$ (1,205,456) | \$ 3,023,521 | \$ 73,024,030 |
| Change in net assets during the year, increase (decrease) | \$ 1,272,772 | \$ 8,069,294 | \$ (133,884) | \$ (583,971) | \$ 8,624,211 |

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 \$913,000 (includes other sources and uses) to a revised total of \$78.7 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- The public safety budget was increased by \$468,000 to comply with a District Court settlement approved by the County Commissioners and the Sheriff on August 28, 2008.
- The budget was also increased by \$244,000 to reflect the approval of a soil conservations grant which was approved after the budget cycle was completed. The grant was to provide funding for the removal of numerous dams on various streams which prevented the migration of fish.

Revenues exceeded budgetary estimates by \$766,500 and actual expenditures were less than budgetary estimates by \$1.5 million. Operating transfers to other funds exceeded the budget estimates by \$837,600 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 \$2.7 million (or 10.3%) primarily due to the tax rate increasing from 2.93% to 3.05% of Maryland taxable income effective January 1, 2008. The increase was mitigated somewhat by the State of Maryland increasing the personal exemption from \$2,400 to \$3,200 per individual.
- The favorable variance from income taxes was offset by an unfavorable variance of \$1 million for other local taxes. Taxes associated with the sales of real estate (recordation taxes, \$608,000 unfavorable and transfer taxes, \$250,000 unfavorable) did not meet expectations due to the depressed housing market.
- Various other general fund revenues variances were slightly unfavorable from budgeted amounts.
- General government expenditures had a favorable variance of \$1.5 million. The larger favorable variances were: financial administration - \$396,000 and corrections - \$335,000. As mentioned earlier post retirement benefits had an unfavorable of \$864,000 due to new accounting standards requiring the recognition of a portion of the future and past liability for post-employment benefits in the current fiscal year. Almost all operating departments finishing well within budget

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, 2009 was \$189.6 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 11.5 percent (a 4.1 percent increase for governmental activities and a 19.3 percent increase for business-type activities).

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

- Construction continued on the Georges Creek waste water treatment plant in Westernport; costs incurred during the fiscal year were \$15.2 million, and this project is projected to have a total cost of nearly \$29 million at its completion.
- Design and construction continued on the Bowman's Addition water project with a total cost incurred of nearly \$2.5 million during the year, projected total cost is expected to be \$5.6 million.
- Construction continued on the Pea Vine Run Road bridge and was completed with a total project cost \$556,000, of which \$371,000 was incurred in fiscal year 2009.
- Construction continued on the Barton Business Park Access Road and was completed with a total project cost \$1.7 million, \$601,000 was incurred in fiscal year 2009.
- Work continued on the remodeling of the old PPG building at Mexico Farms with \$2.2 million spent during the year, total costs to date are \$7.5 million.

ALLEGANY COUNTY'S CAPITAL ASSETS
(net of depreciation)

| | Governmental Activities | | Business-type Activities | | Total | |
|----------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| Land | \$ 20,918,704 | \$ 20,594,558 | \$ 79,602 | \$ 79,602 | \$ 20,998,306 | \$ 20,674,160 |
| Work in Progress | 8,945,111 | 7,908,401 | 25,997,142 | 7,304,253 | 34,942,253 | 15,212,654 |
| Buildings | 34,932,441 | 35,596,242 | 1,602,103 | 1,693,257 | 36,534,544 | 37,289,499 |
| Infrastructure | 19,172,094 | 17,511,878 | 65,499,361 | 67,642,008 | 84,671,455 | 85,153,886 |
| Furniture & fixtures | 181,307 | 209,265 | 431,702 | 498,386 | 613,009 | 707,651 |
| Equipment | 3,543,905 | 2,473,465 | 2,291,150 | 2,784,682 | 5,835,055 | 5,258,147 |
| Vehicles | 2,377,758 | 2,080,598 | 366,879 | 373,583 | 2,744,637 | 2,454,181 |
| Heavy equipment | 735,842 | 823,531 | 283,860 | 128,919 | 1,019,702 | 952,450 |
| Other fixed assets | 451,563 | 467,268 | 1,829,336 | 1,957,241 | 2,280,899 | 2,424,509 |
| Total | <u>\$ 91,258,725</u> | <u>\$ 87,665,206</u> | <u>\$ 98,381,135</u> | <u>\$ 82,461,931</u> | <u>\$ 189,639,860</u> | <u>\$ 170,127,137</u> |

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 \$62.3 million. Governmental activities debt consists of \$25.8 million in general obligation bonds and \$14.7 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$21.8 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 | |
|--------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2009 | 2008 | 2009 | 2008 | 2009 | 2008 |
| General obligation | \$ 25,787,011 | \$ 24,949,597 | \$ 421,585 | \$ 449,448 | \$ 26,208,596 | \$ 25,399,045 |
| Notes | 9,815,243 | 10,253,745 | - | - | 9,815,243 | 10,253,745 |
| Capital leases | 259,423 | 288,444 | - | - | 259,423 | 288,444 |
| State loans | 4,630,302 | 5,065,139 | 13,269,239 | 9,489,761 | 17,899,541 | 14,554,900 |
| Federal loans | - | - | 7,703,110 | 7,813,451 | 7,703,110 | 7,813,451 |
| County loans | - | - | 433,238 | 464,706 | 433,238 | 464,706 |
| Total | <u>\$ 40,491,979</u> | <u>\$ 40,556,925</u> | <u>\$ 21,827,172</u> | <u>\$ 18,217,366</u> | <u>\$ 62,319,151</u> | <u>\$ 58,774,291</u> |

Allegany County issued \$4.7 million of governmental debt and retired \$4.7 million during the current fiscal year and debt outstanding remained relatively unchanged. Debt issued during the year for governmental activities was \$4.6 million of general obligation debt which included \$1,160,000 for Allegany College's library and for various public safety projects. A capital lease was issued for \$63,700 to acquire new Bureau of Police vehicles.

Revenue debt in the amount of \$4.5 million was incurred to upgrade the George's Creek wastewater treatment plant to meet discharge requirements of the Maryland Department of the Environment. Business type debt retired during the year was \$856,000.

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 2009 for Allegany County was 8.9 percent, which was an increase from a 5.5 percent rate for June 2008.
- Property assessments increased 9.1% from the previous fiscal year.

All of these factors were considered in preparing Allegany County's budget for the 2010 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased slightly to \$11.86 million. Allegany County has appropriated \$2.0 million of this amount for spending in the 2010 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 2010 fiscal year.

The sewer and water district minimum service charges were increased in a range from 2% - 4% for the 2010 budget year. The minimal increases should be sufficient to cover any increases in the costs of materials and supplies for operations of 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, 2009

| | 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 | \$ 13,938,934 | \$ 597,178 | \$ 14,536,112 | \$ 16,225,530 | \$ 7,122,545 | \$ 69,699 | \$ 2,414,980 |
| Investments | 7,528,021 | 741,328 | 8,269,349 | 20,003,167 | 202,155 | 1,004,896 | - |
| Property taxes receivable | 3,202,649 | - | 3,202,649 | - | - | - | - |
| Receivables: | | | | | | | |
| Accounts | - | 3,127,862 | 3,127,862 | 2,221,362 | 752,193 | 2,604 | 598,326 |
| Other | 10,047,497 | 3,367,894 | 13,415,391 | 236,140 | 1,330,635 | - | 149,255 |
| Internal balances | 1,876,143 | (1,876,143) | - | - | - | - | - |
| Inventory | 70,787 | 87,658 | 158,445 | 216,023 | 291,065 | - | 238,024 |
| Prepaid expenses | 61,481 | - | 61,481 | - | 195,540 | 21,383 | 19,652 |
| Deferred charges | 91,662 | - | 91,662 | - | - | - | - |
| Miscellaneous | 56,646 | - | 56,646 | - | - | - | - |
| Restricted Assets: | | | | | | | |
| Cash | 42,672 | 87,722 | 130,394 | - | 395,044 | - | 23,065 |
| Investments | - | - | - | - | 6,588,538 | - | - |
| Taxes | - | 101,173 | 101,173 | - | - | - | - |
| Receivables | - | 83,031 | 83,031 | - | - | - | - |
| Total current assets | 36,916,492 | 6,317,703 | 43,234,195 | 38,902,222 | 16,877,715 | 1,098,582 | 3,443,302 |
| Non-current Assets: | | | | | | | |
| Land | 20,918,704 | 79,602 | 20,998,306 | 4,002,794 | 697,465 | - | 176,385 |
| Work In Progress | 8,945,111 | 25,997,142 | 34,942,253 | 1,384,321 | - | - | 59,312 |
| Other non-depreciable assets | - | - | - | 121,938 | 66,893 | - | - |
| Capital assets subject to depreciation/amortization | 118,353,231 | 119,949,421 | 238,302,652 | 161,089,521 | 55,432,224 | 8,343,246 | 21,571,076 |
| Accumulated depreciation | (56,958,321) | (47,645,030) | (104,603,351) | (74,144,523) | (20,612,541) | (4,822,922) | (9,268,660) |
| Total non-current assets | 91,258,725 | 98,381,135 | 189,639,860 | 92,454,051 | 35,584,041 | 3,520,324 | 12,538,113 |
| Total Assets | 128,175,217 | 104,698,838 | 232,874,055 | 131,356,273 | 52,461,756 | 4,618,906 | 15,981,415 |
| LIABILITIES: | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts payable | 1,508,818 | 4,918,344 | 6,427,162 | 6,115,540 | 725,317 | 19,860 | 198,120 |
| Accrued wages payable | 497,180 | 199,942 | 697,122 | 1,471,080 | 647,435 | 11,853 | - |
| Accrued fringe benefits payable | 203,585 | 39,100 | 242,685 | - | - | - | - |
| Accrued interest | 349,237 | 105,890 | 455,127 | - | - | - | 24,884 |
| Current portion of long-term debt: | | | | | | | |
| Bonds and loans | 4,617,158 | 975,147 | 5,592,305 | - | 88,965 | - | 75,858 |
| Capital leases | 94,377 | - | 94,377 | - | 362,472 | - | - |
| Compensated absences | 1,065,378 | 589,022 | 1,654,400 | 123,404 | 59,753 | - | - |
| Due to Agency Fund | 160,725 | - | 160,725 | - | - | - | - |
| Unearned revenue | 99,991 | - | 99,991 | 2,376,471 | 602,742 | - | - |
| Accrued health claims | 433,454 | 114,712 | 548,166 | 8,915,047 | 382,244 | - | - |
| Miscellaneous liabilities | 3,289,210 | 132,669 | 3,421,879 | 1,856,056 | 550,901 | 10,508 | 23,065 |
| Total current liabilities | 12,319,113 | 7,074,826 | 19,393,939 | 20,857,598 | 3,419,829 | 42,221 | 321,927 |
| Non-current liabilities: | | | | | | | |
| Cash advance due general fund | (3,916,618) | 3,916,618 | - | - | - | - | - |
| Bonds and loans | 35,615,398 | 20,418,787 | 56,034,185 | - | 3,044,047 | - | 3,886,385 |
| Capital leases | 165,046 | - | 165,046 | - | 1,435,630 | - | - |
| Termination benefits | - | - | - | - | 597,890 | - | - |
| Compensated absences | 3,348,662 | 264,577 | 3,613,239 | 2,414,598 | - | 73,264 | - |
| Total non-current liabilities | 35,212,488 | 24,599,982 | 59,812,470 | 2,414,598 | 5,077,567 | 73,264 | 3,886,385 |
| Total Liabilities | 47,531,601 | 31,674,808 | 79,206,409 | 23,272,196 | 8,497,396 | 115,485 | 4,208,312 |
| NET ASSETS | | | | | | | |
| Invested in capital assets net of related debt | 78,593,428 | 76,553,963 | 155,147,391 | 92,332,113 | 30,652,925 | 3,520,324 | 8,575,870 |
| Restricted for: | | | | | | | |
| Public safety | 610,723 | - | 610,723 | - | - | - | - |
| Highways | 719,553 | - | 719,553 | - | - | - | - |
| Education | 1,033,955 | - | 1,033,955 | - | - | - | - |
| Community development & housing | 156,970 | - | 156,970 | - | - | - | - |
| Economic development | 719,647 | - | 719,647 | - | - | - | - |
| Capital projects | 1,178,050 | - | 1,178,050 | 7,381,544 | - | - | - |
| Other purposes | - | 184,204 | 184,204 | 231,735 | 7,955,051 | 487,540 | - |
| Unrestricted | (2,368,710) | (3,714,137) | (6,082,847) | 8,138,685 | 5,356,384 | 495,557 | 3,197,233 |
| Total Net Assets | \$ 80,643,616 | \$ 73,024,030 | \$ 153,667,646 | \$ 108,084,077 | \$ 43,964,360 | \$ 4,503,421 | \$ 11,773,103 |

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, 2009

| Functions/Programs | Expenses | | Expenses | | Program Revenues | | |
|-----------------------------------|---|-----------------------------------|---|--------------------------------|-------------------------|--|--|
| | Before Indirect Expense Allocation | Indirect Expense Allocation | After Indirect Expense Allocation | Indirect Expense Allocation | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| | | | | | | | |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government: | \$ 9,805,874 | \$ (733,387) | \$ 9,072,487 | \$ 374,906 | \$ 334,716 | \$ - | \$ - |
| Payment to data processing | 350,334 | - | 350,334 | - | - | - | - |
| Public safety | 16,626,793 | - | 16,626,793 | 2,193,379 | 1,671,478 | 920,390 | |
| Public works | 11,962,767 | 37,726 | 12,000,493 | 874,542 | 713,504 | 1,026,094 | |
| Health | 1,902,151 | - | 1,902,151 | - | 20,388 | - | - |
| Social services | 1,905,731 | 26,477 | 1,932,208 | 47,772 | 818,344 | - | - |
| Education: | 317,766 | - | 317,766 | - | - | - | - |
| Payment to public school system | 28,883,694 | - | 28,883,694 | - | - | - | - |
| Payment to community college | 7,425,000 | - | 7,425,000 | - | - | - | - |
| Recreation, culture & libraries: | 1,041,683 | - | 1,041,683 | 288,593 | 273,606 | - | - |
| Payment to public library system | 905,000 | - | 905,000 | - | - | - | - |
| Conservation of natural resources | 506,897 | - | 506,897 | 27,648 | 27,490 | - | - |
| Community development and housing | - | - | - | - | - | - | - |
| 2,002,596 | - | - | 2,002,596 | 80,639 | 1,193,082 | - | - |
| Economic development | 2,407,460 | - | 2,407,460 | 2,976,731 | 59,268 | 246,899 | |
| Interest on long term debt | 1,810,688 | - | 1,810,688 | - | - | - | - |
| Total governmental activities | <u>87,854,434</u> | <u>(669,184)</u> | <u>87,185,250</u> | <u>6,864,210</u> | <u>5,111,876</u> | <u>2,193,383</u> | |
| Business-type activities: | | | | | | | |
| Water | 3,164,882 | 107,747 | 3,272,629 | 2,809,168 | - | 1,647,136 | |
| Sewer | 6,927,050 | 293,729 | 7,220,779 | 4,835,519 | - | 9,225,452 | |
| Nursing Home | 10,766,702 | 267,708 | 11,034,410 | 10,900,432 | - | - | - |
| Other funds | 597,356 | - | 597,356 | 62,018 | - | - | - |
| Total business-type activities | <u>21,455,990</u> | <u>669,184</u> | <u>22,125,174</u> | <u>18,607,137</u> | <u>-</u> | <u>10,872,588</u> | |
| Total primary government | <u>\$ 109,310,424</u> | <u>\$ -</u> | <u>\$ 109,310,424</u> | <u>\$ 25,471,347</u> | <u>\$ 5,111,876</u> | <u>\$ 13,065,971</u> | |
| Component units: | | | | | | | |
| Board of Education | | | \$ 128,517,081 | \$ 1,993,401 | \$ 13,578,119 | \$ 863,688 | |
| Allegany College of Md. | | | 33,942,636 | 11,734,746 | 14,833,339 | 918,184 | |
| County Library | | | 2,097,300 | 69,153 | 46,836 | 45,611 | |
| LaVale Sanitary Commission | | | 4,580,820 | 3,166,925 | - | - | - |
| Total component units | | | <u>\$ 169,137,837</u> | <u>\$ 16,964,225</u> | <u>\$ 28,458,294</u> | <u>\$ 1,827,483</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, 2009

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 |
| \$ (8,362,865) | \$ - | \$ (8,362,865) | \$ - | \$ - | \$ - | \$ - |
| (350,334) | - | (350,334) | - | - | - | - |
| (11,841,546) | - | (11,841,546) | - | - | - | - |
| (9,386,353) | - | (9,386,353) | - | - | - | - |
| (1,881,763) | - | (1,881,763) | - | - | - | - |
| (1,066,092) | - | (1,066,092) | - | - | - | - |
| (317,766) | - | (317,766) | - | - | - | - |
| (28,883,694) | - | (28,883,694) | - | - | - | - |
| (7,425,000) | - | (7,425,000) | - | - | - | - |
| (479,484) | - | (479,484) | - | - | - | - |
| (905,000) | - | (905,000) | - | - | - | - |
| (451,759) | - | (451,759) | - | - | - | - |
| (728,875) | - | (728,875) | - | - | - | - |
| 875,438 | - | 875,438 | - | - | - | - |
| (1,810,688) | - | (1,810,688) | - | - | - | - |
| (73,015,781) | - | (73,015,781) | - | - | - | - |
| - | 1,183,675 | 1,183,675 | - | - | - | - |
| - | 6,840,192 | 6,840,192 | - | - | - | - |
| - | (133,978) | (133,978) | - | - | - | - |
| - | (535,338) | (535,338) | - | - | - | - |
| - | 7,354,551 | 7,354,551 | - | - | - | - |
| (73,015,781) | 7,354,551 | (65,661,230) | - | - | - | - |
| - | - | - | (112,081,873) | - | - | - |
| - | - | - | - | (6,456,367) | - | - |
| - | - | - | - | - | (1,935,700) | - |
| - | - | - | (112,081,873) | (6,456,367) | (1,935,700) | (1,413,895) |
| 34,266,623 | 891,363 | 35,157,986 | - | - | - | 505,318 |
| 26,338,493 | - | 26,338,493 | - | - | - | 460,147 |
| 7,160,132 | - | 7,160,132 | - | - | - | - |
| - | - | - | 29,234,028 | 7,425,000 | 905,000 | - |
| 342,819 | - | 342,819 | - | - | - | - |
| 6,966,889 | - | 6,966,889 | 85,658,124 | - | 769,544 | - |
| 1,303,210 | 179,171 | 1,482,381 | 421,820 | (1,974,517) | 33,429 | 51,295 |
| - | - | - | - | (3,255) | (54,959) | - |
| 1,259,689 | 110,495 | 1,370,184 | 1,324,542 | 128,315 | 223,949 | 1,239 |
| (88,631) | 88,631 | - | - | - | - | - |
| 77,549,224 | 1,269,660 | 78,818,884 | 116,638,514 | 5,575,543 | 1,876,963 | 1,017,999 |
| 4,533,443 | 8,624,211 | 13,157,654 | 4,556,641 | (880,824) | (58,737) | (395,896) |
| 76,110,173 | 64,399,819 | 140,509,992 | 103,527,436 | 44,845,184 | 4,562,158 | 12,168,999 |
| \$ 80,643,616 | \$ 73,024,030 | \$ 153,667,646 | \$ 108,084,077 | \$ 43,964,360 | \$ 4,503,421 | \$ 11,773,103 |

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, 2009

| ASSETS: | General Fund | Highway Fund | Revolving Building Fund | Capital Improvements Projects Fund | Other Governmental Funds | Total |
|---|----------------------|---------------------|--------------------------------|---|---------------------------------|----------------------|
| Cash | \$ 13,938,159 | \$ - | \$ - | \$ - | \$ 775 | \$ 13,938,934 |
| Cash -restricted | | | | | 42,672 | 42,672 |
| Investments | 2,675,000 | - | 257,160 | - | 4,595,861 | 7,528,021 |
| Property tax receivable | 3,372,649 | - | - | - | - | 3,372,649 |
| Receivables | | | | | | |
| Notes and loans | - | - | - | - | 514,074 | 514,074 |
| Other receivables | 4,679,551 | 646,824 | 188,344 | 466,369 | 806,989 | 6,788,077 |
| Due from other funds | - | - | 4,563,769 | - | 3,583,245 | 8,147,014 |
| Advances to other funds | 3,916,618 | - | - | - | - | 3,916,618 |
| Inventory | - | - | - | - | 70,787 | 70,787 |
| Prepads | - | - | - | - | 61,481 | 61,481 |
| Miscellaneous assets | 56,645 | - | - | - | - | 56,645 |
| Total Assets | \$ 28,638,622 | \$ 646,824 | \$ 5,009,273 | \$ 466,369 | \$ 9,675,884 | \$ 44,436,972 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 756,705 | \$ 64,081 | \$ 165,936 | \$ 176,573 | \$ 345,523 | \$ 1,508,818 |
| Accrued payroll | 387,778 | 80,132 | 663 | - | 28,607 | 497,180 |
| Accrued payroll fringe | 144,360 | 46,773 | 533 | - | 11,919 | 203,585 |
| Due to other funds | 5,103,273 | 399,192 | - | 256,008 | 673,123 | 6,431,596 |
| Amounts held in escrow | 2,672,717 | 126,500 | - | - | 170,341 | 2,969,558 |
| Deferred revenue | 3,048,820 | - | - | - | 613,065 | 3,661,885 |
| Accrued health claims | 433,454 | - | - | - | - | 433,454 |
| Miscellaneous liabilities | 312,242 | - | 2,500 | - | 4,910 | 319,652 |
| Total Liabilities | \$ 12,859,349 | \$ 716,678 | \$ 169,632 | \$ 432,581 | \$ 1,847,488 | \$ 16,025,728 |
| Fund Balances: | | | | | | |
| Reserved: | | | | | | |
| For non-current assets | 3,916,618 | - | - | - | 145,766 | 4,062,384 |
| For prepaid items | - | - | - | - | 8,875 | 8,875 |
| For inventories | - | - | - | - | 70,787 | 70,787 |
| For special revenue programs | - | - | - | - | 477,647 | 477,647 |
| For capital projects | - | - | - | - | - | - |
| Unreserved/Designated: | | | | | | |
| For next fiscal year: | | | | | | |
| General fund | 2,000,000 | - | - | - | - | 2,000,000 |
| Special revenue funds | - | - | 2,202,409 | - | 50,000 | 2,252,409 |
| Debt Service Fund | - | - | - | - | 329,982 | 329,982 |
| Capital project funds | - | - | - | - | 1,079,700 | 1,079,700 |
| For contingencies | 7,500,000 | - | - | - | - | 7,500,000 |
| For specific programs, reported in: | | | | | | |
| General fund | 1,123,675 | - | - | - | - | 1,123,675 |
| Special revenue funds | - | - | 2,637,232 | - | 2,318,969 | 4,956,201 |
| Debt service fund | - | - | - | - | 283,947 | 283,947 |
| Capital Project funds | - | - | - | 33,788 | 2,816,999 | 2,850,787 |
| Undesignated: | | | | | | |
| General fund | 1,238,980 | - | - | - | - | 1,238,980 |
| Special revenue funds | - | (69,854) | - | - | 92,254 | 22,400 |
| Capital Project funds | - | - | - | - | 153,470 | 153,470 |
| Total Fund Balances | \$ 15,779,273 | \$ (69,854) | \$ 4,839,641 | \$ 33,788 | \$ 7,828,396 | \$ 28,411,244 |
| Total Liabilities and Fund Balance | \$ 28,638,622 | \$ 646,824 | \$ 5,009,273 | \$ 466,369 | \$ 9,675,884 | |

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. 91,258,726
- Other long -term assets are not available to pay current -period expenditures and are deferred in the funds. 2,667,013
- Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds. (44,906,019)
- Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds. 3,212,652

Net assets of governmental activities \$ 80,643,616

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, 2009

| REVENUES: | General Fund | Highway Fund | Revolving Building Fund | Capital Improvements Projects Fund | Other Governmental Funds | Total |
|---|----------------------|---------------------|--------------------------------|---|---------------------------------|----------------------|
| Taxes: | | | | | | |
| Property taxes | \$ 35,262,339 | \$ - | \$ - | \$ - | \$ - | \$ 35,262,339 |
| Income taxes | 25,429,319 | - | - | - | - | 25,429,319 |
| Other local taxes | 2,963,476 | 4,023,284 | - | - | 565,583 | 7,552,343 |
| Licenses and permits | 611,328 | - | - | - | - | 611,328 |
| Intergovernmental: | | | | | | |
| Federal | 914,128 | - | 271,887 | 753,904 | 2,106,448 | 4,046,367 |
| State | 8,153,170 | 491,339 | 329,499 | - | 987,949 | 9,961,957 |
| Other | 324,408 | - | - | - | 30,300 | 354,708 |
| Service charges | 2,426,051 | - | - | 73,803 | 375,937 | 2,875,791 |
| Fines and forfeitures | 31,237 | - | - | - | 67,226 | 98,463 |
| Interest | 315,652 | - | 28,864 | 6,056 | 90,255 | 440,827 |
| Miscellaneous | 416,878 | 980 | 2,823,172 | - | 228,960 | 3,469,990 |
| Total Revenues | <u>76,847,986</u> | <u>4,515,603</u> | <u>3,453,422</u> | <u>833,763</u> | <u>4,452,658</u> | <u>90,103,432</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 8,379,181 | - | - | - | 128,783 | 8,507,964 |
| Public safety | 14,074,904 | - | - | - | 1,102,715 | 15,177,619 |
| Public works | 2,427,576 | 7,569,450 | - | - | 1,601,756 | 11,598,782 |
| Health and Hospitals | 477,204 | - | - | - | - | 477,204 |
| Social Services | 1,825,634 | - | - | - | - | 1,825,634 |
| Education | 28,261 | - | - | - | - | 28,261 |
| Recreation, culture and libraries | 818,848 | - | - | - | - | 818,848 |
| Conservation of natural resources | 505,126 | - | - | - | - | 505,126 |
| Community Development and Housing | 131,479 | - | - | - | 1,855,614 | 1,987,093 |
| Economic development | 1,446,164 | - | 3,602,041 | - | - | 5,048,205 |
| Miscellaneous | 24,405 | - | - | - | 3,350 | 27,755 |
| Appropriation to other governments | 1,245,011 | - | - | - | - | 1,245,011 |
| Payments to component units | 37,130,334 | - | - | - | - | 37,130,334 |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | 4,728,665 | 4,728,665 |
| Interest | - | - | - | - | 1,830,204 | 1,830,204 |
| Capital Outlay: | | | | | | |
| General government | - | - | - | - | 413,596 | 413,596 |
| Public safety | - | - | - | 698,737 | 840,413 | 1,539,150 |
| Public works | - | - | - | 401,571 | 540,051 | 941,622 |
| Education | - | - | - | - | 289,505 | 289,505 |
| Recreation, culture and libraries | - | - | - | - | 73,068 | 73,068 |
| Economic development | - | - | - | 38 | - | 38 |
| Miscellaneous | - | - | - | - | 13,581 | 13,581 |
| Payments to component units | - | - | - | 314,001 | 119,693 | 433,694 |
| Total Expenditures | <u>68,514,127</u> | <u>7,569,450</u> | <u>3,602,041</u> | <u>1,414,347</u> | <u>13,540,994</u> | <u>94,640,959</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>8,333,859</u> | <u>(3,053,847)</u> | <u>(148,619)</u> | <u>(580,584)</u> | <u>(9,088,336)</u> | <u>(4,537,527)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | 1,120,832 | 2,857,652 | - | 773,987 | 8,932,339 | 13,684,810 |
| Transfers out | (9,504,796) | - | (1,616,585) | (8,360) | (2,643,700) | (13,773,441) |
| Debt issued | - | - | - | - | 4,600,000 | 4,600,000 |
| Capital leases | - | - | - | - | 63,719 | 63,719 |
| Sale of capital assets | 29,676 | - | 73,162 | - | - | 102,838 |
| Total Other Financing Sources and uses | <u>(8,354,288)</u> | <u>2,857,652</u> | <u>(1,543,423)</u> | <u>765,627</u> | <u>10,952,358</u> | <u>4,677,926</u> |
| Net change in fund balances | <u>(20,429)</u> | <u>(196,195)</u> | <u>(1,692,042)</u> | <u>185,043</u> | <u>1,864,022</u> | <u>140,399</u> |
| Fund balance, beginning | <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> |
| Fund balance, ending | <u>\$ 15,779,273</u> | <u>\$ (69,854)</u> | <u>\$ 4,839,641</u> | <u>\$ 33,788</u> | <u>\$ 7,828,396</u> | <u>\$ 28,411,244</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, 2009

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) \$ 140,399

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 | \$ 6,440,643 |
| Depreciation | <u>(3,632,570)</u> |
| | 2,808,073 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. 785,446

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 699,069

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 | \$ (4,600,000) |
| Lease proceeds | (63,719) |
| Effect of bond issuance costs | 38,306 |
| Payment of principal | <u>4,728,665</u> |
| | 103,252 |

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. (2,796)

Change in net assets of governmental activities (pages C6-C7) \$ 4,533,443

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, 2009

| ASSETS | Allegany County Water Districts | Allegany County Sanitary Districts | Allegany County Nursing Home | Other Enterprise Funds | Total |
|--|--|---|---|---------------------------------------|----------------------|
| Current Assets: | | | | | |
| Cash: | | | | | |
| Cash | \$ - | \$ 585,277 | \$ 11,901 | \$ - | \$ 597,178 |
| Cash - restricted | - | 87,722 | - | - | 87,722 |
| Investments | 199,345 | 541,983 | - | - | 741,328 |
| Receivables: | | | | | |
| Accounts (net) | 672,927 | 1,003,243 | 1,323,601 | 128,091 | 3,127,862 |
| Taxes - restricted | - | 101,173 | - | - | 101,173 |
| Accounts (net) - restricted | - | 83,031 | - | - | 83,031 |
| Other | 362 | 3,228,343 | 91,361 | 47,828 | 3,367,894 |
| Due from other funds | - | 5,473,196 | - | 694,412 | 6,167,608 |
| Prepaid expenses | - | - | - | - | - |
| Inventory | - | 65,225 | 22,433 | - | 87,658 |
| Total current assets | <u>872,634</u> | <u>11,169,193</u> | <u>1,449,296</u> | <u>870,331</u> | <u>14,361,454</u> |
| Non-current Assets: | | | | | |
| Advances to other funds | - | - | - | 433,238 | 433,238 |
| Land | 12,320 | 67,282 | - | - | 79,602 |
| Construction in Progress | 2,587,125 | 23,410,017 | - | - | 25,997,142 |
| Capital assets subject to depreciation | 28,982,232 | 81,256,015 | 6,130,285 | 3,580,889 | 119,949,421 |
| Accumulated depreciation | <u>(8,162,798)</u> | <u>(33,620,589)</u> | <u>(4,046,107)</u> | <u>(1,815,536)</u> | <u>(47,645,030)</u> |
| Total noncurrent assets | <u>23,418,879</u> | <u>71,112,725</u> | <u>2,084,178</u> | <u>2,198,591</u> | <u>98,814,373</u> |
| Total Assets | <u>24,291,513</u> | <u>82,281,918</u> | <u>3,533,474</u> | <u>3,068,922</u> | <u>113,175,827</u> |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 283,581 | 4,264,942 | 369,485 | 336 | 4,918,344 |
| Accrued payroll | - | 36,977 | 162,965 | - | 199,942 |
| Accrued payroll fringe | - | 14,387 | 24,713 | - | 39,100 |
| Accrued interest | 21,733 | 80,519 | 3,638 | - | 105,890 |
| Current portion of long-term debt | | | | | |
| Revenue debt: | | | | | |
| Bonds and loans | 72,906 | 872,921 | 29,320 | - | 975,147 |
| Advances from other funds | 32,099 | 366 | - | - | 32,465 |
| Compensated absences | - | 40,457 | 548,565 | - | 589,022 |
| Due to other funds | 336,946 | 7,661,740 | - | 45,065 | 8,043,751 |
| Accrued health claims | - | 23,351 | 91,361 | - | 114,712 |
| Miscellaneous liabilities | - | 132,669 | - | - | 132,669 |
| Total current liabilities | <u>747,265</u> | <u>13,128,329</u> | <u>1,230,047</u> | <u>45,401</u> | <u>15,151,042</u> |
| Noncurrent Liabilities: | | | | | |
| Cash advance due to General Fund | 400,000 | 400,000 | 3,116,618 | - | 3,916,618 |
| Long term debt: | | | | | |
| Revenue debt: | | | | | |
| Bonds and loans | 4,306,870 | 15,719,652 | 392,265 | - | 20,418,787 |
| Advance from other funds | 382,320 | 18,453 | - | - | 400,773 |
| Compensated absences | - | 264,577 | - | - | 264,577 |
| Total noncurrent liabilities | <u>5,089,190</u> | <u>16,402,682</u> | <u>3,508,883</u> | <u>-</u> | <u>25,000,755</u> |
| Total Liabilities | <u>5,836,455</u> | <u>29,531,011</u> | <u>4,738,930</u> | <u>45,401</u> | <u>40,151,797</u> |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | 18,624,684 | 54,501,333 | 1,662,593 | 1,765,353 | 76,553,963 |
| Restricted for debt service | - | 184,204 | - | - | 184,204 |
| Unrestricted | <u>(169,626)</u> | <u>(1,934,630)</u> | <u>(2,868,049)</u> | <u>1,258,168</u> | <u>(3,714,137)</u> |
| Total Net Assets | <u>\$ 18,455,058</u> | <u>\$ 52,750,907</u> | <u>\$ (1,205,456)</u> | <u>\$ 3,023,521</u> | <u>\$ 73,024,030</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, 2009

| | Allegany County Water Districts | Allegany County Sanitary Districts | Allegany County Nursing Home | Other Enterprise Funds | Total |
|---|--|---|---------------------------------------|------------------------------|----------------------|
| OPERATING REVENUES: | | | | | |
| Service charges | \$ 2,808,223 | \$ 4,802,190 | \$ - | \$ 21,481 | \$ 7,631,894 |
| Patient fees | - | - | 10,839,903 | - | 10,839,903 |
| Miscellaneous | 945 | 33,329 | 60,529 | 40,537 | 135,340 |
| Total Operating Revenues | 2,809,168 | 4,835,519 | 10,900,432 | 62,018 | 18,607,137 |
| OPERATING EXPENSES: | | | | | |
| Salaries | 241,614 | 862,340 | 4,699,289 | - | 5,803,243 |
| Employee benefits | 124,632 | 454,186 | 2,562,772 | - | 3,141,590 |
| Office expenses | 6,946 | 99,785 | 172,422 | 4,998 | 284,151 |
| Utilities | 1,634,804 | 568,085 | 258,731 | 5,446 | 2,467,066 |
| Repairs & maintenance | 203,650 | 311,453 | 99,355 | 18,485 | 632,943 |
| Contractual services | - | 32,247 | 17,841 | - | 50,088 |
| Treatment costs | - | 1,850,620 | - | - | 1,850,620 |
| Professional services | 18,757 | 39,330 | 1,204,875 | 6,107 | 1,269,069 |
| Materials and supplies | 56,932 | 456,751 | 1,072,402 | - | 1,586,085 |
| Insurance | 316 | 109,000 | 145,068 | 14,680 | 269,064 |
| Indirect cost | 107,746 | 293,732 | 267,708 | - | 669,186 |
| Miscellaneous | 192 | 12,371 | 296,411 | 315 | 309,289 |
| Depreciation | 665,764 | 1,847,120 | 215,061 | 547,325 | 3,275,270 |
| Total operating expenses | 3,061,353 | 6,937,020 | 11,011,935 | 597,356 | 21,607,664 |
| Operating Income (Loss) | (252,185) | (2,101,501) | (111,503) | (535,338) | (3,000,527) |
| NON-OPERATING REVENUE (EXPENSES): | | | | | |
| Real and personal property taxes | - | 890,494 | - | - | 890,494 |
| Interest & penalties on taxes | - | 25,709 | - | - | 25,709 |
| Discounts on taxes | - | (4,508) | - | - | (4,508) |
| Enterprise/industrial exemptions | - | 20 | - | - | 20 |
| Collection fees | - | (20,352) | - | - | (20,352) |
| Front footage assessments | - | 102,532 | - | - | 102,532 |
| Interest income | 57,629 | 118,966 | 94 | 2,482 | 179,171 |
| Interest income, debt service | - | 7,963 | - | - | 7,963 |
| Interest expense | (211,276) | (283,759) | (22,475) | - | (517,510) |
| Loss on sale of capital assets | - | - | - | - | - |
| Total non-operating revenue (expenses) | (153,647) | 837,065 | (22,381) | 2,482 | 663,519 |
| Income (Loss) before contributions and transfers | (405,832) | (1,264,436) | (133,884) | (532,856) | (2,337,008) |
| Capital contributions: | | | | | |
| Federal grants | 1,128,525 | 50,000 | - | - | 1,178,525 |
| State grants | 518,611 | 9,160,716 | - | - | 9,679,327 |
| Other | - | 14,736 | - | - | 14,736 |
| Transfers: | | | | | |
| Transfers in | 31,468 | 108,278 | - | - | 139,746 |
| Transfers out | - | - | - | (51,115) | (51,115) |
| Change in net assets | 1,272,772 | 8,069,294 | (133,884) | (583,971) | 8,624,211 |
| Total net assets - beginning | 17,182,286 | 44,681,613 | (1,071,572) | 3,607,492 | 64,399,819 |
| Total net assets - ending | \$ 18,455,058 | \$ 52,750,907 | \$ (1,205,456) | \$ 3,023,521 | \$ 73,024,030 |

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, 2009

| | 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 | \$ 2,727,117 | \$ 4,755,592 | \$ 10,752,153 | \$ 76,587 | \$ 18,311,449 |
| Cash payments for goods and services | (1,872,360) | (4,025,820) | (3,475,733) | (55,007) | (9,428,920) |
| Cash payments to employees for services | (366,248) | (1,369,980) | (7,063,939) | - | (8,800,167) |
| Other operating revenues | 945 | 30,712 | 60,528 | - | 92,185 |
| Net cash provided (used) by operating activities | 489,454 | (609,496) | 273,009 | 21,580 | 174,547 |
| Cash flows from noncapital financing activities: | | | | | |
| Advances from other funds | 4,041,976 | 55,779,100 | 10,928,637 | 104,474 | 70,854,187 |
| Advances to other funds | (3,291,951) | (55,853,705) | (11,119,328) | (68,421) | (70,333,405) |
| Transfers from other funds | 31,468 | 108,278 | - | - | 139,746 |
| Transfers to other funds | - | - | - | (51,115) | (51,115) |
| Net cash provided (used) by noncapital financing activities | 781,493 | 33,673 | (190,691) | (15,062) | 609,413 |
| Cash flows from capital and related financing activities: | | | | | |
| Proceeds from new debt | - | 4,466,216 | - | - | 4,466,216 |
| Acquisition and construction of capital assets | (2,658,327) | (13,222,358) | (22,488) | (9,000) | (15,912,173) |
| Principal paid on capital debt | (100,967) | (727,580) | (27,863) | - | (856,410) |
| Interest paid on capital debt | (211,647) | (270,818) | (22,765) | - | (505,230) |
| Proceeds from sale of assets | - | - | 1,405 | - | 1,405 |
| Grant revenues | 1,647,137 | 9,101,976 | - | - | 10,749,113 |
| Debt fees | - | 993,305 | - | - | 993,305 |
| Net cash used for capital and related financing activities | (1,323,804) | 340,741 | (71,711) | (9,000) | (1,063,774) |
| Cash flows from investing activities: | | | | | |
| Purchase of investments | (395,960) | (2,562,112) | - | - | (2,958,072) |
| Sale of investments | 390,748 | 2,553,969 | - | - | 2,944,717 |
| Interest on investments | 58,069 | 120,976 | 94 | 2,482 | 181,621 |
| Net cash used in investing activities | 52,857 | 112,833 | 94 | 2,482 | 168,266 |
| Net increase (decrease) in cash | - | (122,249) | 10,701 | - | (111,548) |
| Cash at beginning of the year | - | 795,248 | 1,200 | - | 796,448 |
| Cash at end of year | \$ - | \$ 672,999 | \$ 11,901 | \$ - | \$ 684,900 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | |
| Operating income (loss) | \$ (252,185) | \$ (2,101,501) | \$ (111,503) | \$ (535,338) | \$ (3,000,527) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation | 665,764 | 1,847,120 | 215,061 | 547,325 | 3,275,270 |
| Provision for uncollectible accounts | (3,616) | 31,382 | 297,433 | - | 325,199 |
| Change in assets & liabilities: | | | | | |
| (Increase) decrease in receivables | (77,487) | (80,595) | (385,183) | 14,570 | (528,695) |
| (Increase) decrease in inventory | - | 43,212 | 4,769 | - | 47,981 |
| (Increase) decrease in prepaids | - | - | 24,146 | - | 24,146 |
| Increase (decrease) in acc'ts payable | 156,978 | (295,660) | 31,164 | (4,977) | (112,495) |
| Increase (decrease) in accrued payroll | - | (53,454) | 197,122 | - | 143,668 |
| Total adjustments | 741,639 | 1,492,005 | 384,512 | 556,918 | 3,175,074 |
| Net cash provided (used) by operating activities | \$ 489,454 | \$ (609,496) | \$ 273,009 | \$ 21,580 | \$ 174,547 |

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, 2009

| ASSETS: | Agency Fund |
|---------------------------------|--------------------------|
| Taxes levied for State: | |
| Taxes receivable - State | \$ 345,380 |
| Bay restoration fee | 262,299 |
| Other receivables | (7) |
| Taxes levied for Special Areas: | |
| Lonaconing, Town of | \$ 12,353 |
| Midland, Town of | 3,859 |
| Westernport, Town of | 45,526 |
| Cumberland differential | 1,933 |
| Bel Air Special Tax Area | 2,138 |
| Bowling Green Fire Co. | 3,227 |
| Bedford Road Fire Co. | 5,612 |
| Bowling Green Special Tax Area | 2,786 |
| Cresaptown Ambulance | 10,384 |
| Cresaptown Civic Imp. Assoc. | 2,267 |
| Cresaptown Fire Co. | 12,183 |
| Corriganville Light & Imp. | 1,982 |
| Ellerslie Special Tax Area | 873 |
| LaVale Volunteer Fire Dept. | 9,879 |
| LaVale Rescue Squad | 5,014 |
| LaVale Sanitary District | 36,001 |
| McCoole Special Tax Area | 719 |
| Moscow Light | 670 |
| Mt. Savage Special Tax Area | 1,084 |
| Potomac Park Special Tax Area | 1,626 |
| Rawlings Fire Co. | <u>3,411</u> |
| Sub-total special areas | 163,527 |
| Due from other funds | <u>160,725</u> |
| Total Assets | <u><u>\$ 931,924</u></u> |
| LIABILITIES: | |
| Accounts payable | \$ 160,718 |
| A/P Special Areas | 163,527 |
| Taxes payable - State | 345,380 |
| A/P Bay restoration fee | 262,299 |
| Total Liabilities | <u><u>\$ 931,924</u></u> |

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

**Notes
to the
Financial Statements**

June 30, 2009

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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 it 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, 2009

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, 2009

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 except for transit operations which uses a 120 day accrual period. 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, 2009

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, 2009

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, 2009

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, 2009

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 2009 are as follows:

| | <u>Real</u> | <u>Personal Property</u> |
|----------------|-------------|--------------------------|
| Unincorporated | .9829 | 2.4573 |
| Barton | .9552 | 2.3880 |
| Cumberland | .9074 | 2.2685 |
| Frostburg | .9107 | 2.2768 |
| Lonaconing | .9336 | 2.3340 |
| Luke | .9304 | 2.3260 |
| Midland | .9552 | 2.3880 |
| Westernport | .9336 | 2.3340 |

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, 2009

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, 2009

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, 2009, compensated absence liabilities for Allegany County are summarized as follows:

| | Current Portion | Long-term Portion | Total Liability |
|-------------------------------|---------------------------|---------------------------|---------------------------|
| Total Governmental Fund Types | \$ 1,065,378 | \$ 3,348,662 | \$ 4,414,040 |
| Sanitary Districts | 40,457 | 264,577 | 305,034 |
| Nursing Home | 548,565 | - | 548,565 |
| | <hr/> <u>\$ 1,654,400</u> | <hr/> <u>\$ 3,613,239</u> | <hr/> <u>\$ 5,267,639</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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. All debt acquired after July 1, 2003 has been private placement debt and as a result has not resulted in any 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, 2009

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 \$44,906,019 are as follows:

| | |
|---|---------------------|
| Bonds payable | \$25,787,011 |
| Notes payable | 9,815,243 |
| State loans | 4,630,302 |
| Capital leases | 259,423 |
| Compensated absences | <u>4,414,040</u> |
| Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$44,906,019</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 \$2,808,073 difference are as follows:

| | |
|---|--------------------|
| Capital outlay | \$6,440,643 |
| Depreciation expense | <u>(3,632,570)</u> |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities. | <u>\$2,808,073</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 \$785,446 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>785,446</u> |
| 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>\$785,446</u> |

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 \$103,252 difference are as follows:

| | |
|---|------------------|
| Debt issued or incurred: | |
| Debt proceeds | (\$4,600,000) |
| Leases | (63,719) |
| Bond issue costs, net of amortization | 38,306 |
| Principal repayments: | |
| General obligation debt | 4,635,925 |
| Lease payments | <u>92,740</u> |
| Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$103,252</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 \$(2,796) difference are as follows:

| | |
|--|------------------|
| Compensated absences | (\$22,312) |
| Accrued interest adjustment, net | <u>19,516</u> |
| Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities. | <u>(\$2,796)</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 2009 were increased by \$890,346; the majority of the increase was due to increases in funding for public safety of \$447,000 and conservation of natural resources for \$244,000 in the General Fund. The public safety increase was funded by using unexpended fund balance and the increase in conservation of natural resources was funded entirely by a Federal soil conservation grant.
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, 2009

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, 2009, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

| Fund | Excess |
|--|---------|
| Highway Fund | \$6,383 |
| Community Development Block Grant Fund | 343,414 |
| Drug Task Force Fund | 48,051 |

- The expenditures over budget in the Highway 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.

C. Deficit Fund Equity

At June 30, 2009 the following governmental fund had a deficit fund balance.

| Fund | Deficit |
|--------------|----------|
| Highway Fund | \$69,854 |

The deficit will be funded by future grant proceeds received after the accrual period for governmental funds.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2009, the County had the following investments and maturities:

| Investment Type | Fair Value | Investment Maturity in Months | | | Greater than 12 |
|-------------------------|--------------|-------------------------------|--------------|--------------|-----------------|
| | | Less Than 1 | 1-6 | 6-12 | |
| Certificates of Deposit | \$ 8,269,349 | \$ 866,306 | \$ 5,626,718 | \$ 1,776,325 | \$ - |

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, 2009

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, not including it's component units, deposits was \$12,690,675 and the bank balances were \$14,119,543. Of the bank balances, \$13,935,634 was covered by depository insurance; \$183,909 was covered by collateral held at various banks in the Board's name.

Investments - As of June 30, 2009, the Board of Education had the following investments and maturities:

| Investment Type | Investment Maturity (in months) | | | | |
|-------------------------|---------------------------------|------------------|----------------------|---------------------|------------------|
| | Less than | | 6-12 | | More than |
| | Total | 1 | 1-6 | 6-12 | 12 |
| Certificates of Deposit | \$ 24,848,436 | \$ 31,854 | \$ 20,554,719 | \$ 4,241,863 | \$ 20,000 |
| | <u>\$ 24,848,436</u> | <u>\$ 31,854</u> | <u>\$ 20,554,719</u> | <u>\$ 4,241,863</u> | <u>\$ 20,000</u> |

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2009, the carrying amount of the Library's deposits was \$69,124.

Custodial credit risk for deposits is the risk that in the event of a bank failure the Library's deposits may not be returned or 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, 2009 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2009, the Library had the following investments and maturities:

| Investment Type | Investment Maturity | | | | |
|--|---------------------|----------------------|------------------------|-------------------|------------------|
| | Total | Less than 90 Days | 90 Days to One Year | Over One Year | Credit Rating |
| U.S. Treasury Bonds | \$ 18,612 | \$ - | \$ 18,612 | \$ - | N/A |
| Other Federal Government Obligations | 346,808 | - | - | 346,808 | N/A |
| Investment in MD Local Government Fund Pool | 639,476 | 639,476 | - | - | N/A |
| | <u>\$ 1,004,896</u> | <u>\$ 639,476</u> | <u>\$ 18,612</u> | <u>\$ 346,808</u> | |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 \$2,438,045. 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, 2009

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 Allegany College's, not including its component units, cash deposits was \$408,462. 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 To One Year |
|-----------------------------|---------------------|---------------------|---|------------------------|
| | | 90 Days | - | |
| Certificates of deposit | \$ 202,155 | \$ - | | \$ 202,155 |
| Repurchase agreements of | | | | - |
| U.S. Government obligations | 412,037 | 412,037 | | - |
| Maryland Local Government | | | | - |
| Investment Pool | 5,867,969 | 5,867,969 | | - |
| | <u>\$ 6,482,161</u> | <u>\$ 6,280,006</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, 2009 was \$3,372,649 (before an allowance of \$170,000) of which \$2,197,376 were current year's taxes receivable and the balance of \$1,175,273 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 | \$ 5,711 | \$ - | \$ 44 | \$ - | \$ 9,389 | \$ 15,144 |
| Income taxes | 3,657,831 | - | - | - | - | 3,657,831 |
| Other taxes | 268,798 | 646,579 | - | - | 16,033 | 931,410 |
| Current: | | | | | | |
| Accrued revenues | 2,302,010 | 245 | 188,300 | 466,369 | 781,567 | 3,738,491 |
| Loans, notes | - | - | 4,111 | - | - | 4,111 |
| Leases, capital | - | - | 203,049 | - | - | 203,049 |
| Long-term: | | | | | | |
| Accrued revenues | 223,696 | - | - | - | 26,754 | 250,450 |
| Loans, notes | - | - | 24,727 | - | 514,074 | 538,801 |
| Leases, capital | - | - | 708,210 | - | - | 708,210 |
| Total receivables | \$ 6,458,046 | \$ 646,824 | \$ 1,128,441 | \$ 466,369 | \$ 1,347,817 | \$ 10,047,497 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 | \$ 362 | \$ 1,721 | \$ - | \$ - | \$ 2,083 |
| Accounts, other | - | 3,226,622 | 91,361 | 47,828 | 3,365,811 |
| Accounts, trade | 742,871 | 1,225,560 | 2,073,601 | - | 4,042,032 |
| Less allowance | (69,944) | (222,317) | (750,000) | - | (1,042,261) |
| Net accounts, trade | 672,927 | 1,003,243 | 1,323,601 | - | 2,999,771 |
| Accounts, restricted | - | 193,299 | - | - | 193,299 |
| Less allowance | - | (9,095) | - | - | (9,095) |
| Net accounts, restricted | - | 184,204 | - | - | 184,204 |
| Loans | - | - | - | 478,091 | 478,091 |
| Less allowance | - | - | - | (350,000) | (350,000) |
| Net loans | - | - | - | 128,091 | 128,091 |
| Total receivables | \$ 673,289 | \$ 4,415,790 | \$ 1,414,962 | \$ 175,919 | \$ 6,679,960 |

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 |
|-------------|-------------------|-------------------|---------------------|----------------------|
| | Principal | Interest | Total | Minimum Payments |
| 2010 | \$ 203,049 | \$ 55,384 | \$ 258,433 | \$ 2,709,168 |
| 2011 | 146,853 | 42,837 | 189,690 | 2,733,032 |
| 2012 | 112,791 | 34,700 | 147,491 | 2,725,269 |
| 2013 | 120,705 | 26,787 | 147,492 | 2,566,172 |
| 2014 | 129,173 | 18,318 | 147,491 | 2,513,166 |
| 2015- | 198,687 | 10,287 | 208,974 | 7,808,174 |
| Totals | <u>\$ 911,258</u> | <u>\$ 188,313</u> | <u>\$ 1,099,571</u> | <u>\$ 21,054,981</u> |

The net book value of buildings with operating leases at June 30, 2009 is \$7,136,339.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 | \$ 3,047,820 |
| Long term housing loans receivable | 514,074 |
| Grants/revenues received prior to meeting eligibility requirements: | |
| General Fund | 1,000 |
| Community Development Block Grant Fund | 4,264 |
| Community Development & Housing Fund | 94,727 |
| | <u><u>\$ 3,661,885</u></u> |

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2009:

| Entity | Source of funds | Balance June 30, 2009 |
|--|----------------------|-----------------------|
| County Loan Fund loans: | | |
| Western Maryland Scenic Railroad | Gen Fund/PIB of 1988 | \$ 250,000 |
| YMCA | General Fund | 100,000 |
| Paving project | General Fund | 34,978 |
| Upper Potomac Industrial Park flood wall loans | General Fund | 27,468 |
| County loans | | 17,093 |
| Allowance for doubtful accounts | | <u>(350,000)</u> |
| Sub-total | | <u>\$ 79,539</u> |
| Allconet III Fund loans: | | |
| TWR loan | General Fund | 48,552 |
| Total | | \$ 128,091 |

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, 2009

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2009 for the primary government was as follows:

| Primary Government: Governmental activities: | Beginning Balance | Increases | Decreases | Transfers In (Out) | Ending Balance |
|--|----------------------|---------------------|-------------------|-----------------------|---------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$20,594,558 | \$ 324,146 | \$ - | \$ - | \$20,918,704 |
| Work in Progress | 7,908,401 | 4,574,660 | - | (3,537,950) | 8,945,111 |
| Total capital assets not being depreciated: | <u>28,502,959</u> | <u>4,898,806</u> | <u>-</u> | <u>(3,537,950)</u> | <u>29,863,815</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 48,658,452 | 287,426 | - | 686,953 | 49,632,831 |
| Infrastructure | 43,979,233 | - | - | 2,312,797 | 46,292,030 |
| Furniture & Fixtures | 728,264 | 3,393 | - | - | 731,657 |
| Equipment | 6,471,845 | 1,066,888 | - | 538,200 | 8,076,933 |
| Vehicles | 8,076,308 | 882,109 | (38,475) | - | 8,919,942 |
| Heavy Equipment | 3,743,048 | 81,767 | (49,600) | - | 3,775,215 |
| Other Capital Assets | 917,423 | 7,200 | - | - | 924,623 |
| Total capital assets, being depreciated: | <u>112,574,573</u> | <u>2,328,783</u> | <u>(88,075)</u> | <u>3,537,950</u> | <u>118,353,231</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (13,062,210) | (1,638,180) | - | - | (14,700,390) |
| Infrastructure | (26,467,355) | (652,581) | - | - | (27,119,936) |
| Furniture & Fixtures | (518,999) | (31,351) | - | - | (550,350) |
| Equipment | (3,998,380) | (534,648) | - | - | (4,533,028) |
| Vehicles | (5,995,710) | (583,449) | 36,975 | - | (6,542,184) |
| Heavy Equipment | (2,919,517) | (169,456) | 49,600 | - | (3,039,373) |
| Other Capital Assets | (450,155) | (22,905) | - | - | (473,060) |
| Total accumulated depreciation | <u>(53,412,326)</u> | <u>(3,632,570)</u> | <u>86,575</u> | <u>-</u> | <u>(56,958,321)</u> |
| Total capital assets, being depreciated, net: | <u>59,162,247</u> | <u>(1,303,787)</u> | <u>(1,500)</u> | <u>3,537,950</u> | <u>61,394,910</u> |
| Governmental activities capital assets, net | <u>\$87,665,206</u> | <u>\$ 3,595,019</u> | <u>\$ (1,500)</u> | <u>\$ -</u> | <u>\$91,258,725</u> |

| Primary Government: Business-type activities: | Beginning Balance | Increases | Decreases | Transfers In (Out) | Ending Balance |
|---|----------------------|---------------------|-------------------|-----------------------|---------------------|
| Capital assets, not being depreciated: | | | | | |
| Land | \$79,602 | \$ - | \$ - | \$ - | \$ 79,602 |
| Work in Progress | 7,304,253 | 18,837,851 | - | (144,962) | 25,997,142 |
| Total capital assets not being depreciated: | <u>7,383,855</u> | <u>18,837,851</u> | <u>-</u> | <u>(144,962)</u> | <u>26,076,744</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings | 3,690,509 | 11,452 | - | - | 3,701,961 |
| Infrastructure | 104,302,609 | 15,869 | - | 1,674 | 104,320,152 |
| Furniture & Fixtures | 1,590,383 | 14,894 | (1,405) | - | 1,603,872 |
| Equipment | 5,669,053 | 169,023 | - | - | 5,838,076 |
| Vehicles | 957,184 | 70,428 | (26,402) | 26,802 | 1,028,012 |
| Heavy Equipment | 411,710 | 76,365 | - | 116,486 | 604,561 |
| Other Capital Assets | 2,852,787 | - | - | - | 2,852,787 |
| Total capital assets, being depreciated: | <u>119,474,235</u> | <u>358,031</u> | <u>(27,807)</u> | <u>144,962</u> | <u>119,949,421</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (1,997,252) | (102,604) | (2) | - | (2,099,858) |
| Infrastructure | (36,660,601) | (2,160,190) | - | - | (38,820,791) |
| Furniture & Fixtures | (1,091,997) | (80,173) | - | - | (1,172,170) |
| Equipment | (2,884,371) | (662,554) | (1) | - | (3,546,926) |
| Vehicles | (583,601) | (103,934) | 26,402 | - | (661,133) |
| Heavy Equipment | (282,791) | (37,910) | - | - | (320,701) |
| Other Capital Assets | (895,546) | (127,905) | - | - | (1,023,451) |
| Total accumulated depreciation | <u>(44,396,159)</u> | <u>(3,275,270)</u> | <u>26,399</u> | <u>-</u> | <u>(47,645,030)</u> |
| Total capital assets, being depreciated, net: | <u>75,078,076</u> | <u>(2,917,239)</u> | <u>(1,408)</u> | <u>144,962</u> | <u>72,304,391</u> |
| Business-type activities capital assets, net | <u>\$82,461,931</u> | <u>\$15,920,612</u> | <u>\$ (1,408)</u> | <u>\$ -</u> | <u>\$98,381,135</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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, 2009 as follows:

| <u>Governmental activities:</u> | |
|--|----------------------------|
| General government | \$ 526,185 |
| Public safety | 1,108,783 |
| Public works | 1,004,342 |
| Health | 218,440 |
| Social services | 92,527 |
| Recreation, culture and libraries | 164,607 |
| Natural resources | 420 |
| Community development and housing | 18,494 |
| Economic development | 498,772 |
| Total depreciation expense - governmental activities | <u><u>\$ 3,632,570</u></u> |

| <u>Business type activities:</u> | |
|--|----------------------------|
| Water districts | \$ 665,764 |
| Sewer districts | 1,847,120 |
| Nursing Home | 215,061 |
| Allconet II | 547,325 |
| Total depreciation expense - governmental activities | <u><u>\$ 3,275,270</u></u> |

Construction Commitments

The County has active construction projects as of June 30, 2009. 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:

| Project | Spent-to-date | Remaining Commitment |
|-------------------------------------|------------------------------------|------------------------------------|
| Cresaptown/Bowling Green I&I Design | \$ 2,183,454 | \$ 327,407 |
| Georges Creek WWTP Upgrade | 15,660,422 | 8,823,578 |
| Barton Business Park WWTP Upgrade | 9,450 | 229,030 |
| Courthouse roof | 353,192 | 7,208 |
| Dry Run streambank stabilization | 259,017 | 13,691 |
| Opessa Street bridge | 56,862 | 141,088 |
| Continuity of operations | 69,067 | 474,933 |
| Continuity of operations | 244,535 | 42,870 |
| Continuity of operations | 38,467 | 161,033 |
| Bowman's Addition water project | 2,276,957 | 519,325 |
| Totals | <u><u>\$ 21,151,423</u></u> | <u><u>\$ 10,740,163</u></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 2009, \$786,946 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, 2009

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, 2009 (not including component units), was as follows:

| Board of Education | Beginning Balance | Increases | Decreases | Ending Balance |
|---|--------------------------|---------------------|-----------------------|-----------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 4,002,794 | \$ - | \$ - | \$ 4,002,794 |
| Work in process | 3,031,191 | 1,075,343 | (2,780,264) | 1,326,270 |
| Total capital assets not being depreciated: | <u>7,033,985</u> | <u>1,075,343</u> | <u>(2,780,264)</u> | <u>5,329,064</u> |
| Capital assets, being depreciated: | | | | |
| Land Improvements | 2,605,798 | 3,799,453 | - | 6,405,251 |
| Buildings & Improvements | 138,255,266 | 2,519,315 | - | 140,774,581 |
| Furniture, Equipment & Vehicles | 10,955,319 | 2,846,047 | (545,543) | 13,255,823 |
| Total capital assets, being depreciated: | <u>151,816,383</u> | <u>9,164,815</u> | <u>(545,543)</u> | <u>160,435,655</u> |
| Less accumulated depreciation for: | | | | |
| Land Improvements | (155,454) | (252,239) | - | (407,693) |
| Buildings & Improvements | (63,416,068) | (3,810,220) | - | (67,226,288) |
| Furniture, Equipment & Vehicles | (5,322,858) | (1,219,133) | 510,104 | (6,031,887) |
| Total accumulated depreciation | <u>(68,894,380)</u> | <u>(5,281,592)</u> | <u>510,104</u> | <u>(73,665,868)</u> |
| Total capital assets, being depreciated, net: | <u>82,922,003</u> | <u>3,883,223</u> | <u>(35,439)</u> | <u>86,769,787</u> |
| Governmental activities capital assets, net | <u>\$89,955,988</u> | <u>\$ 4,958,566</u> | <u>\$ (2,815,703)</u> | <u>92,098,851</u> |

| Board of Education | Beginning Balance | Increases | Decreases | Ending Balance |
|---|--------------------------|------------------|------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Work in process | \$ - | \$ 58,051 | \$ - | \$ 58,051 |
| Capital assets, being depreciated: | | | | |
| Furniture, Equipment & Vehicles | 615,053 | 38,813 | - | 653,866 |
| Less accumulated depreciation | (428,348) | (50,307) | - | (478,655) |
| Total capital assets, being depreciated, net: | <u>186,705</u> | <u>(11,494)</u> | <u>-</u> | <u>175,211</u> |
| Business-type activities capital assets, net | <u>\$ 186,705</u> | <u>\$ 46,557</u> | <u>\$ -</u> | <u>\$ 233,262</u> |

Capital asset activity for the Library of Allegany County for the year ended June 30, 2009 was as follows:

| Library | Beginning Balance | Increases | Decreases | Ending Balance |
|---|--------------------------|-------------------|---------------------|-----------------------|
| Governmental activities: | | | | |
| Non-depreciable assets: | | | | |
| Construction in Progress | <u>\$ 118,174</u> | <u>\$ -</u> | <u>\$ (118,174)</u> | <u>\$ -</u> |
| Capital assets, being depreciated: | | | | |
| Buildings & Improvements | \$ 3,445,386 | \$ 142,119 | \$ - | \$ 3,587,505 |
| Furniture & Equipment | 642,952 | 107,578 | (7,224) | 743,306 |
| Vehicles/Bookmobile | 157,741 | - | - | 157,741 |
| Library Books | 3,975,353 | 229,299 | (349,958) | 3,854,694 |
| Total capital assets, being depreciated: | <u>8,221,432</u> | <u>478,996</u> | <u>(357,182)</u> | <u>8,343,246</u> |
| Less accumulated depreciation for: | | | | |
| Buildings & Improvements | (986,326) | (71,040) | - | (1,057,366) |
| Furniture & Equipment | (342,462) | (43,349) | 7,224 | (378,587) |
| Vehicles/Bookmobile | (56,133) | (17,045) | - | (73,178) |
| Library Books | (3,465,185) | (143,605) | 294,999 | (3,313,791) |
| Total accumulated depreciation | <u>(4,850,106)</u> | <u>(275,039)</u> | <u>302,223</u> | <u>(4,822,922)</u> |
| Total capital assets, being depreciated, net: | <u>\$ 3,371,326</u> | <u>\$ 203,957</u> | <u>\$ (54,959)</u> | <u>\$ 3,520,324</u> |
| Governmental activities capital assets, net | <u>\$ 3,489,500</u> | <u>\$ 203,957</u> | <u>\$ (173,133)</u> | <u>\$ 3,520,324</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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, 2009, were as follows:

| Allegany College of Maryland | Beginning Balance | Increases | Decreases | Ending Balance |
|---|--------------------------|---------------------|-----------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 700,973 | \$ - | \$ (3,508) | \$ 697,465 |
| Library Collections | 66,893 | - | - | 66,893 |
| Work in Progress | 4,034,650 | 1,170,309 | (5,204,959) | - |
| Total capital assets not being depreciated: | <u>4,802,516</u> | <u>1,170,309</u> | <u>(5,208,467)</u> | <u>764,358</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 42,465,908 | 5,275,966 | (3,025) | 47,738,849 |
| Equipment | 6,474,323 | 1,752,583 | (1,785,121) | 6,441,785 |
| Auxiliary Equipment | 205,327 | 5,180 | (5,290) | 205,217 |
| Library Books | 1,022,043 | 65,636 | (41,306) | 1,046,373 |
| Total capital assets, being depreciated: | <u>50,167,601</u> | <u>7,099,365</u> | <u>(1,834,742)</u> | <u>55,432,224</u> |
| Less accumulated depreciation : | <u>(20,395,356)</u> | <u>(2,038,378)</u> | <u>1,821,193</u> | <u>(20,612,541)</u> |
| Total capital assets, being depreciated, net: | <u>29,772,245</u> | <u>5,060,987</u> | <u>(13,549)</u> | <u>34,819,683</u> |
| Business-type activities capital assets, net | <u>\$34,574,761</u> | <u>\$ 6,231,296</u> | <u>\$ (5,222,016)</u> | <u>\$35,584,041</u> |

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2009, 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 | 82,101 | 59,312 | (82,101) | 59,312 |
| Total capital assets not being depreciated: | <u>258,486</u> | <u>59,312</u> | <u>(82,101)</u> | <u>235,697</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 516,945 | - | - | 516,945 |
| Infrastructure | 19,373,869 | 352,523 | - | 19,726,392 |
| Machinery, Vehicles & Equipment, | | | | |
| Office Furniture and Equipment | 1,309,935 | 24,474 | (6,670) | 1,327,739 |
| Total capital assets, being depreciated: | <u>21,200,749</u> | <u>376,997</u> | <u>(6,670)</u> | <u>21,571,076</u> |
| Less accumulated depreciation for: | <u>(8,741,265)</u> | <u>(534,067)</u> | <u>6,672</u> | <u>(9,268,660)</u> |
| Total capital assets, being depreciated, net: | <u>12,459,484</u> | <u>(157,070)</u> | <u>2</u> | <u>12,302,416</u> |
| Business-type activities capital assets, net | <u>\$12,717,970</u> | <u>\$ (97,758)</u> | <u>\$ (82,099)</u> | <u>\$12,538,113</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 8. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

A. Due to/from other funds

| | Due From Other Funds | Due To Other Funds |
|-----------------------------------|-------------------------|-----------------------|
| Governmental funds: | | |
| General Fund | \$ - | \$ 5,103,273 |
| Highway Fund | - | 399,192 |
| Revolving Building Fund | 4,563,769 | - |
| Capital Improvement Projects Fund | - | 256,008 |
| Non-major Governmental Funds | 3,583,245 | 673,123 |
| Sub-total | 8,147,014 | 6,431,596 |
| Enterprise Funds: | | |
| Water Districts | - | 336,946 |
| Sanitary Districts | 5,473,196 | 7,661,740 |
| Non-major Enterprise Funds | 694,412 | 45,065 |
| Sub-total | 6,167,608 | 8,043,751 |
| Fiduciary Funds: | | |
| Agency Fund | 160,725 | - |
| TOTALS | \$ 14,475,347 | \$ 14,475,347 |

The interfund balances as of June 30, 2009 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 | \$ 3,916,618 | \$ 3,116,618 |
| Nursing Home Fund | | 400,000 |
| Sanitary Districts | | 400,000 |
| Water Districts | | |
| Loans: | | |
| Loan Fund | 433,238 | |
| Allegany County Sanitary Districts: | | |
| Current portion of long-term debt | | 366 |
| Long-term debt | | 18,453 |
| Allegany County Water Districts: | | |
| Current portion of long-term debt | | 32,099 |
| Long-term debt | | 382,320 |
| | \$ 4,349,856 | \$ 4,349,856 |

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, 2009

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

C. Transfers

Transfers to other funds for the year ending June 30, 2009 are as follows:

| Transferred From: | Amount | Total By Fund |
|---|----------------------|----------------------|
| Transferred To: | | |
| From the General Fund to: | | |
| Highway Fund | \$ 2,398,687 | |
| Non-major funds governmental funds | 6,993,211 | |
| Enterprise funds: | | |
| Water Fund | 12,120 | |
| Sewer Fund | 100,778 | \$ 9,504,796 |
| From the Revolving Building Fund To: | | |
| General Fund | 45,380 | |
| Water Fund | 19,348 | |
| Sewer Fund | 7,500 | |
| Non-major funds governmental funds | 1,544,357 | 1,616,585 |
| From the Capital Projects Fund To: | | |
| Non-major governmental funds | 8,360 | 8,360 |
| From the Non-major Governmental Funds to: | | |
| General Fund | 1,024,337 | |
| Highway Fund | 458,965 | |
| Capital Projects Fund | 773,987 | |
| Other Non-major governmental fund | 386,411 | |
| Non-major enterprise funds | - | 2,643,700 |
| From the Non-major Enterprise Funds to: | | |
| General Fund | 51,115 | 51,115 |
| TOTALS | \$ 13,824,556 | \$ 13,824,556 |

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 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, 2009 are as follows:

| Payment From: | Amount | Total By Fund Type |
|--|----------------------|----------------------|
| Payment To: | | |
| From the General Fund (appropriations) to: | | |
| Board of Education | \$ 28,450,000 | |
| Board of Education, Data Processing | 360,334 | |
| Allegany College of Maryland | 7,425,000 | |
| Library | 905,000 | \$ 37,140,334 |
| From the Gaming Fund to: | | |
| Board of Education: | | |
| Frost HVAC project | 78,000 | |
| Westmar Middle roof | 7,725 | |
| Administration Bldg electrical | 15,649 | |
| Mt. Savage roof | 8,319 | 109,693 |
| From the County Capital Projects Funds to: | | |
| Board of Education: | | |
| Mountain Ridge High School | 314,001 | 314,001 |
| | \$ 37,564,028 | \$ 37,564,028 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 9. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2009 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, 2009, was as follows:

| Long-term Debt | | | | | |
|--|-------------------|----------------------|----------------|----------------|---------------------|
| Governmental Activities | | | | | |
| | Beginning Balance | Amount Issued | Amount Retired | Ending Balance | Due Within One Year |
| General Obligation | \$ 24,949,597 | \$ 4,600,000 | \$ (3,762,586) | \$ 25,787,011 | \$ 3,866,467 |
| Notes | 10,253,745 | - | (438,502) | 9,815,243 | 289,382 |
| Capital Leases* | 288,444 | 63,719 | (92,740) | 259,423 | 94,377 |
| State Loans | 5,065,139 | - | (434,837) | 4,630,302 | 461,309 |
| Total | \$ 40,556,925 | \$ 4,663,719 | \$ (4,728,665) | \$ 40,491,979 | \$ 4,711,535 |
| * The net book value of leased vehicles at June 30, 2009 is \$297,824. | | | | | |
| Business-type activities | | | | | |
| | Beginning Balance | Amount Issued | Amount Retired | Ending Balance | Due Within One Year |
| Water districts: | | | | | |
| Rural development loans | \$ 4,449,625 | \$ - | \$ (69,849) | \$ 4,379,776 | \$ 72,906 |
| County loans | 445,537 | - | (31,118) | 414,419 | 32,099 |
| Total water districts | \$ 4,895,162 | \$ - | \$ (100,967) | \$ 4,794,195 | \$ 105,005 |
| Sewer districts: | | | | | |
| Maryland water quality loans | \$ 534,906 | \$ - | \$ (159,269) | \$ 375,637 | \$ 95,177 |
| Maryland environmental loans | 8,954,855 | 4,466,216 | (527,469) | 12,893,602 | 735,918 |
| Rural development loans | 3,363,826 | - | (40,492) | 3,323,334 | 41,826 |
| County loans | 19,169 | - | (350) | 18,819 | 366 |
| Total sewer districts | \$ 12,872,756 | \$ 4,466,216 | \$ (727,580) | \$ 16,611,392 | \$ 873,287 |
| Nursing Home | | | | | |
| General obligation debt | \$ 449,448 | \$ - | \$ (27,863) | \$ 421,585 | \$ 29,320 |
| Total business-type activities: | | | | | |
| General obligation debt | \$ 449,448 | \$ - | \$ (27,863) | \$ 421,585 | \$ 29,320 |
| Maryland water quality loans | 534,906 | - | (159,269) | 375,637 | 95,177 |
| Maryland environmental loans | 8,954,855 | 4,466,216 | (527,469) | 12,893,602 | 735,918 |
| Rural development loans | 7,813,451 | - | (110,341) | 7,703,110 | 114,732 |
| County loans | 464,706 | - | (31,468) | 433,238 | 32,465 |
| Total business-type activities | \$ 18,217,366 | \$ 4,466,216 | \$ (856,410) | \$ 21,827,172 | \$ 1,007,612 |
| Other Long-term Liabilities | | | | | |
| Governmental Activities | | | | | |
| | Beginning Balance | Current Year Changes | Payments | Ending Balance | Due Within One Year |
| Compensated Absences | \$ 4,391,729 | \$ 232,745 | \$ (210,434) | \$ 4,414,040 | \$ 1,065,378 |
| Business-type activities | | | | | |
| Water & sewer districts | | | | | |
| Compensated absences | \$ 372,214 | \$ 2,448 | \$ (69,628) | \$ 305,034 | \$ 40,457 |
| Nursing Home | | | | | |
| Compensated Absences | 394,729 | 186,681 | (32,845) | 548,565 | 548,565 |
| Total | \$ 766,943 | \$ 189,129 | \$ (102,473) | \$ 853,599 | \$ 589,022 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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, 2009 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 |
| 2010 | \$ 3,866,467 | \$ 1,127,826 | \$ 289,381 | \$ 418,300 | \$ 94,377 | \$ 15,877 | \$ 461,309 | \$ 172,005 | \$ 4,711,534 | \$ 1,734,008 |
| 2011 | 4,059,393 | 931,292 | 302,792 | 404,890 | 55,078 | 9,944 | 482,198 | 151,117 | 4,899,461 | 1,497,243 |
| 2012 | 3,645,226 | 757,554 | 218,738 | 392,110 | 35,879 | 6,532 | 504,284 | 129,030 | 4,404,127 | 1,285,226 |
| 2013 | 3,142,070 | 603,628 | 228,267 | 382,581 | 38,010 | 4,401 | 527,644 | 105,670 | 3,935,991 | 1,096,280 |
| 2014 | 3,287,032 | 454,740 | 238,213 | 372,635 | 17,520 | 2,413 | 493,718 | 81,692 | 4,036,483 | 911,480 |
| 2015-2019 | 7,611,823 | 762,415 | 1,356,174 | 1,698,066 | 18,559 | 1,102 | 1,770,937 | 170,482 | 10,757,493 | 2,632,065 |
| 2020-2024 | 175,000 | 12,145 | 1,678,905 | 1,375,335 | - | - | 390,212 | 7,421 | 2,244,117 | 1,394,901 |
| 2025-2029 | - | - | 2,078,843 | 975,397 | - | - | - | - | 2,078,843 | 975,397 |
| 2030-2034 | - | - | 2,530,761 | 481,952 | - | - | - | - | 2,530,761 | 481,952 |
| 2035-2039 | - | - | 893,169 | 36,231 | - | - | - | - | 893,169 | 36,231 |
| | \$ 25,787,011 | \$ 4,649,600 | \$ 9,815,243 | \$ 6,537,497 | \$ 259,423 | \$ 40,269 | \$ 4,630,302 | \$ 817,417 | \$ 40,491,979 | \$ 12,044,783 |

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2009 are as follows:

| The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2009 are: | | | | | | | |
|---|---------------------------|---------------------|-------------------|-------------------|---------------------|---------------------|--|
| Year Ending June 30, | Farmers Home Admin. Loans | | County Advances | | Totals | | |
| | Principal | Interest | Principal | Interest | Principal | Interest | |
| 2010 | \$ 72,906 | \$ 193,082 | \$ 32,099 | \$ 14,527 | \$ 105,005 | \$ 207,609 | |
| 2011 | 76,204 | 189,784 | 33,110 | 13,515 | 109,314 | 203,299 | |
| 2012 | 79,652 | 186,336 | 34,154 | 12,472 | 113,806 | 198,808 | |
| 2013 | 83,262 | 182,726 | 35,231 | 11,395 | 118,493 | 194,121 | |
| 2014 | 87,040 | 178,948 | 36,343 | 10,283 | 123,383 | 189,231 | |
| 2015-2019 | 498,394 | 831,546 | 122,679 | 35,171 | 621,073 | 866,717 | |
| 2020-2024 | 623,427 | 706,513 | 19,396 | 25,536 | 642,823 | 732,049 | |
| 2025-2029 | 781,059 | 548,881 | 24,280 | 20,652 | 805,339 | 569,533 | |
| 2030-2034 | 859,343 | 355,599 | 30,393 | 14,539 | 889,736 | 370,138 | |
| 2035-2039 | 832,856 | 174,199 | 38,046 | 6,586 | 870,902 | 180,785 | |
| 2040-2044 | 347,760 | 43,833 | 8,688 | 298 | 356,448 | 44,131 | |
| 2045-2049 | 37,873 | 950 | - | - | 37,873 | 950 | |
| Totals | \$ 4,379,776 | \$ 3,592,397 | \$ 414,419 | \$ 164,974 | \$ 4,794,195 | \$ 3,757,371 | |

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2009 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 |
| 2010 | \$ 95,177 | \$ 26,166 | \$ 735,918 | \$ 143,088 | \$ 41,826 | \$ 139,038 | \$ 366 | \$ 851 | \$ 873,287 | \$ 309,143 |
| 2011 | 99,619 | 19,743 | 701,379 | 134,119 | 43,628 | 137,236 | 383 | 834 | 845,009 | 291,932 |
| 2012 | 89,757 | 12,988 | 708,878 | 126,620 | 45,508 | 135,356 | 400 | 816 | 844,543 | 275,780 |
| 2013 | 72,475 | 6,777 | 716,463 | 119,035 | 47,469 | 133,395 | 419 | 798 | 836,826 | 260,005 |
| 2014 | 8,266 | 1,566 | 724,135 | 111,363 | 49,515 | 131,349 | 438 | 779 | 782,354 | 245,057 |
| 2015-2019 | 10,343 | 1,000 | 3,738,864 | 434,624 | 281,485 | 622,835 | 2,511 | 3,573 | 4,033,203 | 1,062,032 |
| 2020-2024 | - | - | 3,786,814 | 233,925 | 347,622 | 556,698 | 3,143 | 2,940 | 4,137,579 | 793,563 |
| 2025-2029 | - | - | 1,781,151 | 57,621 | 429,327 | 474,993 | 3,934 | 2,149 | 2,214,412 | 534,763 |
| 2030-2034 | - | - | - | - | 530,270 | 374,050 | 4,925 | 1,159 | 535,195 | 375,209 |
| 2035-2039 | - | - | - | - | 519,610 | 258,433 | 2,300 | 132 | 521,910 | 258,565 |
| 2040-2044 | - | - | - | - | 563,008 | 150,952 | - | - | 563,008 | 150,952 |
| 2045-2049 | - | - | - | - | 424,066 | 30,839 | - | - | 424,066 | 30,839 |
| Totals | \$ 375,637 | \$ 68,240 | \$ 12,893,602 | \$ 1,360,395 | \$ 3,323,334 | \$ 3,145,174 | \$ 18,819 | \$ 14,031 | \$ 16,611,392 | \$ 4,587,840 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
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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, 2009 are:

| Year Ending June 30 | <u>General Obligation Debt</u> | |
|------------------------|--------------------------------|-------------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2010 | \$ 29,320 | \$ 21,282 |
| 2011 | 30,854 | 19,709 |
| 2012 | 32,467 | 18,053 |
| 2013 | 34,165 | 16,310 |
| 2014 | 35,952 | 14,477 |
| 2015-2019 | 210,011 | 41,343 |
| 2020-2024 | 48,816 | 1,277 |
| 2025-2029 | <u>\$ 421,585</u> | <u>\$ 132,451</u> |

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 | Date of | Interest | June 30, | |
| Public Improvement Bonds: | | <u>Issue</u> | <u>Maturity</u> | <u>Rate (%)</u> | <u>2009</u> | <u>2008</u> |
| Bonds of 1994 | | 01/01/94 | 01/01/09 | 4.05-4.70 | \$ - | \$ 465,000 |
| Bonds of 1995 | | 11/01/95 | 11/01/10 | 4.25-5.10 | 1,100,000 | 1,610,000 |
| Bonds of 1997 | | 03/01/97 | 03/01/10 | 3.65-5.40 | 550,000 | 1,075,000 |
| Bonds of 1998 | | 08/15/98 | 08/01/13 | 4.375-4.65 | 6,205,000 | 7,285,000 |
| Bonds of 2001 | | 09/01/01 | 11/01/16 | 3.50-4.40 | 4,080,000 | 4,390,000 |
| Bonds of 2004 | | 10/26/04 | 10/01/19 | 3.50 | 1,627,000 | 1,747,000 |
| Bonds of 2006 | | 07/21/06 | 08/01/16 | 4.24 | 2,520,000 | 2,780,000 |
| Bonds of 2007 | | 06/12/07 | 06/01/17 | 5.73 | 5,105,011 | 5,597,597 |
| Bonds of 2008 | | 12/16/08 | 09/01/18 | 4.36 | 4,600,000 | - |
| Notes: | | | | | | |
| Farmers Home Admin | | 1992 | 2032 | 5.75 | 242,987 | 248,047 |
| RDA High School Loan I | | 06/28/07 | 06/28/37 | 4.125 | 4,663,532 | 4,835,298 |
| RDA High School Loan II | | 02/28/08 | 2038 | 4.375 | 4,727,019 | 4,904,603 |
| PPG Loan | | 01/05/96 | 2011 | 5.20 | 181,705 | 265,797 |
| Capital Leases: | | | | | | |
| Transit Bus | | 04/11/06 | 04/11/13 | 5.94 | 175,804 | 205,979 |
| Sheriff vehicles | | 2008 | 07/24/09 | 6.40 | 42,511 | 82,465 |
| Bureau of Police vehicles | | 04/13/09 | 04/13/11 | 6.60 | 41,108 | - |
| State Loans: | | | | | | |
| Md Industrial Land Act: | | | | | | |
| Superfos Expansion | | 1991 | 2028 | 6.90 | 427,270 | 469,623 |
| Blue Cross Bldg | | 1992 | 2012 | 6.80 | 794,764 | 854,993 |
| Micro - Integration | | 1994 | 2014 | 5.93 | 336,936 | 403,015 |
| Superfos III | | 1995 | 2014 | 5.93 | 550,877 | 637,850 |
| MICRF Loans: | | | | | | |
| PPG Purchase | | 01/05/96 | 2020 | 5.00 | 1,658,301 | 1,785,755 |
| PPG Improvements | | 2001 | 2022 | 4.69 | 181,208 | 196,628 |
| MD Historical Trust Loan | | 2000 | 2020 | 1.00 | 150,000 | 150,000 |
| Md Environmental Loan | | 2003 | 2023 | 0.89 | <u>530,946</u> | <u>567,275</u> |
| Total Long - Term General Obligation Debt | | | | | 40,491,979 | 40,556,925 |
| Compensated Absences | | | | | <u>4,414,040</u> | <u>4,391,729</u> |
| Total long-term liabilities | | | | | <u>\$ 44,906,019</u> | <u>\$ 44,948,654</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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, 2009 | 2008 |
| Water Districts Debt: | | | | | |
| Eckhart FHA Loan 1991 Series A | 02/21/91 | 2013 | 6.0 | \$ 92,122 | \$ 94,123 |
| Eckhart FHA Loan 1991 Series B | 02/21/91 | 2013 | 6.0 | 224,892 | 229,782 |
| Borden/Zhilman FHA Loan 1998 | 10/22/97 | 2037 | 4.5 | 293,558 | 298,554 |
| Carlos/Shafte FHA Loan 2000 | 12/28/99 | 12/28/2039 | 3.25 | 439,334 | 447,677 |
| Oldtown Rd FHA Loan 2000 R-1 | 12/28/99 | 12/28/2039 | 3.25 | 207,285 | 211,220 |
| Oldtown Rd FHA Loan 2000 R-2 | 12/28/99 | 12/28/2039 | 3.25 | 211,604 | 215,621 |
| Grahmton FHA Loan 2001 R-2 | 2001 | 2042 | 4.5 | 551,894 | 559,272 |
| Consol FHA loan | 2004 | 2044 | 4.5 | 98,904 | 100,067 |
| McCoole FHA Loan | 1999 | 2039 | 4.5 | 967,255 | 982,727 |
| Barton Industrial Park | 2005 | 2045 | 4.5 | 341,923 | 345,775 |
| Klondike FHA | 2005 | 2045 | 4.5 | 445,470 | 450,416 |
| Morantown FHA Loan | 2005 | 2046 | 4.25 | 163,839 | 165,690 |
| Mexico Farms | 1992 | 2032 | 5.5 | 341,696 | 348,700 |
| Sub-total | | | | <u>4,379,776</u> | <u>4,449,624</u> |
| Carlos/Shafte Allegany Advance | 2006 | 2040 | 4.5 | 47,475 | 48,164 |
| Missick Rd Alleg Co Advance | 2006 | 2040 | 4.5 | 74,801 | 75,888 |
| Rt. 51 Allegany Co Advance | 2006 | 2040 | 4.5 | 26,399 | 26,782 |
| PSC Rate case | 2007 | 2017 | 4.5 | 265,744 | 294,703 |
| Sub - total | | | | <u>414,419</u> | <u>445,537</u> |
| Total debt | | | | <u>4,794,195</u> | <u>4,895,161</u> |
| Less: Current maturities of long - term debt | | | | <u>(105,005)</u> | <u>(100,872)</u> |
| Total Water Districts long - term debt | | | | <u>\$ 4,689,190</u> | <u>\$ 4,794,289</u> |
| Sanitary Districts Debt: | | | | | |
| Maryland Water Quality Loans | | | | | |
| Bowling Green | 1980 | 2010 | 5.5 | \$ 911 | \$ 1,776 |
| Bowling Green | 1984 | 2014 | 8.3 | 23,230 | 26,136 |
| Cresaptown | 1980 | 2010 | 5.5 | 873 | 1,702 |
| Cresaptown | 1984 | 2014 | 8.3 | 14,468 | 16,278 |
| Cresaptown | 1986 | 2015 | 8.8 | 8,058 | 8,870 |
| Bedford Road | 1983 | 2013 | 8.2 | 106,097 | 127,854 |
| Oldtown | 1981 | 2011 | 6.1 | 7,567 | 11,038 |
| Flintstone | 1980 | 2010 | 6.1 | 22,700 | 33,114 |
| Georges Creek | 1981 | 2011 | 6.1 | 61,639 | 79,911 |
| Georges Creek | 1982 | 2012 | 6.1 | 130,093 | 158,128 |
| Mexico Farms | 1992 | 2009 | 3.705 | - | 70,098 |
| Sub - total | | | | <u>375,636</u> | <u>534,905</u> |
| Maryland Department of Environment | | | | | |
| Celanese Treatment Plant | 1991 | 2010 | 3.705 | 41,954 | 83,374 |
| Celanese WWTP Upgrade | 06/03 | 2023 | 0.0867 | 6,517,342 | 6,897,031 |
| Inflow and Infiltration Study I | 12/03 | 2023 | 0.8807 | 957,354 | 1,026,459 |
| Celanese | 2006 | 2026 | 0.40 | 687,323 | 724,578 |
| Inflow and Infiltration Study II | 2008 | 2028 | 1.00 | 935,192 | 223,413 |
| George Creek WWTP Upgrade | 2009 | | | 3,754,437 | - |
| Sub - total | | | | <u>12,893,602</u> | <u>8,954,855</u> |
| Farmers Home Administration Loans | | | | | |
| Georges Creek | 2007 | 2047 | 4.125 | 495,600 | 500,907 |
| Cash Valley Road | 1996 | 2036 | 4.5 | 123,046 | 125,385 |
| Oldtown Road | 1996 | 2036 | 4.5 | 466,649 | 475,523 |
| Bowling Green/Cresaptown A | 2007 | 2047 | 4.125 | 1,870,752 | 1,890,788 |
| Bowling Green/Cresaptown B | 2007 | 2047 | 4.125 | 367,288 | 371,223 |
| Sub - total | | | | <u>3,323,335</u> | <u>3,363,826</u> |
| Allegany County Advances: | | | | | |
| Oldtown | 2006 | 2036 | 4.5 | 18,819 | 19,169 |
| Sub - total | | | | <u>18,819</u> | <u>19,169</u> |
| Total | | | | <u>16,611,392</u> | <u>12,872,755</u> |
| Less: Current maturities of long - term debt | | | | <u>(873,287)</u> | <u>(738,225)</u> |
| Total Sanitary Districts Long - term Debt | | | | <u>\$15,738,105</u> | <u>\$12,134,530</u> |

**ALLEGANY COUNTY, MARYLAND
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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 | | | | | |
|--|------------------|---------------------|----------------------|------------|------------|
| Nursing Home Debt: | Date of Issue | Date of Maturity | Interest Rate (%) | June 30, | |
| | | | | 2009 | 2008 |
| General obligation debt | 2004 | 2018 | 5.23 | \$ 421,585 | \$ 449,448 |
| Less: Current maturities of long - term debt | | | | (29,320) | (27,863) |
| Total Nursing Home long - term debt | | | | \$ 392,265 | \$ 421,585 |

The following is a summary of debt transactions for the discretely presented component units for the fiscal year ended June 30, 2009.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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, 2009, 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 11.26% of covered payroll. The employees belonging to the pension system must contribute five 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 7.37% 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, 2009, 2008 and 2007, were \$1,379,237, \$1,588,247 and \$1,364,471 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 7.37% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$666,309 and the required contribution was \$45,052, 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, 2009

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 5% 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 11.26% and 7.37% 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, 2009, 2008 and 2007 were \$966,884, \$993,118, and \$866,800, 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, 2009. The Library's contributions for the years ended June 30, 2009, 2008 and 2007 were \$5,122, \$5,989, and \$5,110, 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, 2009, 2008 and 2007 in the amounts of \$97,245, \$84,042, and \$65,832 respectively.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

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 2009 were \$1,271,526.

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, 2009. Allegany College's contributions for the years ended June 30, 2009, 2008 and 2007 were \$85,059, \$104,644, and \$90,588, 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, 2009. LaVale Sanitary's contributions for the years ended June 30, 2009, 2008 and 2007 were \$86,076, \$56,783, and \$57,564, respectively, equal to the required employer contributions for each year.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12. Postemployment Healthcare Plan

Plan Description. The County's defined benefit postemployment healthcare plan, the Allegany County Non-Pension Post Employment Benefits Plan (ACBP), provides medical benefits to eligible retired County employees and their beneficiaries. ACBP is affiliated with the Allegany County, Maryland Non-Pension Post Employment Benefit Trust (ACMBT), an agent multiple-employer postemployment healthcare plan. The Allegany County Code assigns the authority to establish and amend the benefit provisions of the plans that participate in ACMBT to the respective employer entities, for ACBP, that authority rests with Allegany County. ACMBT issues a publicly available financial report that includes financial statements and required supplementary information for ACMBT. That report may be obtained by writing to Allegany County, Maryland Non-Pension Post Employment Benefit Trust, Allegany County Finance Office, 701 Kelly Road, Suite 205, Cumberland, Maryland 21502.

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by ACMBT board of trustees. ACBP members under age 65 receiving benefits who were hired prior to July 1, 1997 contribute 6% of the premium and members under the age 65 receiving benefits who were hired after June 30, 1997 contribute 50% of the premium. Plan members over the age of 65 with the standard supplemental coverage make no contributions; plan members over age 65 may elect enhanced coverage for which they pay any additional premium over the cost of the standard supplemental coverage.

The County is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortizes any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 14.1 percent of annual covered payroll.

Annual OPEB Cost. For fiscal year 2009, the County's annual OPEB cost (expense) of \$2,245,000 for ACBP was equal to the ARC. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 is as follows:

| <u>Fiscal Year Ended</u> | <u>Annual OPEB Costs</u> | <u>Percentage of Annual OPEB Cost Contributed</u> | <u>Net OPEB Obligation</u> |
|----------------------------------|----------------------------------|---|------------------------------------|
| 06/30/09 | \$2,245,000 | 100% | \$0 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 12. Postemployment Healthcare Plan - Continued

Funded Status and Funding Progress. The funded status of the plan as of June 30, 2009 was as follows:

| | |
|---|-----------------------------|
| Actuarial accrued liability (AAL) | \$ 25,521,000 |
| Actuarial value of plan assets | 1,113,442 |
| Unfunded actuarial accrued liability (UAAL) | <u><u>\$ 24,407,558</u></u> |
| | |
| Funded ratio (actuarial value of plan assets/AAL) | 4.40% |
| Covered payroll (active plan members) | \$ 15,952,000 |
| UAAL as a percentage of covered payroll | 153.00% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the June 30, 2009, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 30 years. The actuarial value of ACBP assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The ACBP's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2009, was twenty-nine years.

The County has elected to apply GASB Statement No. 45 prospectively and as a result the liability at transition was \$0.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 13. Risk Management

Liability Insurance - 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.

Self-Insured Health Care - Effective January 1, 2009, the County is self-insured for hospitalization and medical benefits provided to its employees within specified limits. The County pays a third party administrator a monthly fixed fee for various claim administrative services on a per enrolled employee basis to administer the plan.

The third-party administrator submits invoices periodically for all processed claims and administrative fees, and the County issues payment to the third-party administrator, who in turn issues individual claims checks. To protect itself against significant losses, the County has stop-loss policies in place for individual participant health care claims in excess of \$150,000 per year and aggregate annual participant claims in excess of \$8,452,843.

Third party administrators estimated the non-discounted claims liability reported in the funds at June 30, 2009. It is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Because actual claims liabilities depend on such complex factors as inflation, change in legal doctrines and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. Changes in the balance of claims payable relating to the funds for fiscal year 2009 are as follows:

| | |
|---------------------------------|----------------|
| Balance at July 1, 2008 | \$ - |
| Claims and changes in estimates | 548,166 |
| Claim payments | - |
| Balance at June 30, 2009 | <u>548,166</u> |

Note 14. 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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009

Note 15. 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, 2009 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, 2009, such debt includes loans with the U.S. Department of Agriculture of \$3,660,430.

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 16. Subsequent Events

On July 1, 2009, the County sold the Allegany County Nursing and Rehabilitation Center, and its operations, for \$8 million dollars. Proceeds from the sale will be used to fund certain legacy costs associated with prior operations and to assist in reducing the impact of the State of Maryland's cuts in financial aid to the County.

Note 18. Prior Period Adjustments and Restatement of Beginning Net Assets

Allegany College Component Unit:

The ending net assets of the Allegany County Foundation of Allegany College of \$8,648,512 at June 30, 2008 were restated to \$9,021,933 at July 1, 2008, an increase of \$373,421. As a result, the Allegany College component unit net assets also increased by the same amount to \$44,845,184 at July 1, 2008.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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ALLEGANY COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION

PENSION PLAN 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 Pension Plan

| Contribution For Fiscal Year | Number of Members | Covered Payroll | Contribution Percentage | Required Contributions | Contribution Made | Unfunded Liability |
|------------------------------------|-------------------------|--------------------|----------------------------|---------------------------|----------------------|-----------------------|
| 2009 | 1 | \$155,403 | 9.00% | \$7,937 | \$7,937 | - |
| 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 | - |

Management Contractual Employees Pension Plan

| Contribution For Fiscal Year | Number of Members | Covered Payroll | Contribution Percentage | Required Contributions | Contribution Made | Unfunded Liability |
|------------------------------------|-------------------------|--------------------|----------------------------|---------------------------|----------------------|-----------------------|
| 2009 | 9 | \$510,906 | 7.37% | \$37,115 | \$37,115 | - |
| 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 | - |

OTHER POST-EMPLOYMENT BENEFIT PLAN CONTRIBUTIONS

| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability | Funded Ratio | Unfunded Actuarial Accrued Liability (UAAL) | Annual Covered Payroll | UAAL as a Percentage of Covered Payroll |
|-------------------|---------------------------------|-----------------------------------|-----------------|--|------------------------------|--|
| June 30, 2009 | 1,113,442 | 25,521,000 | 4.4% | 24,407,558 | 15,952,000 | 153.0% |

The County has elected to apply GASB Statement No. 45 prospectively and as a result the liability at transition was \$0.

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| REVENUES | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|------------------------------------|-------------------------|-------------------|----------------------|---|
| | Original | Final | | |
| | | | | |
| Taxes: | | | | |
| Property Taxes: | | | | |
| Real and personal property | \$ 37,442,879 | \$ 37,442,879 | \$ 37,285,424 | \$ (157,455) |
| Payments in lieu of taxes: | | | | |
| Coal companies | 220,000 | 220,000 | 254,524 | 34,524 |
| Housing Authorities | 36,500 | 36,500 | 40,108 | 3,608 |
| Interest on Delinquent taxes | 675,000 | 675,000 | 862,910 | 187,910 |
| Sub-total | <u>38,374,379</u> | <u>38,374,379</u> | <u>38,442,966</u> | <u>68,587</u> |
| Less: | | | | |
| Prompt payment discounts | 144,126 | 144,126 | 156,240 | (12,114) |
| Deferred revenues | 196,000 | 196,000 | 340,852 | (144,852) |
| Industrial exemptions | 2,550,000 | 2,550,000 | 2,395,098 | 154,902 |
| Enterprise zone exemptions | 175,000 | 175,000 | 183,535 | (8,535) |
| Residential development tax credit | 25,000 | 25,000 | 28,016 | (3,016) |
| Tax increment financing | 20,000 | 20,000 | 8,528 | 11,472 |
| Historic tax credit | 60,000 | 60,000 | 68,358 | (8,358) |
| Real estate tax set-aside | - | - | - | - |
| Sub-total | <u>3,170,126</u> | <u>3,170,126</u> | <u>3,180,627</u> | <u>(10,501)</u> |
| Total Net Property Taxes | <u>35,204,253</u> | <u>35,204,253</u> | <u>35,262,339</u> | <u>58,086</u> |
| Income Taxes | 23,060,000 | 23,060,000 | 25,429,319 | 2,369,319 |
| Other Local Taxes: | | | | |
| Hotel/motel tax | 660,000 | 660,000 | 668,970 | 8,970 |
| Admissions | 150,000 | 150,000 | 161,612 | 11,612 |
| Recordation | 1,850,000 | 1,850,000 | 1,242,338 | (607,662) |
| 911 Fees | 550,000 | 550,000 | 392,211 | (157,789) |
| Trailer court | 71,000 | 71,000 | 72,880 | 1,880 |
| Transfer Tax | 675,000 | 675,000 | 425,465 | (249,535) |
| Total Local Taxes | <u>3,956,000</u> | <u>3,956,000</u> | <u>2,963,476</u> | <u>(992,524)</u> |
| Total Taxes | <u>62,220,253</u> | <u>62,220,253</u> | <u>63,655,134</u> | <u>1,434,881</u> |
| Licenses and Permits | | | | |
| Alcoholic beverage licenses | 90,600 | 90,600 | 85,355 | (5,245) |
| Amusement licenses | 6,000 | 6,000 | 6,726 | 726 |
| Traders licenses | 97,000 | 97,000 | 102,499 | 5,499 |
| Occupational licenses | 1,200 | 1,200 | 1,500 | 300 |
| Animal licenses | 13,000 | 13,000 | 15,726 | 2,726 |
| Building permits | 40,000 | 40,000 | 24,264 | (15,736) |
| Marriage licenses | 5,000 | 5,000 | 4,790 | (210) |
| Cable franchise fees | 320,000 | 320,000 | 342,819 | 22,819 |
| Sediment control permits | 30,000 | 30,000 | 27,649 | (2,351) |
| Total Licenses and Permits | <u>602,800</u> | <u>602,800</u> | <u>611,328</u> | <u>8,528</u> |

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) | | |
|--|------------------|------------------|------------------|---|--|--|
| | Original | Final | | | | |
| REVENUES (Continued): | | | | | | |
| <u>Intergovernmental:</u> | | | | | | |
| Federal Funds: | | | | | | |
| Homeland security grant | 319,019 | 319,019 | 289,624 | (29,395) | | |
| Justice department grant | 9,600 | 24,452 | 15,888 | (8,564) | | |
| Civil defense | 47,000 | 47,000 | 28,723 | (18,277) | | |
| FEMA grant | - | - | 1,500 | 1,500 | | |
| EMT Grant | 30,000 | 37,500 | 33,721 | (3,779) | | |
| MTA Grant | 110,700 | 110,700 | 94,681 | (16,019) | | |
| MTA Transportation planning | 83,898 | 83,898 | 69,800 | (14,098) | | |
| Food distribution to the needy | 18,000 | 18,000 | 15,958 | (2,042) | | |
| Soil conservation service | - | 244,091 | 195,002 | (49,089) | | |
| Emergency shelter grant | 20,000 | 44,000 | 45,117 | 1,117 | | |
| ARC Grants | 46,000 | 46,000 | 40,000 | (6,000) | | |
| Masters program | 74,700 | 74,700 | 60,617 | (14,083) | | |
| Miscellaneous federal grants | 13,000 | 13,000 | 13,690 | 690 | | |
| Payments in lieu of property taxes | 3,200 | 3,200 | 9,807 | 6,607 | | |
| Sub-total Federal funds | <u>775,117</u> | <u>1,065,560</u> | <u>914,128</u> | <u>(151,432)</u> | | |
| State Funds: | | | | | | |
| Public Health | 25,000 | 25,000 | 20,388 | (4,612) | | |
| Police protection | 250,000 | 250,000 | 181,353 | (68,647) | | |
| State 911 grant | 20,000 | 20,000 | 1,500 | (18,500) | | |
| Maryland emergency management grant | - | 3,251 | - | (3,251) | | |
| State MTA operating assistance | 55,350 | 55,350 | 48,224 | (7,126) | | |
| Alltrans Grant | 209,945 | 209,945 | 209,944 | (1) | | |
| State transportation planning | 10,487 | 10,487 | 8,725 | (1,762) | | |
| Maryland Department of Environment grant | 8,900 | 8,900 | 6,077 | (2,823) | | |
| Juvenile services grant | 14,554 | 14,554 | 15,029 | 475 | | |
| JSA Crisis Intervention | 36,492 | 36,492 | 35,947 | (545) | | |
| Dept. of Social Services | 55,350 | 55,350 | 55,710 | 360 | | |
| Department of Natural Resources | 210,000 | 210,000 | 214,212 | 4,212 | | |
| Conservation aid salary | 27,574 | 27,574 | 27,490 | (84) | | |
| Program Open Space grant | 205,277 | 205,277 | 221,098 | 15,821 | | |
| Fire suppression, DNR | 500 | 500 | - | (500) | | |
| Disparity grant | 6,742,870 | 6,742,870 | 6,742,870 | - | | |
| State Jury Reimbursement | 44,000 | 44,000 | 37,430 | (6,570) | | |
| Tourism grant | 46,900 | 46,900 | 38,184 | (8,716) | | |
| Work Crew Supervisor | 42,223 | 42,223 | 26,094 | (16,129) | | |
| Miscellaneous | 315,919 | 322,819 | 262,895 | (59,924) | | |
| Sub-total State Funds | <u>8,321,341</u> | <u>8,331,492</u> | <u>8,153,170</u> | <u>(178,322)</u> | | |

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) | | |
|---------------------------------------|------------------|------------------|------------------|--|--|--|
| | Original | Final | | | | |
| REVENUES (Continued) | | | | | | |
| <u>Intergovernmental (continued):</u> | | | | | | |
| Other Intergovernmental: | | | | | | |
| Other agencies | 228,958 | 271,411 | 324,408 | 52,997 | | |
| Sub-total Other Intergovernmental: | <u>228,958</u> | <u>271,411</u> | <u>324,408</u> | <u>52,997</u> | | |
| Total Intergovernmental | <u>9,325,416</u> | <u>9,668,463</u> | <u>9,391,706</u> | <u>(276,757)</u> | | |
| <u>Service Charges:</u> | | | | | | |
| General government charges: | | | | | | |
| State civil process | 60,000 | 60,000 | 70,270 | 10,270 | | |
| Child support incentive | - | 1,401 | - | (1,401) | | |
| Publication sales | - | - | 259 | 259 | | |
| Plans & specifications | 2,000 | 2,000 | 11,045 | 9,045 | | |
| Regulation & Maps | 10,750 | 10,750 | 11,354 | 604 | | |
| Tax sale fees | 16,000 | 16,000 | 18,661 | 2,661 | | |
| Security interest filing fee | 100 | 100 | 65 | (35) | | |
| License application fees | 8,500 | 8,500 | 7,440 | (1,060) | | |
| Liquor License transfer fee | 4,800 | 4,800 | 4,165 | (635) | | |
| Bay restoration collection fee | 2,000 | 2,000 | 1,933 | (67) | | |
| Health Ins Admin fee | 800 | 800 | 1,045 | 245 | | |
| Tourism promotion charges | 50,000 | 50,000 | 92,592 | 42,592 | | |
| Collection fees-special areas | 45,000 | 45,000 | 56,097 | 11,097 | | |
| Liquor License Collection fee | 3,600 | 3,600 | 3,735 | 135 | | |
| Hotel/Motel collection fee | 15,000 | 15,000 | 15,923 | 923 | | |
| Partial payment fee | 1,000 | 1,000 | 1,577 | 577 | | |
| Engineering fees | 20,000 | 76,500 | 110,833 | 34,333 | | |
| Miscellaneous general government | <u>740,022</u> | <u>740,022</u> | <u>75,303</u> | <u>(664,719)</u> | | |
| Sub-total general government charges | <u>979,572</u> | <u>1,037,473</u> | <u>482,297</u> | <u>(555,176)</u> | | |
| Public safety charges: | | | | | | |
| Police protection charges | 18,000 | 18,000 | 13,511 | (4,489) | | |
| Fingerprinting fee | 1,500 | 1,500 | 220 | (1,280) | | |
| Impound fees | - | - | 1,995 | 1,995 | | |
| Jail work release | 35,000 | 35,000 | 30,618 | (4,382) | | |
| Boarding state prisoners | 230,000 | 230,000 | 263,931 | 33,931 | | |
| Boarding Federal prisoners | 600,000 | 600,000 | 816,333 | 216,333 | | |
| Community service fee | 16,000 | 16,000 | 17,750 | 1,750 | | |
| Home detention fee | 33,000 | 33,000 | 43,537 | 10,537 | | |
| Inmate Medical Copay | 3,000 | 3,000 | 4,316 | 1,316 | | |
| Building Inspection fees | 32,000 | 32,000 | 13,256 | (18,744) | | |
| Sub-total public safety charges | <u>968,500</u> | <u>968,500</u> | <u>1,205,467</u> | <u>236,967</u> | | |
| Sanitation and Waste Removal: | | | | | | |
| Landfill fees | 145,000 | 145,000 | 134,080 | (10,920) | | |
| Recycling fees | 105,000 | 105,000 | 78,783 | (26,217) | | |
| Recycled material sales | 20,000 | 20,000 | 19,652 | (348) | | |
| Sub-total Sanitation and Waste | <u>270,000</u> | <u>270,000</u> | <u>232,515</u> | <u>(37,485)</u> | | |

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) | | |
|--------------------------------------|------------------|------------|---------------|---|--|--|
| | Original | Final | | | | |
| REVENUES (Continued): | | | | | | |
| Service Charges (continued): | | | | | | |
| Health service charges: | | | | | | |
| Dog adoption fees | 18,000 | 18,000 | 20,168 | 2,168 | | |
| Sub-total Health service charges | 18,000 | 18,000 | 20,168 | 2,168 | | |
| Recreation Charges: | | | | | | |
| Host fee, Rocky Gap | | | | | | |
| Hotel fee, Rocky gap | 115,000 | 115,000 | 136,174 | 21,174 | | |
| Sub-total recreation service charges | 115,000 | 115,000 | 136,174 | 21,174 | | |
| Public service enterprises: | | | | | | |
| Upper Potomac River Commission | 301,058 | 301,058 | 301,058 | - | | |
| Job access fares | 12,580 | 12,580 | 1,931 | (10,649) | | |
| AllTrans fares | 24,420 | 24,420 | 45,841 | 21,421 | | |
| Road closing fees | 450 | 450 | 600 | 150 | | |
| Maintenance fees | - | - | - | - | | |
| Sub-total public service charges | 338,508 | 338,508 | 349,430 | 10,922 | | |
| Total Service Charges | 2,689,580 | 2,747,481 | 2,426,051 | (321,430) | | |
| Fines and Forfeitures: | | | | | | |
| Circuit court fines | 7,000 | 7,000 | 8,472 | 1,472 | | |
| Contraband seizures | - | - | 1,925 | 1,925 | | |
| Dog ordinance fines | 10,000 | 10,000 | 7,227 | (2,773) | | |
| Other fines | 13,600 | 13,600 | 13,613 | 13 | | |
| Total Fines and Forfeitures | 30,600 | 30,600 | 31,237 | 637 | | |
| Miscellaneous: | | | | | | |
| Interest | 441,529 | 441,529 | 315,652 | (125,877) | | |
| Rents and concessions | 321,352 | 321,352 | 301,391 | (19,961) | | |
| Contributions & donations | - | - | 5,000 | 5,000 | | |
| Miscellaneous | 49,000 | 49,000 | 110,487 | 61,487 | | |
| Total Miscellaneous | 811,881 | 811,881 | 732,530 | (79,351) | | |
| Total Revenues | 75,680,530 | 76,081,478 | 76,847,986 | 766,508 | | |

(continued)

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| EXPENDITURES: | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|----------------------------------|-------------------------|------------------|----------------------|---|
| | Original | Final | | |
| General Government: | | | | |
| Legislative: | | | | |
| County Commissioners | 172,408 | 172,408 | 162,738 | 9,670 |
| County Commissioners Office | 196,529 | 196,529 | 153,471 | 43,058 |
| Total legislative | <u>368,937</u> | <u>368,937</u> | <u>316,209</u> | <u>52,728</u> |
| Judicial: | | | | |
| Family Support Services | 193,741 | 193,741 | 169,585 | 24,156 |
| Alternative dispute resolution | 7,500 | 7,500 | 6,253 | 1,247 |
| Circuit court masters program | 113,815 | 115,216 | 102,020 | 13,196 |
| Circuit court | 378,587 | 378,587 | 339,838 | 38,749 |
| Orphans court | 55,541 | 55,541 | 52,309 | 3,232 |
| Family Law Master | 59,774 | 59,774 | 55,913 | 3,861 |
| State's attorney | 1,131,310 | 1,138,210 | 1,116,796 | 21,414 |
| Victim-Witness coordinator | 24,189 | 24,189 | 24,227 | (38) |
| Law library | 58,000 | 58,000 | 58,001 | (1) |
| Grand and petit juries | 70,579 | 70,579 | 50,618 | 19,961 |
| Total Judicial | <u>2,093,036</u> | <u>2,101,337</u> | <u>1,975,560</u> | <u>125,777</u> |
| Executive: | | | | |
| Administrator | <u>348,317</u> | <u>348,317</u> | <u>301,118</u> | <u>47,199</u> |
| Elections: | | | | |
| Registration and elections | <u>552,799</u> | <u>552,799</u> | <u>379,832</u> | <u>172,967</u> |
| Financial Administration: | | | | |
| Finance Office | 760,640 | 760,640 | 621,641 | 138,999 |
| Tax Office | 542,471 | 542,471 | 289,963 | 252,508 |
| Professional services | 46,500 | 47,500 | 42,757 | 4,743 |
| Total Financial Administration | <u>1,349,611</u> | <u>1,350,611</u> | <u>954,361</u> | <u>396,250</u> |
| Legal: | | | | |
| Legal counsel | 215,163 | 215,163 | 155,062 | 60,101 |
| Other legal/professional | 61,000 | 101,000 | 124,047 | (23,047) |
| Total legal | <u>276,163</u> | <u>316,163</u> | <u>279,109</u> | <u>37,054</u> |
| Personnel Administration: | | | | |
| Human Resources department | 329,377 | 329,377 | 205,602 | 123,775 |
| Human resources board of appeals | 6,579 | 6,579 | 1,627 | 4,952 |
| Wellness/Employee recognition | 26,817 | 26,817 | 17,742 | 9,075 |
| Total personnel administration | <u>362,773</u> | <u>362,773</u> | <u>224,971</u> | <u>137,802</u> |
| Planning and Zoning: | | | | |
| Planning and zoning department | 502,268 | 502,268 | 489,775 | 12,493 |
| Land use planning | 149,685 | 149,685 | 139,945 | 9,740 |
| Total Planning and Zoning | <u>651,953</u> | <u>651,953</u> | <u>629,720</u> | <u>22,233</u> |
| General Services: | | | | |
| County Building Maintenance | 1,209,779 | 1,235,400 | 1,175,883 | 59,517 |
| Data Processing | 244,099 | 244,099 | 191,969 | 52,130 |
| Total general services | <u>1,453,878</u> | <u>1,479,499</u> | <u>1,367,852</u> | <u>111,647</u> |

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) | | |
|--|-------------------|-------------------|-------------------|---|--|--|
| | Original | Final | | | | |
| EXPENDITURES (Continued): | | | | | | |
| <u>General Government (continued):</u> | | | | | | |
| Other general government: | | | | | | |
| Liquor control board | 126,389 | 126,389 | 119,305 | 7,084 | | |
| Insurance | 334,725 | 334,725 | 295,450 | 39,275 | | |
| Employee benefits | 332,000 | 332,000 | 67,931 | 264,069 | | |
| Post retirement benefits | 604,000 | 604,000 | 1,467,763 | (863,763) | | |
| Total Other General Government | <u>1,397,114</u> | <u>1,397,114</u> | <u>1,950,449</u> | <u>(553,335)</u> | | |
| Total General Government | <u>8,854,581</u> | <u>8,929,503</u> | <u>8,379,181</u> | <u>550,322</u> | | |
| <u>Public Safety:</u> | | | | | | |
| Police: | | | | | | |
| Bureau of police | - | 1,187,966 | 1,144,415 | 43,551 | | |
| Sheriffs department | 1,966,513 | 1,224,240 | 1,140,089 | 84,151 | | |
| Aggressive driver grant | 5,000 | 6,650 | 2,497 | 4,153 | | |
| Highway safety | 4,000 | 4,000 | 1,940 | 2,060 | | |
| C3I Unit | 13,000 | 13,000 | 7,747 | 5,253 | | |
| Safe School | 72,438 | 72,438 | 36,997 | 35,441 | | |
| Juvenile review board | 57,500 | 57,500 | 56,915 | 585 | | |
| Parents and law enforcement | 5,350 | 5,350 | 3,909 | 1,441 | | |
| Total Police | <u>2,123,801</u> | <u>2,571,144</u> | <u>2,394,509</u> | <u>176,635</u> | | |
| Fire: | | | | | | |
| Suppression of forest fires | 5,000 | 5,000 | - | 5,000 | | |
| Volunteer fire companies | 1,016,396 | 1,016,396 | 998,534 | 17,862 | | |
| Total Fire | <u>1,021,396</u> | <u>1,021,396</u> | <u>998,534</u> | <u>22,862</u> | | |
| Correction: | | | | | | |
| County detention center maintenance | 196,164 | 196,164 | 180,394 | 15,770 | | |
| County detention center | 6,807,953 | 6,830,192 | 6,538,702 | 291,490 | | |
| JSA crisis intervention | 36,492 | 36,492 | 35,972 | 520 | | |
| Juvenile service grant | 14,554 | 14,554 | 15,029 | (475) | | |
| Alternative sentencing | 156,810 | 156,810 | 129,758 | 27,052 | | |
| Home detention grant | 134,475 | 134,475 | 133,959 | 516 | | |
| Total Correction | <u>7,346,448</u> | <u>7,368,687</u> | <u>7,033,814</u> | <u>334,873</u> | | |
| Other Protection: | | | | | | |
| Permits & enforcement | 362,639 | 362,639 | 351,818 | 10,821 | | |
| Emergency Management Agency | 268,088 | 268,088 | 257,078 | 11,010 | | |
| Local emergency planning | 8,900 | 8,900 | 3,567 | 5,333 | | |
| Animal control | 397,089 | 397,089 | 318,504 | 78,585 | | |
| 911 | 1,684,151 | 1,684,151 | 1,663,601 | 20,550 | | |
| Hazardous materials operations | 78,200 | 78,200 | 72,651 | 5,549 | | |
| Public safety department | 230,144 | 230,144 | 241,044 | (10,900) | | |
| Emergency medical assistance | 60,000 | 75,000 | 68,863 | 6,137 | | |
| Domestic preparedness grant | 313,019 | 316,270 | 386,221 | (69,951) | | |
| Community emergency response | 6,000 | 6,000 | - | 6,000 | | |
| Building Codes | 107,594 | 107,594 | 96,633 | 10,961 | | |
| Code Enforcement | 97,950 | 97,950 | 99,184 | (1,234) | | |
| Flood control | 45,000 | 45,000 | 1,633 | 43,367 | | |
| Transportation planning | 114,838 | 114,838 | 87,250 | 27,588 | | |
| Total Other Protection | <u>3,773,612</u> | <u>3,791,863</u> | <u>3,648,047</u> | <u>143,816</u> | | |
| Total Public Safety | <u>14,265,257</u> | <u>14,753,090</u> | <u>14,074,904</u> | <u>678,186</u> | | |

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|----------------------------------|------------------|------------------|------------------|--|
| | Original | Final | | |
| EXPENDITURES (Continued): | | | | |
| <u>Public Works:</u> | | | | |
| Public Services: | | | | |
| Airport | 240,000 | 240,000 | 240,000 | - |
| Waste collection: | | | | |
| Solid waste disposal | 424,740 | 424,740 | 443,178 | (18,438) |
| Solid waste recycling | 166,837 | 166,837 | 166,361 | 476 |
| Household hazardous waste | 15,000 | 15,000 | 13,490 | 1,510 |
| UPRC | 376,322 | 376,322 | 376,322 | - |
| County engineer | 1,184,738 | 1,241,238 | 1,188,225 | 53,013 |
| Total Public Works | <u>2,407,637</u> | <u>2,464,137</u> | <u>2,427,576</u> | <u>36,561</u> |
| <u>Health and Hospitals:</u> | | | | |
| Brook Building | 224,000 | 224,000 | 161,954 | 62,046 |
| Willowbrook Office | 341,000 | 341,000 | 277,357 | 63,643 |
| Health Department supplemental | 30,857 | 33,857 | 30,895 | 2,962 |
| Western Maryland Health Planning | 6,998 | 6,998 | 6,998 | - |
| Total Health and Hospitals | <u>602,855</u> | <u>605,855</u> | <u>477,204</u> | <u>128,651</u> |
| <u>Social Services:</u> | | | | |
| Alltrans/Job access | 895,740 | 895,740 | 865,912 | 29,828 |
| Pauper's burials | 1,950 | 1,950 | 650 | 1,300 |
| Human Resources Devel. Comm. | 707,570 | 707,570 | 707,570 | - |
| Emergency shelter grant | 20,000 | 44,000 | 45,117 | (1,117) |
| Child abuse coordinator | 103,140 | 103,140 | 102,427 | 713 |
| Family Crisis Center | 88,000 | 88,000 | 88,000 | - |
| Food distribution to the needy | 18,000 | 18,000 | 15,958 | 2,042 |
| Total Social Services | <u>1,834,400</u> | <u>1,858,400</u> | <u>1,825,634</u> | <u>32,766</u> |
| <u>Education:</u> | | | | |
| Maryland School for the Blind | 500 | 500 | - | 500 |
| State debt reimbursement | 30,000 | 30,000 | 26,011 | 3,989 |
| Parkside Flag-in-the-Air | 7,000 | 7,000 | 2,250 | 4,750 |
| Total Education | <u>37,500</u> | <u>37,500</u> | <u>28,261</u> | <u>9,239</u> |
| <u>Recreation and Culture:</u> | | | | |
| Agriculture Expo | 14,000 | 14,000 | 14,000 | - |
| Allegany County Arts Council | 35,000 | 35,000 | 35,000 | - |
| Allegany County fair | 189,182 | 192,182 | 206,318 | (14,136) |
| Fairgrounds maintenance | 208,342 | 208,342 | 202,208 | 6,134 |
| Highland trail operations | 104,408 | 104,408 | 107,169 | (2,761) |
| Cumberland Summer Theatre | 8,000 | 8,000 | 8,000 | - |
| Program Open Space | 215,227 | 215,227 | 246,153 | (30,926) |
| Total Recreation and Culture | <u>774,159</u> | <u>777,159</u> | <u>818,848</u> | <u>(41,689)</u> |

(continued)

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| EXPENDITURES (Continued): | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|---|-------------------------|--------------|----------------------|---|
| | Original | Final | | |
| <u>Conservation of Natural Resources:</u> | | | | |
| Agricultural Extension Service | 130,030 | 130,030 | 125,419 | 4,611 |
| Soil conservation services | 180,029 | 424,120 | 372,753 | 51,367 |
| Gypsy moth control | 31,000 | 31,000 | 6,954 | 24,046 |
| Total Conservation of Natural Resources | 341,059 | 585,150 | 505,126 | 80,024 |
| <u>Community Development & Housing</u> | | | | |
| Office of Community Assistance | 125,270 | 125,270 | 123,479 | 1,791 |
| Allegany Co. Public Housing Authority | 8,000 | 8,000 | 8,000 | - |
| Total Community Development & Housing | 133,270 | 133,270 | 131,479 | 1,791 |
| <u>Economic Development:</u> | | | | |
| Department of Economic Development | 563,130 | 563,130 | 539,099 | 24,031 |
| Scenic railroad development | 170,000 | 170,000 | 170,000 | - |
| Tri-County Council | 25,000 | 25,000 | 25,000 | - |
| Tourism department | 604,335 | 604,335 | 602,459 | 1,876 |
| Toll House | 6,400 | 6,400 | 2,006 | 4,394 |
| Thrasher Museum | 102,000 | 102,000 | 102,000 | - |
| Community promotion | 12,000 | 12,000 | 5,600 | 6,400 |
| Total Economic Development | 1,482,865 | 1,482,865 | 1,446,164 | 36,701 |
| <u>Appropriations to Other Governmental Units:</u> | | | | |
| Grants in Lieu of Taxes | 28,704 | 28,704 | 28,704 | - |
| Health Department | 1,208,362 | 1,205,362 | 1,206,507 | (1,145) |
| Department of Social Services | 9,800 | 9,800 | 9,800 | - |
| Total Appropriations to Other Gov't Units: | 1,246,866 | 1,243,866 | 1,245,011 | (1,145) |
| <u>Miscellaneous:</u> | | | | |
| Contingency | 1,000 | 1,000 | - | 1,000 |
| Miscellaneous | 25,600 | 25,600 | 24,405 | 1,195 |
| Total Miscellaneous | 26,600 | 26,600 | 24,405 | 2,195 |
| <u>Payments to Component Units</u> | | | | |
| Allegany Co. Board of Education | 28,450,000 | 28,450,000 | 28,450,000 | - |
| Allegany College | 7,425,000 | 7,425,000 | 7,425,000 | - |
| Allegany County Library | 905,000 | 905,000 | 905,000 | - |
| Information Technology | 350,334 | 350,334 | 350,334 | - |
| Total payments to component units | 37,130,334 | 37,130,334 | 37,130,334 | - |
| Total Expenditures | 69,137,383 | 70,027,729 | 68,514,127 | 1,513,602 |
| Excess (deficiency) of revenues over (under) expenditures | 6,543,147 | 6,053,749 | 8,333,859 | 2,280,110 |

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

| OTHER FINANCING SOURCES (USES) | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|--|-------------------------|--------------------|----------------------|---|
| | Original | Final | | |
| <u>Unexpended balance - prior years</u> | <u>2,000,000</u> | <u>2,512,009</u> | <u>-</u> | <u>(2,512,009)</u> |
| Transfers In from other funds: | | | | |
| Transfers from special revenue funds | 45,380 | 45,380 | 45,380 | - |
| Transfer from debt service fund | - | - | 1,024,337 | 1,024,337 |
| Transfers from capital project funds | - | - | - | - |
| Transfers from enterprise funds | 41,093 | 41,093 | 51,115 | 10,022 |
| Total Transfers In | 86,473 | 86,473 | 1,120,832 | 1,034,359 |
| Operating Transfers to Other Funds: | | | | |
| Special revenue funds: | | | | |
| Highway fund | (2,238,067) | (2,238,067) | (2,398,687) | (160,620) |
| Transit Fund | (379,880) | (379,880) | (379,880) | - |
| Housing & Section 8 fund | (190,606) | (190,606) | (198,941) | (8,335) |
| Narcotics Task Force | (12,000) | (12,000) | (15,130) | (3,130) |
| Public Safety Fund | (602,242) | (602,242) | (602,242) | - |
| Debt service Fund: | | | | |
| From General government | (5,087,699) | (5,087,699) | (4,879,175) | 208,524 |
| From Bureau of Police | - | (22,611) | (22,611) | - |
| From Sheriff department | (45,232) | (45,232) | (45,232) | - |
| Capital projects funds: | | | | |
| Pay-As-You-GO Capital Proj. Fund | - | - | (850,000) | (850,000) |
| Enterprise funds: | | | | |
| Water fund | - | - | (12,120) | (12,120) |
| Sanitary fund | (88,894) | (88,894) | (100,778) | (11,884) |
| Total operating transfers to other funds | (8,644,620) | (8,667,231) | (9,504,796) | (837,565) |
| Sale of capital assets | 15,000 | 15,000 | 29,676 | 14,676 |
| Total Other Financing Sources and Uses | (6,543,147) | (6,053,749) | (8,354,288) | (2,300,539) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | - | - | (20,429) | (20,429) |
| Fund balance, beginning | | | | 15,799,702 |
| Fund balance, ending | | | \$ <u>15,779,273</u> | <u>15,779,273</u> |

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
HIGHWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|---|--------------------|--------------------|--------------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Taxes - State shared | 4,725,000 | 4,725,000 | 4,023,284 | (701,716) |
| Intergovernmental: | | | | |
| Federal | - | - | - | - |
| State | - | - | 491,339 | 491,339 |
| Interest | - | - | - | - |
| Miscellaneous | - | - | 980 | 980 |
| Total Revenues | <u>4,725,000</u> | <u>4,725,000</u> | <u>4,515,603</u> | <u>(209,397)</u> |
| EXPENDITURES | | | | |
| Public works - Highway | <u>7,563,067</u> | <u>7,563,067</u> | <u>7,569,450</u> | <u>(6,383)</u> |
| Total Expenditures | <u>7,563,067</u> | <u>7,563,067</u> | <u>7,569,450</u> | <u>(6,383)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,838,067)</u> | <u>(2,838,067)</u> | <u>(3,053,847)</u> | <u>(215,780)</u> |
| OTHER FINANCING SOURCES AND USES: | | | | |
| Unexpended balance - prior years | 150,000 | 150,000 | - | (150,000) |
| Transfer from other funds | 2,688,067 | 2,688,067 | 2,857,652 | 169,585 |
| Transfers to other funds | - | - | - | - |
| Total Other Financing Sources and Uses | <u>2,838,067</u> | <u>2,838,067</u> | <u>2,857,652</u> | <u>19,585</u> |
| Net change in fund balances | <u>-</u> | <u>-</u> | <u>(196,195)</u> | <u>(196,195)</u> |
| Fund balance, beginning | | | 126,341 | |
| Fund balance, ending | | | <u>(69,854)</u> | |

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
REVOLVING BUILDING FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2009

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget - Positive (Negative) |
|---|------------------|-------------|---------------|--|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| Federal | 400,000 | 400,000 | 271,887 | (128,113) |
| State | 500,000 | 500,000 | 329,499 | (170,501) |
| Interest | - | - | 28,864 | 28,864 |
| Miscellaneous | 2,523,152 | 2,523,152 | 2,823,172 | 300,020 |
| Total Revenues | 3,423,152 | 3,423,152 | 3,453,422 | 30,270 |
| EXPENDITURES | | | | |
| Economic development | 8,300,444 | 8,300,444 | 3,602,041 | 4,698,403 |
| Total Expenditures | 8,300,444 | 8,300,444 | 3,602,041 | 4,698,403 |
| Excess (deficiency) of revenues over (under) expenditures | (4,877,292) | (4,877,292) | (148,619) | 4,728,673 |
| OTHER FINANCING SOURCES AND USES: | | | | |
| Unexpended balance - prior years | 6,408,139 | 6,408,139 | - | (6,408,139) |
| Transfer from other funds | - | - | - | - |
| Transfers to other funds | (1,581,347) | (1,581,347) | (1,616,585) | (35,238) |
| Proceeds from debt issuance | - | - | - | - |
| Sale of capital assets | 50,500 | 50,500 | 73,162 | 22,662 |
| Total Other Financing Sources and Uses | 4,877,292 | 4,877,292 | (1,543,423) | (6,420,715) |
| Net change in fund balances | - | - | (1,692,042) | (1,692,042) |
| Fund balance, beginning | | | 6,531,683 | |
| Fund balance, ending | | | 4,839,641 | |

Notes to Required Supplementary Information
June 30, 2009

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, 2009

| | 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 | \$ - | \$ 37,835 | \$ - | \$ 500 |
| Cash - restricted | - - | - - | - - | 4,837 | - - | - - |
| Investments | 836,000 | - - | - - | - - | - - | 100,000 |
| Receivables | | | | | | |
| Notes and loans | - - | - - | - - | 514,074 | - - | - - |
| Other | 1,234 | 745,725 | 1,019 | - - | 5,746 | 151 |
| Due from other funds | - - | - - | 10,541 | 107,931 | 43,367 | 131,578 |
| Inventory | - - | 70,787 | - - | - - | - - | - - |
| Prepays | - - | - - | - - | - - | 61,481 | - - |
| Total Assets | 837,234 | 816,787 | 11,560 | 659,840 | 115,431 | 232,229 |
| LIABILITIES: | | | | | | |
| Accounts payable | - - | 21,223 | 4,967 | - - | 938 | 24,490 |
| Accrued payroll | - - | 14,638 | - - | - - | 4,204 | - - |
| Accrued payroll fringe | - - | 7,533 | - - | - - | 1,850 | - - |
| Due to other funds | 117,681 | 555,442 | - - | - - | - - | - - |
| Amounts held in escrow | - - | - - | - - | - - | 4,837 | 165,504 |
| Unearned revenue | - - | - - | 4,264 | 514,074 | 94,727 | - - |
| Miscellaneous | - - | 4,910 | - - | - - | - - | - - |
| Total Liabilities | 117,681 | 603,746 | 9,231 | 514,074 | 106,556 | 189,994 |
| FUND BALANCES | | | | | | |
| Reserved: | | | | | | |
| For noncurrent assets | - - | - - | - - | 145,766 | - - | - - |
| For prepaid items | - - | - - | - - | - - | 8,875 | - - |
| For inventories | - - | 70,787 | - - | - - | - - | - - |
| For fund projects/programs | - - | - - | - - | - - | - - | - - |
| Unreserved/Designated: | | | | | | |
| For next fiscal year | - - | 50,000 | - - | - - | - - | - - |
| For specific programs | 719,553 | - - | 2,329 | - - | - - | 42,235 |
| Undesignated | - - | 92,254 | - - | - - | - - | - - |
| Total Fund Balances | 719,553 | 213,041 | 2,329 | 145,766 | 8,875 | 42,235 |
| Total Liabilities and Fund Balances | \$ 837,234 | \$ 816,787 | \$ 11,560 | \$ 659,840 | \$ 115,431 | \$ 232,229 |

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

| 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 | | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| - | - | 42,672 | - | - | - | - | 42,672 | |
| - | 226,849 | 1,162,849 | 206,045 | 2,360,661 | 866,306 | 3,226,967 | 4,595,861 | |
| - | - | 514,074 | - | - | - | - | 514,074 | |
| 16,033 | 14,116 | 784,024 | 6,594 | 16,288 | 83 | 16,371 | 806,989 | |
| 1,143,323 | 683,380 | 2,120,120 | 441,472 | 539,400 | 482,253 | 1,021,653 | 3,583,245 | |
| - | - | 70,787 | - | - | - | - | 70,787 | |
| - | - | 61,481 | - | - | - | - | 61,481 | |
| 1,159,356 | 924,345 | 4,756,782 | 654,111 | 2,916,349 | 1,348,642 | 4,264,991 | 9,675,884 | |
| 32,038 | 6,863 | 90,519 | 40,182 | 100,913 | 113,909 | 214,822 | 345,523 | |
| 2,331 | 7,434 | 28,607 | - | - | - | - | 28,607 | |
| 191 | 2,345 | 11,919 | - | - | - | - | 11,919 | |
| - | - | 673,123 | - | - | - | - | 673,123 | |
| - | - | 170,341 | - | - | - | - | 170,341 | |
| - | - | 613,065 | - | - | - | - | 613,065 | |
| - | - | 4,910 | - | - | - | - | 4,910 | |
| 34,560 | 16,642 | 1,592,484 | 40,182 | 100,913 | 113,909 | 214,822 | 1,847,488 | |
| - | - | 145,766 | - | - | - | - | 145,766 | |
| - | - | 8,875 | - | - | - | - | 8,875 | |
| - | - | 70,787 | - | - | - | - | 70,787 | |
| - | 477,647 | 477,647 | - | - | - | - | 477,647 | |
| - | - | 50,000 | 329,982 | 664,700 | 415,000 | 1,079,700 | 1,459,682 | |
| 1,124,796 | 430,056 | 2,318,969 | 283,947 | 1,997,266 | 819,733 | 2,816,999 | 5,419,915 | |
| - | - | 92,254 | - | 153,470 | - | 153,470 | 245,724 | |
| 1,124,796 | 907,703 | 3,164,298 | 613,929 | 2,815,436 | 1,234,733 | 4,050,169 | 7,828,396 | |
| \$1,159,356 | \$ 924,345 | \$ 4,756,782 | \$ 654,111 | \$ 2,916,349 | \$ 1,348,642 | \$ 4,264,991 | \$ 9,675,884 | |

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

| | 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 | 114,535 | - | - | - | - | - |
| Intergovernmental: | | | | | | |
| Federal | - | 846,848 | 349,945 | 2,062 | 888,680 | - |
| State | - | 258,777 | - | - | 274,102 | - |
| Other | - | - | 25,800 | - | 4,500 | - |
| Service charges | - | 212,443 | - | - | 22,000 | - |
| Fines and forfeitures | - | - | - | - | - | 67,226 |
| Interest | 18,973 | - | - | 78 | - | 2,399 |
| Miscellaneous | - | 7,262 | - | 39,893 | 2,654 | 23,581 |
| Total Revenues | 133,508 | 1,325,330 | 375,745 | 42,033 | 1,191,936 | 93,206 |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | 102,851 |
| Public works | - | 1,601,756 | - | - | - | - |
| Highway | - | - | - | - | - | - |
| Community Development and Housing | - | - | 379,333 | 75,668 | 1,400,613 | - |
| Economic development | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Capital Outlay: | | | | | | |
| General government | - | - | - | - | - | - |
| Public Safety | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - |
| Education | - | - | - | - | - | - |
| Library | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Payments to component units: | | | | | | |
| Board of Education | - | - | - | - | - | - |
| Total Expenditures | - | 1,601,756 | 379,333 | 75,668 | 1,400,613 | 102,851 |
| Excess (deficiency) of revenues over (under) expenditures | 133,508 | (276,426) | (3,588) | (33,635) | (208,677) | (9,645) |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | - | 379,880 | - | - | 208,941 | 15,130 |
| Transfers out | (250,000) | (42,411) | - | (10,000) | - | - |
| Debt issued | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - |
| Total Other Financing Sources and uses | (250,000) | 337,469 | - | (10,000) | 208,941 | 15,130 |
| Net change in fund balances | (116,492) | 61,043 | (3,588) | (43,635) | 264 | 5,485 |
| Fund balance, beginning | 836,045 | 151,998 | 5,917 | 189,401 | 8,611 | 36,750 |
| Fund balance, ending | \$ 719,553 | \$ 213,041 | \$ 2,329 | \$ 145,766 | \$ 8,875 | \$ 42,235 |

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

| 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 | | |
| \$ 451,048 | \$ - | \$ 565,583 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 565,583 |
| - | 18,913 | 2,106,448 | - | - | - | - | - | 2,106,448 |
| - | 208,446 | 741,325 | - | 22,000 | 224,624 | 246,624 | - | 987,949 |
| - | - | 30,300 | - | - | - | - | - | 30,300 |
| 41,100 | 100,394 | 375,937 | - | - | - | - | - | 375,937 |
| - | - | 67,226 | - | - | - | - | - | 67,226 |
| - | 4,299 | 25,749 | 6,594 | 42,338 | 15,574 | 57,912 | - | 90,255 |
| - | 62,257 | 135,647 | - | 92,813 | 500 | 93,313 | - | 228,960 |
| 492,148 | 394,309 | 4,048,215 | 6,594 | 157,151 | 240,698 | 397,849 | \$ - | 4,452,658 |
| 128,783 | - | 128,783 | - | - | - | - | - | 128,783 |
| 147,588 | 852,276 | 1,102,715 | - | - | - | - | - | 1,102,715 |
| - | - | 1,601,756 | - | - | - | - | - | 1,601,756 |
| - | - | - | - | - | - | - | - | - |
| - | - | 1,855,614 | - | - | - | - | - | 1,855,614 |
| - | - | - | - | - | - | - | - | - |
| - | - | - | 3,350 | - | - | - | - | 3,350 |
| - | - | - | 4,728,665 | - | - | - | - | 4,728,665 |
| - | - | - | 1,830,204 | - | - | - | - | 1,830,204 |
| - | - | - | - | 5,008 | 408,588 | 413,596 | - | 413,596 |
| - | - | - | - | 77,810 | 762,603 | 840,413 | - | 840,413 |
| - | - | - | - | 540,051 | - | 540,051 | - | 540,051 |
| - | - | - | - | - | 289,505 | 289,505 | - | 289,505 |
| - | - | - | - | - | 73,068 | 73,068 | - | 73,068 |
| - | - | - | - | - | - | 13,581 | 13,581 | 13,581 |
| 109,693 | - | 109,693 | - | 10,000 | - | 10,000 | - | 119,693 |
| 386,064 | 852,276 | 4,798,561 | 6,562,219 | 632,869 | 1,547,345 | 2,180,214 | - | 13,540,994 |
| 106,084 | (457,967) | (750,346) | (6,555,625) | (475,718) | (1,306,647) | (1,782,365) | - | (9,088,336) |
| - | 602,242 | 1,206,193 | 6,539,842 | 1,030,000 | 156,304 | 1,186,304 | - | 8,932,339 |
| - | - | (302,411) | (1,024,337) | (374,952) | (942,000) | (1,316,952) | - | (2,643,700) |
| - | - | - | - | - | 4,600,000 | 4,600,000 | - | 4,600,000 |
| - | - | - | - | 63,719 | - | 63,719 | - | 63,719 |
| - | 602,242 | 903,782 | 5,515,505 | 718,767 | 3,814,304 | 4,533,071 | - | 10,952,358 |
| 106,084 | 144,275 | 153,436 | (1,040,120) | 243,049 | 2,507,657 | 2,750,706 | - | 1,864,022 |
| 1,018,712 | 763,428 | 3,010,862 | 1,654,049 | 2,572,387 | (1,272,924) | 1,299,463 | - | 5,964,374 |
| \$ 1,124,796 | \$ 907,703 | \$ 3,164,298 | \$ 613,929 | \$ 2,815,436 | \$ 1,234,733 | \$ 4,050,169 | - | \$ 7,828,396 |

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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, 2009

| ASSETS | Allconet II | Allegany County Loan Fund | Total |
|--|---------------------|------------------------------------|---------------------|
| Current Assets: | | | |
| Cash: | | | |
| Cash | \$ - | \$ - | \$ - |
| Receivables: | | | |
| Accounts (net) | 48,552 | 79,539 | 128,091 |
| Other | 47,828 | - | 47,828 |
| Due from other funds | - | 694,412 | 694,412 |
| Miscellaneous assets | - | - | - |
| Total current assets | <u>96,380</u> | <u>773,951</u> | <u>870,331</u> |
| Non-current Assets: | | | |
| Advances to other funds | - | 433,238 | 433,238 |
| Capital assets subject to depreciation | 3,580,889 | - | 3,580,889 |
| Accumulated depreciation | (1,815,536) | - | (1,815,536) |
| Total noncurrent assets | <u>1,765,353</u> | <u>433,238</u> | <u>2,198,591</u> |
| Total Assets | <u>1,861,733</u> | <u>1,207,189</u> | <u>3,068,922</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 336 | - | 336 |
| Due to other funds | 45,065 | - | 45,065 |
| Miscellaneous liabilities | - | - | - |
| Total current liabilities | <u>45,401</u> | <u> -</u> | <u>45,401</u> |
| Noncurrent Liabilities: | | | |
| Long term debt: | | | |
| Compensated absences | - | - | - |
| Total noncurrent liabilities | - | - | - |
| Total Liabilities | <u>45,401</u> | <u> -</u> | <u>45,401</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 1,765,353 | - | 1,765,353 |
| Unrestricted | 50,979 | 1,207,189 | 1,258,168 |
| Total Net Assets | <u>\$ 1,816,332</u> | <u>\$ 1,207,189</u> | <u>\$ 3,023,521</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, 2009

| | Allconet II | Allegany County Loan Fund | Total |
|---|----------------------------|------------------------------------|----------------------------|
| OPERATING REVENUES: | | | |
| Service charges | \$ 21,481 | \$ - | \$ 21,481 |
| Miscellaneous | 40,537 | - | 40,537 |
| Total Operating Revenues | <u>62,018</u> | <u>-</u> | <u>62,018</u> |
| OPERATING EXPENSES: | | | |
| Office expenses | 4,998 | - | 4,998 |
| Utilities | 5,446 | - | 5,446 |
| Repairs & maintenance | 18,485 | - | 18,485 |
| Professional services | 6,107 | - | 6,107 |
| Materials and supplies | - | - | - |
| Insurance | 14,680 | - | 14,680 |
| Miscellaneous | 315 | - | 315 |
| Depreciation | <u>547,325</u> | <u>-</u> | <u>547,325</u> |
| Total operating expenses | <u>597,356</u> | <u>-</u> | <u>597,356</u> |
| Operating Income (Loss) | <u>(535,338)</u> | <u>-</u> | <u>(535,338)</u> |
| NON-OPERATING REVENUE (EXPENSES): | | | |
| Interest income | 2,482 | - | 2,482 |
| Other income (expense) | - | - | - |
| Total non-operating revenue (expenses) | <u>2,482</u> | <u>-</u> | <u>2,482</u> |
| Income (Loss) before contributions and transfers | <u>(532,856)</u> | <u>-</u> | <u>(532,856)</u> |
| Transfer in | - | - | - |
| Transfer out | - | <u>(51,115)</u> | <u>(51,115)</u> |
| Change in net assets | <u>(532,856)</u> | <u>(51,115)</u> | <u>(583,971)</u> |
| Total net assets - beginning | <u>2,349,188</u> | <u>1,258,304</u> | <u>3,607,492</u> |
| Total net assets - ending | <u><u>\$ 1,816,332</u></u> | <u><u>\$ 1,207,189</u></u> | <u><u>\$ 3,023,521</u></u> |

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

| | Allegany County Loan Fund | Total |
|--|------------------------------------|------------------|
| <u>Cash flows from operating activities:</u> | | |
| Cash received from customers | \$ 16,460 | \$ 76,587 |
| Cash payments for goods and services | (55,007) | (55,007) |
| Other operating revenues | - | - |
| Net cash provided by operating activities | <u>(38,547)</u> | <u>60,127</u> |
| <u>Cash flows from noncapital financing activities:</u> | | |
| Advances from other funds | 64,007 | 104,474 |
| Advances to other funds | (18,942) | (68,421) |
| Transfers from other funds | - | - |
| Transfers to other funds | - | (51,115) |
| Net cash provided by noncapital financing activities | <u>45,065</u> | <u>(60,127)</u> |
| <u>Cash flows from capital and related financing activities:</u> | | |
| Acquisition and construction of capital assets | (9,000) | (9,000) |
| Proceeds from sale of assets | - | - |
| Net cash used for capital and related financing activities | <u>(9,000)</u> | <u>(9,000)</u> |
| <u>Cash flows from investing activities:</u> | | |
| Purchase of investments | - | - |
| Sale of investments | - | - |
| Interest on investments | <u>2,482</u> | <u>2,482</u> |
| Net cash used in investing activities | <u>2,482</u> | <u>2,482</u> |
| Net increase (decrease) in cash | - | - |
| Cash at beginning of the year | - | - |
| Cash at end of year | <u>\$ -</u> | <u>\$ -</u> |
| <u>Reconciliation of operating income to net cash provided by operating activities:</u> | | |
| Operating income (loss) | \$ (535,338) | \$ (535,338) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation | 547,325 | 547,325 |
| Provision for uncollectible accounts | - | - |
| Change in assets & liabilities: | | |
| (Increase) decrease in receivables | (45,557) | 60,127 |
| (Increase) decrease in prepaids | - | - |
| Increase (decrease) in acc'ts payable | (4,977) | (4,977) |
| Increase (decrease) in accrued payroll | - | - |
| Total adjustments | <u>496,791</u> | <u>60,127</u> |
| Net cash provided by operating activities | <u>\$ (38,547)</u> | <u>\$ 60,127</u> |
| | <u>\$ 21,580</u> | |

**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, 2009

| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|
| Revenues: | | | | |
| Interest | - | - | 6,594 | 6,594 |
| Expenditures: | | | | |
| Current: | | | | |
| Miscellaneous: | | | | |
| Paying agent fees | \$ 25,000 | \$ 25,000 | \$ 3,350 | \$ 21,650 |
| Debt Service: | | | | |
| Principal payments on : | | | | |
| General obligation debt | 4,453,912 | 4,453,912 | 4,293,827 | 160,085 |
| State loans | 401,572 | 401,572 | 434,838 | (33,266) |
| Total principal payments | <u>4,855,484</u> | <u>4,855,484</u> | <u>4,728,665</u> | <u>126,819</u> |
| Interest payments on: | | | | |
| General obligation debt | 1,753,566 | 1,753,566 | 1,638,505 | 115,061 |
| State loans | 245,521 | 245,521 | 191,699 | 53,822 |
| Total interest payments | <u>1,999,087</u> | <u>1,999,087</u> | <u>1,830,204</u> | <u>168,883</u> |
| Total Expenditures | <u>6,879,571</u> | <u>6,879,571</u> | <u>6,562,219</u> | <u>317,352</u> |
| Deficiency of revenues under expenditures | <u>(6,879,571)</u> | <u>(6,879,571)</u> | <u>(6,555,625)</u> | <u>323,946</u> |
| Other Financing Sources and (Uses): | | | | |
| Unexpended fund balance | 195,110 | 195,110 | - | (195,110) |
| Transfers from other funds: | | | | |
| From the General Fund | 5,132,931 | 5,132,931 | 4,947,018 | (185,913) |
| From the Transit Fund | 42,411 | 42,411 | 42,411 | - |
| From the Revolving Building Fund | 1,509,119 | 1,509,119 | 1,544,357 | 35,238 |
| From the Capital Projects Fund | - | - | 6,056 | 6,056 |
| Transfer to the General Fund | <u>-</u> | <u>-</u> | <u>(1,024,337)</u> | <u>(1,024,337)</u> |
| Total Other Financing Sources and Uses | <u>6,879,571</u> | <u>6,879,571</u> | <u>5,515,505</u> | <u>(1,364,066)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(1,040,120)</u> | <u>\$ (1,040,120)</u> |
| Fund balance, beginning | | | | <u>1,654,049</u> |
| Fund balance, ending | | | | <u>\$ 613,929</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, 2009

| | Highway Fund | | | | Coal Haul Roads Fund | | | | Variance With Final Budget Positive (Negative) |
|--|--------------------|--------------------|--------------------|---|----------------------|------------------|------------------|---|---|
| | 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 | \$ 4,725,000 | \$ 4,725,000 | \$ 4,023,284 | \$ (701,716) | \$ - | \$ 100,000 | \$ 100,000 | \$ 114,535 | \$ 14,535 |
| Other local taxes | - | - | - | - | - | - | - | - | - |
| Intergovernmental: | | | | | | | | | |
| Federal | - | - | - | - | - | - | - | - | - |
| State | - | - | 491,339 | 491,339 | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | 10,000 | 10,000 | 18,973 | - | 8,973 |
| Miscellaneous | - | - | 980 | 980 | - | - | - | - | - |
| Total Revenues | <u>4,725,000</u> | <u>4,725,000</u> | <u>4,515,603</u> | <u>(209,397)</u> | <u>110,000</u> | <u>110,000</u> | <u>133,508</u> | <u>23,508</u> | |
| EXPENDITURES: | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - | - |
| Health & hospitals | - | - | - | - | - | - | - | - | - |
| Highway | 7,563,067 | 7,563,067 | 7,569,450 | (6,383) | - | - | - | - | - |
| Social Services | - | - | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - | - | - |
| and Housing | - | - | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - | - |
| Payments to Component Units | - | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>7,563,067</u> | <u>7,563,067</u> | <u>7,569,450</u> | <u>(6,383)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,838,067)</u> | <u>(2,838,067)</u> | <u>(3,053,847)</u> | <u>(215,780)</u> | <u>110,000</u> | <u>110,000</u> | <u>133,508</u> | <u>23,508</u> | |
| OTHER FINANCING SOURCES AND (USES): | | | | | | | | | |
| Unexpended balance - prior years | 150,000 | 150,000 | - | (150,000) | 140,000 | 140,000 | - | - | (140,000) |
| Transfer from other funds | 2,688,067 | 2,688,067 | 2,857,652 | 169,585 | - | - | - | - | - |
| Transfers to other funds | - | - | - | - | (250,000) | (250,000) | (250,000) | - | - |
| Debt issued | - | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - | - |
| Total Other Financing Sources and Uses | <u>2,838,067</u> | <u>2,838,067</u> | <u>2,857,652</u> | <u>19,585</u> | <u>(110,000)</u> | <u>(110,000)</u> | <u>(250,000)</u> | <u>(140,000)</u> | |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(196,195)</u> | <u>\$ (196,195)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(116,492)</u> | <u>\$ (116,492)</u> | |
| Fund balance, beginning, | | | | | | | | | |
| As adjusted | | | | 126,341 | | | | 836,045 | |
| Fund balance, ending | | | | <u>\$ (69,854)</u> | | | | <u>\$ 719,553</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, 2009

| 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) |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 1,301,040 | 1,301,040 | 846,848 | (454,192) | 31,097 | 31,097 | 349,945 | 318,848 |
| 308,220 | 308,220 | 258,777 | (49,443) | - | - | 25,800 | 25,800 |
| 180,000 | 180,000 | 212,443 | 32,443 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 6,000 | 6,000 | 7,262 | 1,262 | - | - | - | - |
| <u>1,795,260</u> | <u>1,795,260</u> | <u>1,325,330</u> | <u>(469,930)</u> | <u>31,097</u> | <u>31,097</u> | <u>375,745</u> | <u>344,648</u> |
| - | - | - | - | - | - | - | - |
| 2,187,729 | 2,187,729 | 1,601,756 | 585,973 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 35,919 | 35,919 | 379,333 | (343,414) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>2,187,729</u> | <u>2,187,729</u> | <u>1,601,756</u> | <u>585,973</u> | <u>35,919</u> | <u>35,919</u> | <u>379,333</u> | <u>(343,414)</u> |
| (392,469) | (392,469) | (276,426) | 116,043 | (4,822) | (4,822) | (3,588) | 1,234 |
| - | - | - | - | - | - | - | - |
| 55,000 | 55,000 | - | (55,000) | 4,822 | 4,822 | - | (4,822) |
| 379,880 | 379,880 | 379,880 | - | - | - | - | - |
| (42,411) | (42,411) | (42,411) | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>392,469</u> | <u>392,469</u> | <u>337,469</u> | <u>(55,000)</u> | <u>4,822</u> | <u>4,822</u> | <u>-</u> | <u>(4,822)</u> |
| <u>\$</u> | <u>\$</u> | <u>61,043</u> | <u>\$ 61,043</u> | <u>\$</u> | <u>\$</u> | <u>(3,588)</u> | <u>\$ (3,588)</u> |
| | | | <u>151,998</u> | | | <u>5,917</u> | |
| | | | <u><u>\$ 213,041</u></u> | | | <u><u>\$ 2,329</u></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, 2009

| REVENUES: | Block Grant Program Income Fund | | | | Community Development & Housing Fund | | | | Variance With Final Budget Positive (Negative) |
|--|--|-------------------------|-----------------|---|---|-------------------------|------------------|---|---|
| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Taxes - State Shared | \$ - | \$ - | \$ - | \$ - | \$ 1,031,497 | \$ 1,031,497 | \$ 888,680 | \$ (142,817) | |
| Other local taxes | - | - | - | - | 273,446 | 273,446 | 274,102 | 656 | |
| Intergovernmental: | | | | | 4,500 | 4,500 | 4,500 | - | |
| Federal | - | - | 2,062 | 2,062 | - | - | - | - | |
| State | - | - | - | - | 32,800 | 32,800 | 22,000 | (10,800) | |
| Other | - | - | - | - | - | - | - | - | |
| Service charges | - | - | - | - | - | - | - | - | |
| Fines and forfeitures | - | - | - | - | - | - | - | - | |
| Interest | - | - | 78 | 78 | - | - | - | - | |
| Miscellaneous | 5,400 | 5,400 | 39,893 | 34,493 | 1,000 | 1,000 | 2,654 | 1,654 | |
| Total Revenues | 5,400 | 5,400 | 42,033 | 36,633 | 1,343,243 | 1,343,243 | 1,191,936 | (151,307) | |
| EXPENDITURES: | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | |
| Public safety | - | - | - | - | - | - | - | - | |
| Public works | - | - | - | - | - | - | - | - | |
| Health & hospitals | - | - | - | - | - | - | - | - | |
| Highway | - | - | - | - | - | - | - | - | |
| Social Services | - | - | - | - | - | - | - | - | |
| Community Development and Housing | 175,400 | 175,400 | 75,668 | 99,732 | 1,533,849 | 1,533,849 | 1,400,613 | 133,236 | |
| Economic development | - | - | - | - | - | - | - | - | |
| Miscellaneous | - | - | - | - | - | - | - | - | |
| Payments to Component Units | - | - | - | - | - | - | - | - | |
| Total Expenditures | 175,400 | 175,400 | 75,668 | 99,732 | 1,533,849 | 1,533,849 | 1,400,613 | 133,236 | |
| Excess (deficiency) of revenues over (under) expenditures | (170,000) | (170,000) | (33,635) | 136,365 | (190,606) | (190,606) | (208,677) | (18,071) | |
| OTHER FINANCING SOURCES AND (USES): | | | | | | | | | |
| Unexpended balance - prior years | 170,000 | 170,000 | - | (170,000) | - | - | - | - | |
| Transfer from other funds | - | - | - | - | 190,606 | 190,606 | 208,941 | 18,335 | |
| Transfers to other funds | - | - | (10,000) | (10,000) | - | - | - | - | |
| Debt issued | - | - | - | - | - | - | - | - | |
| Sale of capital assets | - | - | - | - | - | - | - | - | |
| Total Other Financing Sources and Uses | 170,000 | 170,000 | (10,000) | (180,000) | 190,606 | 190,606 | 208,941 | 18,335 | |
| Net change in fund balances | \$ - | \$ - | (43,635) | \$ (43,635) | \$ - | \$ - | 264 | \$ 264 | |
| Fund balance, beginning | | | | | | | | | |
| As adjusted | | | | 189,401 | | | | 8,611 | |
| Fund balance, ending | | | | | \$ 145,766 | | | \$ 8,875 | |

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

| 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) |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| - | - | - | - | 647,200 | 647,200 | 451,048 | (196,152) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 42,800 | 42,800 | 67,226 | 24,426 | 52,800 | 52,800 | 41,100 | (11,700) |
| - | - | 2,399 | 2,397 | - | - | - | - |
| - | - | 23,581 | 23,581 | - | - | - | - |
| 42,800 | 42,800 | 93,206 | 50,404 | 700,000 | 700,000 | 492,148 | (207,852) |
| | | | | | | | |
| 54,800 | 54,800 | 102,851 | (48,051) | 141,200 | 141,200 | 128,783 | 12,417 |
| - | - | - | - | 139,700 | 139,700 | 147,588 | (7,888) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 54,800 | 54,800 | 102,851 | (48,051) | 700,000 | 700,000 | 386,064 | 313,936 |
| | | | | | | | |
| (12,000) | (12,000) | (9,645) | 2,353 | - | - | 106,084 | 106,084 |
| | | | | | | | |
| 12,000 | 12,000 | 15,130 | 3,130 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 12,000 | 12,000 | 15,130 | 3,130 | - | - | 106,084 | 106,084 |
| | | | | | | | |
| \$ - | \$ - | 5,485 | \$ 5,483 | \$ - | \$ - | \$ 106,084 | \$ 106,084 |
| | | | | | | | |
| | | 36,750 | | | | 1,018,712 | |
| | | \$ 42,235 | | | | \$ 1,124,796 | |

(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, 2009

| REVENUES: | 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) |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Taxes - State Shared | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other local taxes | | | | | | | | |
| Intergovernmental: | | | | | | | | |
| Federal | 400,000 | 400,000 | 271,887 | (128,113) | 68,110 | 68,110 | 18,913 | (49,197) |
| State | 500,000 | 500,000 | 329,499 | (170,501) | 238,000 | 238,000 | 208,446 | (29,554) |
| Other | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | 91,000 | 91,000 | 100,394 | 9,394 |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Interest | - | - | 28,864 | 28,864 | 8,000 | 8,000 | 4,299 | (3,701) |
| Miscellaneous | 2,523,152 | 2,523,152 | 2,823,172 | 300,020 | 50,000 | 50,000 | 62,257 | 12,257 |
| Total Revenues | <u>3,423,152</u> | <u>3,423,152</u> | <u>3,453,422</u> | <u>30,270</u> | <u>455,110</u> | <u>455,110</u> | <u>394,309</u> | <u>(60,801)</u> |
| EXPENDITURES: | | | | | | | | |
| General government | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | 1,365,696 | 1,365,696 | 852,276 | 513,420 |
| Public works | - | - | - | - | - | - | - | - |
| Health & hospitals | - | - | - | - | - | - | - | - |
| Highway | - | - | - | - | - | - | - | - |
| Social Services | - | - | - | - | - | - | - | - |
| Community Development and Housing | - | - | - | - | - | - | - | - |
| Economic development | 8,300,444 | 8,300,444 | 3,602,041 | 4,698,403 | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Payments to Component Units | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>8,300,444</u> | <u>8,300,444</u> | <u>3,602,041</u> | <u>4,698,403</u> | <u>1,365,696</u> | <u>1,365,696</u> | <u>852,276</u> | <u>513,420</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,877,292)</u> | <u>(4,877,292)</u> | <u>(148,619)</u> | <u>4,728,673</u> | <u>(910,586)</u> | <u>(910,586)</u> | <u>(457,967)</u> | <u>452,619</u> |
| OTHER FINANCING SOURCES AND (USES): | | | | | | | | |
| Unexpended balance - prior year | 6,408,139 | 6,408,139 | - | (6,408,139) | 308,344 | 308,344 | - | (308,344) |
| Transfer from other funds | - | - | - | - | 602,242 | 602,242 | 602,242 | - |
| Transfers to other funds | (1,581,347) | (1,581,347) | (1,616,585) | (35,238) | - | - | - | - |
| Debt issued | - | - | - | - | - | - | - | - |
| Sale of capital assets | 50,500 | 50,500 | 73,162 | 22,662 | - | - | - | - |
| Total Other Financing Sources and Uses | <u>4,877,292</u> | <u>4,877,292</u> | <u>(1,543,423)</u> | <u>(6,420,715)</u> | <u>910,586</u> | <u>910,586</u> | <u>602,242</u> | <u>(308,344)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(1,692,042)</u> | <u>\$(1,692,042)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>144,275</u> | <u>\$ 144,275</u> |
| Fund balance, beginning | | | | | | | | |
| As adjusted | | | | 6,531,683 | | | 763,428 | |
| Fund balance, ending | | | | <u>\$ 4,839,641</u> | | | <u>\$ 907,703</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, 2009**

| Total Special Revenue Funds | | | | Variance With Final Budget Positive (Negative) |
|------------------------------------|-------------------------|-------------------------|---------------------------|---|
| Original Budget | Final Budget | Actual | \$ | |
| \$ 4,725,000 747,200 | \$ 4,725,000 747,200 | \$ 4,023,284 565,583 | \$ (701,716) (181,617) | |
| 2,831,744 | 2,831,744 | 2,378,335 | (453,409) | |
| 1,319,666 | 1,319,666 | 1,562,163 | 242,497 | |
| 4,500 | 4,500 | 30,300 | 25,800 | |
| 356,600 | 356,600 | 375,937 | 19,337 | |
| 42,800 | 42,800 | 67,226 | 24,426 | |
| 18,000 | 18,000 | 54,613 | 36,613 | |
| 2,585,552 | 2,585,552 | 2,959,799 | 374,247 | |
| <u>12,631,062</u> | <u>12,631,062</u> | <u>12,017,240</u> | <u>(613,822)</u> | |
| 141,200 | 141,200 | 128,783 | 12,417 | |
| 1,560,196 | 1,560,196 | 1,102,715 | 457,481 | |
| 2,187,729 | 2,187,729 | 1,601,756 | 585,973 | |
| 7,563,067 | 7,563,067 | 7,569,450 | (6,383) | |
| 1,745,168 | 1,745,168 | 1,855,614 | (110,446) | |
| 8,300,444 | 8,300,444 | 3,602,041 | 4,698,403 | |
| 419,100 | 419,100 | 109,693 | 309,407 | |
| <u>21,916,904</u> | <u>21,916,904</u> | <u>15,970,052</u> | <u>5,946,852</u> | |
| <u>(9,285,842)</u> | <u>(9,285,842)</u> | <u>(3,952,812)</u> | <u>5,333,030</u> | |
| 7,236,305 | 7,236,305 | - | (7,236,305) | |
| 3,872,795 | 3,872,795 | 4,063,845 | 191,050 | |
| (1,873,758) | (1,873,758) | (1,918,996) | (45,238) | |
| 50,500 | 50,500 | 73,162 | 22,662 | |
| 9,285,842 | 9,285,842 | 2,218,011 | (7,067,831) | |
| <u>\$ -</u> | <u>\$ -</u> | <u>(1,734,801)</u> | <u>\$ (1,734,801)</u> | |
| | | <u>9,668,886</u> | | |
| | | <u>\$ 7,934,085</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, 2009**

| | Capital Improvement Projects Fund | | | | Pay-As-You-Go (PAYGO) Fund | | | | Variance With Final Budget Positive (Negative) | |
|--|-----------------------------------|------------------|------------------|---|----------------------------|--------------------|------------------|---------------------|---|--|
| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | | | |
| | | | | REVENUES: | | | | | | |
| Intergovernmental | | | | | | | | | | |
| Federal grants | \$ 1,770,000 | \$ 1,770,000 | \$ 753,904 | \$ (1,016,096) | \$ 80,000 | \$ 80,000 | \$ - | \$ (80,000) | | |
| State grants | 300,000 | 300,000 | - | (300,000) | 595,800 | 595,800 | 22,000 | (573,800) | | |
| Other | 419,100 | 419,100 | - | (419,100) | - | - | - | - | | |
| Service charges | | | 73,803 | 73,803 | - | - | - | - | | |
| Miscellaneous: | | | | | | | | | | |
| Interest | - | - | 6,056 | 6,056 | - | - | 42,338 | 42,338 | | |
| Miscellaneous | - | - | - | - | - | - | 92,813 | 92,813 | | |
| Total Revenues | <u>2,489,100</u> | <u>2,489,100</u> | <u>833,763</u> | <u>(1,655,337)</u> | <u>675,800</u> | <u>675,800</u> | <u>157,151</u> | <u>(518,649)</u> | | |
| EXPENDITURES: | | | | | | | | | | |
| General Government | - | - | - | - | 450,534 | 450,534 | 5,008 | 445,526 | | |
| Public Safety | 1,740,000 | 1,740,000 | 698,738 | 1,041,262 | 280,000 | 280,000 | 77,810 | 202,190 | | |
| Public Works | 485,000 | 485,000 | 401,570 | 83,430 | 1,614,700 | 1,614,700 | 540,051 | 1,074,649 | | |
| Health | - | - | - | - | - | - | - | - | | |
| Social Services | - | - | - | - | - | - | - | - | | |
| Education | - | - | - | - | - | - | - | - | | |
| Recreation, Culture & Libraries | - | - | - | - | 45,000 | 45,000 | - | 45,000 | | |
| Conservation of Natural Resources | - | - | - | - | - | - | - | - | | |
| Economic Development | - | - | 38 | (38) | - | - | - | - | | |
| Miscellaneous | - | - | - | - | - | - | - | - | | |
| Payments to component units | <u>852,000</u> | <u>852,000</u> | <u>314,002</u> | <u>537,998</u> | - | - | <u>10,000</u> | <u>(10,000)</u> | | |
| Total Expenditures | <u>3,077,000</u> | <u>3,077,000</u> | <u>1,414,348</u> | <u>1,662,652</u> | <u>2,390,234</u> | <u>2,390,234</u> | <u>632,869</u> | <u>1,757,365</u> | | |
| Excess (deficiency) of revenues over (under) expenditures | <u>(587,900)</u> | <u>(587,900)</u> | <u>(580,585)</u> | <u>7,315</u> | <u>(1,714,434)</u> | <u>(1,714,434)</u> | <u>(475,718)</u> | <u>1,238,716</u> | | |
| OTHER FINANCING SOURCES AND USES: | | | | | | | | | | |
| Unexpended fund balance | 527,900 | 527,900 | - | (527,900) | 1,974,434 | 1,974,434 | - | (1,974,434) | | |
| Transfers In: | | | | | | | | | | |
| From other funds | 60,000 | 60,000 | 773,987 | 713,987 | - | - | 1,030,000 | 1,030,000 | | |
| Transfers Out: | | | | | | | | | | |
| To other funds | - | - | (8,359) | (8,359) | (260,000) | (260,000) | (374,952) | (114,952) | | |
| Debt issued | - | - | - | - | - | - | - | - | | |
| Capital leases | - | - | - | - | - | - | 63,719 | 63,719 | | |
| Sale of capital assets | - | - | - | - | - | - | - | - | | |
| Total Other Financing Uses | <u>587,900</u> | <u>587,900</u> | <u>765,628</u> | <u>177,728</u> | <u>1,714,434</u> | <u>1,714,434</u> | <u>718,767</u> | <u>(995,667)</u> | | |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>185,043</u> | <u>\$ 185,043</u> | <u>\$ -</u> | <u>\$ -</u> | <u>243,049</u> | <u>\$ 243,049</u> | | |
| Fund balance, beginning | | | | <u>(151,255)</u> | | | | <u>2,572,387</u> | | |
| Fund balance, ending | | | | <u>\$ 33,788</u> | | | | <u>\$ 2,815,436</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, 2009**

| Public Improvement Bonds Capital Projects Fund | | | | Total All Capital Projects | | | |
|---|--------------------|---------------------|-------------------------------|----------------------------|--------------------|--------------------|-------------------------------|
| Original Budget | Final Budget | Actual | Variance With Final Budget | Original Budget | Final Budget | Actual | Variance With Final Budget |
| | | | Positive (Negative) | | | | Positive (Negative) |
| \$ 771,200 | \$ 771,200 | \$ 224,624 | \$ (546,576) | \$ 1,850,000 | \$ 1,850,000 | \$ 753,904 | \$ (1,096,096) |
| - | - | - | - | 1,667,000 | 1,667,000 | 246,624 | (1,420,376) |
| - | - | - | - | 419,100 | 419,100 | - | (419,100) |
| - | - | 15,574 | 15,574 | - | - | 73,803 | 73,803 |
| - | - | 500 | 500 | - | - | 63,968 | 63,968 |
| <u>771,200</u> | <u>771,200</u> | <u>240,698</u> | <u>(530,502)</u> | <u>3,936,100</u> | <u>3,936,100</u> | <u>1,231,612</u> | <u>(2,704,488)</u> |
| 342,000 | 342,000 | 408,588 | (66,588) | 792,534 | 792,534 | 413,596 | 378,938 |
| 3,644,200 | 3,644,200 | 762,603 | 2,881,597 | 5,664,200 | 5,664,200 | 1,539,151 | 4,125,049 |
| 225,000 | 225,000 | 289,505 | (64,505) | 2,324,700 | 2,324,700 | 1,231,126 | 1,093,574 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 62,000 | 62,000 | 73,068 | (11,068) | 107,000 | 107,000 | 73,068 | 33,932 |
| - | - | - | - | - | - | - | - |
| - | - | 13,581 | (13,581) | - | - | 38 | (38) |
| <u>4,273,200</u> | <u>4,273,200</u> | <u>1,547,345</u> | <u>2,725,855</u> | <u>852,000</u> | <u>852,000</u> | <u>324,002</u> | <u>527,998</u> |
| <u>(3,502,000)</u> | <u>(3,502,000)</u> | <u>(1,306,647)</u> | <u>2,195,353</u> | <u>(5,804,334)</u> | <u>(5,804,334)</u> | <u>(2,362,950)</u> | <u>3,441,384</u> |
| - | - | - | - | 2,502,334 | 2,502,334 | - | (2,502,334) |
| - | - | 156,304 | 156,304 | 60,000 | 60,000 | 1,960,291 | 1,900,291 |
| - | - | (942,000) | (942,000) | (260,000) | (260,000) | (1,325,311) | (1,065,311) |
| 3,502,000 | 3,502,000 | 4,600,000 | 1,098,000 | 3,502,000 | 3,502,000 | 4,600,000 | 1,098,000 |
| - | - | - | - | - | - | 63,719 | 63,719 |
| <u>3,502,000</u> | <u>3,502,000</u> | <u>3,814,304</u> | <u>312,304</u> | <u>5,804,334</u> | <u>5,804,334</u> | <u>5,298,699</u> | <u>(505,635)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>2,507,657</u> | <u>\$ 2,507,657</u> | <u>\$ -</u> | <u>\$ -</u> | <u>2,935,749</u> | <u>\$ 2,935,749</u> |
| | | <u>(1,272,924)</u> | | | | <u>1,148,208</u> | |
| | | <u>\$ 1,234,733</u> | | | | | <u>\$ 4,083,957</u> |

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CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2009

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

| | Proj. No. | Length Budget | Revenues and other Sources | | | | |
|---|--------------|------------------|----------------------------|---------------------|---------------------|--------------------|----------------------------|
| | | | Federal Grants | State Grants | Other Intergov'l | Service Charges | Miscellaneous. Revenues |
| Capital Improvement Projects Fund | | | | | | | |
| Continuity operations | 4081 | - | 405,700 | - | - | - | - |
| Dry Run Phase II | 4091 | 520,000 | 283,857 | - | - | - | - |
| 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 |
| Rye Street Bridge | 409R | 796,600 | 585,749 | 10,738 | - | - | - |
| Flood Gate, Savage Dam | 409S | 3,715,000 | - | - | - | 299,165 | - |
| Potomac River Water | 409T | 70,000 | 15,000 | - | - | - | - |
| Public Safety Building | 409V | 1,140,000 | - | - | - | - | - |
| Mt. Ridge High School | 409W | 11,000,000 | - | - | - | - | 146,733 |
| Flood Mitigation, PDM Scattered | 409X | 53,000 | 153,941 | - | - | - | - |
| 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>6,234,099</u> | <u>6,129,765</u> | <u>62,132</u> | <u>299,165</u> | <u>4,609,617</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 | - | - | - | - | 132,813 |
| 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 | - | - | - | - | 64,460 |
| Telecommunications Program | 420Z | 160,000 | - | - | - | - | - |
| OP Roads Improvements | 4203 | 683,123 | - | - | - | 16,392 | - |
| Dispatcher Console | 4205 | 100,000 | - | 22,000 | - | - | - |
| Water Study, Disinfectant | 4206 | 75,000 | - | - | - | - | - |
| Bridge Street bridge | 4207 | 235,000 | - | - | - | - | - |
| Drainage improvements | 4208 | 25,000 | - | - | - | - | - |
| Fiber infrastructure | 4209 | - | - | - | - | - | - |
| County wide water study | 421C | 175,000 | - | - | - | - | - |
| Fairgrounds pumping station | 421E | - | - | - | - | - | - |
| Cresaptown Streetscape | 421S | 184,100 | - | - | - | - | - |
| Capital Project Reserves | 4181 | 4,779,154 | <u>-</u> | <u>22,000</u> | <u>-</u> | <u>16,392</u> | <u>3,106,493</u> |
| | | | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public Improvement Bonds Capital Project Fund | | | | | | | |
| Westernport Library | 4316 | 266,304 | - | - | - | - | - |
| Bond Interest | 431Z | 88,250 | - | - | - | - | 88,250 |
| Westernport Library | 432A | 62,000 | - | - | - | - | - |
| Computer aided dispatcher | 432B | 702,000 | - | - | - | - | - |
| Animal control addition | 432C | 180,000 | - | - | - | - | - |
| Bond Interest | 432Z | 15,444 | - | - | - | - | 15,444 |
| Bond closing costs | 4321 | 46,800 | - | - | - | - | - |
| Library - LaVale Parking Lot | 4322 | 34,000 | - | - | - | - | - |
| Braddock Run Restoration | 4323 | 800,000 | - | 389,735 | - | - | 500 |
| Jennings Run Restoration | 4324 | 800,000 | - | - | - | - | - |
| Allegany College, Library | 4325 | 1,160,000 | - | - | - | - | - |
| Radio upgrade switches | 4326 | 538,200 | - | - | - | - | - |
| AC Geothermal Project | 4327 | 327,000 | - | - | - | - | - |
| Public safety building | 4328 | 700,000 | - | - | - | - | - |
| Courthouse roof | 4239 | 342,000 | <u>-</u> | <u>389,735</u> | <u>-</u> | <u>-</u> | <u>104,194</u> |
| Total Capital Project Funds | | | <u>\$ 6,234,099</u> | <u>\$ 6,541,500</u> | <u>\$ 62,132</u> | <u>\$ 315,557</u> | <u>\$ 7,820,304</u> |

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2009

| Revenues and other Sources | | | Expenditures and other Uses | | | Remaining | |
|----------------------------|-----------------|------------------|-----------------------------|------------------|---------------|--------------------|-------------------|
| Debt Proceeds | Transfers In | Total Sources | Expenditures | Transfers Out | Total Uses | Project Balance | Project Budget |
| - | - | 405,700 | 431,848 | - | 431,848 | (26,148) | (431,848) |
| - | 94,527 | 378,384 | 376,356 | - | 376,356 | 2,028 | 143,644 |
| - | 526,000 | 2,212,927 | 2,177,130 | 25,000 | 2,202,130 | 10,797 | (120,220) |
| - | 3,130,377 | 7,147,624 | 7,128,320 | - | 7,128,320 | 19,304 | 871,680 |
| - | 185,339 | 781,826 | 779,522 | 2,304 | 781,826 | - | 14,774 |
| - | 220,000 | 519,165 | 445,458 | - | 445,458 | 73,707 | 3,269,542 |
| - | 88,000 | 103,000 | 79,526 | - | 79,526 | 23,474 | (9,526) |
| - | 1,068,173 | 1,068,173 | 1,068,173 | - | 1,068,173 | - | 71,827 |
| 10,000,000 | 1,000,000 | 11,146,733 | 11,039,604 | 107,129 | 11,146,733 | - | (146,733) |
| - | 53,000 | 206,941 | 200,452 | - | 200,452 | 6,489 | (147,452) |
| - | 82,167 | 132,373 | 132,373 | - | 132,373 | - | 67,627 |
| - | 2,016,465 | 2,419,337 | 1,930,805 | 484,283 | 2,415,088 | 4,249 | (315,117) |
| - | 296,679 | 9,573,322 | 9,653,434 | - | 9,653,434 | (80,112) | 952,566 |
| 10,000,000 | 8,760,727 | 36,095,505 | 35,443,001 | 618,716 | 36,061,717 | 33,788 | 4,220,764 |
| - | 165,039 | 165,039 | 114,992 | 5,725 | 120,717 | 44,322 | 29,283 |
| - | 4,831,608 | 4,831,608 | 3,138,627 | 646,990 | 3,785,617 | 1,045,991 | 795,991 |
| 511,944 | 279,831 | 791,775 | 703,188 | 88,587 | 791,775 | - | (515,727) |
| - | 711,187 | 844,000 | 501,537 | - | 501,537 | 342,463 | 998,463 |
| - | 250,000 | 250,000 | 8,500 | - | 8,500 | 241,500 | 241,500 |
| - | 485,000 | 485,000 | 407,086 | - | 407,086 | 77,914 | 77,914 |
| - | 536,000 | 536,000 | - | 200,000 | 200,000 | 336,000 | - |
| - | 201,649 | 266,109 | 251,109 | - | 251,109 | 15,000 | (51,109) |
| - | 160,686 | 160,686 | 160,686 | - | 160,686 | - | (686) |
| - | 666,731 | 683,123 | 640,559 | - | 640,559 | 42,564 | 42,564 |
| - | 228,420 | 250,420 | 40,111 | 30,000 | 70,111 | 180,309 | 29,889 |
| - | 75,000 | 75,000 | 35,040 | - | 35,040 | 39,960 | 39,960 |
| - | - | - | 57,558 | - | 57,558 | (57,558) | 177,442 |
| - | 25,000 | 25,000 | 1,500 | - | 1,500 | 23,500 | 23,500 |
| - | 200,000 | 200,000 | 12,400 | - | 12,400 | 187,600 | (12,400) |
| - | 86,600 | 86,600 | - | - | - | 86,600 | 175,000 |
| - | 65,000 | 65,000 | 62,492 | 2,508 | 65,000 | - | (65,000) |
| - | 10,800 | 10,800 | - | - | - | 10,800 | 184,100 |
| - | 1,869,934 | 4,779,154 | - | 4,580,683 | 4,580,683 | 198,471 | 198,471 |
| 511,944 | 10,848,485 | 14,505,314 | 6,135,385 | 5,554,493 | 11,689,878 | 2,815,436 | 2,369,155 |
| 202,000 | 64,304 | 266,304 | 266,304 | - | 266,304 | - | - |
| - | - | 88,250 | 88,250 | - | 88,250 | - | - |
| 62,000 | - | 62,000 | - | 62,000 | 62,000 | - | - |
| 702,000 | - | 702,000 | - | - | - | 702,000 | 702,000 |
| 180,000 | - | 180,000 | - | 180,000 | 180,000 | - | - |
| - | 15,444 | 13,581 | - | 13,581 | 13,581 | 1,863 | 1,863 |
| 46,800 | - | 46,800 | 47,697 | - | 47,697 | (897) | (897) |
| 34,000 | - | 34,000 | 33,588 | - | 33,588 | 412 | 412 |
| 300,000 | - | 690,235 | 488,769 | - | 488,769 | 201,466 | 311,231 |
| 300,000 | - | 300,000 | 83,371 | - | 83,371 | 216,629 | 716,629 |
| 1,160,000 | - | 1,160,000 | 1,030,344 | - | 1,030,344 | 129,656 | 129,656 |
| 538,200 | - | 538,200 | 538,200 | - | 538,200 | - | - |
| 327,000 | - | 327,000 | 324,505 | - | 324,505 | 2,495 | 2,495 |
| 700,000 | - | 700,000 | - | 700,000 | 700,000 | - | - |
| 250,000 | 92,000 | 342,000 | 360,891 | - | 360,891 | (18,891) | (18,891) |
| 4,802,000 | 156,304 | 5,452,233 | 3,275,500 | 942,000 | 4,217,500 | 1,234,733 | 1,844,498 |
| \$ 15,313,944 | \$ 19,765,516 | \$ 56,053,052 | \$ 44,853,886 | \$ 7,115,209 | \$ 51,969,095 | \$ 4,083,957 | \$ 8,434,417 |

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CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2009

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, 2009

| | Continuing Operations (4081) | Dry Run Phase II (409L) | NRCS Flood Project (409M) | Health Department Relocation (409N) | Rye Street Bridge (409R) | UPRC Flood Gate (409S) |
|--|------------------------------------|-------------------------------|------------------------------------|--|-----------------------------------|---------------------------------|
| REVENUES: | | | | | | |
| Intergovernmental: | | | | | | |
| Federal: | | | | | | |
| FEMA grant | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transportation grant | 405,700 | - | - | - | - | - |
| Soil conservation grant | - | 194,263 | - | - | - | - |
| State: | | | | | | |
| State Aid Highway | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | 73,803 |
| Miscellaneous: | | | | | | |
| Interest | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total Revenues | <u>405,700</u> | <u>194,263</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>73,803</u> |
| EXPENDITURES: | | | | | | |
| General government | - | - | - | - | - | - |
| Public Safety | 431,848 | - | 9 | - | - | - |
| Public Works | - | 259,214 | - | - | - | 142,357 |
| Economic Development | - | - | - | - | - | - |
| Payments to component units: | | | | | | |
| Board of Education | - | - | - | - | - | - |
| Total Expenditures | <u>431,848</u> | <u>259,214</u> | <u>9</u> | <u>-</u> | <u>-</u> | <u>142,357</u> |
| OTHER FINANCING SOURCES and (USES): | | | | | | |
| Transfers-in from: | | | | | | |
| General Fund | - | - | - | - | - | - |
| General Fund, internal transfers | - | - | - | - | (1,811) | - |
| PAYGO Fund | - | - | - | 17,750 | - | - |
| Public Imp. Bond Fund | - | - | - | - | - | - |
| Transfer to: | | | | | | |
| Debt Service Fund | - | - | - | - | - | - |
| Public Imp. Bond Fund | - | - | - | - | (2,304) | - |
| Debt issued | - | - | - | - | - | - |
| Total Other Financing Sources and Uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>17,750</u> | <u>(4,115)</u> | <u>-</u> |
| Net change in fund balances | (26,148) | (64,951) | (9) | 17,750 | (4,115) | (68,554) |
| Fund Balance, beginning | - | 66,979 | 10,806 | 1,554 | 4,115 | 142,261 |
| Fund Balance, Ending | <u>\$ (26,148)</u> | <u>\$ 2,028</u> | <u>\$ 10,797</u> | <u>\$ 19,304</u> | <u>\$ -</u> | <u>\$ 73,707</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, 2009

| Potomac River Water Study (409T) | Public Safety Building (409V) | Mt. Ridge High School (409W) | Flood Mitigation PDM Sites (409X) | FEMA Flood Grant (409Z) | Riverside Industrial Park (410R) | Highland Trail (410X) | Fund Total |
|---|--|------------------------------------|--|----------------------------------|---|-----------------------------|------------------|
| \$ - | \$ - | \$ - | \$ 153,941 | \$ - | \$ - | \$ - | \$ 153,941 |
| - | - | - | - | - | - | - | 405,700 |
| - | - | - | - | - | - | - | 194,263 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | 73,803 |
| - | - | 6,056 | - | - | - | - | 6,056 |
| - | - | - | - | - | - | - | - |
| - | - | <u>6,056</u> | <u>153,941</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>833,763</u> |
| - | - | - | - | - | - | - | - |
| - | 70,200 | - | 196,680 | - | - | - | 698,737 |
| - | - | - | - | - | - | - | 401,571 |
| - | - | - | - | - | 38 | - | 38 |
| - | - | <u>314,001</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>314,001</u> |
| - | <u>70,200</u> | <u>314,001</u> | <u>196,680</u> | <u>-</u> | <u>38</u> | <u>-</u> | <u>1,414,347</u> |
| - | - | - | - | - | - | - | - |
| 13,000 | 9,851 | - | - | 167 | - | 1,644 | - |
| 700,000 | - | - | - | - | - | 33,386 | 73,987 |
| - | - | (6,056) | - | - | - | - | (6,056) |
| - | - | - | - | - | - | - | (2,304) |
| - | - | - | - | - | - | - | - |
| <u>13,000</u> | <u>709,851</u> | <u>(6,056)</u> | <u>-</u> | <u>167</u> | <u>-</u> | <u>35,030</u> | <u>765,627</u> |
| 13,000 | 639,651 | (314,001) | (42,739) | 167 | (38) | 35,030 | 185,043 |
| 10,474 | (639,651) | <u>314,001</u> | <u>49,228</u> | <u>(167)</u> | <u>4,287</u> | <u>(115,142)</u> | <u>(151,255)</u> |
| <u>\$ 23,474</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,489</u> | <u>\$ -</u> | <u>\$ 4,249</u> | <u>\$ (80,112)</u> | <u>\$ 33,788</u> |

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, 2009

| | Computer Network (418I) | Roads Paving Program (418R) | Capital Outlay (418Z) | LaVale Storm Drains (420O) | County Office Building (420R) |
|--|-------------------------------|--------------------------------------|-----------------------------|-------------------------------------|--|
| REVENUES: | | | | | |
| Intergovernmental: | | | | | |
| State grants: | | | | | |
| Public safety grant | \$ - | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous: | | | | | |
| Interest | - | - | - | - | - |
| Contributions & donations | - | - | - | - | - |
| Miscellaneous | - | - | - | 77,813 | - |
| Total Revenues | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>77,813</u></u> | <u><u>-</u></u> |
| EXPENDITURES: | | | | | |
| General Government | - | - | - | - | - |
| Public safety | - | - | 63,719 | - | - |
| Public works | - | 227,746 | - | 140,765 | - |
| Miscellaneous | - | - | - | - | - |
| Payments to component units: | | | | | |
| Board of Education | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |
| Total Expenditures | <u><u>-</u></u> | <u><u>227,746</u></u> | <u><u>63,719</u></u> | <u><u>140,765</u></u> | <u><u>-</u></u> |
| OTHER FINANCING SOURCES and (USES): | | | | | |
| Transfers-in from: | | | | | |
| General fund | - | 250,000 | - | - | - |
| General Fund, internal transfers | 9,314 | - | - | 64,000 | - |
| 2008 Public Improvement Bond | - | - | - | - | - |
| Transfers -out to: | | | | | |
| Highway Fund | - | (200,000) | - | - | - |
| Capital Projects Fund | - | - | - | - | - |
| Public Imp Bond Fund | - | - | - | - | - |
| Debt proceeds, capital lease | - | - | 63,719 | - | - |
| Total Other Financing Sources and Uses | <u><u>9,314</u></u> | <u><u>50,000</u></u> | <u><u>63,719</u></u> | <u><u>64,000</u></u> | <u><u>-</u></u> |
| Net change in fund balances | 9,314 | (177,746) | - | 1,048 | - |
| Fund Balance, beginning | 35,008 | 1,223,737 | - | 341,415 | 241,500 |
| Fund Balance, Ending | <u><u>\$ 44,322</u></u> | <u><u>\$ 1,045,991</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 342,463</u></u> | <u><u>\$ 241,500</u></u> |

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, 2009

| Gen Ledger Software Upgrades (420S) | Emergency Capital (420V) | Animal Shelter Quarantine (420X) | Tele- communications Project (420Z) | Road Improvements (4203) | Dispatcher Consol (4205) | Total This Page |
|--|--------------------------------|---|--|--------------------------------|--------------------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 22,000 | \$ 22,000 |
| - | - | - | - | - | - | - |
| - | - | 15,000 | - | - | - | 15,000 |
| - | - | - | - | - | - | 77,813 |
| - | - | 15,000 | - | - | 22,000 | 114,813 |
| 5,008 | - | - | - | - | - | 5,008 |
| - | - | - | - | - | 1,691 | 65,410 |
| - | - | - | - | 14,950 | - | 383,461 |
| - | - | - | - | - | - | - |
| 10,000 | - | - | - | - | - | 10,000 |
| 15,008 | - | - | - | 14,950 | 1,691 | 463,879 |
| - 200,000 | - (64,000) | 15,069 | (9,314) | - | 160,000 | 450,000 |
| - | - | 180,000 | - | - | - | 175,069 |
| - | - | - | - | - | - | 180,000 |
| - | - | - | - | - | - | (200,000) |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 63,719 |
| - 136,000 | - 195,069 | (9,314) | - | 160,000 | - | 668,788 |
| (15,008) | 136,000 | 210,069 | (9,314) | (14,950) | 180,309 | 319,722 |
| 92,922 | 200,000 | (195,069) | 9,314 | 57,514 | - | 2,006,341 |
| \$ 77,914 | \$ 336,000 | \$ 15,000 | \$ - | \$ 42,564 | \$ 180,309 | \$ 2,326,063 |

(Continued)

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, 2009

| | Total Previous Page | Water Study Disinfection (4206) | Bridge Street Bridge (4207) | Drainage Improvements (4208) |
|--|---------------------------|--|-----------------------------------|------------------------------------|
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| State grants: | | | | |
| Public safety grant | \$ 22,000 | \$ - | \$ - | \$ - |
| Miscellaneous: | | | | |
| Interest | - | - | - | - |
| Contributions & donations | 15,000 | - | - | - |
| Miscellaneous | 77,813 | - | - | - |
| Total Revenues | <u>114,813</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | |
| General Government | 5,008 | - | - | - |
| Public safety | 65,410 | - | - | - |
| Public works | 383,461 | 35,040 | 57,558 | 1,500 |
| Miscellaneous | - | - | - | - |
| Payments to component units: | | | | |
| Board of Education | 10,000 | - | - | - |
| Total Expenditures | <u>463,879</u> | <u>35,040</u> | <u>57,558</u> | <u>1,500</u> |
| OTHER FINANCING SOURCES and (USES): | | | | |
| Transfers-in from: | | | | |
| General fund | 450,000 | - | - | - |
| General Fund, internal transfers | 175,069 | - | - | 25,000 |
| 2008 Public Improvement Bond | 180,000 | | | |
| Transfers -out to: | | | | |
| Highway Fund | (200,000) | - | - | - |
| Capital Projects Fund | - | - | - | - |
| Public Imp Bond Fund | - | - | - | - |
| Debt proceeds, capital lease | 63,719 | - | - | - |
| Total Other Financing Sources and Uses | <u>668,788</u> | <u>-</u> | <u>-</u> | <u>25,000</u> |
| Net change in fund balances | 319,722 | (35,040) | (57,558) | 23,500 |
| Fund Balance, beginning | <u>2,006,341</u> | <u>75,000</u> | <u>-</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 2,326,063</u> | <u>\$ 39,960</u> | <u>\$ (57,558)</u> | <u>\$ 23,500</u> |

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, 2009

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, 2009

| 2006 Public Improvement Bonds | | | |
|--|----------------------------------|----------------------------|---|
| | Westernport Library (4316) | Bond Interest (431Z) | 2006 Public Improvement Bond Total |
| REVENUES: | | | |
| Intergovernmental: | | | |
| State grants: | | | |
| Md. Department of Environment | \$ - | \$ - | \$ - |
| Miscellaneous: | | | |
| Interest | - - | 130 | 130 |
| Miscellaneous: | - - | - - | - - |
| Total Revenues | <u><u> - -</u></u> | <u><u>130</u></u> | <u><u>130</u></u> |
| EXPENDITURES: | | | |
| General government | - - | - - | - - |
| Public safety | - - | - - | - - |
| Education | - - | - - | - - |
| Recreation, culture and libraries | 73,068 | - - | 73,068 |
| Miscellaneous | - - | - - | - - |
| Payments to component units: | | | |
| Board of Education | - - | - - | - - |
| Total Expenditures | <u><u>73,068</u></u> | <u><u> - -</u></u> | <u><u>73,068</u></u> |
| OTHER FINANCING SOURCES and (USES): | | | |
| Transfers from: | | | |
| Capital Projects Funds | 2,304 | - - | 2,304 |
| PAYGO Capital Projects Fund | - - | - - | - - |
| Public Improvement Bond Fund | 62,000 | - - | 62,000 |
| Transfers to: | | | |
| Capital projects fund | - - | - - | - - |
| PAYGO Capital Projects Fund | - - | - - | - - |
| Debt issued | - - | - - | - - |
| Total Other Financing | | | |
| Sources and Uses | <u><u>64,304</u></u> | <u><u> - -</u></u> | <u><u>64,304</u></u> |
| Net change in fund balances | (8,764) | 130 | (8,634) |
| Fund Balance, beginning | 8,764 | (130) | 8,634 |
| Fund Balance, Ending | <u><u>\$ - -</u></u> | <u><u>\$ - -</u></u> | <u><u>\$ - -</u></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, 2009

2008 Public Improvement Bonds

| Westernport Library (432A) | Computer Aided Dispatcher (432B) | Animal Control Additional (432C) | Bond Interest (432Z) | Bond Closing Costs (4321) | LaVale Library (4322) | Total 2008 PIB This Page |
|----------------------------------|---|---|----------------------------|------------------------------------|-----------------------------|-----------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 15,444 | - | - | 15,444 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>15,444</u> | <u>-</u> | <u>-</u> | <u>15,444</u> |
| - | - | - | - | 47,697 | - | 47,697 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 13,581 | - | - | 13,581 |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>13,581</u> | <u>47,697</u> | <u>-</u> | <u>61,278</u> |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| (62,000) | - | - | - | - | - | (62,000) |
| 62,000 | 702,000 | 180,000 | - | 46,800 | 34,000 | 1,024,800 |
| <u>-</u> | <u>702,000</u> | <u>180,000</u> | <u>-</u> | <u>46,800</u> | <u>34,000</u> | <u>782,800</u> |
| - | 702,000 | - | 1,863 | (897) | 34,000 | 736,966 |
| <u>-</u> | <u>702,000</u> | <u>-</u> | <u>1,863</u> | <u>(897)</u> | <u>34,000</u> | <u>736,966</u> |
| <u>\$ -</u> | <u>\$ 702,000</u> | <u>\$ -</u> | <u>\$ 1,863</u> | <u>\$ (897)</u> | <u>\$ 412</u> | <u>\$ 703,378</u> |

(Continued)

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, 2009

| | | 2008 Public Improvement Bonds | | | |
|--|-------------------|---------------------------------------|--|--|--|
| | | Total 2008 PIB Previous Page | Braddock Run Restoration (4323) | Jennings Run Restoration (4324) | Allegany College Library (4325) |
| REVENUES: | | | | | |
| Intergovernmental: | | | | | |
| State grants: | | | | | |
| Md. Department of Environment | \$ - | \$ 224,624 | \$ - | \$ - | \$ - |
| Miscellaneous: | | | | | |
| Interest | 15,444 | - | - | - | - |
| Miscellaneous: | - | 500 | - | - | - |
| Total Revenues | <u>15,444</u> | <u>225,124</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | | |
| General government | 47,697 | - | - | - | - |
| Public safety | - | 197,809 | 26,594 | - | - |
| Education | - | - | - | - | - |
| Recreation, culture and libraries | - | - | - | - | - |
| Miscellaneous | 13,581 | - | - | - | - |
| Payments to component units: | | | | | |
| Board of Education | - | - | - | - | - |
| Total Expenditures | <u>61,278</u> | <u>197,809</u> | <u>26,594</u> | <u>-</u> | <u>-</u> |
| OTHER FINANCING SOURCES and (USES): | | | | | |
| Transfers from: | | | | | |
| Capital Projects Funds | - | - | - | - | - |
| PAYGO Capital Projects Fund | - | - | - | - | - |
| Public Improvement Bond Fund | - | - | - | - | - |
| Transfers to: | | | | | |
| Capital projects fund | (62,000) | - | - | - | - |
| PAYGO Capital Projects Fund | (180,000) | - | - | - | - |
| Debt issued | <u>1,024,800</u> | <u>300,000</u> | <u>300,000</u> | <u>1,160,000</u> | |
| Total Other Financing Sources and Uses | <u>782,800</u> | <u>300,000</u> | <u>300,000</u> | <u>1,160,000</u> | |
| Net change in fund balances | <u>736,966</u> | <u>327,315</u> | <u>273,406</u> | <u>1,160,000</u> | |
| Fund Balance, beginning | <u>(33,588)</u> | <u>(125,849)</u> | <u>(56,777)</u> | <u>(1,030,344)</u> | |
| Fund Balance, Ending | <u>\$ 703,378</u> | <u>\$ 201,466</u> | <u>\$ 216,629</u> | <u>\$ 129,656</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, 2009

| 2008 Public Improvement Bond | | | | | | Total Public Improvement Bond Funds |
|--|---------------------------------------|--|----------------------------------|---|----------------|--|
| Radio Upgrade Switches (4326) | AC Geothermal Project (4327) | Public Safety Building (4328) | Court House Roof (4329) | 2008 Public Improvement Bond Total | | |
| \$ - | \$ - | \$ - | \$ - | \$ 224,624 | \$ 224,624 | |
| - | - | - | - | 15,444 | 15,574 | |
| - | - | - | - | 500 | 500 | |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>240,568</u> | <u>240,698</u> | |
| 538,200 | 289,505 | - | 360,891 | 408,588 | 762,603 | 762,603 |
| - | - | - | - | - | 289,505 | 289,505 |
| - | - | - | - | - | - | 73,068 |
| - | - | - | - | 13,581 | 13,581 | |
| <u>538,200</u> | <u>289,505</u> | <u>-</u> | <u>360,891</u> | <u>1,474,277</u> | <u>-</u> | <u>1,547,345</u> |
| 538,200 | 327,000 | 700,000 | 250,000 | 4,600,000 | 92,000 | 2,304 |
| - | - | - | - | - | 92,000 | 92,000 |
| - | - | - | - | - | - | 62,000 |
| - | - | (700,000) | - | (762,000) | - | (762,000) |
| - | - | - | - | - | (180,000) | (180,000) |
| <u>538,200</u> | <u>327,000</u> | <u>700,000</u> | <u>250,000</u> | <u>4,600,000</u> | <u>92,000</u> | <u>2,304</u> |
| 538,200 | 327,000 | - | 342,000 | 3,750,000 | - | 3,814,304 |
| - | - | - | (18,891) | 2,516,291 | - | 2,507,657 |
| - | (35,000) | - | - | (1,281,558) | - | (1,272,924) |
| <u>\$ -</u> | <u>\$ 2,495</u> | <u>\$ -</u> | <u>\$ (18,891)</u> | <u>\$ 1,234,733</u> | <u>\$ -</u> | <u>\$ 1,234,733</u> |

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**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, 2009

| | General 5011 | Grahamtown 501A | Consol 501B | Barton Ind. 501C | Mexico Farms 501D | Franklin/ Brophytown 501E | Bowling Green 501F |
|--|------------------|--------------------|--------------------|---------------------|-------------------------|---------------------------------|--------------------------|
| OPERATING REVENUES: | | | | | | | |
| Service charges | \$ 22,215 | \$ 133,474 | \$ 33,590 | \$ 13,603 | \$ 883,594 | \$ 45,373 | \$ 399,632 |
| Miscellaneous | - | - | - | - | - | - | - |
| Total Operating Revenues | <u>22,215</u> | <u>133,474</u> | <u>33,590</u> | <u>13,603</u> | <u>883,594</u> | <u>45,373</u> | <u>399,632</u> |
| OPERATING EXPENSES: | | | | | | | |
| Salaries | - | 16,034 | 4,666 | - | 10,519 | 1,188 | 49,799 |
| Fringe benefits | - | 8,271 | 2,407 | - | 5,426 | 612 | 25,688 |
| Office expenses | - | 209 | 61 | - | 137 | 16 | 648 |
| Utilities | - | 58,125 | 16,684 | 22,919 | 718,867 | 25,656 | 249,745 |
| Repairs and maintenance | - | 178 | 52 | 120 | 117 | 36,222 | 44,682 |
| Contractual | - | - | - | - | - | - | - |
| Professional fees | - | 1,418 | 412 | - | 583 | 955 | 2,755 |
| Materials and supplies | - | 603 | 165 | 51 | 476 | 44 | 4,419 |
| Insurance | - | - | - | - | - | - | - |
| Indirect cost | - | 5,663 | 1,876 | 2,709 | 23,465 | 1,715 | 16,825 |
| Miscellaneous | - | 2 | - | - | 1 | - | 5 |
| Depreciation | - | <u>39,689</u> | <u>18,245</u> | <u>44,422</u> | <u>43,319</u> | <u>16</u> | <u>39,557</u> |
| Total Operating Expenses | <u>0</u> | <u>130,192</u> | <u>44,568</u> | <u>70,221</u> | <u>802,910</u> | <u>66,424</u> | <u>434,123</u> |
| Operating Income (Loss) | <u>22,215</u> | <u>3,282</u> | <u>(10,978)</u> | <u>(56,618)</u> | <u>80,684</u> | <u>(21,051)</u> | <u>(34,491)</u> |
| NON-OPERATING REVENUE (EXPENSES): | | | | | | | |
| Interest income | 247 | 1,390 | 479 | 76 | 2,034 | - | 10,969 |
| Interest expense | <u>(8,680)</u> | <u>(24,985)</u> | <u>(4,478)</u> | <u>(15,490)</u> | <u>(19,009)</u> | <u>-</u> | <u>-</u> |
| Total Non-operating Revenue (Expenses) | <u>(8,433)</u> | <u>(23,595)</u> | <u>(3,999)</u> | <u>(15,414)</u> | <u>(16,975)</u> | <u>-</u> | <u>10,969</u> |
| Income Before Contributions and Transfers | 13,782 | (20,313) | (14,977) | (72,032) | 63,709 | (21,051) | (23,522) |
| Capital Contributions: | | | | | | | |
| Federal grants | - | - | - | - | - | - | - |
| State grants | - | - | - | - | - | - | - |
| Transfers in: | | | | | | | |
| General fund | - | - | - | 12,120 | - | - | - |
| Revolving Building Fund | - | - | - | <u>19,348</u> | - | - | - |
| Change in Net Assets | \$ <u>13,782</u> | \$ <u>(20,313)</u> | \$ <u>(14,977)</u> | \$ <u>(40,564)</u> | \$ <u>63,709</u> | \$ <u>(21,051)</u> | \$ <u>(23,522)</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, 2009

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2009

| ASSETS | General Fund | Bowling Green | Cresaptown | Braddock Run | Bedford Road | Jennings Run/Wills Creek | McCoole |
|---|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------------------|-------------------|
| Current Assets: | | | | | | | |
| Cash: | | | | | | | |
| Cash | \$ 585,277 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash - Restricted | - | - | - | 87,722 | - | - | - |
| Investments | 199,345 | 65,613 | 44,491 | - | 60,590 | - | - |
| Receivables: | | | | | | | |
| Accounts (net) | 3,026 | 88,527 | 93,371 | 210,673 | 130,015 | 89,850 | 18,004 |
| Taxes - restricted | - | 19,857 | 15,862 | 1,246 | 14,794 | 4,988 | 2,919 |
| Accounts (net) - restricted | - | - | - | - | - | 5,992 | 3,657 |
| Other | 3,211,945 | 11 | 8 | - | 1,671 | - | - |
| Due from other funds | 395,091 | 1,211,448 | 1,900,659 | - | - | - | - |
| Inventory | 65,225 | - | - | - | - | - | - |
| Total current assets | <u>4,459,909</u> | <u>1,385,456</u> | <u>2,054,391</u> | <u>299,641</u> | <u>207,070</u> | <u>100,830</u> | <u>24,580</u> |
| Noncurrent Assets: | | | | | | | |
| Land | 5,000 | 1,000 | 5,000 | 500 | 1,000 | 1,500 | - |
| Construction in progress | 4,832,803 | - | - | - | - | - | - |
| Capital assets subject to depreciation | | | | | | | |
| 3,261,818 | 3,450,094 | 2,718,876 | 3,490,524 | 4,968,149 | 6,123,262 | 2,282,006 | - |
| Less: Accumulated depreciation | (1,654,108) | (2,079,934) | (1,586,240) | (2,602,134) | (3,128,800) | (3,853,870) | (1,229,761) |
| Total noncurrent assets | <u>6,445,513</u> | <u>1,371,160</u> | <u>1,137,636</u> | <u>888,890</u> | <u>1,840,349</u> | <u>2,270,892</u> | <u>1,052,245</u> |
| Total Assets | <u>10,905,422</u> | <u>2,756,616</u> | <u>3,192,027</u> | <u>1,188,531</u> | <u>2,047,419</u> | <u>2,371,722</u> | <u>1,076,825</u> |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts payable | 4,068,490 | 1,651 | 11,133 | 69,713 | 18,030 | 23,809 | 5,603 |
| Accrued wages payable | 31,996 | - | - | - | - | - | - |
| Accrued payroll fringe benefits | 12,715 | - | - | - | - | - | - |
| Accrued interest payable | 7,488 | 2,386 | 2,501 | - | 1,071 | - | - |
| Current portion of long term debt | | | | | | | |
| Bonds & loans | 112,072 | 16,832 | 15,507 | - | 23,538 | - | - |
| Advances from other funds | - | - | - | - | - | - | - |
| Compensated absences | 40,457 | - | - | - | - | - | - |
| Due to other funds | 3,979,019 | - | - | 561,097 | 543,848 | 1,359,375 | 578,593 |
| Accrued health claims | 23,351 | - | - | - | - | - | - |
| Miscellaneous liabilities | 43,983 | - | - | 48,685 | - | - | - |
| Total current liabilities | <u>8,319,571</u> | <u>20,869</u> | <u>29,141</u> | <u>679,495</u> | <u>586,487</u> | <u>1,383,184</u> | <u>584,196</u> |
| Noncurrent Liabilities: | | | | | | | |
| Cash advance due General Fund | - | - | - | - | - | 400,000 | - |
| Long term debt: | | | | | | | |
| Bonds & loans | 1,780,474 | 1,171,090 | 1,082,151 | - | 82,559 | - | - |
| Advances from other funds | - | - | - | - | - | - | - |
| Compensated absences | 264,577 | - | - | - | - | - | - |
| Total noncurrent liabilities | <u>2,045,051</u> | <u>1,171,090</u> | <u>1,082,151</u> | <u>-</u> | <u>82,559</u> | <u>400,000</u> | <u>-</u> |
| Total Liabilities | <u>10,364,622</u> | <u>1,191,959</u> | <u>1,111,292</u> | <u>679,495</u> | <u>669,046</u> | <u>1,783,184</u> | <u>584,196</u> |
| NET ASSETS | | | | | | | |
| Invested in capital assets, net of related debt | 4,552,967 | 183,238 | 39,978 | 888,890 | 1,734,252 | 2,270,892 | 1,052,245 |
| Restricted for debt service | - | 19,857 | 15,862 | 1,246 | 14,794 | 10,980 | 6,576 |
| Unrestricted | (4,012,167) | 1,361,562 | 2,024,895 | (381,100) | (370,673) | (1,693,334) | (566,192) |
| Total Net Assets | <u>\$ 540,800</u> | <u>\$ 1,564,657</u> | <u>\$ 2,080,735</u> | <u>\$ 509,036</u> | <u>\$ 1,378,373</u> | <u>\$ 588,538</u> | <u>\$ 492,629</u> |

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2009

| Oldtown | Flintstone | Georges Creek | Franklin/Brophytown | Celanese Treatment Plant | Mexico Farms | Cash Valley Road | Oldtown Road | Barton Industrial Park | Total All Districts |
|-------------------|-------------------|----------------------|---------------------|--------------------------|---------------------|-------------------|---------------------|------------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 585,277 |
| - | - | - | - | - | - | - | - | - | 87,722 |
| - | - | 171,944 | - | - | - | - | - | - | 541,983 |
| 4,752 | 9,793 | 212,596 | 11,910 | 15,319 | 86,049 | 5,964 | 22,347 | 1,047 | 1,003,243 |
| 278 | 2,294 | 28,285 | 201 | - | 3,705 | 2,184 | 4,560 | - | 101,173 |
| 2,715 | 1,140 | 69,527 | - | - | - | - | - | - | 83,031 |
| 1 | - | 2,643 | - | 5,828 | 6,235 | 1 | - | - | 3,228,343 |
| - | - | - | 468,384 | 785,927 | 629,941 | - | 81,746 | - | 5,473,196 |
| - | - | - | - | - | - | - | - | - | 65,225 |
| 7,746 | 13,227 | 484,995 | 480,495 | 807,074 | 725,930 | 8,149 | 108,653 | 1,047 | 11,169,193 |
| 500 | 3,000 | 46,282 | - | - | 2,500 | - | 1,000 | - | 67,282 |
| - | - | 18,548,538 | - | - | - | - | - | 28,676 | 23,410,017 |
| 852,987 | 1,211,821 | 22,860,413 | 561,728 | 21,662,315 | 2,051,939 | 813,332 | 2,816,919 | 2,129,832 | 81,256,015 |
| (475,963) | (618,384) | (11,216,575) | (299,946) | (2,937,302) | (693,154) | (264,333) | (847,834) | (132,251) | (33,620,589) |
| 377,524 | 596,437 | 30,238,658 | 261,782 | 18,725,013 | 1,361,285 | 548,999 | 1,970,085 | 2,026,257 | 71,112,725 |
| 385,270 | 609,664 | 30,723,653 | 742,277 | 19,532,087 | 2,087,215 | 557,148 | 2,078,738 | 2,027,304 | 82,281,918 |
| 4,084 | 1,260 | 8,861 | 4 | 21,835 | 26,596 | - | 2,531 | 1,342 | 4,264,942 |
| - | - | 1,525 | - | 3,456 | - | - | - | - | 36,977 |
| - | - | 154 | - | 1,518 | - | - | - | - | 14,387 |
| 77 | 1,092 | 34,551 | - | 27,355 | - | 834 | 3,164 | - | 80,519 |
| 3,683 | 11,050 | 215,859 | - | 462,648 | - | 2,448 | 9,284 | - | 872,921 |
| - | - | - | - | - | - | - | 366 | - | 366 |
| - | - | - | - | - | - | - | - | - | 40,457 |
| 135,557 | 269,715 | 33,411 | - | - | - | 13,118 | - | 188,007 | 7,661,740 |
| - | - | - | - | - | - | - | - | - | 23,351 |
| - | - | - | - | 40,001 | - | - | - | - | 132,669 |
| 143,401 | 283,117 | 294,361 | 4 | 556,813 | 26,596 | 16,400 | 15,345 | 189,349 | 13,128,329 |
| - | - | - | - | - | - | - | - | - | 400,000 |
| 3,883 | 11,650 | 4,225,911 | - | 6,783,971 | - | 120,598 | 457,365 | - | 15,719,652 |
| - | - | - | - | - | - | - | 18,453 | - | 18,453 |
| - | - | - | - | - | - | - | - | - | 264,577 |
| 3,883 | 11,650 | 4,225,911 | 4 | 6,783,971 | - | 120,598 | 475,818 | - | 16,402,682 |
| 147,284 | 294,767 | 4,520,272 | 4 | 7,340,784 | 26,596 | 136,998 | 491,163 | 189,349 | 29,531,011 |
| 369,958 | 573,737 | 25,796,888 | 261,782 | 11,478,394 | 1,361,285 | 425,953 | 1,484,617 | 2,026,257 | 54,501,333 |
| 2,993 | 3,434 | 97,812 | 201 | - | 3,705 | 2,184 | 4,560 | - | 184,204 |
| (134,965) | (262,274) | 308,681 | 480,290 | 712,909 | 695,629 | (7,987) | 98,398 | (188,302) | (1,934,630) |
| \$ 237,986 | \$ 314,897 | \$ 26,203,381 | \$ 742,273 | \$ 12,191,303 | \$ 2,060,619 | \$ 420,150 | \$ 1,587,575 | \$ 1,837,955 | \$ 52,750,907 |

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, 2009

| | General Fund | Bowling Green | Cresaptown | Braddock Run | Bedford Road | Jennings Run/Wills Creek | McCoole |
|--|-------------------|---------------------|---------------------|-------------------|---------------------|--------------------------------|-------------------|
| OPERATING REVENUES: | | | | | | | |
| Service charges | \$ 10,920 | \$ 360,818 | \$ 319,622 | \$ 999,153 | \$ 423,537 | \$ 339,035 | \$ 75,415 |
| Miscellaneous | - | 32,655 | - | - | - | - | - |
| Total Operating Revenues | 10,920 | 393,473 | 319,622 | 999,153 | 423,537 | 339,035 | 75,415 |
| OPERATING EXPENSES: | | | | | | | |
| Wages and salaries | 3,563 | 54,465 | 45,642 | 164,667 | 82,461 | 65,494 | 12,471 |
| Employee benefits | 1,986 | 28,095 | 23,544 | 84,942 | 42,536 | 33,784 | 6,433 |
| Office expenses | 242 | 12,001 | 5,696 | 20,718 | 10,316 | 8,170 | 5,358 |
| Utilities | 1,642 | 29,708 | 30,551 | 56,878 | 20,426 | 14,842 | 10,428 |
| Repairs and maintenance | 191 | 48,388 | 37,787 | 36,498 | 15,440 | 8,558 | 16,217 |
| Contractual services | 103 | 2,896 | 2,428 | 8,749 | 4,382 | 3,483 | 664 |
| Water/Sewage treatment costs | - | 226,727 | 211,478 | 735,003 | 249,748 | 191,191 | 69,393 |
| Professional fees | 68 | 1,909 | 1,601 | 5,767 | 2,889 | 2,296 | 438 |
| Materials and supplies | 3,939 | 28,023 | 24,196 | 79,019 | 36,014 | 30,419 | 10,952 |
| Insurance | 280 | 7,845 | 6,578 | 23,700 | 11,872 | 13,057 | 1,799 |
| Indirect cost | 940 | 26,377 | 22,118 | 79,689 | 39,918 | 31,723 | 6,051 |
| Miscellaneous | 18 | 504 | 1,123 | 1,524 | 3,263 | 3,107 | 115 |
| Depreciation | 749 | 89,891 | 72,367 | 141,480 | 132,047 | 150,669 | 52,568 |
| Total Operating Expenses | 13,721 | 556,829 | 485,109 | 1,438,634 | 651,312 | 556,793 | 192,887 |
| Operating Income (Loss) | (2,801) | (163,356) | (165,487) | (439,481) | (227,775) | (217,758) | (117,472) |
| NON-OPERATING REVENUE (EXPENSES): | | | | | | | |
| Real and personal property taxes | - | 184,644 | 190,344 | 14,684 | 115,769 | 43,898 | 17,659 |
| Interest & Penalties, taxes | - | 5,272 | 5,087 | 326 | 3,063 | 1,411 | 939 |
| Discounts, taxes | - | (961) | (972) | (79) | (592) | (222) | (71) |
| Enterprise/industrial exemptions | - | - | - | 20 | - | - | - |
| Collection fees | - | (4,264) | (4,416) | (334) | (2,602) | (1,016) | (436) |
| Front footage assessments | - | - | - | - | 7 | 17,951 | 9,089 |
| Interest income | 138 | 5,137 | 8,771 | 8,867 | 14,850 | 9,976 | 1,662 |
| Interest income, debt service | - | 1,124 | 782 | - | 28 | 401 | 196 |
| Interest expense | (18,018) | (50,296) | (46,532) | - | (9,673) | - | - |
| Allocated debt service revenue | 87,123 | (7,850) | (6,580) | (23,717) | (11,880) | (9,437) | (1,799) |
| Gain (Loss) on disposal of assets | - | - | - | - | - | - | - |
| Total Nonoperating revenue (expenses) | 69,243 | 132,806 | 146,484 | (233) | 108,970 | 62,962 | 27,239 |
| Income Before Contributions and Transfers | 66,442 | (30,550) | (19,003) | (439,714) | (118,805) | (154,796) | (90,233) |
| Capital Contributions: | | | | | | | |
| Federal | - | - | - | - | 25,000 | 25,000 | - |
| State | - | - | - | - | - | - | - |
| Other | - | - | - | 14,736 | - | - | - |
| Transfers in: | | | | | | | |
| General Fund | - | - | - | - | - | - | - |
| Revolving Building Fund | - | - | - | - | - | - | - |
| Capital Projects Fund | - | - | - | - | - | - | - |
| Change in Net Assets | 66,442 | (30,550) | (19,003) | (424,978) | (93,805) | (129,796) | (90,233) |
| Net assets - beginning | 474,358 | 1,595,207 | 2,099,738 | 934,014 | 1,472,178 | 718,334 | 582,862 |
| Net assets - ending | \$ 540,800 | \$ 1,564,657 | \$ 2,080,735 | \$ 509,036 | \$ 1,378,373 | \$ 588,538 | \$ 492,629 |

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, 2009

| Oldtown | | Flintstone | | Georges Creek | | Franklin/Brophytown | | Celanese Treatment Plant | | Mexico Farms | | Cash Valley Road | | Oldtown Road | | Barton Industrial Park | | Total All Districts | |
|------------|------------|---------------|------------|---------------|--------------|---------------------|--------------|--------------------------|---------------|--------------|---------|------------------|--------|--------------|--------|------------------------|-------|---------------------|-----------|
| \$ | 15,100 | \$ | 29,576 | \$ | 645,210 | \$ | 38,321 | \$ | 1,058,703 | \$ | 368,660 | \$ | 21,701 | \$ | 93,116 | \$ | 3,303 | \$ | 4,802,190 |
| | - | | 2 | | 672 | | - | | - | | - | | - | | - | | - | | 33,329 |
| | 15,100 | | 29,578 | | 645,882 | | 38,321 | | 1,058,703 | | 368,660 | | 21,701 | | 93,116 | | 3,303 | | 4,835,519 |
| 4,938 | 8,187 | 229,375 | 8,484 | 123,843 | 15,695 | 4,666 | 17,816 | 20,573 | 862,340 | | | | | | | | | | |
| 2,752 | 4,563 | 127,847 | 4,376 | 62,800 | 8,096 | 2,407 | 9,190 | 10,835 | 454,186 | | | | | | | | | | |
| 653 | 6,523 | 16,202 | 1,052 | 7,671 | 1,959 | 582 | 2,224 | 418 | 99,785 | | | | | | | | | | |
| 14,823 | 17,695 | 102,179 | 427 | 226,541 | 15,575 | 215 | 7,028 | 19,127 | 568,085 | | | | | | | | | | |
| 19,742 | 20,515 | 24,962 | 829 | 57,736 | 15,996 | 459 | 4,353 | 3,782 | 311,453 | | | | | | | | | | |
| 142 | 239 | 6,682 | 448 | - | 835 | 248 | 948 | - | 32,247 | | | | | | | | | | |
| - | - | - | 7,036 | - | 140,409 | 13,576 | 6,059 | - | 1,850,620 | | | | | | | | | | |
| 474 | 414 | 6,857 | 296 | 14,982 | 550 | 164 | 625 | - | 39,330 | | | | | | | | | | |
| 2,731 | 2,828 | 75,087 | 3,557 | 122,566 | 14,523 | 1,971 | 15,325 | 5,601 | 456,751 | | | | | | | | | | |
| 384 | 2,461 | 32,491 | 1,214 | - | 2,263 | 673 | 4,383 | - | 109,000 | | | | | | | | | | |
| 1,292 | 2,174 | 60,861 | 4,083 | - | 7,608 | 2,262 | 8,636 | - | 293,732 | | | | | | | | | | |
| 25 | 42 | 2,215 | 78 | 4 | 145 | 43 | 165 | - | 12,371 | | | | | | | | | | |
| 17,787 | 28,990 | 508,152 | 14,474 | 445,804 | 46,030 | 22,137 | 81,040 | 42,935 | 1,847,120 | | | | | | | | | | |
| 65,743 | 94,631 | 1,192,910 | 46,354 | 1,061,947 | 269,684 | 49,403 | 157,792 | 103,271 | 6,937,020 | | | | | | | | | | |
| (50,643) | (65,053) | (547,028) | (8,033) | (3,244) | 98,976 | (27,702) | (64,676) | (99,968) | (2,101,501) | | | | | | | | | | |
| 2,457 | 12,398 | 200,082 | 6,908 | - | 32,267 | 12,154 | 57,230 | - | 890,494 | | | | | | | | | | |
| 99 | 718 | 5,963 | 72 | - | 748 | 310 | 1,701 | - | 25,709 | | | | | | | | | | |
| (12) | (58) | (1,012) | (58) | - | (157) | (56) | (258) | - | (4,508) | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | 20 | | | | | | | | | | |
| (58) | (298) | (4,459) | (157) | - | (727) | (253) | (1,332) | - | (20,352) | | | | | | | | | | |
| 2,684 | 3,526 | 69,275 | - | - | - | - | - | - | 102,532 | | | | | | | | | | |
| 500 | 972 | 25,706 | 667 | 39,019 | 662 | 692 | 1,307 | 40 | 118,966 | | | | | | | | | | |
| 75 | 184 | 5,173 | - | - | - | - | - | - | 7,963 | | | | | | | | | | |
| (599) | (1,425) | (57,202) | - | (66,999) | (5,366) | (5,588) | (22,061) | - | (283,759) | | | | | | | | | | |
| (388) | (644) | (18,107) | (1,217) | - | (2,267) | (670) | (2,567) | - | 0 | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | 0 | | | | | | | | | | |
| 4,758 | 15,373 | 225,419 | 6,215 | (27,980) | 25,160 | 6,589 | 34,020 | 40 | 837,065 | | | | | | | | | | |
| (45,885) | (49,680) | (321,609) | (1,818) | (31,224) | 124,136 | (21,113) | (30,656) | (99,928) | (1,264,436) | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | 50,000 | | | | | | | | | | |
| - | - | 9,160,716 | - | - | - | - | - | - | 9,160,716 | | | | | | | | | | |
| - | - | - | - | - | - | - | - | - | 14,736 | | | | | | | | | | |
| - | - | - | - | 43,784 | - | - | - | 56,994 | 100,778 | | | | | | | | | | |
| - | - | - | - | - | - | - | - | 7,500 | 7,500 | | | | | | | | | | |
| (45,885) | (49,680) | 8,839,107 | (1,818) | 12,560 | 124,136 | (21,113) | (30,656) | (35,434) | 8,069,294 | | | | | | | | | | |
| 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 | | | | | | | | | | |
| \$ 237,986 | \$ 314,897 | \$ 26,203,381 | \$ 742,273 | \$ 12,191,303 | \$ 2,060,619 | \$ 420,150 | \$ 1,587,575 | \$ 1,837,955 | \$ 52,750,907 | | | | | | | | | | |

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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, 2009

| ASSETS: | Balance July 1, 2008 | Additions | Deductions | Balance June 30, 2009 |
|---------------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|
| Taxes levied for State: | | | | |
| Taxes receivable - State | \$ 339,643 | \$ 3,474,656 | \$ 3,468,919 | \$ 345,380 |
| Bay restoration fee | 230,798 | 494,224 | 462,723 | 262,299 |
| Other receivables | 1 | 9,166 | 9,174 | (7) |
| Taxes levied for Special Areas: | | | | |
| Lonaconing, Town of | 8,723 | 105,557 | 101,927 | 12,353 |
| Midland, Town of | 3,762 | 28,419 | 28,322 | 3,859 |
| Westernport, Town of | 32,721 | 330,289 | 317,484 | 45,526 |
| Cumberland differential | 4,251 | 101 | 2,419 | 1,933 |
| Bel Air Special Tax Area | 1,349 | 28,666 | 27,877 | 2,138 |
| Bowling Green Fire Co. | 3,264 | 29,738 | 29,775 | 3,227 |
| Bedford Road Fire Co. | 4,734 | 36,468 | 35,590 | 5,612 |
| Bowling Green Special Tax Area | 2,157 | 23,603 | 22,974 | 2,786 |
| Cresaptown Ambulance | 9,785 | 123,113 | 122,514 | 10,384 |
| Cresaptown Civic Imp. Assoc. | 2,513 | 21,787 | 22,033 | 2,267 |
| Cresaptown Fire Co. | 11,907 | 163,932 | 163,656 | 12,183 |
| Corriganville Light & Imp. | 1,444 | 16,145 | 15,607 | 1,982 |
| Ellerslie Special Tax Area | 863 | 9,619 | 9,609 | 873 |
| LaVale Volunteer Fire Dept. | 11,031 | 152,600 | 153,752 | 9,879 |
| LaVale Rescue Squad | 5,591 | 76,301 | 76,878 | 5,014 |
| LaVale Sanitary District | 43,545 | 524,912 | 532,456 | 36,001 |
| McCoole Special Tax Area | 965 | 3,732 | 3,978 | 719 |
| Moscow Light | 619 | 2,929 | 2,878 | 670 |
| Mt. Savage Special Tax Area | 942 | 9,282 | 9,140 | 1,084 |
| Potomac Park Special Tax Area | 1,196 | 14,145 | 13,715 | 1,626 |
| Rawlings Fire Co. | 1,927 | 36,036 | 34,552 | 3,411 |
| Sub-total special areas | <u>153,289</u> | <u>1,737,374</u> | <u>1,727,136</u> | <u>163,527</u> |
| Due from other funds | <u>156,820</u> | <u>6,095,497</u> | <u>6,091,592</u> | <u>160,725</u> |
| Total Assets | <u>\$ 880,551</u> | <u>\$ 11,810,917</u> | <u>\$ 11,759,544</u> | <u>\$ 931,924</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 156,821 | \$ 6,912,971 | \$ 6,909,074 | \$ 160,718 |
| A/P Special Areas | 153,289 | 1,739,109 | 1,728,871 | 163,527 |
| Taxes payable - State | 339,643 | 3,617,460 | 3,611,723 | 345,380 |
| A/P Bay restoration fee | 230,798 | 476,598 | 445,097 | 262,299 |
| Total Liabilities | <u>\$ 880,551</u> | <u>\$ 12,746,138</u> | <u>\$ 12,694,765</u> | <u>\$ 931,924</u> |

**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, 2009 and 2008

| ASSETS | Primary Government | | | |
|---|-----------------------|--------------------------|----------------------|----------------------|
| | At June 30, 2009 | | Net Book Value | June 30, 2008 |
| | Cost | Accumulated Depreciation | | |
| Land | \$ 20,918,704 | \$ - | \$ 20,918,704 | \$ 20,594,558 |
| Construction in progress | 8,945,111 | - | 8,945,111 | 7,908,401 |
| Buildings | 49,632,831 | 14,700,390 | 34,932,441 | 35,596,242 |
| Infrastructure | 46,292,030 | 27,119,936 | 19,172,094 | 17,511,878 |
| Furniture & fixtures | 731,657 | 550,350 | 181,307 | 209,265 |
| Machinery & equipment | 8,076,933 | 4,533,028 | 3,543,905 | 2,473,465 |
| Vehicles | 8,919,942 | 6,542,184 | 2,377,758 | 2,080,598 |
| Heavy equipment | 3,775,215 | 3,039,373 | 735,842 | 823,531 |
| Other capital assets | 924,623 | 473,060 | 451,563 | 467,268 |
| Total Assets | <u>\$ 148,217,046</u> | <u>\$ 56,958,321</u> | <u>\$ 91,258,725</u> | <u>\$ 87,665,206</u> |
| FUND EQUITY | | | | |
| Investment in general capital assets acquired before July 1, 1993 - source unidentified | | | \$ 8,758,883 | \$ 8,808,483 |
| Investment in construction in progress | | | 8,945,111 | 7,908,401 |
| Investment in general capital assets by source: | | | | |
| General Fund: | | | | |
| General revenues | | | 7,453,531 | 6,176,047 |
| Federal grants | | | 2,974,977 | 2,604,573 |
| State grants | | | 2,915,408 | 1,682,115 |
| Miscellaneous revenues | | | 428,283 | 444,626 |
| Debt proceeds | | | 1,098,944 | 190,912 |
| Special Revenue Funds: | | | | |
| General revenues | | | 41,624,372 | 41,261,419 |
| Federal grants | | | 6,277,942 | 5,676,710 |
| State grants | | | 6,938,157 | 5,500,676 |
| Miscellaneous revenues | | | 194,574 | 194,574 |
| Debt proceeds | | | 3,431,798 | 3,431,798 |
| Capital Project Funds: | | | | |
| General revenues | | | 14,710,830 | 14,732,962 |
| Federal grants | | | 8,110,162 | 8,110,162 |
| State grants | | | 21,846,909 | 21,846,909 |
| Miscellaneous revenues | | | 1,082,822 | 1,082,822 |
| Debt proceeds | | | 10,052,753 | 10,052,753 |
| Other | | | 1,371,590 | 1,371,590 |
| Less: | | | | |
| Accumulated depreciation | | | (56,958,321) | (53,412,326) |
| Total Fund Equity | | | <u>\$ 91,258,725</u> | <u>\$ 87,665,206</u> |

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2009

| Function | Land | Buildings | Infrastructure | Furniture & Fixtures | Equipment | Vehicles | Other Capital Assets | Construction In Progress | Total Cost | Less Depreciation | Total |
|------------------------------|---------------|---------------|----------------|----------------------|--------------|--------------|----------------------|--------------------------|----------------|-------------------|---------------|
| General Government | \$ 1,917,123 | \$ 4,533,874 | \$ 39,776 | \$ 149,381 | \$ 1,516,191 | \$ 391,895 | \$ 177,888 | \$ 446,414 | \$ 9,172,542 | \$ (4,220,889) | \$ 4,951,653 |
| Public Safety | 1,936,347 | 18,207,518 | 1,743,304 | 219,917 | 5,554,754 | 1,314,306 | 155,078 | 157,978 | 29,349,102 | (7,232,200) | 22,096,902 |
| Public Works | 1,449,166 | 1,492,972 | 38,673,035 | 298,253 | 780,856 | 6,463,110 | 3,822,726 | 813,406 | 53,803,524 | (36,207,620) | 17,595,904 |
| Health | 575,119 | 6,553,202 | - | - | - | - | 4,121 | - | 7,132,412 | (439,204) | 6,673,238 |
| Social Services | 116 | 3,250 | 24,331 | - | 74,650 | 587,767 | 13,000 | - | 703,114 | (387,610) | 315,504 |
| Recreation & Culture | 583,119 | 2,620,688 | 214,288 | 246 | 6,528 | 39,246 | 430,696 | - | 3,894,811 | (1,012,725) | 2,882,086 |
| Libraries | 6,000 | 1,631,033 | - | - | - | - | - | - | 1,637,033 | (514,588) | 1,122,445 |
| Natural Resources | - | - | - | - | 15,839 | 15,999 | - | - | 31,838 | (31,928) | 210 |
| Urban Development & Housing | 56,637 | 426,508 | - | 4,160 | 35,846 | 9,302 | - | - | 532,453 | (302,997) | 229,456 |
| Economic Development | 14,394,877 | 14,163,786 | 5,597,296 | - | 92,269 | 98,317 | - | - | 7,527,313 | (6,568,860) | 35,391,327 |
| Total General Capital Assets | \$ 20,918,704 | \$ 49,632,831 | \$ 46,292,030 | \$ 731,657 | \$ 8,076,935 | \$ 8,919,942 | \$ 4,669,838 | \$ 41,960,187 | \$ 148,217,016 | \$ (56,938,321) | \$ 91,258,755 |

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

| Function | General Capital Assets June 30, 2008 | Transfers to Other Funds | Asset Reclass | Additions | Deductions | Total Cost | Accumulated Depreciation June 30, 2008 | Current Year Depreciation | Less Depreciation on Disposals | Add Depreciation | General Capital Assets June 30, 2009 |
|------------------------------|--------------------------------------|--------------------------|---------------|--------------|-------------|----------------|--|---------------------------|--------------------------------|------------------|--------------------------------------|
| General Government | \$ 8,602,180 | \$ - | \$ - | \$ 570,362 | \$ - | \$ 9,172,542 | \$ (3,694,704) | \$ (526,185) | \$ - | \$ 4,951,653 | \$ 22,096,902 |
| Public Safety | 27,417,713 | - | - | 1,969,864 | \$ (38,475) | 29,349,102 | (6,180,392) | (1,108,783) | 36,975 | 17,595,904 | 6,673,238 |
| Public Works | 52,335,991 | - | - | 1,517,133 | (49,000) | 53,803,524 | (35,252,878) | (1,004,342) | 49,600 | - | 315,504 |
| Health | 7,132,442 | - | - | - | - | 7,132,442 | (240,764) | (218,440) | - | 2,882,086 | 229,456 |
| Social Services | 703,114 | - | - | - | - | 703,114 | (295,083) | (92,527) | - | 1,122,445 | 210 |
| Recreation & Culture | 3,878,646 | - | - | 16,165 | - | 3,894,811 | (909,419) | (103,306) | - | - | 35,391,327 |
| Libraries | 1,637,033 | - | - | - | - | 1,637,033 | (453,287) | (61,301) | - | - | - |
| Natural Resources | 31,838 | - | - | - | - | 31,838 | (31,208) | (420) | - | - | - |
| Urban Development & Housing | 532,453 | - | - | - | - | 532,453 | (284,503) | (18,494) | - | - | - |
| Economic Development | 38,806,122 | - | - | \$ 3,154,065 | \$ (88,075) | \$ 41,960,187 | \$ (6,070,083) | \$ (498,772) | - | - | - |
| Total General Capital Assets | \$ 141,077,532 | \$ - | \$ - | \$ 7,227,589 | \$ - | \$ 148,217,046 | \$ (53,412,326) | \$ (3,632,570) | \$ 86,575 | \$ 91,258,725 | - |

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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.

| Contents | Page |
|---|------------------------------|
| 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. Net Assets by Component, Last Seven Fiscal Years..... Changes in Net Assets, Last Seven Fiscal Years..... Fund Balances, Governmental Funds, Last Ten Years..... Changes in Fund Balances, Governmental Funds, Last Ten Years..... | F-5 F-6 F-8 F-9 |
| Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years..... Schedule of Property Tax Rates-Direct and Overlapping, Last Ten Fiscal Years..... Principal Property Tax Payers..... Property Tax Levies and Collections..... | F-13 F-14 F-15 F-16 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future Ratios of Outstanding Debt by Type, Last Ten Fiscal Years..... Ratios of General Obligation Debt Outstanding, Last Ten Fiscal Years..... Legal Debt Margin Information, Last Ten Fiscal Years..... Pledged Revenue Coverage, Last Ten Fiscal Years..... | F-19 F-20 F-21 F-22 |
| Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. Demographic and Economic Statistics, Last Ten Calendar Years..... Principal Employers, Current Year and Nine Years Ago..... | F-25 F-26 |
| Operating Information 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. Full-time Equivalents County Government Employees by Function/Program, Last Ten Fiscal Years, Operating Indicators by Function/Program, Last Seven Fiscal Years, Capital Asset Statistics by Function/Program, Last Seven Fiscal Years..... | F-29 F-30 F-31 |

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 Seven Fiscal Years (a)
 (accrual basis of accounting)

| | Fiscal Year | | | | |
|---|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 |
| 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 |
| Restricted | 1,684,063 | 2,093,507 | 3,021,117 | 2,277,836 | 13,043,675 |
| Unrestricted | <u>(11,733,113)</u> | <u>(5,166,240)</u> | <u>(4,128,194)</u> | <u>3,048,018</u> | <u>(4,635,623)</u> |
| Total governmental activities net assets | <u>\$ 39,552,089</u> | <u>\$ 50,905,961</u> | <u>\$ 59,054,376</u> | <u>\$ 71,486,540</u> | <u>\$ 78,513,162</u> |
| | | | | | |
| 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 |
| Restricted | 185,808 | 159,657 | 172,797 | 167,898 | 170,832 |
| Unrestricted | <u>5,398,109</u> | <u>1,439,367</u> | <u>1,552,398</u> | <u>(1,694,100)</u> | <u>878,952</u> |
| Total business-type activities net assets | <u>\$ 57,117,261</u> | <u>\$ 58,440,912</u> | <u>\$ 61,199,723</u> | <u>\$ 65,504,266</u> | <u>\$ 64,028,042</u> |
| | | | | | |
| 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 |
| Restricted | 1,869,871 | 2,253,164 | 3,193,914 | 2,445,734 | 13,214,507 |
| Unrestricted | <u>(6,335,004)</u> | <u>(3,726,873)</u> | <u>(2,575,796)</u> | <u>1,353,918</u> | <u>(3,756,671)</u> |
| Total primary government net assets | <u>\$ 96,669,350</u> | <u>\$ 109,346,873</u> | <u>\$ 120,254,099</u> | <u>\$ 136,990,806</u> | <u>\$ 142,541,204</u> |

(a) Schedules presenting government wide (full accrual accounting) are available from FY 2003, the year the County implemented GASB Statement No. 34.

Allegany County, Maryland
Changes in Net Assets, Last Seven Fiscal Years (a)
 (accrual basis of accounting)

| Expenses | Fiscal Year | | | | | |
|---|---------------|---------------|---------------|---------------|----------------|---------------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
| Governmental activities: | | | | | | |
| General Government: | | | | | | |
| Payment to data processing | \$ 5,697,910 | \$ 6,483,254 | \$ 6,853,528 | \$ 7,046,308 | \$ 7,517,730 | \$ 9,121,475 |
| Public Safety | 255,757 | 264,767 | 279,661 | 294,847 | 311,568 | 328,464 |
| Public Works | 10,729,932 | 10,878,035 | 13,320,579 | 14,571,046 | 13,998,396 | 15,612,059 |
| Health | 10,320,589 | 9,277,395 | 9,691,963 | 11,176,350 | 11,366,688 | 12,280,040 |
| Social Services | 1,311,200 | 1,345,102 | 1,422,154 | 1,610,957 | 1,778,704 | 2,083,410 |
| Education: | 3,158,083 | 3,272,943 | 3,220,066 | 1,987,579 | 2,312,169 | 2,371,360 |
| Payment to public school system | 106,438 | 51,733 | 796,273 | a | 709,684 | 437,620 |
| Payments to community college | 27,832,107 | 27,503,531 | 27,638,498 | 27,262,735 | 29,699,591 | 36,171,292 |
| Recreation, culture & libraries: | 5,543,512 | 5,575,000 | 5,575,000 | 6,010,000 | 6,382,000 | 7,425,000 |
| Payment to public library system | 525,002 | 517,927 | 637,904 | 720,024 | 1,072,292 | 1,050,609 |
| Conservation of natural resources | 769,000 | 781,000 | 794,000 | 835,000 | 875,000 | 905,000 |
| Community development & housing | 336,469 | 232,345 | 264,776 | 230,040 | 293,066 | 327,747 |
| Economic Development | 1,338,847 | 1,659,272 | 2,031,225 | 1,666,691 | 1,556,909 | 1,774,905 |
| Interest on long term debt | 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 | \$ 77,603,361 | \$ 77,986,575 | \$ 82,095,092 | \$ 96,341,380 |
| | | | | | | \$ 87,185,250 |
| Business-type activities: | | | | | | |
| Water | 1,446,660 | 1,463,542 | 1,448,043 | 1,751,458 | 1,798,200 | 2,977,733 |
| Sewer | 5,845,641 | 5,796,718 | 6,398,687 | 7,137,019 | 7,900,344 | 3,272,629 |
| Nursing Home | 8,174,160 | 8,620,622 | 9,550,145 | b | 9,657,283 | 7,249,045 |
| Other Funds | - | - | - | 487,108 | 10,292,274 | h |
| Total business-type activities expenses | \$ 15,466,461 | \$ 15,900,882 | \$ 17,396,875 | \$ 19,032,886 | \$ 20,436,876 | \$ 11,034,410 |
| Total primary government expenses | \$ 88,228,871 | \$ 87,997,518 | \$ 95,002,236 | \$ 97,019,443 | \$ 102,531,968 | \$ 597,356 |
| | | | | | | \$ 21,231,677 |
| | | | | | | \$ 22,125,174 |
| 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 | 874,542 |
| Other activities | 478,640 | 597,748 | 620,097 | 935,592 | 788,227 | 2,976,731 |
| Operating grants and contributions | 5,657,933 | 6,398,218 | 6,549,718 | 6,162,976 | 5,564,276 | 819,558 |
| Capital grants and contributions | 5,783,782 | 5,704,736 | 10,626,139 | c | 4,861,929 | 5,130,297 |
| Total governmental activities program revenues | \$ 15,318,745 | \$ 16,671,959 | \$ 22,804,374 | \$ 17,869,466 | \$ 17,075,223 | \$ 6,009,919 |
| | | | | | | \$ 2,193,379 |
| | | | | | | \$ 2,193,379 |
| 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 | 4,633,216 |
| Nursing Home | 8,027,848 | 8,650,049 | 8,464,607 | 9,030,901 | 9,922,523 | 10,900,432 |
| Other Funds | 157,703 | 128,362 | 163,815 | 53,667 | 13,448 | 439,381 |
| Operating grants and contributions | 2,054,418 | 3,816,273 | d | 3,320,783 | 3,560,637 | I |
| Capital grants and contributions | 15,821,815 | 18,336,687 | | 18,243,382 | 19,513,011 | 62,018 |
| Total business-type activities program revenues | \$ 31,140,560 | \$ 35,028,646 | \$ 41,048,256 | \$ 37,382,477 | \$ 43,332,729 | \$ 10,872,588 |
| Total primary government program revenues | | | | | | \$ 29,479,725 |
| | | | | | | \$ 43,649,194 |
| | | | | | | \$ 43,649,194 |

(a) Schedules presenting government wide (full accrual accounting) are available from FY 2003, the year the County implemented GASB Statement No. 34.

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Net (Expense)/Revenue (b) | \$ (57,443,665) | \$ (55,424,677) | \$ (54,800,787) | \$ (60,117,109) | \$ (65,019,869) | \$ (79,041,541) | \$ (73,015,781) |
| Governmental activities | \$ 19,451,155 | \$ 21,536,150 | \$ 27,060,585 | \$ 29,094,141 | \$ 30,141,707 | \$ 32,492,011 | \$ 34,266,623 |
| Business-type activities | 5,384,666 | 6,170,086 | 21,472,667 | 23,407,305 | 23,177,237 | 24,990,613 | 26,338,493 |
| Total primary government net expense | <u><u>\$ (57,088,311)</u></u> | <u><u>\$ (52,968,872)</u></u> | <u><u>\$ (53,953,680)</u></u> | <u><u>\$ (59,836,966)</u></u> | <u><u>\$ (68,199,239)</u></u> | <u><u>\$ (79,437,913)</u></u> | <u><u>\$ (63,581,230)</u></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 | \$ 34,266,623 |
| Income taxes | | | | | | | |
| Other local taxes | | | | | | | |
| Licenses | | | | | | | |
| Unrestricted grants | | | | | | | |
| Investment earnings | | | | | | | |
| Gain/(loss) on sale/retirement of capital assets | | | | | | | |
| Miscellaneous | | | | | | | |
| Transfers | | | | | | | |
| Special item | | | | | | | |
| Total governmental activities | <u><u>\$ (2,108,051)</u></u> | <u><u>\$ 1,360,990</u></u> | <u><u>e</u></u> | <u><u>\$ 64,320,057</u></u> | <u><u>\$ 72,682,423</u></u> | <u><u>\$ 72,492,604</u></u> | <u><u>\$ 76,638,552</u></u> |
| Business-type activities: | | | | | | | |
| Property taxes | \$ 474,742 | \$ 542,636 | \$ 684,529 | \$ 732,367 | \$ 884,340 | \$ 819,542 | \$ 891,363 |
| Investment earnings | | | | | | | |
| Miscellaneous | | | | | | | |
| Gain/(loss) on sale/retirement of capital assets | | | | | | | |
| Transfers | | | | | | | |
| Total business-type activities | <u><u>\$ (882,228)</u></u> | <u><u>\$ (1,776,087)</u></u> | <u><u>\$ (551,293)</u></u> | <u><u>\$ (96,895)</u></u> | <u><u>\$ 430,187</u></u> | <u><u>\$ 315,004</u></u> | <u><u>\$ 88,631</u></u> |
| Total primary government | <u><u>\$ 59,835,465</u></u> | <u><u>\$ 65,646,395</u></u> | <u><u>\$ 64,662,163</u></u> | <u><u>\$ 73,577,319</u></u> | <u><u>\$ 74,155,749</u></u> | <u><u>\$ 77,406,701</u></u> | <u><u>\$ 78,818,884</u></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) | \$ 4,533,443 |
| Business-type activities | | | | | | | |
| Total primary government | <u><u>\$ 27,092</u></u> | <u><u>\$ 1,323,631</u></u> | <u><u>\$ 1,189,213</u></u> | <u><u>\$ 1,375,039</u></u> | <u><u>\$ (1,476,225)</u></u> | <u><u>\$ 371,777</u></u> | <u><u>\$ 8,624,211</u></u> |
| (a) Schedules presenting government wide (full accrual accounting) are available from FY 2003, the year the County implemented GASB Statement No. 34. | | | | | | | |
| (b) 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 to 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 silicon switches

j Increase due to donation of 9/11 assets from the State of Maryland in the amount of \$ 851,686

k Increase due to an increase in personnel salaries and fringe due to new Bureau of Police Department and additional public safety grant expenditures

l Decrease due to decrease in construction project expenditures

m Decrease in grants due to large education construction grant/loans being spent in prior years and not in FY 09 due to completion of project

n Increase in grants due to grants received for Georges Creek WWTP Upgrade

o Decrease in other taxes due to economic recession which affected recordation and transfer taxes.

Allegany County, Maryland
 Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting²)

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|-------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ 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 | \$ 3,916,618 |
| Unreserved | 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 | 11,862,655 |
| Total General Fund | \$ 12,020,900 | \$ 10,011,550 | \$ 10,575,238 | \$ 12,699,533 | \$ 12,702,276 | \$ 13,947,301 | \$ 15,501,646 | \$ 15,799,702 | \$ 15,779,273 | |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | \$ 4,304,911 | \$ 2,144,563 | \$ 1,740,443 | \$ 416,165 | \$ 100,856 | \$ 1,294,529 | \$ 424,349 | \$ 10,240,090 | \$ 3,778,869 | \$ 703,075 |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds | 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 | 7,231,010 |
| Capital project funds | 9,689,200 | 5,724,934 | 2,745,547 | 1,370,878 | 2,228,198 | 1,220,786 | 2,487,471 | 2,887,863 | 1,148,208 | 4,083,957 |
| Debt service funds | 300,000 | 1,400,000 | 1,400,000 | 1,275,000 | 1,150,000 | 1,175,000 | 1,517,200 | 1,637,610 | 1,654,049 | 613,929 |
| Total all other governmental funds | \$ 17,863,066 | \$ 11,065,846 | \$ 8,445,221 | \$ 6,322,316 | \$ 7,272,455 | \$ 8,792,482 | \$ 9,430,144 | \$ 19,938,092 | \$ 12,471,143 | \$ 12,631,971 |

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

| Revenues | | | | | | | | | | | |
|---|---------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|-----------------|----------------|----------------|
| Property taxes | \$ 26,028,928 | \$ 2001 | \$ 2002 | \$ 26,949,364 | \$ 26,823,761 | \$ 27,527,977 | \$ 28,460,485 | \$ 29,786,204 | \$ 30,740,703 | \$ 32,434,205 | \$ 32,434,205 |
| Income taxes | 17,007,620 | 19,177,773 | 18,441,780 | 19,391,155 | 21,536,150 | 21,72,667 | 22,103,548 | 23,97,520 | 24,859,124 | 25,262,339 | 25,262,339 |
| Highway user taxes | 4,025,755 | 4,108,731 | 4,207,379 | 3,942,972 | 3,360,759 | 3,68,177 | 4,813,872 | 4,823,654 | 4,643,174 | 4,023,284 | 4,023,284 |
| Other local taxes | 1,610,351 | 1,559,919 | 1,842,004 | 1,683,107 | 3,205,042 | 3,912,061 | 4,709,748 | 4,837,769 | 4,622,525 | 3,529,059 | 3,529,059 |
| Licenses and permits | 508,317 | 534,121 | 558,218 | 580,355 | 606,228 | 583,575 | 586,286 | 586,286 | 616,222 | 621,136 | 611,328 |
| Intergovernmental: | | | | | | | | | | | |
| Federal | 4,674,620 | 5,484,707 | 4,538,456 | 4,012,379 | 5,047,771 | 7,136,309 | 6,784,009 | 5,206,553 | 4,889,944 | 4,046,367 | 4,046,367 |
| State | 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 | 9,961,157 | 9,961,157 |
| Other | 95,310 | 55,326 | 110,275 | 135,025 | 269,579 | 495,599 | 561,733 | 399,757 | 328,351 | 354,708 | 354,708 |
| Service charges | 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 | 2,875,791 | 2,875,791 |
| Fines and forfeitures | 101,025 | 58,531 | 72,008 | 147,986 | 2,560 | 91,420 | 79,618 | 109,922 | 71,133 | 98,463 | 98,463 |
| Interest | 1,282,274 | 1,625,162 | 630,463 | 343,052 | 194,563 | 402,229 | 752,182 | 948,856 | 1,215,979 | 440,827 | 440,827 |
| Miscellaneous | 4,797,971 | 2,631,075 | 2,120,149 | 2,293,436 | 2,131,346 | 2,584,812 | 3,047,951 | 2,908,467 | 2,504,957 | 3,469,990 | 3,469,990 |
| Total revenues | \$ 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 | \$ 90,103,432 | \$ 90,103,432 |
| Expenditures | | | | | | | | | | | |
| General government | \$ 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 | \$ 8,507,964 | \$ 8,507,964 |
| Public safety | 6,551,254 | 7,895,973 | 8,526,503 | 9,882,124 | 10,531,391 | 11,162,203 | 13,340,006 | 14,769,517 | 15,177,619 | 15,177,619 | 15,177,619 |
| Public works | 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 | 11,598,782 | 11,598,782 |
| Health and Hospitals | 296,818 | 299,806 | 291,868 | 297,275 | 314,944 | 365,730 | 547,635 | 668,436 | 639,555 | 477,204 | 477,204 |
| Social Services | 1,778,194 | 2,719,978 | 2,821,402 | 3,217,712 | 3,340,780 | 3,153,780 | 2,481,137 | 2,267,955 | 2,199,074 | 1,825,634 | 1,825,634 |
| Education | - | - | 6,872 | 10,66,438 | 7,125 | 6,487 | 6,788 | 296,339 | 33,511 | 28,261 | 28,261 |
| Recreation, culture and libraries | 310,749 | 284,468 | 400,679 | 416,091 | 525,238 | 557,173 | 785,391 | 785,287 | 818,848 | 818,848 | 818,848 |
| Conservation of natural resources | 189,422 | 232,807 | 212,488 | 236,697 | 223,675 | 254,764 | 222,849 | 286,942 | 321,258 | 505,126 | 505,126 |
| Community Development and Housing | 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 | 1,987,093 | 1,987,093 |
| Economic development | 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 | 5,048,205 | 5,048,205 |
| Miscellaneous | 21,332 | 11,693 | 4,678 | 18,775 | 18,721 | 13,991 | 17,671 | 25,749 | 28,742 | 27,755 | 27,755 |
| Appropriation to other governments | 847,128 | 905,433 | 961,343 | 990,488 | 1,005,981 | 1,017,170 | 1,046,128 | 1,162,444 | 1,243,264 | 1,245,011 | 1,245,011 |
| Capital Outlay | 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 | 3,704,254 | 3,704,254 |
| Debt Service | | | | | | | | | | | |
| Interest | 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 | 1,830,204 | 1,830,204 |
| Principal | 3,606,289 | 3,777,228 | 3,926,483 | 4,090,571 | 4,221,604 | 4,005,632 | 4,716,262 | 4,213,086 | 4,892,495 | 4,728,665 | 4,728,665 |
| Payments to Component Units | 31,624,945 | 31,970,969 | 32,557,486 | 34,400,376 | 32,550,767 | 32,278,661 | 32,734,847 | 34,948,568 | 36,788,464 | 37,130,334 | 37,130,334 |
| Total expenditures | \$ 75,112,692 | \$ 78,815,368 | \$ 78,080,570 | \$ 78,388,530 | \$ 79,642,095 | \$ 88,355,911 | \$ 89,925,262 | \$ 93,417,886 | \$ 106,981,132 | \$ 94,640,959 | \$ 94,640,959 |
| Excess of revenues over (under) Expenditures | \$ 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) | \$ (4,537,527) | \$ (4,537,527) |
| Other Financing Sources (Uses) | | | | | | | | | | | |
| Proceeds from borrowing | \$ 400,000 | \$ - | \$ 322,680 | \$ 63,710 | \$ 588,607 | \$ 2,258,256 | \$ 149,483 | \$ 14,141,516 | \$ 5,237,697 | 4,663,719 | 4,663,719 |
| Proceeds from refunding | - | - | 9,683,148 | - | - | - | - | - | - | - | - |
| Payments to escrow agent | 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 | 13,684,810 | 13,684,810 |
| Transfers in | (11,900,806) | (12,298,277) | (9,953,385) | (6,050 | (9,959,540) | (13,556,482) | (10,461,602) | (12,634,570) | (11,397,805) | (13,773,441) | (13,773,441) |
| Transfers out | - | - | - | 416,000 | 18,674 | 298,110 | 4,552,930 | 358,874 | 2,330,993 | 102,838 | 102,838 |
| Sale of capital assets | | | | | | | | | | | |
| Total Other Financing Sources (Uses) | \$ 1,002,558 | \$ (703,451) | \$ 1,073,587 | \$ 1,426,990 | \$ 2,383,370 | \$ 3,498,263 | \$ 4,799,308 | \$ 14,070,203 | \$ 7,253,686 | \$ 4,677,926 | \$ 4,677,926 |
| Net Change in fund balances | \$ 1,450,494 | \$ (8,186,293) | \$ (2,733,485) | \$ (1,446,357) | \$ 3,074,454 | \$ 995,071 | \$ 2,015,839 | \$ 12,234,341 | \$ (7,158,893) | \$ 140,399 | \$ 140,399 |
| Debt service as a percentage of noncapital expenditures | 9.7% | 9.0% | 8.7% | 8.2% | 8.3% | 7.2% | 6.7% | 7.0% | 7.2% | | |

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REVENUE CAPACITY

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

| Fiscal Year | Real Property | | | Personal Property | | | Corporate Personal Property | | | Totals | | | Corporate Personal Total Direct Tax Rate | |
|-------------|-----------------|---------------|-------------------|-------------------|---------------|-------------------|-----------------------------|---------------|-------------------|-----------------|---------------|-------------------|--|--|
| | Real Property | | Assessed Value | Personal Property | | Assessed Value | Corporate Personal Property | | Assessed Value | Market Value | | Assessed Value | | |
| | Market Value | Tax Rate | | Market Value | Tax Rate | | Market Value | Tax Rate | | Market Value | Tax Rate | | | |
| 2000 | 1,986,596,538 | 794,638,615 | 0.9880 | 10,869,940 | 10,869,940 | 8,839,920 | 8,869,920 | 8,869,920 | 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 | 10,142,410 | 10,142,410 | 10,417,090 | 10,417,090 | 10,417,090 | 662,748,955 | 662,748,955 | 493,595,405 | 2,576,719,213 | 2.4600 | |
| 2002 | 2,072,981,398 | 2,072,981,398 | 0.9840 | 10,417,090 | 10,417,090 | 10,253,280 | 10,253,280 | 10,253,280 | 360,582,630 | 360,582,630 | 351,375,290 | 2,529,321,763 | 2.4595 | |
| 2003 | 2,158,322,043 | 2,158,322,043 | 0.9838 | 11,255,730 | 11,255,730 | 11,255,730 | 11,255,730 | 11,255,730 | 334,611,519 | 334,611,519 | 2,707,846,982 | 2,569,052,593 | 2.5000 | |
| 2004 | 2,223,185,344 | 2,223,185,344 | 1.0000 | 8,701,450 | 8,701,450 | 8,701,450 | 8,701,450 | 8,701,450 | 344,568,390 | 344,568,390 | 358,861,080 | 2,910,366,473 | 2.5018 | |
| 2005 | 2,346,218,412 | 2,346,218,412 | 1.0007 | 9,047,760 | 9,047,760 | 9,047,760 | 9,047,760 | 9,047,760 | 329,523,214 | 329,523,214 | 3102,478,314 | 3,102,478,314 | 2.4573 | |
| 2006 | 2,439,119,223 | 2,439,119,223 | 1.0007 | 9,994,750 | 9,994,750 | 9,994,750 | 9,994,750 | 9,994,750 | 320,952,870 | 320,952,870 | 3,341,618,912 | 3,341,618,912 | 2.4573 | |
| 2007 | 2,542,803,943 | 2,542,803,943 | 0.9829 | 6,519,060 | 6,519,060 | 6,519,060 | 6,519,060 | 6,519,060 | 320,952,870 | 320,952,870 | 3,341,618,912 | 3,341,618,912 | 2.4573 | |
| 2008 | 2,762,960,350 | 2,762,960,350 | 0.9829 | 3,014,146,982 | 3,014,146,982 | 3,014,146,982 | 3,014,146,982 | 3,014,146,982 | 320,952,870 | 320,952,870 | 3,341,618,912 | 3,341,618,912 | 2.4573 | |
| 2009 | 3,014,146,982 | 3,014,146,982 | 0.9829 | 6,519,060 | 6,519,060 | 6,519,060 | 6,519,060 | 6,519,060 | 320,952,870 | 320,952,870 | 3,341,618,912 | 3,341,618,912 | 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

| | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 | 2003 | 2002 | 2001 | 2000 |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Allegany County Direct Tax Rates</u> | | | | | | | | | | |
| | | | | | | | | | | |
| Barton | 0.9552 | 0.9551 | 0.9494 | 0.9727 | 0.9724 | 0.9721 | 0.9520 | 0.9513 | 0.9520 | 0.9520 |
| Cumberland | 0.9074 | 0.9090 | 0.9087 | 0.9309 | 0.9248 | 1.0000 | 0.9838 | 0.9840 | 0.9040 | 0.9040 |
| Frostburg | 0.9107 | 0.9136 | 0.9111 | 0.9366 | 0.9305 | 0.9312 | 0.9128 | 0.9128 | 0.9120 | 0.9120 |
| Lonaconing | 0.9336 | 0.9333 | 0.9283 | 0.9548 | 0.9517 | 0.9535 | 0.9334 | 0.9330 | 0.9320 | 0.9320 |
| Luke | 0.9304 | 0.9302 | 0.9227 | 0.9516 | 0.9484 | 0.9498 | 0.9299 | 0.9287 | 0.9280 | 0.9280 |
| Midland | 0.9552 | 0.9551 | 0.9474 | 0.9727 | 0.9724 | 0.9721 | 0.9520 | 0.9513 | 0.9520 | 0.9520 |
| Westernport | 0.9336 | 0.9333 | 0.9263 | 0.9548 | 0.9517 | 0.9535 | 0.9344 | 0.9330 | 0.9320 | 0.9320 |
| Unincorporated | 0.9829 | 0.9829 | 0.9829 | 1.0007 | 1.0007 | 1.0000 | 0.9838 | 0.9840 | 0.9840 | 0.9880 |
| <u>Municipal Direct Tax Rates</u> | | | | | | | | | | |
| | | | | | | | | | | |
| Barton | 0.1981 | 0.2156 | 0.2220 | 0.2220 | 0.2220 | 0.2220 | 0.2260 | 0.2320 | 0.2320 | 0.2320 |
| Cumberland | 0.9654 | 0.9479 | 0.9479 | 0.9479 | 0.9479 | 0.8720 | 0.8720 | 0.8720 | 1.0400 | 1.0480 |
| Frostburg | 0.5540 | 0.5500 | 0.5500 | 0.5500 | 0.5500 | 0.5500 | 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 | 0.5500 | 0.5000 | 0.5000 | 0.5000 | 0.3500 | 0.3500 | 0.2400 | 0.2400 | 0.2400 | 0.2400 |
| Midland | 0.2800 | 0.2708 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 |
| Westernport | 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> | | | | | | | | | | |
| | | | | | | | | | | |
| Sanitary Districts | | | | | | | | | | |
| Bedford Road | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.0880 | 0.0880 |
| Bowling Green | 0.2530 | 0.2530 | 0.2530 | 0.2530 | 0.2530 | 0.1580 | 0.1480 | 0.1480 | 0.1440 | 0.1560 |
| Braddock Run | 0.0040 | 0.0040 | 0.0040 | 0.0040 | 0.0040 | 0.0040 | 0.0040 | 0.0040 | 0.0040 | 0.0160 |
| Cresaptown | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.3000 | 0.1600 | 0.0480 | 0.0480 | 0.0360 | 0.0360 |
| Jennings Run - Wills Creek | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0320 | 0.0320 |
| Cash Valley Subdistrict | 0.2200 | 0.2200 | 0.2200 | 0.2200 | 0.2440 | 0.2440 | 0.2440 | 0.2440 | 0.2320 | 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 | 0.0960 | 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 | 0.1840 | 0.2000 |
| Oldtown Road | 0.2400 | 0.2400 | 0.2400 | 0.2400 | 0.2600 | 0.2600 | 0.2600 | 0.2600 | 0.2600 | 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 | 0.0650 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0400 | 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 | 0.0400 | 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 | 0.0520 |
| 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 | 0.1000 |
| 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 | 0.0450 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 |
| Rawlings Special Fire Tax Area | 0.0800 | 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 | 2009 | | | 2000 | | | Percentage of County Taxable Assessed Value |
|----------------------------------|------------------------------|------|---|------------------------------|------|---------------|---|
| | Taxable Assessed Value | Rank | Percentage of County Taxable Assessed Value | Taxable Assessed Value | Rank | | |
| | | | | | | | |
| AES WR Limited Partnership | \$ 116,589,518 | 1 | 3.44% | \$ 206,181,230 | 2 | 13.37% | |
| New Page (Mead/Westvaco) | 66,264,071 | 2 | 1.96% | 320,778,490 | 1 | 20.81% | |
| Potomac Edison Co | 47,086,070 | 3 | 1.39% | 55,413,100 | 3 | 3.59% | |
| Verizon-Maryland (Bell Atlantic) | 35,176,900 | 4 | 1.04% | 44,893,970 | 4 | 2.91% | |
| LaVale Associates | 30,840,195 | 5 | 0.91% | 12,855,920 | 6 | 0.83% | |
| Columbia Gas of Maryland | 21,931,400 | 6 | 0.65% | 15,469,690 | 5 | 1.00% | |
| CSX Transportation | 21,298,486 | 7 | 0.63% | 11,242,680 | 7 | 0.73% | |
| Hunter Douglas Northeast, Inc. | 15,719,478 | 8 | 0.46% | | | | |
| Allegany Coal-Land | 15,449,960 | 9 | 0.46% | | | | |
| American Woodmark Corp | 11,076,966 | 10 | 0.33% | | | | |
| S. Company, Inc. | | | | 4,717,410 | 10 | 0.31% | |
| Biederlack Of America Corp | | | | 6,384,080 | 8 | 0.41% | |
| Superfos Packaging, Inc. | | | | 5,424,490 | 9 | 0.35% | |
| Total | \$ 381,433,044 | | 11.25% | \$ 683,361,060 | | 44.31% | |

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 |
| 2000 | 18,779,731 | 17,392,441 | 92.61% | (104,919) | 1,281,518 | 18,674,812 | 18,673,959 | 100.00% |
| 2001 | 19,287,454 | 17,801,226 | 92.29% | (68,253) | 1,417,099 | 19,219,201 | 19,218,325 | 100.00% |
| 2002 | 19,739,787 | 18,208,781 | 92.24% | (81,748) | 1,448,382 | 19,658,039 | 19,657,163 | 100.00% |
| 2003 | 20,190,074 | 18,729,500 | 92.77% | (20,360) | 1,439,338 | 20,169,714 | 20,168,838 | 100.00% |
| 2004 | 21,239,040 | 19,838,116 | 93.40% | (22,067) | 1,377,842 | 21,216,973 | 21,215,958 | 100.00% |
| 2005 | 22,263,407 | 20,665,094 | 92.82% | (47,325) | 1,549,873 | 22,216,082 | 22,214,967 | 99.99% |
| 2006 | 23,311,852 | 21,694,064 | 93.06% | (19,536) | 1,587,708 | 23,292,316 | 23,281,772 | 99.95% |
| 2007 | 24,152,164 | 22,574,066 | 93.47% | (31,564) | 1,531,861 | 24,120,600 | 24,105,927 | 99.94% |
| 2008 | 26,290,828 | 24,418,173 | 92.86% | (39,949) | 1,048,877 | 26,256,879 | 25,467,050 | 96.99% |
| 2009 | 28,732,488 | 26,710,075 | 92.96% | | | 28,732,488 | 26,710,075 | 92.96% |

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 |
| 2000 | 259,145 | 204,901 | 79.07% | (53,276) | (769) | 205,869 | 204,132 | 99.16% |
| 2001 | 191,726 | 170,281 | 88.81% | 4,679 | 23,106 | 196,405 | 193,387 | 98.46% |
| 2002 | 240,872 | 195,019 | 80.96% | (19,402) | 21,783 | 221,470 | 216,802 | 97.89% |
| 2003 | 249,305 | 196,207 | 78.70% | (31,410) | 14,852 | 217,895 | 211,059 | 96.86% |
| 2004 | 274,789 | 216,817 | 78.90% | (30,761) | 17,261 | 244,028 | 234,078 | 95.92% |
| 2005 | 249,585 | 217,982 | 87.34% | (7,811) | 15,467 | 241,774 | 233,449 | 96.56% |
| 2006 | 221,878 | 201,105 | 90.64% | (6,196) | 6,591 | 215,682 | 207,696 | 96.30% |
| 2007 | 208,932 | 186,368 | 89.20% | (2,942) | 8,958 | 205,990 | 195,326 | 94.82% |
| 2008 | 240,950 | 143,066 | 59.38% | (69,177) | 18,175 | 171,772 | 161,241 | 93.87% |
| 2009 | 156,136 | 131,719 | 84.36% | | | 156,136 | 131,719 | 84.36% |

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 |
| 2000 | 17,560,034 | 17,393,342 | 99.05% | (117,334) | 33,481 | 17,442,700 | 17,426,823 | 99.91% |
| 2001 | 15,858,558 | 15,708,793 | 99.06% | (92,331) | 49,300 | 15,766,227 | 15,758,093 | 99.95% |
| 2002 | 11,671,917 | 11,416,395 | 97.81% | (49,931) | 198,743 | 11,621,986 | 11,615,138 | 99.94% |
| 2003 | 9,282,992 | 9,163,854 | 98.72% | (23,495) | 82,490 | 9,259,497 | 9,246,344 | 99.86% |
| 2004 | 8,897,728 | 8,790,614 | 98.80% | (275,105) | (189,525) | 8,622,623 | 8,601,089 | 99.75% |
| 2005 | 8,501,900 | 8,407,644 | 98.89% | (96,774) | (32,395) | 8,405,126 | 8,375,249 | 99.64% |
| 2006 | 8,408,395 | 8,276,381 | 98.43% | (22,605) | 62,557 | 8,385,790 | 8,338,938 | 99.44% |
| 2007 | 8,210,266 | 8,094,923 | 98.60% | (14,039) | 48,770 | 8,196,227 | 8,143,693 | 99.36% |
| 2008 | 7,921,091 | 7,814,936 | 98.66% | 293,012 | 333,575 | 8,214,103 | 8,148,510 | 99.20% |
| 2009 | 7,710,088 | 7,559,542 | 98.05% | | | 7,710,088 | 7,559,542 | 98.05% |

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 |
| 2000 | 36,598,910 | 34,990,684 | 95.61% | (275,529) | 1,314,230 | 36,323,381 | 36,304,914 | 99.95% |
| 2001 | 35,337,738 | 33,680,300 | 95.31% | (155,906) | 1,489,506 | 35,181,832 | 35,169,806 | 99.97% |
| 2002 | 31,652,576 | 29,820,195 | 94.21% | (151,081) | 1,668,907 | 31,501,495 | 31,489,102 | 99.96% |
| 2003 | 29,722,371 | 28,089,561 | 94.51% | (75,265) | 1,536,680 | 29,647,106 | 29,626,241 | 99.93% |
| 2004 | 30,411,557 | 28,845,547 | 94.85% | (327,932) | 1,205,577 | 30,083,625 | 30,051,124 | 99.89% |
| 2005 | 31,014,892 | 29,290,720 | 94.44% | (151,910) | 1,532,945 | 30,862,982 | 30,823,665 | 99.87% |
| 2006 | 31,942,125 | 30,171,550 | 94.46% | (48,337) | 1,656,856 | 31,893,788 | 31,828,406 | 99.80% |
| 2007 | 32,571,362 | 30,855,357 | 94.73% | (48,546) | 1,589,589 | 32,522,816 | 32,444,946 | 99.76% |
| 2008 | 34,458,868 | 32,376,175 | 93.96% | 183,886 | 1,400,627 | 34,642,754 | 33,776,802 | 97.50% |
| 2009 | 36,598,711 | 34,401,336 | 94.00% | - | - | 36,598,711 | 34,401,336 | 94.00% |

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

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 | Water Federal Loans | Sanitary Capital Bonds | Sanitary Term Notes | Sanitary State Loans | Sanitary Federal Loans | | | | | | |
| | | | | | | | | | | | | | | | | |
| 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% | | | |
| 2001 | 37,945,000 | 1,050,232 | 51,783 | 8,460,725 | 189,449 | 1,665,100 | - | 2,120,833 | 2,014,938 | 2,166,706 | - | 55,694,766 | 3.43% | | | |
| 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% | | | |
| 2003 | 31,580,000 | 941,011 | 41,978 | 7,667,455 | 50,779 | 3,263,926 | - | 1,455,938 | 1,842,994 | 1,064,287 | - | 47,909,068 | 2.82% | | | |
| 2004 | 27,945,000 | 864,699 | - | 7,787,748 | 4,811 | 3,326,911 | - | 1,722,977 | 8,432,882 | 1,049,890 | - | 49,584,918 | 2.80% | | | |
| 2005 | 26,596,000 | 784,473 | 112,435 | 7,357,164 | 3,130 | 4,103,242 | - | 115,294 | 10,177,907 | 1,034,042 | 525,000 | 50,808,687 | 2.70% | | | |
| 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% | | | |
| 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 | 3.00% | | | |
| 2008 | 24,949,597 | 10,223,745 | 288,444 | 5,065,139 | 445,557 | 4,449,625 | - | 19,169 | 9,489,761 | 3,363,826 | 449,448 | 58,774,291 | 2.90% | | | |
| 2009 | 25,787,011 | 9,815,243 | 259,423 | 4,630,302 | 414,419 | 4,379,776 | - | 18,819 | 13,269,238 | 3,323,335 | 421,585 | 62,319,151 | 3.00% | | | |

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

| Fiscal Year | General Obligation Bonds | Taxable Value of Property | Percentage of Actual Taxable Value of Property | | Debt Per Capita |
|-------------|--------------------------|---------------------------|--|-------|-----------------|
| | | | Population | 2.67% | |
| 2000 | 41,215,000 | 1,541,829,885 | | 2.67% | 74,819 |
| 2001 | 37,945,000 | 1,482,426,545 | | 2.56% | 74,449 |
| 2002 | 35,115,000 | 2,576,719,213 | | 1.36% | 74,059 |
| 2003 | 31,580,000 | 2,529,321,763 | | 1.25% | 73,867 |
| 2004 | 27,945,000 | 2,569,052,593 | | 1.09% | 73,999 |
| 2005 | 26,596,000 | 2,707,846,982 | | 0.98% | 73,639 |
| 2006 | 22,944,000 | 2,792,735,373 | | 0.82% | 72,613 |
| 2007 | 28,532,000 | 2,910,366,473 | | 0.98% | 72,603 |
| 2008 | 24,949,597 | 3,102,478,314 | | 0.80% | 72,238 |
| 2009 | 25,787,011 | 3,341,618,912 | 0.77% | | 72,200 |
| | | | | | 357.16 |

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**

| | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|-------------|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|
| Population | 74,819 | 74,449 | 74,059 | 73,867 | 73,999 | 73,639 | 72,613 | 72,603 | 72,238 | 72,000 |
| Inmate population excluded | 3,279 | 3,279 | 3,279 | 3,279 | 3,279 | 3,279 | 3,279 | 3,279 | 3,279 | 3,279 |
| Net population for debt limit | 71,540 | 71,170 | 70,780 | 70,588 | 70,720 | 70,360 | 69,334 | 69,324 | 68,959 | 68,721 |
| Debt Per Capita | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 | 585 |
| Debt Limit | 41,850,900 | 41,634,450 | 41,406,300 | 41,293,980 | 41,371,200 | 41,160,600 | 40,560,390 | 40,554,540 | 40,341,015 | 40,201,785 |
| Total Net Debt applicable to limit | 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 | 40,491,979 |
| Legal Debt Margin | (9,464,068) | (5,903,290) | (2,851,005) | 1,063,536 | 4,773,753 | 6,310,528 | 10,277,099 | 342,817 | (215,910) | (290,194) |
| Total net debt applicable to the limit as a percentage of debt limit | 122.6% | 114.2% | 106.9% | 97.4% | 88.5% | 84.7% | 74.7% | 99.2% | 100.5% | 100.7% |

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 |
|-------------|--------------------|------------------------|--|-----------|----------|-----------|----------|
| 2009 | 5,981,203 | 5,114,760 | 866,443 | 727,580 | 283,759 | 1,011,339 | 0.86 |
| 2008 | 5,756,775 | (4) | 5,221,279 | 535,496 | 786,386 | 233,002 | 0.53 |
| 2007 | 6,800,108 | 5,835,667 | (4) | 964,441 | 750,057 | 233,277 | 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 | 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 |

WATER DISTRICTS

| Fiscal Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Principal | Interest | Total | Coverage |
|-------------|--------------------|------------------------|--|-----------|----------|---------|----------|
| 2009 | 2,866,797 | 2,395,589 | 471,208 | 100,967 | 211,276 | 312,243 | 1.51 |
| 2008 | 2,585,222 | (4) | 2,099,680 | 485,542 | 97,009 | 215,232 | 1.56 |
| 2007 | 1,417,547 | 1,053,569 | (4) | 363,978 | 60,953 | 195,878 | 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 |

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

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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 |
|-------------|-------------------|--|---|---|------------------------------|
| 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 | 72,603 | 1,974,017 | 27,189 | 9,526 | 5.20% |
| 2008 | 72,238 | 2,013,497 (b) | 27,873 | 9,221 | 5.80% |
| 2009 | 72,200 (a) | 2,053,767 (b) | 28,446 | 9,157 | 8.90% |

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

| Employer | 2009 | | | 2000 | | |
|------------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage Of Total County Employment | Employees | Rank | Percentage Of Total County Employment |
| Western Maryland Health Systems | 2,460 | 1 | 7.33% | 2,300 | 1 | 7.00% |
| ATK Tactical Systems | 1,453 | 2 | 4.33% | - | - | - |
| Allegany County Board Of Education | 1,424 | 3 | 4.25% | 1,233 | 3 | 3.75% |
| New Page Corporation (Westvaco) | 994 | 4 | 2.96% | 1,500 | 2 | 4.57% |
| Frostburg State University | 916 | 5 | 2.73% | 825 | 5 | 2.51% |
| CSX Transportation | 800 | 6 | 2.38% | 1,000 | 4 | 3.04% |
| Allegany County Government | 599 | 7 | 1.79% | - | - | - |
| ACS, Inc. | 587 | 8 | 1.75% | - | - | - |
| Hunter Douglas | 558 | 9 | 1.66% | 487 | 7 | 1.48% |
| Western Correctional Institution | 557 | 10 | 1.66% | 600 | 6 | 1.83% |
| Allegany College | | | | 425 | 9 | 1.29% |
| Biederlack | | | | 389 | 10 | 1.18% |
| Bayliner Marine Corp | | | | 474 | 8 | 1.44% |
| Total | 10,348 | | 30.85% | 9,233 | | 28.10% |

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 Seven Fiscal Years (a)

| 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 | | | | | | |
| Social Services | 3.3 | 3.3 | 3.3 | 3.3 | 2.3 | 2.0 |
| Recreation, culture, libraries, tourism | 6.0 | 7.0 | 7.0 | 1.0 | 1.0 | 1.0 |
| Conservation of natural resources | 1.0 | 5.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Community Development and Housing | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| Economic Development | 5.3 | 4.3 | 5.6 | 5.6 | 4.3 | 4.3 |
| Sanitary | 8.2 | 9.4 | 9.1 | 10.1 | 7.2 | 7.5 |
| Nursing Home | 23.5 | 23.5 | 23.0 | 24.0 | 25.0 | 26.0 |
| Total | 150.0 | 150.0 | 161.5 | 165.5 | 152.1 | 150.5 |
| | <u>556.0</u> | <u>557.3</u> | <u>581.1</u> | <u>593.0</u> | <u>589.2</u> | <u>597.3</u> |
| | | | | | | <u>599.4</u> |

(a) Information required upon implementation of GASB Statement No. 34 for fiscal year 2003.

Source: Allegany County Finance Office-Budget

Allegany County, Maryland
Operating Indicators By Function/Program
Last Seven Fiscal Years (a)

| Function/Program | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|--|---------|----------|---------|---------|---------|---------|---------------|
| General Government | | | | | | | |
| Average number of tax bills issued | 38,000 | 38,020 | 38,060 | 38,130 | 38,124 | 38,419 | 38,454 |
| Number of building permits issued | 421 | 479 | 469 | 424 | 460 | 410 | 372 |
| Public Safety | | | | | | | |
| Total Number of arrests | 1,430 | 1,505 | 1,341 | 1,246 | 608 | 1,060 | 1,491 |
| Total Number of traffic stops | 1,157 | 199 | 613 | 1,527 | 1,153 | 1,167 | 1,840 |
| Average number of inmates | 176 | 180 | 180 | 172 | 179 | 203 | 168 |
| Number of Volunteer Fire Stations | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Public Works | | | | | | | |
| Miles of roads maintained | 544 | 544 | 544 | 544 | 544 | 544 | 544 |
| Street resurfacing (miles) | 56 | 47 | 35 | 23 | 31 | 30 | 30 |
| Recycling, total tons (calendar year) | 20,577 | 20,058 | 22,468 | 24,685 | 23,925 | 25,121 | Not Available |
| Social Services | | | | | | | |
| Transit route miles | 538,567 | 470,456 | 445,957 | 500,772 | 675,570 | 502,317 | 446,420 |
| Transit passengers | 88,650 | 99,441 | 94,813 | 119,027 | 138,131 | 179,555 | 189,004 |
| Community Development and Housing | | | | | | | |
| Number of families' rent subsidized | 253 | 274 | 253 | 262 | 267 | 190 | 198 |
| Low-Income Housing loans issued | 42 | 32 | 43 | 36 | 43 | 21 | 35 |
| Sanitary | | | | | | | |
| Average number of sanitary/water customers | 8,500 | 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 | 55,845 |
| Number of Beds Occupied Annually | 49,660 | 51,427 | 48,701 | 47,422 | 48,400 | 47,512 | 48,692 |
| Occupancy Rate, Annual | 89% | 92% | 87% | 85% | 86% | 85% | 87% |
| Gaming | | | | | | | |
| Games Sold | N/A | 39,935 * | 50,870 | 49,901 | 48,800 | 43,056 | 36,206 |
| Operators Licensed | N/A | 79 * | 94 | 100 | 79 | 83 | 85 |
| Inspections Conducted | N/A | 1,200 * | 1,180 | 1,035 | 965 | 972 | 921 |

*Only in operation for 7 months of the fiscal year

(a) Information required upon implementation of GASB Statement No. 34 for fiscal year 2003.

Source: Various County Departments

Allegany County, Maryland
Capital Asset Statistics by Function/Program
Last Seven Fiscal Years (a)

| Function/Program | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---------------------------------------|------|------|------|------|------|------|------|
| General Government | | | | | | | |
| Number of major buildings maintained | 10 | 10 | 10 | 10 | 11 | 11 | 11 |
| Public Safety | | | | | | | |
| Number of police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of patrol vehicles | 12 | 13 | 20 | 20 | 20 | 20 | 29 |
| Public Works | | | | | | | |
| Miles of roads maintained | 544 | 544 | 544 | 544 | 544 | 544 | 544 |
| Average number of highway vehicles | 140 | 140 | 140 | 140 | 140 | 140 | 140 |
| Number of Garages-Roads Dept | 4 | 4 | 4 | 4 | 4 | 5 | 5 |
| Number of operating transit buses | 9 | 9 | 9 | 10 | 10 | 11 | 14 |
| Economic Development | | | | | | | |
| Number of Industrial parks | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Number of Buildings leased | 14 | 14 | 14 | 14 | 15 | 12 | 10 |
| Sanitary | | | | | | | |
| Sanitary/Water (miles) | 175 | 175 | 175 | 175 | 175 | 175 | 175 |
| Number of Wastewater Treatment plants | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Number of Water Storage Tanks | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Nursing Home | | | | | | | |
| Number of buildings maintained | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: Various County Departments

(a) Information required upon implementation of GASB Statement No. 34 for fiscal year 2003.

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