

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



For the Fiscal Year Ended June 30, 2010

# Comprehensive Annual Financial Report

M A R Y L A N D



## *“West Gate of the Narrows”*

Our front cover: This painting is contributed by the artist James C. Groves; the owner of the Western Maryland Gallery in Frostburg, Maryland. The painting, and prints represents the west side of the Narrows looking east circa 1915.

The Narrows was the primary east-west route of several major railroads for the time including the Baltimore and Ohio, the Western Maryland and the Cumberland and Pennsylvania Railroads.

**ALLEGANY COUNTY, MARYLAND**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**

**FOR THE FISCAL YEAR**  
**JULY 1, 2009 - JUNE 30, 2010**

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



# ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

## TABLE OF CONTENTS

	Page Number
<b><u>I. INTRODUCTORY SECTION</u></b>	
Letter of Transmittal .....	ix
Certificate of Achievement for Excellence in Financial Reporting .....	xiv
Summary of Certain County Officials .....	xv
Organization Chart .....	xvi
 <b><u>II. FINANCIAL SECTION</u></b>	
INDEPENDENT AUDITOR'S REPORT .....	A-1
 MANAGEMENT'S DISCUSSION AND ANALYSIS .....	 B-1
 <b><u>BASIC FINANCIAL STATEMENTS:</u></b>	
Government-wide Financial Statements:	
Statement of Net Assets .....	C-5
Statement of Activities .....	C-6
Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	C-11
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds .....	C-12
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities.....	C-13
Statement of Net Assets - Proprietary Funds.....	C-15
Statement of Revenues, Expenses, and Changes in Fund Net Assets - Proprietary Funds .....	C-16
Statement of Cash Flows - Proprietary Funds.....	C-17
Statement of Fiduciary Net Assets - Agency Fund .....	C-18
Statement of Fiduciary Net Assets - Fiduciary Fund - Health Insurance Trust Fund.....	C-19
Statement of Changes in Fiduciary Net Assets - Fiduciary Fund - Health Insurance Trust Fund.....	C-19
 Notes to the Financial Statements	
Note 1. Summary of Significant Accounting Policies.....	C-23
A. Introduction.....	C-23
B. Reporting Entity.....	C-23
C. Government-wide and Fund Financial Statements.....	C-25
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	C-25
E. Assets, Liabilities and Net Assets or Equity.....	C-28
Note 2. Reconciliation of Government-wide and Fund Financial Statements.....	C-33
A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net assets.....	C-33
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 .....	C-33
Note 3. Stewardship, Compliance, and Accountability	
A. Budgetary Information.....	C-35
B. Excess of Expenditures Over Appropriations.....	C-36
C. Deficit Fund Equity.....	C-36
Note 4. Deposits and Investments.....	C-37
Note 5. Property Taxes Receivable.....	C-40
Note 6. Other Receivables.....	C-40
Note 7. Capital Assets.....	C-43

# ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

## TABLE OF CONTENTS

<b>II. <u>FINANCIAL SECTION -continued</u></b>	<b>Page Number</b>
<u>BASIC FINANCIAL STATEMENTS - continued</u>	
Notes to the Financial Statements - continued	
Note 8. Interfund Receivables, Payables and Transfers	
A. Due To/From Other Funds.....	C-47
B. Advances and Loans To/From Other Funds.....	C-48
C. Transfers.....	C-48
Note 9. Short-Term Debt.....	C-49
Note 10. Long-Term Debt, Capital Leases and Compensated Absences.....	C-49
Note 11. Pensions and Retirement Systems.....	C-54
Note 12. Postemployment Health Care Plan.....	C-57
Note 13. Risk Management.....	C-59
Note 14. Pending Claims and Litigation.....	C-59
Note 15. Contingent Liabilities.....	C-60
Note 16. Sale of the Allegany County Nursing Home.....	C-60
 <u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
Other Post-Employment Benefits Plan Contributions.....	D-3
Budgetary Comparison Schedule - General Fund .....	D-4
Budgetary Comparison Schedule - Highway Special Revenue Fund .....	D-13
Budgetary Comparison Schedule - Revolving Building Fund .....	D-14
Notes to Required Supplementary Information .....	D-14
 <u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</u>	
<u>Non-Major Governmental Funds:</u>	
Combining Balance Sheet.....	E-4
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances .....	E-6
 <u>Non-Major Enterprise Funds:</u>	
Combining Statement of Net Assets.....	E-10
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets .....	E-11
Combining Statement of Cash Flows .....	E-12
 <u>Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:</u>	
Debt Service Fund .....	E-15
Special Revenue Funds .....	E-16
Capital Project Funds .....	E-22
 <u>Schedules of Revenues, Expenditures and Project Balances - From Inception to June 30, 2010</u>	
Capital Improvement Projects Fund .....	E-26
Pay-As-You-Go Capital Project Fund .....	E-26
Public Improvement Bonds Capital Projects Fund .....	E-26
 <u>Schedule of Revenues, Expenditures and Changes in Fund Balances By Project-</u>	
<u>For The Year Ended June 30, 2010</u>	
Capital Improvement Projects Fund .....	E-30
Pay-As-You-Go Capital Project Fund .....	E-32
Public Improvement Bonds Capital Projects Fund .....	E-36

# ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

## TABLE OF CONTENTS

	Page Number
<b>II. <u>FINANCIAL SECTION -continued</u></b>	
<u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES continued:</u>	
<u>Enterprise Funds Combining Schedules:</u>	
Water Districts Combining Schedule of Revenues, Expenses and Changes in Net Assets.....	E-40
Sanitary Districts Combining Schedule of Net Assets.....	E-42
Sanitary Districts Combining Schedule of Revenues, Expenses and Changes in Net Assets.....	E-44
 <u>Agency Fund</u>	
Agency Fund - Statement of Changes in Assets and Liabilities .....	E-48
 <u>Capital Assets Used in the Operation of Governmental Funds:</u>	
Comparative Schedule By Source.....	E-50
Schedule of Assets By Function .....	E-51
Schedule of Changes in Capital Assets by Function .....	E-51
 <b>III. <u>STATISTICAL SECTION</u></b>	
Table of Contents.....	F-1
Financial Trends:	
Net Assts by Component, Last Seven Fiscal Years .....	F-5
Changes in Net Assets, Last Seven Fiscal Years .....	F-6
Fund Balances, Governmental Funds, Last Ten years .....	F-9
Changes in Fund Balances, Governmental Funds, Last Ten Years .....	F-10
Revenue Capacity:	
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years .....	F-13
Schedule of Property Tax Rates - Direct and Overlapping, Last Ten Fiscal Years .....	F-14
Principal Property Tax Payers .....	F-15
Property Tax Levies and Collections .....	F-16
Debt Capacity:	
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years .....	F-19
Ratios of General Obligation Debt Outstanding, Last Ten Fiscal Years .....	F-20
Legal Debt Margin Information, Last Ten Fiscal Years .....	F-21
Pledged Revenue Coverage, Last Ten Fiscal Years .....	F-22
Demographic and Economic Information:	
Demographic and Economic Statistics, Last Ten Calendar Years .....	F-25
Principal Employers, Current Year and Nine Years Ago .....	F-26
Operating Information:	
Full-time Equivalent County Government Employees by Function/Program, Last Ten Fiscal Years .....	F-29
Operating Indicators by Function/Program, Last Seven Fiscal Years .....	F-30
Capital Asset Statistics by Function/Program, Last Seven Fiscal Years .....	F-31

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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 19, 2010

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, 2010, 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, 2010, 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, 2010, 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 8.9% at June 30, 2009 to 9.0% at June 30, 2010. 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 32,510. 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 2010 the County borrowed \$3.1 million to acquire \$64,000 of public safety vehicles, \$207,000 for Inflow and Infiltration projects and \$2.9 million for continuing upgrades to the Georges Creek Waste Water Treatment facility. The

treatment facility upgrade was started in fiscal year 2008, and will continue into fiscal year 2011, with an estimated total cost of \$29 million. Allegany County will be required to finance nearly \$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 boost to the region.

The construction of the Western Maryland Health Systems' new \$268 million hospital is complete and opened for operations on November 21, 2009.

### **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, 2009. This was the eighteenth 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 black ink, appearing to read "J. L. Frantz", with a stylized flourish at the end.

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, 2009

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 stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Enen".

Executive Director



Allegany County, Maryland  
Summary of Certain Officials  
June 30, 2010

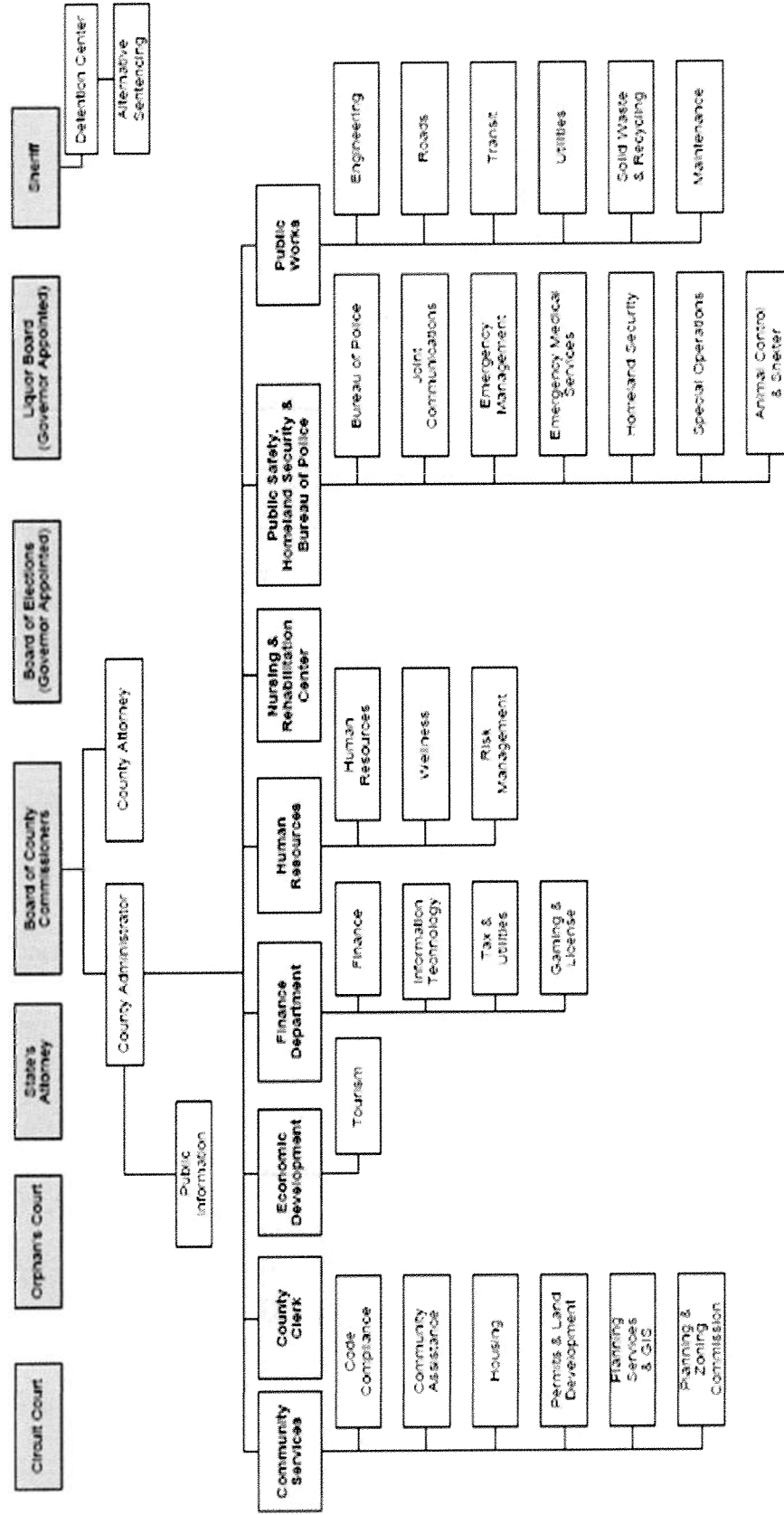
Board of Commissioners

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

County Administrator	David A. Eberly
Clerk of the Board	Cathy E. Blank
Director of Finance	Jerry L. Frantz, CPA
Acting Director of Public Works	Paul F. Kahl, P.E.
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	Diane L. Loibel
Health Officer	Sue V. Raver, M.D., M.P.H.



# ***Allegany County, Maryland*** ***Organization Chart 2010***



# **FINANCIAL SECTION**



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



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**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, 2010, 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, the LaVale Sanitary Commission, and the Allegany County Library System which collectively represent 75 percent, 74 percent, and 78 percent, respectively, of the assets, net assets, and revenues of the component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Allegany County Board of Education, the LaVale Sanitary Commission, and the Allegany County Library System 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to previously 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, 2010, 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 19, 2010, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-1 through B-11, the schedule of funding progress for other post-employment benefits on page D-3, and the budgetary comparison information on pages D-4 through D-14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's financial statements as a whole. 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 financial statements. The combining and individual non-major fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied by us and the other auditors in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information

directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the reports of other auditors, the information is fairly stated in all material respects in relation to the financial statements 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 do not express an opinion or provide any assurance on it.

*Trembly, Hoover & Kahl, P.A.*

Cumberland, Maryland  
November 19, 2010





## 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, 2010. 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 \$166.7 million (*net assets*). Of this amount, \$160.0 million is invested in capital assets net of related debt and \$4.2 million is restricted for specific purposes (restricted net assets). The County's total unrestricted net assets are \$2.5 million. This total unrestricted net asset amount includes \$2.8 million from governmental activities, and unrestricted net asset deficit balance from business-type activities of \$308 thousand.
- The government's total net assets increased by \$13.0 million or 8.5%. The governmental net assets increased \$6.1 million (or 7.50%). Business-type net assets increased by \$7 million (or 9.5%) during the year.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$29.7 million, an increase of \$1.3 million in comparison with the prior year. The increase is largely due to two factors. The General Fund revenues were greater than expected and expenditures were under budget due to various cost containment efforts. In addition, the Revolving Building Fund continues to collect lease payments on various economic development designated buildings but no new major economic development projects are being undertaken at this time. Approximately 6.9% of this total amount, \$2.05million, *is available for spending* at the government's discretion (*unreserved fund balance*) and another \$25.2 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 \$2.25 million, or 3.3% of total general fund expenditures.
- Allegany County's governmental activity outstanding debt decreased by \$4.9 million (or 12.1%) during the current fiscal year reflecting debt principal payments of \$4.9 million and new debt of \$63,719 (leases). The County's business-type debt increased by \$3.1 million (or 14.4%) due to borrowing for improvements to George's Creek wastewater treatment plant. Debt of approximately \$815,000 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 and Allconet II.

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 \$166.7 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (\$160.0 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 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
Assets:						
Current and other assets	\$ 39,686,806	\$ 36,916,492	\$ 3,277,829	\$ 6,317,703	\$ 42,964,635	\$ 43,234,195
Capital assets	90,774,546	91,258,725	103,774,460	98,381,135	194,549,006	189,639,860
Total assets	<u>130,461,352</u>	<u>128,175,217</u>	<u>107,052,289</u>	<u>104,698,838</u>	<u>237,513,641</u>	<u>232,874,055</u>
Liabilities:						
Current and other liabilities	11,165,234	12,359,570	3,357,065	7,074,826	14,522,299	19,434,396
Long-term liabilities outstanding	32,592,547	35,172,031	23,700,527	24,599,982	56,293,074	59,772,013
Total liabilities	<u>43,757,781</u>	<u>47,531,601</u>	<u>27,057,592</u>	<u>31,674,808</u>	<u>70,815,373</u>	<u>79,206,409</u>
Net assets:						
Investment in capital assets						
net of related debt	79,922,549	78,593,428	80,104,054	76,553,963	160,026,603	155,147,391
Restricted	3,963,136	4,418,898	198,240	184,204	4,161,376	4,603,102
Unrestricted	2,817,886	(2,368,710)	(307,597)	(3,714,137)	2,510,289	(6,082,847)
Total net assets	<u>\$ 86,703,571</u>	<u>\$ 80,643,616</u>	<u>\$ 79,994,697</u>	<u>\$ 73,024,030</u>	<u>\$ 166,698,268</u>	<u>\$ 153,667,646</u>

An additional portion of Allegany County's net assets (1.5%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net assets* balance of \$2.5 million. The *unrestricted net assets* balance for the governmental activities was \$2.8 million and the business-type activities have a deficit balance of \$307,600.

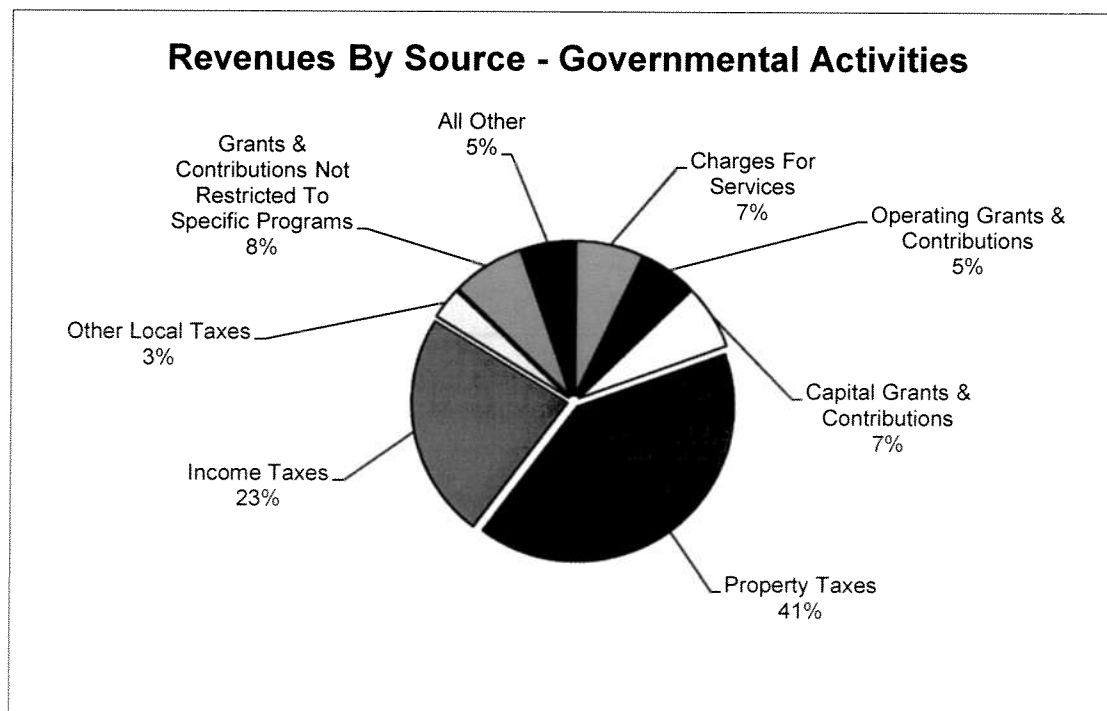
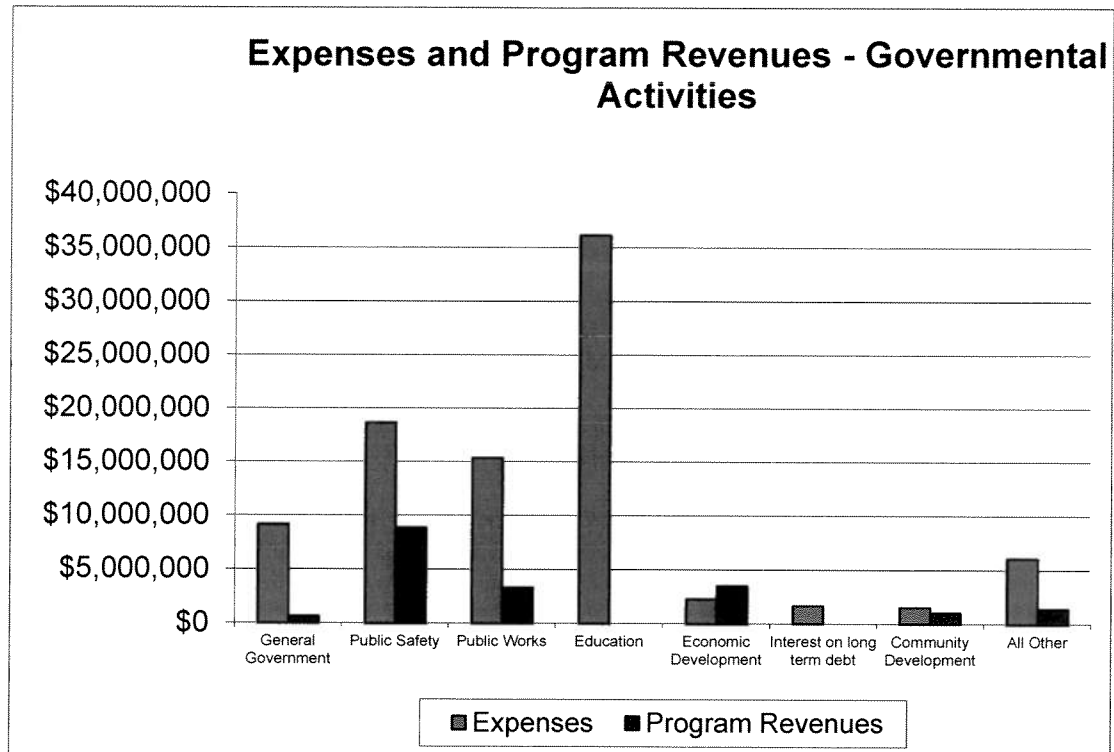
During the current fiscal year, the government's net assets increased by \$13.0 million. Revenues decreased by approximately \$6.9 million to \$115.6 million while expenses decreased by \$6.8 million from the prior year to \$102.5 million.

ALLEGANY COUNTY'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	FY 2010	FY 2009	FY 2010	FY 2009	FY 2010	FY 2009
Revenues:						
Program revenues:						
Charges for services	\$ 6,822,362	\$ 6,864,210	\$ 8,517,146	\$ 18,607,137	\$ 15,339,508	\$ 25,471,347
Operating grants and contributions	5,468,828	5,111,876	-	-	5,468,828	5,111,876
Capital grants and contributions	6,597,432	2,193,383	7,412,463	10,872,588	14,009,895	13,065,971
General revenues:						
Property taxes	39,552,052	34,266,623	901,613	891,363	40,453,665	35,157,986
Income taxes	22,821,267	26,338,493	-	-	22,821,267	26,338,493
Other local taxes	3,260,020	7,160,132	-	-	3,260,020	7,160,132
Franchise taxes	353,375	342,819	-	-	353,375	342,819
Grants and contributions not restricted to specific programs	7,341,783	6,966,889	-	-	7,341,783	6,966,889
Unrestricted fees	-	-	-	-	-	-
Unrestricted investment earnings	1,082,485	1,303,210	183,601	179,171	1,266,086	1,482,381
Gain on sale/retirement of capital assets	-	-	4,569,787	-	4,569,787	-
Miscellaneous	573,688	1,259,689	108,761	110,495	682,449	1,370,184
Total revenues	93,873,292	91,807,324	21,693,371	30,660,754	115,566,663	122,468,078
Expenses:						
General government	8,846,071	9,072,487	-	-	8,846,071	9,072,487
Payment to data processing	348,334	350,334	-	-	348,334	350,334
Public safety	18,650,183	16,626,793	-	-	18,650,183	16,626,793
Public works	15,378,566	12,000,493	-	-	15,378,566	12,000,493
Health	1,902,425	1,902,151	-	-	1,902,425	1,902,151
Social services	2,285,943	1,932,208	-	-	2,285,943	1,932,208
Education	207,903	317,766	-	-	207,903	317,766
Payment to public school system	28,518,587	28,883,694	-	-	28,518,587	28,883,694
Payment to community college	7,425,000	7,425,000	-	-	7,425,000	7,425,000
Recreation, culture & libraries	712,201	1,041,683	-	-	712,201	1,041,683
Payment to public library system	905,000	905,000	-	-	905,000	905,000
Conservation of natural resources	289,487	506,897	-	-	289,487	506,897
Community development & housing	1,527,343	2,002,596	-	-	1,527,343	2,002,596
Economic development	2,296,740	2,407,460	-	-	2,296,740	2,407,460
Interest on long-term debt	1,678,376	1,810,688	-	-	1,678,376	1,810,688
Water	-	-	3,699,321	3,272,629	3,699,321	3,272,629
Sewer	-	-	7,251,103	7,220,779	7,251,103	7,220,779
Nursing Home	-	-	-	11,034,410	-	11,034,410
Other proprietary funds	-	-	613,458	597,356	613,458	597,356
Total expenses	90,972,159	87,185,250	11,563,882	22,125,174	102,536,041	109,310,424
Increase in net assets before transfers	2,901,133	4,622,074	10,129,489	8,535,580	13,030,622	13,157,654
Transfers	3,158,822	(88,631)	(3,158,822)	88,631	-	-
Increase (decrease) in net assets	6,059,955	4,533,443	6,970,667	8,624,211	13,030,622	13,157,654
Net assets, beginning	80,643,616	76,110,173	73,024,030	64,399,819	153,667,646	140,509,992
Net assets, ending	\$ 86,703,571	\$ 80,643,616	\$ 79,994,697	\$ 73,024,030	\$ 166,698,268	\$ 153,667,646

**Governmental activities.** Governmental activities increased Allegany County's net assets by \$6.1 million. Total revenues increased \$2.1 million (or 2.3%) and expenses increased \$3.8 million (or 4.3%). Key elements of the changes in governmental net assets are as follows:

- Property taxes in the governmental funds increased by \$5.3 million (15.4%). The increase was the result of property assessments increasing by \$230 million.
- Income tax revenue decreased \$3.5 million or 13.4%. The decrease is a result of the economic conditions nationally and is not expected to recover in the near future.

- Other Local Taxes saw a significant drop (\$3.9 million or 54.5%). The reduction was the result of the State of Maryland all but eliminating State shared highway taxes. The loss of this revenue source was especially painful to the County and other jurisdictions across the state.
- Capital grants increased \$4.4 million (a 200% increase from the prior year) almost entirely due to the American Recovery and Reinvestment Act grants received for various projects.
- In addition, investment earnings dropped 54.5%; a reduction of \$686,000 from the prior year.

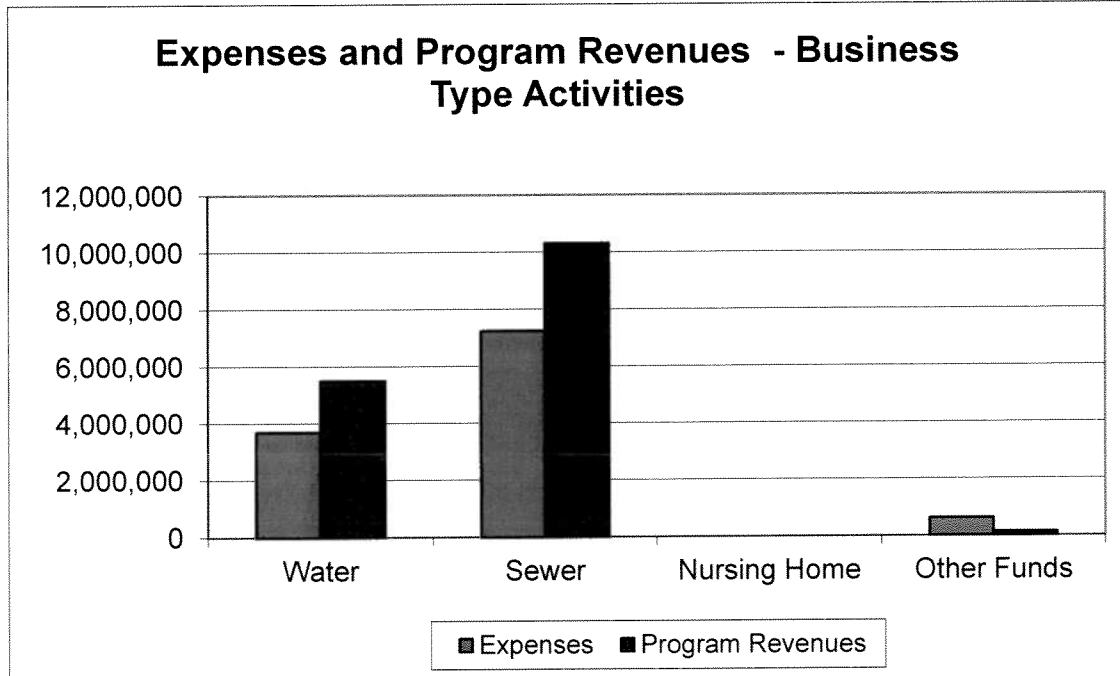


The increase in governmental expenses of \$3.8 million (or 4.3%) was the result of the following:

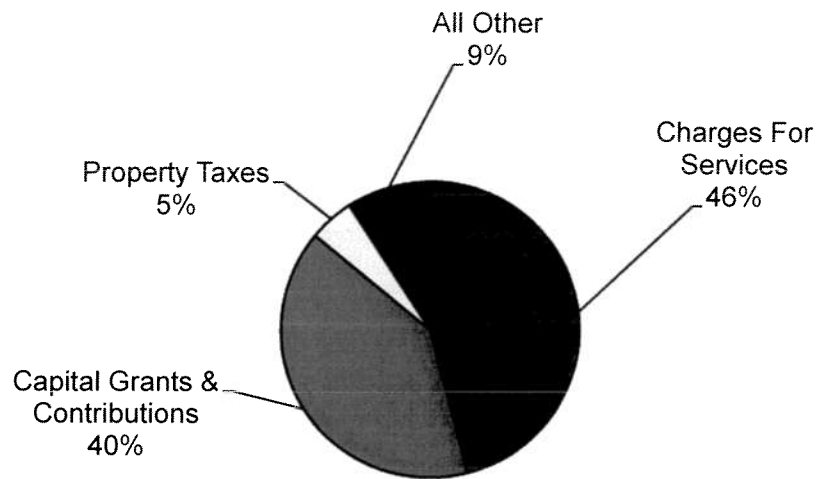
- Public safety expenses increased \$2.0 million (or 12.2%) due to continued flood prevention work in the form of stream restoration efforts and the acquisition of equipment on behalf of the Federal government which was not capitalized as County assets.
- Public works expenses increased \$3.4 million (28.2%) due to \$3.1 million spent for the flood gate for the Savage River Dam. The flood gate is not an asset of Allegany County.
- The increases in spending were offset in part by reductions in expenses for community development and housing and payments to the public school system for capital expenditures. A combined decrease of approximately \$800,000.

**Business-type activities.** The net assets of the County's business-type activities increased by \$7.0 million after transfers. Key elements of the increase were:

- Total business-type revenue fell \$9.0 million and expenses fell \$10.6 million. The reductions were the result of the County selling the Nursing Home operations to a private for-profit nursing home operator.
- The sale of the Nursing Home for \$8 million resulted in a gain on the sale of capital assets of \$4.6 million.
- The proceeds remaining after completing the sale (\$3.4 million) were transferred from the Nursing Home Fund to the County's General Fund.
- Capital grants received by the business-type activities fell \$3.5 million (or 31.8%) due to decreased construction activity for major projects; the George's Creek Wastewater treatment plant in particular.
- Expenses of the water districts increased \$426,692 (13.0%) as a result of adding two new districts to the water system. The Bowman's Addition and Cresaptown districts were added at various times during the year.



## 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 \$29.7 million, an increase of \$1.3 million in comparison with the prior year. Approximately 91.9 percent of this total amount (\$29.9 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 \$2.4 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 \$2.25 million, out of a total fund balance of \$17 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 3.3 percent of total general fund expenditures, while total fund balance represents 24.7 percent of that same amount.

Key factors in the \$1.46 million increase in the governmental fund balances are:

The fund balance of Allegany County's general fund increased \$1.2 million; which was the result of:

- Revenues increased \$2.9 million (or 3.7%) and expenditures increased \$154,000 (or .2%).
- Property taxes grew 12.69%, an increase of \$4.4 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 begin to be reassessed.
- Income taxes fell \$1.6 million (or 6.3%) as the effects of the economic downturn are realized.
- Total general government expenditures remained basically unchanged. Although social service expenditures increased \$1.1 million, or 59.5%, the increase was offset by reductions in expenditures of most of the other government functions. The increase in social service expenditures was the result of legacy costs associated with the sale of the County's Nursing Home operations.
- Transfers to other funds increased \$4.5 (47.1%) largely due to an increase in the transfer to the highway fund of \$3.9 million which was needed to offset the impact of the State of Maryland reducing the highway user tax distribution to the County. Transfers in from other funds increased \$2.9 million as a result of a transfer from the Nursing Home Fund of \$3.4 from the sale of the Nursing Home.

The Highway Fund, a major fund, fund balance decreased \$6.5 million, before transfers, due to the State of Maryland all but eliminating the amount of shared highway user's taxes being distributed to the County. The general fund transferred \$6.4 million to the highway fund to replace the loss of state revenue. The highway operations and maintenance will be reported in the County's general fund in fiscal year 2011.

The Revolving Building Fund, another major fund, reported an increase in fund balance of \$1.1 million. Revenues dropped slightly (\$266,500 or 7.7%) and expenditures dropped significantly from \$3.6 million in fiscal year 2009 to \$585,000 in fiscal year 2010. The reduction in expenditures was the result of the PPG Building project being substantially completed in the prior year.

The Capital Projects Fund, another major fund, fund balance increase \$86,000. 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 decreased by \$821,000 as capital project funds spent unreserved and designated fund balances to complete ongoing projects.

**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	\$20,079,623	\$58,773,005	\$ -	\$1,251,426	\$80,104,054
Restricted for debt service		198,240	-	-	198,240
Unrestricted	259,412	(1,820,311)		1,253,302	(307,597)
Total net assets	<u>\$20,339,035</u>	<u>\$57,150,934</u>	<u>\$ -</u>	<u>\$2,504,728</u>	<u>\$79,994,697</u>
Change in net assets during the year, increase (decrease)	<u>\$1,883,977</u>	<u>\$4,400,027</u>	<u>\$1,205,456</u>	<u>\$ (518,793)</u>	<u>\$6,970,667</u>

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



## **General Fund Budgetary Highlights**

During the year, the original budget increased \$2.0 million (includes other sources and uses) to a revised total of \$83.1 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- The transfer to the Highway Fund was increased \$1.7 million to make up for the loss of State shared highway user taxes.
- The budget for the Bureau of Police increased \$331,000, which was due to: 1.) overtime costs for security at the construction site of the new hospital, \$92,000, reimbursed, 2.) Assumption of patrol duties for the Town of Westernport, \$51,000, 3.) capital grants from the US Justice Department for \$93,100, and other unanticipated operating grants from state and local sources made up the balance.

Revenues exceeded budgetary estimates by \$2.1 million and actual expenditures were less than budgetary estimates by \$1.7 million. Operating transfers to other funds exceeded the budget estimates by \$1.3 due to unanticipated transfers to capital project funds to finance the local share of various construction projects requiring local matches.

- The General Fund's property tax revenue exceeded budget by \$2.8 million (or 7.2%) due to property assessments continuing to increase in value despite national trends. In addition, two public utility companies were billed for multiple years due to the State Department of Assessments catching up on assessments.
- Federal grants in the General Fund were almost \$600,000 below the estimated budget due to a slowdown in participation in programs requiring local matched as a result of lack of available funds.
- Public safety expenditures were \$1.2 million below budgetary estimates due to the correctional center spending \$500,000 less than budgeted and reduced participation in grant programs, as mentioned above, for an additional \$500,000 for other protection functions.
- General government expenditures had a favorable variance of \$1.3 million. The larger favorable variances were: financial administration - \$356,000 and other general government - \$349,000. 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, 2010 was \$194.6 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 2.6 percent (a .5 percent decrease for governmental activities and a 5.5 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 \$7.0 million, and this project is projected to have a total cost of nearly \$29 million at its completion.
- Design and construction was completed on the Bowman's Addition Phase I Water Project with a total cost incurred of nearly \$207 thousand during the year, both phases of this project are projected to have a total cost of \$5.6 million.
- Construction continued on the Clarysville water project; costs incurred during the fiscal year were \$935 thousand, and this project is projected to have a total cost of \$1.04 million.
- Major design and construction began on the Mt Savage Water Transmission Main during the fiscal year at a cost of \$667 thousand, and this project is projected to have a total cost of \$815 thousand at its completion.
- Work was completed on the remodeling of the old PPG building at Mexico Farms with a cost of \$163 thousand during the year; this project was capitalized at a cost of \$7.7 million during the fiscal year.

- Construction began on the Cash Valley Road paving project in the amount of \$669 thousand during the year, and this project is projected to have a total cost of \$675 thousand.

ALLEGANY COUNTY'S CAPITAL ASSETS  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land	\$21,027,590	\$20,918,704	\$ 95,917	\$ 79,602	\$ 21,123,507	\$ 20,998,306
Work in Progress	2,971,486	8,945,111	30,298,019	25,997,142	33,269,505	34,942,253
Buildings	40,986,885	34,932,441	99,820	1,602,103	41,086,705	36,534,544
Infrastructure	18,658,563	19,172,094	69,372,155	65,499,361	88,030,718	84,671,455
Furniture & fixture	387,330	181,307	2,773	431,702	390,103	613,009
Equipment	3,253,704	3,543,905	1,619,279	2,291,150	4,872,983	5,835,055
Vehicles	2,477,825	2,377,758	292,325	366,879	2,770,150	2,744,637
Heavy equipment	580,942	735,842	301,106	283,860	882,048	1,019,702
Other fixed assets	430,220	451,563	1,693,066	1,829,336	2,123,286	2,280,899
Total	<u>\$90,774,545</u>	<u>\$91,258,725</u>	<u>\$103,774,460</u>	<u>\$98,381,135</u>	<u>\$194,549,005</u>	<u>\$189,639,860</u>

Additional information on Allegany County's capital assets can be found in the notes to the financial statements, note 7 on pages C-43 through C-44 of this report.

**Long-term debt.** At the end of the current fiscal year, Allegany County had total debt outstanding of \$59.3 million. Governmental activities debt consists of \$21.9 million in general obligation bonds and \$13.7 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$23.7 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	
	2010	2009	2010	2009	2010	2009
General obligation	\$21,920,544	\$25,787,011	\$ -	\$ 421,585	\$ 21,920,544	\$ 26,208,596
Notes	9,365,495	9,815,243	-	-	9,365,495	9,815,243
Capital leases	206,094	259,423	-	-	206,094	259,423
State loans	4,175,771	4,630,302	15,666,339	13,269,239	19,842,110	17,899,541
Federal loans	-	-	7,587,880	7,703,110	7,587,880	7,703,110
County loans	-	-	416,187	433,238	416,187	433,238
Total	<u>\$35,667,904</u>	<u>\$40,491,979</u>	<u>\$23,670,406</u>	<u>\$21,827,172</u>	<u>\$ 59,338,310</u>	<u>\$ 62,319,151</u>

Allegany County issued \$63,700 of governmental debt and retired \$4.9 million during the current fiscal year as debt outstanding fell 11.9 percent. Debt issued during the year for governmental activities was for a capital lease for the purchase of vehicles.

Revenue debt in the amount of \$3.1 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 \$815,300.

Allegany County has an "A-" rating from Standard & Poor's and an "A1" 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-50 through C-53 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for June 2010 for Allegany County was 9.0 percent, which was an increase from an 8.9 percent rate for June 2009.
- Property assessments increased 6.4% from the previous fiscal year.

All of these factors were considered in preparing Allegany County's budget for the 2011 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$15.76 million. Allegany County has appropriated \$2.5 million of this amount for spending in the 2011 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 2011 fiscal year

The sewer and water district minimum service charges were increased in a range from 2% - 4% for the 2011 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](mailto: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, 2010**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library	LaVale Sanitary Commission
<b>ASSETS:</b>							
Current Assets:							
Cash	\$ 7,684,417	\$ 682,368	\$ 8,366,785	\$ 22,834,866	\$ 7,448,861	\$ 106,970	\$ 2,772,215
Investments	17,986,597	746,960	18,733,557	20,025,125	202,155	1,021,401	-
Property taxes receivable	4,692,249	-	4,692,249	-	-	-	-
Receivables:							
Accounts	-	2,017,447	2,017,447	3,630,078	1,173,703	6,944	574,206
Other	7,905,941	607,891	8,513,832	92,800	2,266,205	-	138,821
Internal balances	1,146,789	(1,146,789)	-	-	-	-	-
Inventory	68,632	77,749	146,381	202,970	256,992	-	233,579
Prepaid expenses	10,859	-	10,859	-	570,216	-	20,069
Deferred charges	81,078	-	81,078	-	-	-	-
Miscellaneous	55,106	-	55,106	-	-	-	559,869
Restricted Assets:							
Cash	55,139	93,963	149,102	-	366,851	-	22,605
Investments	-	-	-	-	7,648,812	-	-
Taxes - receivable	-	114,650	114,650	-	-	-	-
Receivables	-	83,590	83,590	-	-	-	-
Total current assets	<u>39,686,807</u>	<u>3,277,829</u>	<u>42,964,636</u>	<u>46,785,839</u>	<u>19,933,795</u>	<u>1,135,315</u>	<u>4,321,364</u>
Non-current Assets:							
Land	21,027,590	95,917	21,123,507	4,027,394	697,465	-	226,385
Work In Progress	2,971,486	30,298,019	33,269,505	3,216,572	82,729	-	130,353
Other non-depreciable assets	-	-	-	173,808	82,723	-	-
Capital assets subject to depreciation/amortization	126,958,439	120,077,980	247,036,419	164,077,948	56,046,958	8,294,352	21,945,576
Accumulated depreciation	(60,182,970)	(46,697,456)	(106,880,426)	(79,075,304)	(22,621,479)	(4,859,071)	(9,772,492)
Total non-current assets	<u>90,774,545</u>	<u>103,774,460</u>	<u>194,549,005</u>	<u>92,420,418</u>	<u>34,288,396</u>	<u>3,435,281</u>	<u>12,529,822</u>
Total Assets	<u>130,461,352</u>	<u>107,052,289</u>	<u>237,513,641</u>	<u>139,206,257</u>	<u>54,222,191</u>	<u>4,570,596</u>	<u>16,851,186</u>
<b>LIABILITIES:</b>							
Current Liabilities:							
Accounts payable	2,998,275	1,946,174	4,944,449	7,626,674	1,478,157	56,717	346,209
Accrued wages payable	499,117	43,682	542,799	3,910,615	603,086	34,046	-
Accrued fringe benefits payable	230,415	19,032	249,447	-	-	-	-
Accrued interest	295,446	100,378	395,824	-	-	-	23,796
Current portion of long-term debt:							
Bonds and loans	4,851,244	1,066,832	5,918,076	-	92,745	-	101,791
Capital leases	74,917	-	74,917	-	375,670	-	-
Compensated absences	1,052,669	40,002	1,092,671	136,537	72,617	-	-
Due to Agency Fund	172,001	-	172,001	-	-	-	-
Unearned revenue	8,085	-	8,085	2,354,647	478,781	-	-
Accrued health claims	-	-	-	9,079,665	385,470	-	-
Miscellaneous liabilities	983,065	140,965	1,124,030	1,955,283	392,088	-	22,605
Total current liabilities	<u>11,165,234</u>	<u>3,357,065</u>	<u>14,522,299</u>	<u>25,063,421</u>	<u>3,878,614</u>	<u>90,763</u>	<u>494,401</u>
Non-current liabilities:							
Cash advance due general fund	(1,200,000)	1,200,000	-	-	-	-	-
Bonds and loans	30,610,566	22,187,387	52,797,953	-	2,951,302	-	3,784,722
Capital leases	131,177	-	131,177	-	1,059,960	-	-
Termination benefits	-	-	-	-	485,155	21,617	-
Compensated absences	3,050,804	313,140	3,363,944	2,361,796	-	48,017	-
Total non-current liabilities	<u>32,592,547</u>	<u>23,700,527</u>	<u>56,293,074</u>	<u>2,361,796</u>	<u>4,496,417</u>	<u>69,634</u>	<u>3,784,722</u>
Total Liabilities	<u>43,757,781</u>	<u>27,057,592</u>	<u>70,815,373</u>	<u>27,425,217</u>	<u>8,375,031</u>	<u>160,397</u>	<u>4,279,123</u>
<b>NET ASSETS</b>							
Invested in capital assets net of related debt	79,922,549	80,104,054	160,026,603	92,246,610	29,808,717	3,435,281	8,643,309
Restricted for:							
Public safety	643,468	-	643,468	-	-	-	-
Highways	680,387	-	680,387	-	-	-	-
Education	972,859	-	972,859	-	-	-	-
Community development & housing	105,204	-	105,204	-	-	-	-
Economic development	555,755	-	555,755	-	-	-	-
Capital projects	1,005,463	-	1,005,463	8,296,946	-	-	-
Other purposes	-	198,240	198,240	239,625	8,898,332	542,891	-
Unrestricted	2,817,886	(307,597)	2,510,289	10,997,859	7,140,111	432,027	3,928,754
Total Net Assets	<u>\$ 86,703,571</u>	<u>\$ 79,994,697</u>	<u>\$ 166,698,268</u>	<u>\$ 111,781,040</u>	<u>\$ 45,847,160</u>	<u>\$ 4,410,199</u>	<u>\$ 12,572,063</u>

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, 2010**

Functions/Programs	Expenses		Expenses		Program Revenues	
	Before Indirect Expense Allocation	Indirect Expense Allocation	After Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government::</b>						
Governmental activities:						
General government:	\$ 9,349,704	\$ (503,633)	\$ 8,846,071	\$ 379,105	\$ 273,529	\$ -
Payment to data processing	348,334	-	348,334	-	-	-
Public safety	18,650,183	-	18,650,183	1,854,301	2,187,562	4,859,252
Public works	15,329,646	48,920	15,378,566	1,002,656	863,068	1,485,179
Health	1,902,425	-	1,902,425	-	16,879	-
Social services	2,256,582	29,361	2,285,943	46,122	570,991	-
Education:	207,903	-	207,903	-	-	-
Payment to public school system	28,518,587	-	28,518,587	-	-	-
Payment to community college	7,425,000	-	7,425,000	-	-	-
Recreation, culture & libraries:	712,201	-	712,201	316,696	28,562	-
Payment to public library system	905,000	-	905,000	-	-	-
Conservation of natural resources	289,487	-	289,487	24,731	417,484	-
Community development and housing	1,527,343	-	1,527,343	(9,680)	1,044,800	-
Economic development	2,296,740	-	2,296,740	3,208,431	65,953	253,001
Interest on long term debt	1,678,376	-	1,678,376	-	-	-
Total governmental activities	<u>91,397,511</u>	<u>(425,352)</u>	<u>90,972,159</u>	<u>6,822,362</u>	<u>5,468,828</u>	<u>6,597,432</u>
Business-type activities:						
Water	3,579,004	120,317	3,699,321	3,385,635	-	2,116,851
Sewer	6,946,068	305,035	7,251,103	5,007,377	-	5,295,612
Nursing Home	-	-	-	-	-	-
Other funds	613,458	-	613,458	124,134	-	-
Total business-type activities	<u>11,138,530</u>	<u>425,352</u>	<u>11,563,882</u>	<u>8,517,146</u>	<u>-</u>	<u>7,412,463</u>
Total primary government	<u>\$ 102,536,041</u>	<u>\$ -</u>	<u>\$ 102,536,041</u>	<u>\$ 15,339,508</u>	<u>\$ 5,468,828</u>	<u>\$ 14,009,895</u>
<b>Component units:</b>						
Board of Education			\$ 129,015,363	\$ 1,847,424	\$ 15,448,586	\$ 1,095,322
Allegany College of Md.			36,542,931	11,821,621	18,017,516	117,760
County Library			2,023,052	73,370	59,883	-
LaVale Sanitary Commission			3,843,593	3,064,498	-	50,000
Total component units			<u>\$ 171,424,939</u>	<u>\$ 16,806,913</u>	<u>\$ 33,525,985</u>	<u>\$ 1,263,082</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, 2010**

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
\$ (8,193,437)	\$ -	\$ (8,193,437)	\$ -	\$ -	\$ -	\$ -
(348,334)	-	(348,334)	-	-	-	-
(9,749,068)	-	(9,749,068)	-	-	-	-
(12,027,663)	-	(12,027,663)	-	-	-	-
(1,885,546)	-	(1,885,546)	-	-	-	-
(1,668,830)	-	(1,668,830)	-	-	-	-
(207,903)	-	(207,903)	-	-	-	-
(28,518,587)	-	(28,518,587)	-	-	-	-
(7,425,000)	-	(7,425,000)	-	-	-	-
(366,943)	-	(366,943)	-	-	-	-
(905,000)	-	(905,000)	-	-	-	-
152,728	-	152,728	-	-	-	-
(492,223)	-	(492,223)	-	-	-	-
1,230,645	-	1,230,645	-	-	-	-
(1,678,376)	-	(1,678,376)	-	-	-	-
<u>(72,083,537)</u>	<u>-</u>	<u>(72,083,537)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,803,165	1,803,165	-	-	-	-
-	3,051,886	3,051,886	-	-	-	-
-	-	-	-	-	-	-
-	(489,324)	(489,324)	-	-	-	-
-	4,365,727	4,365,727	-	-	-	-
<u>(72,083,537)</u>	<u>4,365,727</u>	<u>(67,717,810)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(110,624,031)	-	-	-
-	-	-	-	(6,586,034)	-	-
-	-	-	-	-	(1,889,799)	-
-	-	-	-	-	-	(729,095)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,624,031)</u>	<u>(6,586,034)</u>	<u>(1,889,799)</u>	<u>(729,095)</u>
39,552,052	901,613	40,453,665	-	-	-	544,045
22,821,267	-	22,821,267	-	-	-	451,026
3,260,020	-	3,260,020	-	-	-	-
-	-	-	28,866,921	7,425,000	905,000	-
353,375	-	353,375	-	-	-	-
7,341,783	-	7,341,783	83,834,779	-	769,848	-
1,082,485	183,601	1,266,086	458,717	876,132	24,977	21,780
-	4,569,787	4,569,787	-	-	-	5,263
573,688	108,761	682,449	1,160,577	167,702	96,552	1,262
3,158,822	(3,158,822)	-	-	-	200	-
<u>78,143,492</u>	<u>2,604,940</u>	<u>80,748,432</u>	<u>114,320,994</u>	<u>8,468,834</u>	<u>1,796,577</u>	<u>1,023,376</u>
6,059,955	6,970,667	13,030,622	3,696,963	1,882,800	(93,222)	294,281
80,643,616	73,024,030	153,667,646	108,084,077	43,964,360	4,503,421	12,277,782
<u>\$ 86,703,571</u>	<u>\$ 79,994,697</u>	<u>\$ 166,698,268</u>	<u>\$ 111,781,040</u>	<u>\$ 45,847,160</u>	<u>\$ 4,410,199</u>	<u>\$ 12,572,063</u>

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

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**FUND  
FINANCIAL  
STATEMENTS**

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**ALLEGANY COUNTY, MARYLAND**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2010**

	General Fund	Highway Fund	Revolving Building Fund	Capital Improvements Projects Fund	Other Governmental Funds	Total
<b>ASSETS:</b>						
Cash	\$ 7,683,767	\$ -	\$ -	\$ -	\$ 650	\$ 7,684,417
Cash -restricted	-	-	-	-	55,139	55,139
Investments	14,844,457	-	-	-	3,142,140	17,986,597
Property tax receivable	4,830,249	-	-	-	-	4,830,249
Receivables						
Notes and loans	-	-	-	-	493,310	493,310
Other receivables	3,440,940	95,392	166,812	662,648	903,707	5,269,499
Due from other funds	-	216,833	5,803,707	123,426	3,990,664	10,134,630
Advances to other funds	1,200,000	-	-	-	-	1,200,000
Inventory	-	-	-	-	68,632	68,632
Prepays	10,859	-	-	-	-	10,859
Miscellaneous assets	55,105	-	-	-	-	55,105
Total Assets	\$ 32,065,377	\$ 312,225	\$ 5,970,519	\$ 786,074	\$ 8,654,242	\$ 47,788,437
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 1,280,191	\$ 235,110	\$ 13,956	\$ 666,430	\$ 802,588	\$ 2,998,275
Accrued payroll	379,768	88,529	758	-	30,062	499,117
Accrued payroll fringe	164,808	53,135	633	-	11,839	230,415
Due to other funds	8,899,655	-	-	-	260,187	9,159,842
Amounts held in escrow	537,823	120,500	-	-	196,895	855,218
Deferred revenue	3,707,737	-	-	-	501,395	4,209,132
Miscellaneous liabilities	122,945	-	2,500	-	2,402	127,847
Total Liabilities	15,092,927	497,274	17,847	666,430	1,805,368	18,079,846
<b>Fund Balances:</b>						
<b>Reserved:</b>						
For non-current assets	1,200,000	-	-	-	101,416	1,301,416
For prepaid items	10,859	-	-	-	-	10,859
For inventories	-	-	-	-	-	-
For special revenue programs	-	-	-	-	517,752	517,752
For capital projects	-	-	-	-	589,963	589,963
<b>Unreserved/Designated:</b>						
<b>For next fiscal year:</b>						
General fund	2,515,000	-	-	-	-	2,515,000
Special revenue funds	-	-	2,202,409	-	-	2,202,409
Debt Service Fund	-	-	-	-	106,963	106,963
Capital project funds	-	-	-	-	526,000	526,000
For contingencies	7,750,000	-	-	-	-	7,750,000
<b>For specific programs, reported in:</b>						
General fund	3,243,879	-	-	-	-	3,243,879
Special revenue funds	-	-	3,750,263	-	2,448,377	6,198,640
Debt service fund	-	-	-	-	208,269	208,269
Capital Project funds	-	-	-	119,644	2,369,532	2,489,176
<b>Undesignated:</b>						
General fund	2,252,712	-	-	-	-	2,252,712
Special revenue funds	-	(185,049)	-	-	(19,398)	(204,447)
Capital Project funds	-	-	-	-	-	-
Total Fund Balances	16,972,450	(185,049)	5,952,672	119,644	6,848,874	29,708,591
Total Liabilities and Fund Balance	\$ 32,065,377	\$ 312,225	\$ 5,970,519	\$ 786,074	\$ 8,654,242	

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.	90,774,547
Other long-term assets are not available to pay current -period expenditures and are deferred in the funds.	2,086,210
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(39,771,377)
Other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	3,905,600

Net assets of governmental activities	\$ 86,703,571
---------------------------------------	---------------

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, 2010**

	General Fund	Highway Fund	Revolving Building Fund	Capital Improvements Projects Fund	Other Governmental Funds	Total
<b>REVENUES:</b>						
Taxes:						
Property taxes	\$ 39,691,592	\$ -	\$ -	\$ -	\$ -	\$ 39,691,592
Income taxes	23,824,268	-	-	-	-	23,824,268
Other local taxes	3,117,876	227,622	-	-	551,970	3,897,468
Licenses and permits	609,877	-	-	-	-	609,877
Intergovernmental:						
Federal	699,401	64,305	-	5,018,302	2,599,225	8,381,233
State	8,296,691	-	170,501	388,716	1,158,985	10,014,893
Other	343,402	-	-	-	18,950	362,352
Service charges	2,176,351	-	-	47,236	378,634	2,602,221
Fines and forfeitures	35,229	-	-	-	79,143	114,372
Interest	220,203	-	712	-	26,649	247,564
Miscellaneous	688,760	-	3,015,676	-	127,852	3,832,288
Total Revenues	<u>79,703,650</u>	<u>291,927</u>	<u>3,186,889</u>	<u>5,454,254</u>	<u>4,941,408</u>	<u>93,578,128</u>
<b>EXPENDITURES:</b>						
Current:						
General government	8,245,923	-	-	-	122,974	8,368,897
Public safety	13,901,935	-	-	-	1,001,635	14,903,570
Public works	2,572,954	6,799,866	-	-	2,379,399	11,752,219
Health and Hospitals	479,537	-	-	-	-	479,537
Social Services	2,911,063	-	-	-	-	2,911,063
Education	25,261	-	-	-	-	25,261
Recreation, culture and libraries	555,124	-	-	-	-	555,124
Conservation of natural resources	286,273	-	-	-	-	286,273
Community Development and Housing	117,218	-	-	-	1,449,071	1,566,289
Economic development	1,433,012	-	584,508	-	-	2,017,520
Miscellaneous	18,119	-	-	-	2,750	20,869
Appropriation to other governments	1,242,952	-	-	-	-	1,242,952
Payments to component units	36,878,334	-	-	-	-	36,878,334
Debt Service:						
Principal	-	-	-	-	4,887,794	4,887,794
Interest	-	-	-	-	1,732,167	1,732,167
Capital Outlay:						
General government	-	-	-	-	27,200	27,200
Public safety	-	-	-	2,078,857	937,236	3,016,093
Public works	-	-	-	3,778,303	766,799	4,545,102
Education	-	-	-	46,527	136,115	182,642
Recreation, culture and libraries	-	-	-	-	-	-
Economic development	-	-	-	71	-	71
Miscellaneous	-	-	-	-	3,288	3,288
Payments to component units	-	-	-	-	318,587	318,587
Total Expenditures	<u>68,667,705</u>	<u>6,799,866</u>	<u>584,508</u>	<u>5,903,758</u>	<u>13,765,015</u>	<u>95,720,852</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,035,945</u>	<u>(6,507,939)</u>	<u>2,602,381</u>	<u>(449,504)</u>	<u>(8,823,607)</u>	<u>(2,142,724)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	4,058,243	6,392,744	-	535,360	8,566,476	19,552,823
Transfers out	(13,978,536)	-	(1,618,811)	-	(796,652)	(16,393,999)
Debt issued	-	-	-	-	-	-
Capital leases	-	-	-	-	63,719	63,719
Sale of capital assets	77,525	-	129,461	-	10,542	217,528
Total Other Financing Sources and uses	<u>(9,842,768)</u>	<u>6,392,744</u>	<u>(1,489,350)</u>	<u>535,360</u>	<u>7,844,085</u>	<u>3,440,071</u>
Net change in fund balances	1,193,177	(115,195)	1,113,031	85,856	(979,522)	1,297,347
Fund balance, beginning	<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>
Fund balance, ending	<u>\$ 16,972,450</u>	<u>\$ (185,049)</u>	<u>\$ 5,952,672</u>	<u>\$ 119,644</u>	<u>\$ 6,848,874</u>	<u>\$ 29,708,591</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, 2010**

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) \$ 1,297,347

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	\$ 3,324,148	
Depreciation	<u>(3,804,531)</u>	(480,383)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (3,797)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 68,939

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	\$ -	
Lease proceeds	(63,719)	
Effect of bond issuance costs	(10,584)	
Payment of principal	<u>4,887,794</u>	4,813,491

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. 364,358

Change in net assets of governmental activities (pages C6-C7) \$ 6,059,955

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, 2010**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
<b>ASSETS</b>					
Current Assets:					
Cash:					
Cash	\$ -	\$ 682,368	\$ -	\$ -	\$ 682,368
Cash - restricted	-	93,963	-	-	93,963
Investments	201,326	545,634	-	-	746,960
Receivables:					
Accounts (net)	787,589	1,119,332	-	110,526	2,017,447
Taxes - restricted	-	114,650	-	-	114,650
Accounts (net) - restricted	-	83,590	-	-	83,590
Other	34,348	533,006	-	40,537	607,891
Due from other funds	-	3,769,119	-	694,412	4,463,531
Prepaid expenses	-	-	-	-	-
Inventory	-	77,749	-	-	77,749
Total current assets	<u>1,023,263</u>	<u>7,019,411</u>	<u>-</u>	<u>845,475</u>	<u>8,888,149</u>
Non-current Assets:					
Advances to other funds	-	-	-	416,187	416,187
Land	28,635	67,282	-	-	95,917
Construction in Progress	1,699,580	28,598,439	-	-	30,298,019
Capital assets subject to depreciation	31,873,058	84,588,018	-	3,616,904	120,077,980
Accumulated depreciation	<u>(8,817,148)</u>	<u>(35,514,830)</u>	<u>-</u>	<u>(2,365,478)</u>	<u>(46,697,456)</u>
Total noncurrent assets	<u>24,784,125</u>	<u>77,738,909</u>	<u>-</u>	<u>1,667,613</u>	<u>104,190,647</u>
Total Assets	<u>25,807,388</u>	<u>84,758,320</u>	<u>-</u>	<u>2,513,088</u>	<u>113,078,796</u>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	230,655	1,715,021	-	498	1,946,174
Accrued payroll	-	43,682	-	-	43,682
Accrued payroll fringe	-	19,032	-	-	19,032
Accrued interest	21,342	79,036	-	-	100,378
Current portion of long-term debt					
Revenue debt:					
Bonds and loans	76,207	990,625	-	-	1,066,832
Advances from other funds	17,218	383	-	-	17,601
Compensated absences	-	40,002	-	-	40,002
Due to other funds	111,854	5,490,604	-	7,862	5,610,320
Miscellaneous liabilities	-	140,965	-	-	140,965
Total current liabilities	<u>457,276</u>	<u>8,519,350</u>	<u>-</u>	<u>8,360</u>	<u>8,984,986</u>
Noncurrent Liabilities:					
Cash advance due to General Fund	400,000	800,000	-	-	1,200,000
Long term debt:					
Revenue debt:					
Bonds and loans	4,230,561	17,956,826	-	-	22,187,387
Advance from other funds	380,516	18,070	-	-	398,586
Compensated absences	-	313,140	-	-	313,140
Total noncurrent liabilities	<u>5,011,077</u>	<u>19,088,036</u>	<u>-</u>	<u>-</u>	<u>24,099,113</u>
Total Liabilities	<u>5,468,353</u>	<u>27,607,386</u>	<u>-</u>	<u>8,360</u>	<u>33,084,099</u>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	20,079,623	58,773,005	-	1,251,426	80,104,054
Restricted for debt service	-	198,240	-	-	198,240
Unrestricted	259,412	(1,820,311)	-	1,253,302	(307,597)
Total Net Assets	<u>\$ 20,339,035</u>	<u>\$ 57,150,934</u>	<u>\$ -</u>	<u>\$ 2,504,728</u>	<u>\$ 79,994,697</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, 2010**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
<b>OPERATING REVENUES:</b>					
Service charges	\$ 3,385,592	\$ 4,988,755	\$ -	\$ 124,134	\$ 8,498,481
Miscellaneous	43	18,622	-	-	18,665
Total Operating Revenues	<u>3,385,635</u>	<u>5,007,377</u>	<u>-</u>	<u>124,134</u>	<u>8,517,146</u>
<b>OPERATING EXPENSES:</b>					
Salaries	267,745	880,326	-	-	1,148,071
Employee benefits	116,495	398,555	-	-	515,050
Office expenses	1,793	81,764	-	15,302	98,859
Utilities	2,082,589	466,829	-	7,081	2,556,499
Repairs & maintenance	160,445	446,325	-	27,385	634,155
Contractual services	3,867	33,890	-	-	37,757
Treatment costs	-	1,794,812	-	-	1,794,812
Professional services	11,941	32,447	-	1,460	45,848
Materials and supplies	40,081	428,043	-	673	468,797
Insurance	316	143,951	-	7,670	151,937
Indirect cost	119,908	305,035	-	-	424,943
Miscellaneous	-	16,766	-	3,945	20,711
Depreciation	686,750	1,906,456	-	549,942	3,143,148
Total operating expenses	<u>3,491,930</u>	<u>6,935,199</u>	<u>-</u>	<u>613,458</u>	<u>11,040,587</u>
Operating Income (Loss)	<u>(106,295)</u>	<u>(1,927,822)</u>	<u>-</u>	<u>(489,324)</u>	<u>(2,523,441)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>					
Real and personal property taxes	-	899,600	-	-	899,600
Interest & penalties on taxes	-	26,538	-	-	26,538
Discounts on taxes	-	(4,478)	-	-	(4,478)
Enterprise/industrial exemptions	-	387	-	-	387
Collection fees	-	(20,434)	-	-	(20,434)
Front footage assessments	-	103,525	-	-	103,525
Interest income	56,885	124,150	-	2,566	183,601
Interest income, debt service	-	5,236	-	-	5,236
Interest expense	(207,391)	(315,904)	-	-	(523,295)
Gain (Loss) on sale of capital assets	-	-	4,569,787	-	4,569,787
Total non-operating revenue (expenses)	<u>(150,506)</u>	<u>818,620</u>	<u>4,569,787</u>	<u>2,566</u>	<u>5,240,467</u>
Income (Loss) before contributions and transfers	(256,801)	(1,109,202)	4,569,787	(486,758)	2,717,026
Capital contributions:					
Federal grants	448,119	324,931	-	-	773,050
State grants	1,109,303	4,943,537	-	-	6,052,840
Other	559,429	27,144	-	-	586,573
Transfers:					
Transfers in	23,927	213,617	-	-	237,544
Transfers out	-	-	(3,364,331)	(32,035)	(3,396,366)
Change in net assets	<u>1,883,977</u>	<u>4,400,027</u>	<u>1,205,456</u>	<u>(518,793)</u>	<u>6,970,667</u>
Total net assets - beginning	<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>
Total net assets - ending	<u>\$ 20,339,035</u>	<u>\$ 57,150,934</u>	<u>\$ -</u>	<u>\$ 2,504,728</u>	<u>\$ 79,994,697</u>

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, 2010**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 3,236,746	\$ 4,885,650	\$ (122,727)	\$ 166,041	\$ 8,165,710
Cash payments for goods and services	(2,473,868)	(3,758,100)	(246,758)	(63,354)	(6,542,080)
Cash payments to employees for services	(384,241)	(1,242,774)	(736,243)	-	(2,363,258)
Other operating revenues	42	41,369	-	-	41,411
Net cash provided (used) by operating activities	378,679	(73,855)	(1,105,728)	102,687	(698,217)
<b>Cash flows from noncapital financing activities:</b>					
Advances from other funds	5,744,795	44,932,297	5,722,141	115,514	56,514,747
Advances to other funds	(5,969,887)	(44,999,356)	(8,838,759)	(152,718)	(59,960,720)
Transfers from other funds	4,579	213,615	-	-	218,194
Transfers to other funds	-	-	(3,364,332)	(32,034)	(3,396,366)
Net cash provided (used) by noncapital financing activities	(220,513)	146,556	(6,480,950)	(69,238)	(6,624,145)
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from capital debt	-	3,080,146	-	-	3,080,146
Acquisition and construction of capital assets	(1,855,883)	(11,078,349)	-	(36,015)	(12,970,247)
Principal paid on capital debt	(89,693)	(725,633)	(421,585)	-	(1,236,911)
Interest paid on capital debt	(207,782)	(317,387)	(3,638)	-	(528,807)
Proceeds from sale of assets	-	-	8,000,000	-	8,000,000
Grant revenues	1,940,091	7,954,048	-	-	9,894,139
Debt fees	-	996,342	-	-	996,342
Net cash used for capital and related financing activities	(213,267)	(90,833)	7,574,777	(36,015)	7,234,662
<b>Cash flows from investing activities:</b>					
Purchase of investments	(401,812)	(1,592,264)	-	-	(1,994,076)
Sale of investments	399,831	1,588,613	-	-	1,988,444
Interest on investments	57,082	125,115	-	2,566	184,763
Net cash used in investing activities	55,101	121,464	-	2,566	179,131
Net increase (decrease) in cash	-	103,332	(11,901)	-	91,431
Cash at beginning of the year	-	672,999	11,901	-	684,900
Cash at end of year	\$ -	\$ 776,331	\$ -	\$ -	\$ 776,331
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	\$ (106,295)	\$ (1,927,822)	\$ -	\$ (489,324)	\$ (2,523,441)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	686,750	1,906,456	-	549,942	3,143,148
Provision for uncollectible accounts	18,045	(8,785)	-	-	9,260
Change in assets & liabilities:					
(Increase) decrease in receivables	(166,893)	(71,573)	(122,727)	41,907	(319,286)
(Increase) decrease in inventory	-	(12,522)	-	-	(12,522)
(Increase) decrease in prepaids	-	-	-	-	-
Increase (decrease) in acc'ts payable	(52,928)	4,285	(246,758)	162	(295,239)
Increase (decrease) in accrued payroll	-	36,106	(736,243)	-	(700,137)
Total adjustments	484,974	1,853,967	(1,105,728)	592,011	1,825,224
Net cash provided (used) by operating activities	\$ 378,679	\$ (73,855)	\$ (1,105,728)	\$ 102,687	\$ (698,217)

Schedule of noncash investing and financing activities:

Contributions from other agencies \$ 196,111

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, 2010**

<b>ASSETS:</b>		Agency Fund
Taxes levied for State:		
Taxes receivable - State		\$ 440,190
Bay restoration fee		301,716
Other receivables		4
Taxes levied for Special Areas:		
Lonaconing, Town of	\$ 15,923	
Midland, Town of	4,538	
Westernport, Town of	46,832	
Cumberland differential	1,271	
Bel Air Special Tax Area	2,501	
Bowling Green Fire Co.	3,594	
Bedford Road Fire Co.	6,513	
Bowling Green Special Tax Area	2,827	
Cresaptown Ambulance	14,245	
Cresaptown Civic Imp. Assoc.	3,276	
Cresaptown Fire Co.	18,275	
Corriganville Light & Imp.	2,378	
Ellerslie Special Tax Area	1,233	
LaVale Volunteer Fire Dept.	14,190	
LaVale Rescue Squad	7,096	
LaVale Sanitary District	46,071	
McCoole Special Tax Area	1,159	
Moscow Light	603	
Mt. Savage Special Tax Area	1,783	
Potomac Park Special Tax Area	2,094	
Rawlings Fire Co.	4,405	
Sub-total special areas		200,807
Due from other funds		172,001
Total Assets		<u><u>\$ 1,114,718</u></u>
<b>LIABILITIES:</b>		
Accounts payable		\$ 172,005
A/P Special Areas		200,807
Taxes payable - State		440,190
A/P Bay restoration fee		301,716
Total Liabilities		<u><u>\$ 1,114,718</u></u>

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

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**HEALTH INSURANCE TRUST FUND**  
**JUNE 30, 2010**

	Trust Fund
<b><u>ASSETS:</u></b>	
Investments	\$ 1,291,091
Hospital deposit	182,300
Total Assets	<u>1,473,391</u>
<b><u>LIABILITIES:</u></b>	
Health claim reserves	600,080
Other Liabilities	-
Total Liabilities	<u>600,080</u>
<b><u>NET ASSETS:</u></b>	
Held in trust for health insurance benefits and other purposes	<u><u>873,311</u></u>

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**HEALTH INSURANCE TRUST FUND**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2010**

	Trust Fund
<b><u>ADDITIONS:</u></b>	
<b>Contributions:</b>	
Employer contributions	\$ 3,306,084
Employee contributions	227,278
Total contributions	<u>3,533,362</u>
<b>Other additions:</b>	
Insurance proceeds	339,194
Total additions	<u>3,872,556</u>
<b><u>DEDUCTIONS:</u></b>	
Benefits	2,527,034
Administrative expenses	472,211
Total deductions	<u>2,999,245</u>
Change in net assets	873,311
Net assets - beginning	-
Net assets - ending	<u><u>\$ 873,311</u></u>

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

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**Notes  
to the  
Financial Statements  
June 30, 2010**

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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](http://www.allconet.org).

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

*B. Reporting Entity*

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

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

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

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2010**

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 seventeen 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 had accounted for the operations of the County Nursing Home. On July 1, 2009 the Nursing Home was sold and the proceeds transferred to the General Fund.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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

Additionally, the government reports the following fund types:

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

And the Health Insurance Trust Fund which accounts for the self-insurance activities which provides health insurance coverage for County's employees.

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, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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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 account for the loan fund is 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, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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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 2010 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9829	2.4573
Barton	.9545	2.3863
Cumberland	.9016	2.2540
Frostburg	.9086	2.2715
Lonaconing	.9305	2.3263
Luke	.9266	2.3165
Midland	.9545	2.3863
Westernport	.9305	2.3263

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, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2010, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 1,052,669	\$ 3,050,804	\$ 4,103,473
Sanitary Districts	40,002	313,140	353,142
	<u>\$ 1,092,671</u>	<u>\$ 3,363,944</u>	<u>\$ 4,456,615</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2010**

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

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- 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 \$39,771,377 are as follows:

Bonds payable	\$21,920,544
Notes payable	9,365,495
State loans	4,175,771
Capital leases	206,094
Compensated absences	<u>4,103,473</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$39,771,377</u></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 \$(480,383) difference are as follows:

Capital outlay	\$3,324,148
Depreciation expense	<u>(3,804,531)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>(\$480,383)</u></u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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

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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 \$(3,797) 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>(3,797)</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>\$(3,797)</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 \$4,813,491 difference are as follows:

Debt issued or incurred:	
Debt proceeds	\$0
Leases	(63,719)
Bond issue costs, net of amortization	(10,584)
Principal repayments:	
General obligation debt	4,770,746
Lease payments	<u>117,048</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$4,813,491</u></u>

Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$364,358 difference are as follows:

Compensated absences	\$310,567
Accrued interest adjustment, net	<u>53,791</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>\$364,358</u></u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 3. Stewardship, Compliance, and Accountability

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*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 2010 were increased by only \$156,700; public safety increased \$500,000 but was offset by decreases in numerous other departments of \$343,000.
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.
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.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 3. Stewardship, Compliance, and Accountability - continued

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*A. Budgetary Information - continued*

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, 2010, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Highway Fund	\$39,096
Coal Haul Roads Fund	70,336
Transit Fund	176,086
Community Development Block Grant Fund	103,135
Drug Task Force Fund	40,920
Capital Improvement Projects Fund	74,758
Pay-As-You-Go Capital Projects Fund	198,801

- The expenditures over budget in the Highway Fund were funded by transfers for the County's General Fund.
- The expenditures over budget in the Coal Haul Roads Fund were funded by unexpended fund balance.
- The Transit Fund excess expenditures over budget were funded by the American Reinvestment and Recovery Act grants approved after the start of the fiscal year.
- The expenditures over budget in the Community Development Block Grant Fund were funded by unbudgeted block grants approved after the start of the fiscal year.
- The Drug Task Force excess expenditures over budget were funded by unexpended fund balance.
- The capital project funds excess expenditures over budget will be funded by loan and grant proceeds received after the accrual period for fund accounting.

*C. Deficit Fund Equity*

At June 30, 2010 the following governmental funds had a deficit fund balance.

Fund	Deficit
Highway Fund	\$185,049
Transit Fund	19,398

The deficits 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, 2010**

**Note 4. Deposits and Investments**

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*Allegany County Primary Government:*

As of June 30, 2010, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity in Months			
		Less Than 1	1-6	6-12	Greater than 12
Statement of Net Assets	\$ 18,733,557	\$ -	\$ 7,309,312	\$10,779,788	\$ 644,457
Employee Benefit Trust Fund	1,291,091	-	1,291,091	-	-
Certificates of Deposit	<u>\$ 20,024,648</u>	<u>\$ -</u>	<u>\$ 8,600,403</u>	<u>\$10,779,788</u>	<u>\$ 644,457</u>

**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, 2010**

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 \$23,674,802 and the bank balances were \$24,934,568. Of the bank balances, \$24,672,521 was covered by depository insurance; \$262,047 was covered by collateral held at various banks in the Board's name.

Investments - As of June 30, 2010, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
	Total	Less than 1	1-6	6-12	More than 12
Certificates of Deposit	\$24,613,956	\$ 15,042	\$ 11,164,257	\$ 13,177,975	\$ 256,682
	<u>\$24,613,956</u>	<u>\$ 15,042</u>	<u>\$ 11,164,257</u>	<u>\$ 13,177,975</u>	<u>\$ 256,682</u>

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2010, the carrying amount of the Library's deposits was \$106,737.

Custodial credit risk for deposits is the risk that in the event of a bank failure the Library's deposits may not be returned of the Library will not recover collateral securities in the possession of an outside party. The Library's policy requires deposits with financial institutions to be fully secured by collateral. The Library's cash balances at financial institutions at June 30, 2010 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2010, the Library had the following investments and maturities:

Investment Type	Investment Maturity				Credit Rating
	Total	Less than 90 Days	90 Days to One Year	Over One Year	
U.S. Treasury Bonds	\$ 18,972	\$ -	\$ 18,972	\$ -	N/A
Other Federal Government Obligations	433,720	-	-	433,720	N/A
Investment in MD Local Government Fund Pool	568,709	568,709	-	-	N/A
	<u>\$1,021,401</u>	<u>\$ 568,709</u>	<u>\$ 18,972</u>	<u>\$433,720</u>	

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 4. Deposits and Investments - continued

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*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 \$2,794,670. 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, 2010**

**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	90 Days To One Year
Certificates of deposit	\$ 202,155	\$ -	\$ 202,155
Repurchase agreements of			
U.S. Government obligations	581,578	581,578	-
Maryland Local Government			
Investment Pool	6,332,688	6,914,266	-
	<u>\$ 7,116,421</u>	<u>\$ 6,914,266</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, 2010 was \$4,830,249 (before an allowance of \$138,000) of which \$3,436,608 were current year's taxes receivable and the balance of \$1,393,641 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	\$ 64,261	\$ -	\$ -	\$ -	\$ 2,611	\$ 66,872
Income taxes	2,252,164	-	-	-	-	2,252,164
Other taxes	270,664	30,677	-	-	13,361	314,702
Current:						
Accrued revenues	1,534,080	64,715	166,812	662,647	1,046,350	3,474,604
Loans, notes	-	-	4,268	-	-	4,268
Leases, capital	-	-	115,532	-	-	115,532
Long-term:						
Accrued revenues	76,562	-	-	466,887	50,000	593,449
Loans, notes	-	-	20,459	-	493,310	513,769
Leases, capital	-	-	570,581	-	-	570,581
Total receivables	<u>\$4,197,731</u>	<u>\$ 95,392</u>	<u>\$ 877,652</u>	<u>\$1,129,534</u>	<u>\$ 1,605,632</u>	<u>\$7,905,941</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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	Non-Major Enterprise Funds	Total
Receivables:				
Interest	\$ 164	\$ 753	\$ -	\$ 917
Accounts, other	34,184	532,253	40,537	606,974
Accounts, trade	875,579	1,333,037	-	2,208,616
Less allowance	(87,990)	(213,705)	-	(301,695)
Net accounts, trade	787,589	1,119,332	-	1,906,921
Accounts, restricted	-	207,376	-	207,376
Less allowance	-	(9,136)	-	(9,136)
Net accounts, restricted	-	198,240	-	198,240
Loans	-	-	460,526	460,526
Less allowance	-	-	(350,000)	(350,000)
Net loans	-	-	110,526	110,526
Total receivables	\$ 821,937	\$ 1,850,578	\$ 151,063	\$ 2,823,578

*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
2011	\$ 115,532	\$ 42,810	\$ 158,342	\$ 2,709,572
2012	115,118	35,025	150,143	2,704,655
2013	123,126	27,017	150,143	2,546,506
2014	131,693	18,450	150,143	2,507,818
2015	140,193	9,288	149,481	2,512,326
2016-	60,451	1,032	61,483	6,347,914
Totals	\$ 686,113	\$ 133,622	\$ 819,735	\$ 19,328,791

The net book value of buildings with operating leases at June 30, 2010 is \$14,490,475.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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	\$3,707,737
Long term housing loans receivable	493,310
Grants/revenues received prior to meeting eligibility requirements:	
General Fund	0
Community Development Block Grant Fund	1,753
Community Development & Housing Fund	6,332
	<u>\$4,209,132</u>

*Loans receivable:*

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2010:

Entity	Source of funds	Balance June 30, 2010
County Loan Fund loans:		
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	\$ 250,000
YMCA	General Fund	100,000
Paving project	General Fund	24,673
Upper Potomac Industrial Park flood wall loans	General Fund	25,791
County loans		14,091
Allowance for doubtful accounts		(350,000)
Sub-total		<u>\$ 64,555</u>
Allconet II Fund loans:		
TWR loan	General Fund	45,971
Total		<u>\$ 110,526</u>

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

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**Note 7. Capital Assets**

Capital asset activity for the year ended June 30, 2010 for the primary government was as follows:

<b>Primary Government:</b>	Beginning			Transfers	Ending
Governmental activities:	Balance	Increases	Decreases	In (Out)	Balance
Capital assets, not being depreciated:					
Land	\$ 20,918,704	\$ 108,886	\$ -	\$ -	\$ 21,027,590
Work in Progress	8,945,111	1,917,690	-	(7,891,315)	2,971,486
Total capital assets not being depreciated:	29,863,815	2,026,576	-	(7,891,315)	23,999,076
Capital assets, being depreciated:					
Buildings	49,632,831	-	-	7,691,204	57,324,035
Infrastructure	46,292,030	187,719	-	-	46,479,749
Furniture & Fixtures	731,657	243,546	-	-	975,203
Equipment	8,076,933	161,146	-	200,111	8,438,190
Vehicles	8,919,942	697,728	(553,366)	-	9,064,304
Heavy Equipment	3,775,215	7,433	(30,313)	-	3,752,335
Other Capital Assets	924,623	-	-	-	924,623
Total capital assets, being depreciated:	118,353,231	1,297,572	(583,679)	7,891,315	126,958,439
Less accumulated depreciation for:					
Buildings	(14,700,390)	(1,636,760)	-	-	(16,337,150)
Infrastructure	(27,119,936)	(701,250)	-	-	(27,821,186)
Furniture & Fixtures	(550,350)	(37,523)	-	-	(587,873)
Equipment	(4,533,028)	(651,458)	-	-	(5,184,486)
Vehicles	(6,542,184)	(593,864)	549,569	-	(6,586,479)
Heavy Equipment	(3,039,373)	(162,333)	30,313	-	(3,171,393)
Other Capital Assets	(473,060)	(21,343)	-	-	(494,403)
Total accumulated depreciation	(56,958,321)	(3,804,531)	579,882	-	(60,182,970)
Total capital assets, being depreciated, net:	61,394,910	(2,506,959)	(3,797)	7,891,315	66,775,469
Governmental activities capital assets, net	\$ 91,258,725	\$ (480,383)	\$ (3,797)	\$ -	\$ 90,774,545

<b>Primary Government:</b>	Beginning			Transfers	Ending
Business-type activities:	Balance	Increases	Decreases	In (Out)	Balance
Capital assets, not being depreciated:					
Land	\$79,602	\$ 6,925	\$ -	\$ 9,390	\$ 95,917
Work in Progress	25,997,142	10,186,741	-	(5,885,864)	30,298,019
Total capital assets not being depreciated:	26,076,744	10,193,666	-	(5,876,474)	30,393,936
Capital assets, being depreciated:					
Buildings	3,701,961	9,736	(3,485,713)	2,205	228,189
Infrastructure	104,320,152	194,632	-	5,874,269	110,389,053
Furniture & Fixtures	1,603,872	-	(1,586,191)	-	17,681
Equipment	5,838,076	97,337	(957,473)	-	4,977,940
Vehicles	1,028,012	39,000	(118,560)	-	948,452
Heavy Equipment	604,561	86,278	(11,237)	-	679,602
Other Capital Assets	2,852,787	-	(15,724)	-	2,837,063
Total capital assets, being depreciated:	119,949,421	426,983	(6,174,898)	5,876,474	120,077,980
Less accumulated depreciation for:					
Buildings	(2,099,858)	(8,177)	1,979,666	-	(128,369)
Infrastructure	(38,820,791)	(2,196,107)	-	-	(41,016,898)
Furniture & Fixtures	(1,172,170)	(615)	1,157,877	-	(14,908)
Equipment	(3,546,926)	(632,032)	820,297	-	(3,358,661)
Vehicles	(661,133)	(113,554)	118,560	-	(656,127)
Heavy Equipment	(320,701)	(65,695)	7,900	-	(378,496)
Other Capital Assets	(1,023,451)	(126,966)	6,420	-	(1,143,997)
Total accumulated depreciation	(47,645,030)	(3,143,146)	4,090,720	-	(46,697,456)
Total capital assets, being depreciated, net:	72,304,391	(2,716,163)	(2,084,178)	5,876,474	73,380,524
Business-type activities capital assets, net	\$ 98,381,135	\$ 7,477,503	\$ (2,084,178)	\$ -	\$ 103,774,460

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**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, 2010 as follows:

Governmental activities:	
General government	\$ 495,000
Public safety	1,224,362
Public works	1,016,664
Health	218,440
Social services	117,398
Recreation, culture and libraries	165,126
Natural resources	210
Community development and housing	17,835
Economic development	549,496
Total depreciation expense - governmental activities	<u>\$ 3,804,531</u>
Business type activities:	
Water districts	\$ 686,750
Sewer districts	1,906,456
Allconet II	549,942
Total depreciation expense - governmental activities	<u>\$ 3,143,148</u>

*Construction Commitments*

The County has active construction projects as of June 30, 2010. 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
Cash Valley Road paving	\$ 628,645	\$ 9,706
Bridge Street bridge	349,831	3,640
Clarysville water project	931,314	51,916
Georges Creek WWTP Upgrade	22,825,638	1,759,683
Braddock Road interceptor	230,125	1,003,809
Burbridge building	80,654	1,747,346
LaVale storm drains	392,393	107,639
Mt Savage water transmission line	609,701	152,182
Totals	<u>\$ 26,048,301</u>	<u>\$ 4,835,921</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.



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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, 2010 (not including component units), was as follows:

<b>Board of Education</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 4,002,794	\$ 24,600	\$ -	\$ 4,027,394
Work in process	1,326,270	2,564,572	(674,270)	3,216,572
Total capital assets not being depreciated:	5,329,064	2,589,172	(674,270)	7,243,966
Capital assets, being depreciated:				
Land Improvements	6,405,251	1,086,389	-	7,491,640
Buildings & Improvements	140,774,581	925,296	(385,579)	141,314,298
Furniture, Equipment & Vehicles	13,255,823	1,884,964	(567,321)	14,573,466
Total capital assets, being depreciated:	160,435,655	3,896,649	(952,900)	163,379,404
Less accumulated depreciation for:				
Land Improvements	(407,693)	(356,828)	-	(764,521)
Buildings & Improvements	(67,226,288)	(3,871,354)	251,517	(70,846,125)
Furniture, Equipment & Vehicles	(6,031,887)	(1,391,386)	464,727	(6,958,546)
Total accumulated depreciation	(73,665,868)	(5,619,568)	716,244	(78,569,192)
Total capital assets, being depreciated, net:	86,769,787	(1,722,919)	(236,656)	84,810,212
Governmental activities capital assets, net	\$ 92,098,851	\$ 866,253	\$ (910,926)	92,054,178

<b>Board of Education</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Work in process	\$ 58,051	\$ -	\$ (58,051)	\$ -
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	653,864	73,831	(29,151)	698,544
Less accumulated depreciation	(478,655)	(56,608)	29,151	(506,112)
Total capital assets, being depreciated, net:	175,209	17,223	-	192,432
Business-type activities capital assets, net	\$ 233,260	\$ 17,223	\$ (58,051)	\$ 192,432

Capital asset activity for the Library of Allegany County for the year ended June 30, 2010 was as follows:

<b>Library</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Non-depreciable assets:				
Construction in Progress	\$ -	\$ 14,362	\$ -	\$ 14,362
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,587,505	\$ -	\$ -	\$ 3,587,505
Furniture & Equipment	743,306	5,600	(2,299)	746,607
Vehicles/Bookmobile	157,741	-	-	157,741
Library Books	3,854,694	239,942	(306,499)	3,788,137
Total capital assets, being depreciated:	8,343,246	245,542	(308,798)	8,279,990
Less accumulated depreciation for:				
Buildings & Improvements	(1,057,366)	(71,750)	-	(1,129,116)
Furniture & Equipment	(378,587)	(42,975)	2,299	(419,263)
Vehicles/Bookmobile	(73,178)	(17,046)	-	(90,224)
Library Books	(3,313,791)	(162,822)	256,145	(3,220,468)
Total accumulated depreciation	(4,822,922)	(294,593)	258,444	(4,859,071)
Total capital assets, being depreciated, net:	\$ 3,520,324	\$ (49,051)	\$ (50,354)	\$ 3,420,919
Governmental activities capital assets, net	\$ 3,520,324	\$ (34,689)	\$ (50,354)	\$ 3,435,281

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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, 2010, were as follows:

<b>Allegany College of Maryland</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 697,465	\$ -	\$ -	\$ 697,465
Library Collections	66,893	15,830	-	82,723
Work in Progress	-	144,859	(62,130)	82,729
Total capital assets not being depreciated:	<u>764,358</u>	<u>160,689</u>	<u>(62,130)</u>	<u>862,917</u>
Capital assets, being depreciated:				
Buildings	47,738,849	205,806	(3,025)	47,941,630
Equipment	6,441,785	432,426	(67,222)	6,806,989
Auxiliary Equipment	205,217	3,100	-	208,317
Library Books	1,046,373	67,379	(23,729)	1,090,023
Total capital assets, being depreciated:	<u>55,432,224</u>	<u>708,711</u>	<u>(93,976)</u>	<u>56,046,959</u>
Less accumulated depreciation :	<u>(20,612,541)</u>	<u>(2,102,914)</u>	<u>93,976</u>	<u>(22,621,479)</u>
Total capital assets, being depreciated, net:	<u>34,819,683</u>	<u>(1,394,203)</u>	<u>0</u>	<u>33,425,480</u>
Business-type activities capital assets, net	<u>\$ 35,584,041</u>	<u>\$ (1,233,514)</u>	<u>\$ (62,130)</u>	<u>\$ 34,288,397</u>

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2010, was as follows:

<b>LaVale Sanitary Commission</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 176,385	\$ 50,000	\$ -	\$ 226,385
Work in Progress	59,312	239,313	(168,272)	130,353
Total capital assets not being depreciated:	<u>235,697</u>	<u>289,313</u>	<u>(168,272)</u>	<u>356,738</u>
Capital assets, being depreciated:				
Buildings	516,945	278,214	-	795,159
Infrastructure	19,726,392	66,993	-	19,793,385
Machinery, Vehicles & Equipment, Office Furniture and Equipment	1,327,739	59,596	(30,303)	1,357,032
Total capital assets, being depreciated:	<u>21,571,076</u>	<u>404,803</u>	<u>(30,303)</u>	<u>21,945,576</u>
Less accumulated depreciation for:	<u>(9,268,660)</u>	<u>(534,134)</u>	<u>30,302</u>	<u>(9,772,492)</u>
Total capital assets, being depreciated, net:	<u>12,302,416</u>	<u>(129,331)</u>	<u>(1)</u>	<u>12,173,084</u>
Business-type activities capital assets, net	<u>\$ 12,538,113</u>	<u>\$ 159,982</u>	<u>\$ (168,273)</u>	<u>\$ 12,529,822</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**Note 8. Interfund Receivables, Payables, and Transfers**

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The composition of interfund balances as of June 30, 2010, is as follows:

*A. Due to/from other funds*

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 8,899,655
Highway Fund	216,833	-
Revolving Building Fund	5,803,707	-
Capital Improvement Projects Fund	123,426	-
Non-major Governmental Funds	3,990,664	260,187
Sub-total	10,134,630	9,159,842
Enterprise Funds:		
Water Districts	-	111,854
Sanitary Districts	3,769,119	5,490,604
Non-major Enterprise Funds	694,412	7,862
Sub-total	4,463,531	5,610,320
Fiduciary Funds:		
Agency Fund	172,001	-
<b>TOTALS</b>	<b>\$ 14,770,162</b>	<b>\$ 14,770,162</b>

The interfund balances as of June 30, 2010 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	\$ 1,200,000	
Sanitary Districts		\$ 800,000
Water Districts		400,000
Loans:		
Loan Fund	416,187	
Allegany County Sanitary Districts:		
Current portion of long-term debt		383
Long-term debt		18,070
Allegany County Water Districts:		
Current portion of long-term debt		17,218
Long-term debt		380,516
	<b>\$ 1,616,187</b>	<b>\$ 1,616,187</b>

The amounts owed to the General fund from the 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, 2010**

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

*C. Transfers*

Transfers to other funds for the year ending June 30, 2010 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Highway Fund	\$ 6,290,358	
Capital Projects Fund	\$ 500,000	
Non-major funds governmental funds	6,977,484	
Enterprise funds:		
Water Fund	4,579	
Sewer Fund	206,115	\$ 13,978,536
From the Revolving Building Fund To:		
General Fund	45,380	
Water Fund	19,348	
Sewer Fund	7,500	
Non-major funds governmental funds	1,546,583	1,618,811
From the Non-major Governmental Funds to:		
General Fund	616,496	
Highway Fund	102,385	
Capital Projects Fund	35,360	
Other Non-major governmental fund	42,411	796,652
From the Nursing Home Fund to:		
General Fund	3,364,331	3,364,331
From the Non-major Enterprise Funds to:		
General Fund	32,035	32,035
<b>TOTALS</b>	<b>\$ 19,790,365</b>	<b>\$ 19,790,365</b>

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, 2010 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 28,200,000	
Board of Education, Data Processing	348,334	
Allegany College of Maryland	7,425,000	
Library	905,000	\$ 36,878,334
From the Gaming Fund to:		
Board of Education:		
Westmar Middle roof	8,527	
Administration Bldg electrical	35,351	
Mt. Savage roof	9,488	
Greenway Avenue Stadium	185,000	
South Penn addition	80,221	318,587
<b>Total</b>	<b>\$ 37,196,921</b>	<b>\$ 37,196,921</b>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**Note 9. Short-term Debt**

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2010 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, 2010, was as follows:

<b>Long-term Debt</b>					
<b>Governmental Activities</b>					
	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation	\$ 25,787,011	\$ -	\$ (3,866,467)	\$ 21,920,544	\$ 4,059,393
Notes	9,815,243	-	(449,748)	9,365,495	309,722
Capital Leases*	259,423	63,719	(117,048)	206,094	74,917
State Loans	4,630,302	-	(454,531)	4,175,771	482,130
Total	<u>\$ 40,491,979</u>	<u>\$ 63,719</u>	<u>\$ (4,887,794)</u>	<u>\$ 35,667,904</u>	<u>\$ 4,926,162</u>
* The net book value of leased vehicles at June 30, 2010 is \$231,072.					
<b>Business-type activities</b>					
	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water districts:					
Rural development loans	\$ 4,379,776	\$ -	\$ (73,008)	\$ 4,306,768	\$ 76,207
County loans	414,419	-	(16,685)	397,734	17,218
Total water districts	<u>4,794,195</u>	<u>-</u>	<u>(89,693)</u>	<u>4,704,502</u>	<u>93,425</u>
Sewer districts:					
Maryland water quality loans	375,637	-	(95,177)	280,460	99,619
Maryland environmental loans	12,893,602	3,080,146	(587,869)	15,385,879	846,963
Rural development loans	3,323,334	-	(42,222)	3,281,112	44,043
County loans	18,819	-	(366)	18,453	383
Total sewer districts	<u>16,611,392</u>	<u>3,080,146</u>	<u>(725,634)</u>	<u>18,965,904</u>	<u>991,008</u>
Nursing Home					
General Obligation Debt	<u>421,585</u>	<u>-</u>	<u>(421,585)</u>	<u>-</u>	<u>-</u>
Total business-type activities:					
General Obligation Debt	421,585	-	(421,585)	-	-
Maryland water quality loans	375,637	-	(95,177)	280,460	99,619
Maryland environmental loans	12,893,602	3,080,146	(587,869)	15,385,879	846,963
Rural development loans	7,703,110	-	(115,230)	7,587,880	120,250
County loans	433,238	-	(17,051)	416,187	17,601
Total business-type activities	<u>\$ 21,827,172</u>	<u>\$ 3,080,146</u>	<u>\$ (1,236,912)</u>	<u>\$ 23,670,406</u>	<u>\$ 1,084,433</u>
<b>Other Long-term Liabilities</b>					
<b>Governmental Activities</b>					
	<u>Beginning Balance</u>	<u>Current Year Changes</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	\$ 4,414,040	\$ 209,015	\$ (519,582)	\$ 4,103,473	\$ 1,052,669
<b>Business-type activities</b>					
Water & sewer districts					
Compensated absences	\$ 305,034	\$ 123,917	\$ (75,809)	\$ 353,142	\$ 40,002
Nursing Home					
Compensated absences	548,565	-	(548,565)	-	-
Total	<u>\$ 853,599</u>	<u>\$ 123,917</u>	<u>\$ (624,374)</u>	<u>\$ 353,142</u>	<u>\$ 40,002</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**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, 2010 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
2011	\$ 4,059,393	\$ 931,292	\$ 309,722	\$ 397,960	\$ 74,917	\$ 12,776	\$ 482,130	\$ 151,185	\$ 4,926,162	\$ 1,493,213
2012	3,645,226	757,554	225,967	384,881	57,087	7,995	504,216	129,099	4,432,496	1,279,529
2013	3,142,070	603,628	235,809	375,039	38,010	4,401	527,575	105,739	3,943,464	1,088,807
2014	3,287,032	454,740	246,081	364,767	17,520	2,143	493,648	81,762	4,044,281	903,412
2015	2,009,227	331,565	256,803	354,045	18,560	1,102	390,769	61,795	2,675,359	748,507
2016-2020	5,777,596	433,913	146,1996	1,592,243	-	-	1,595,176	114,019	8,834,768	2,140,175
2021-2025	-	-	1,809,879	1,244,361	-	-	182,257	2,449	1,992,136	1,246,810
2026-2030	-	-	2,240,973	813,267	-	-	-	-	2,240,973	813,267
2031-2035	-	-	2,576,996	284,664	-	-	-	-	2,576,996	284,664
2036-2040	-	-	1,269	14	-	-	-	-	1,269	14
	<u>\$ 21,920,544</u>	<u>\$ 3,512,692</u>	<u>\$ 9,365,495</u>	<u>\$ 5,811,241</u>	<u>\$ 206,094</u>	<u>\$ 28,417</u>	<u>\$ 4,175,771</u>	<u>\$ 646,048</u>	<u>\$ 35,667,904</u>	<u>\$ 9,998,398</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2010 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2010 are:							
Year Ending June 30,	Farmers Home Admin. Loans		County Advances		Totals		
	Principal	Interest	Principal	Interest	Principal	Interest	
2011	\$ 76,207	\$ 189,781	\$ 17,218	\$ 14,268	\$ 93,425	\$ 204,049	
2012	79,659	186,329	17,778	13,708	97,437	200,037	
2013	83,269	182,719	18,357	13,129	101,626	195,848	
2014	87,048	178,940	18,956	12,530	106,004	191,470	
2015	91,004	174,984	19,574	11,912	110,578	186,896	
2016-2020	521,194	808,746	107,902	49,530	629,096	858,276	
2021-2025	652,157	677,783	100,971	30,726	753,128	708,509	
2026-2030	817,317	512,623	25,395	19,537	842,712	532,160	
2031-2035	844,812	317,223	31,789	13,142	876,601	330,365	
2036-2040	763,541	140,297	39,794	4,839	803,335	145,136	
2041-2045	286,888	29,412	-	-	286,888	29,412	
2046-2050	3,672	55	-	-	3,672	55	
Totals	\$ 4,306,768	\$ 3,398,892	\$ 397,734	\$ 183,321	\$ 4,704,502	\$ 3,582,213	

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2010 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
2011	\$ 99,619	\$ 19,743	\$ 846,963	\$ 148,507	\$ 44,043	\$ 136,821	\$ 383	\$ 834	\$ 991,008	\$ 305,905
2012	89,757	12,988	855,098	140,373	45,936	134,928	400	816	991,191	289,105
2013	72,474	6,777	863,312	132,159	47,910	132,954	419	798	984,115	272,688
2014	8,266	1,566	871,606	123,864	49,969	130,895	438	779	930,279	257,104
2015	8,893	873	879,982	111,488	52,117	128,748	458	759	941,450	241,868
2016-2020	1,451	127	4,528,448	448,905	296,176	608,144	2,626	3,457	4,828,701	1,060,633
2021-2025	-	-	4,466,048	229,034	365,567	538,753	3,287	2,796	4,834,902	770,583
2026-2030	-	-	2,074,422	57,664	451,247	453,073	4,115	1,968	2,529,784	512,705
2031-2035	-	-	-	-	557,048	347,272	5,151	932	562,199	348,204
2036-2040	-	-	-	-	507,428	232,559	1,176	40	508,604	232,599
2041-2045	-	-	-	-	591,718	122,242	-	-	591,718	122,242
2046-2050	-	-	-	-	271,953	12,738	-	-	271,953	12,738
Totals	\$ 280,460	\$ 42,074	\$ 15,385,879	\$ 1,391,994	\$ 3,281,112	\$ 2,979,127	\$ 18,453	\$ 13,179	\$ 18,965,904	\$ 4,426,374

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

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

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:	Issue	Maturity	Rate (%)	2010	2009
Bonds of 1995	11/01/05	11/01/10	4.25-5.10	565,000	1,100,000
Bonds of 1997	03/01/97	03/01/10	3.65-5.40	-	550,000
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	5,075,000	6,205,000
Bonds of 2001	09/01/01	11/01/16	3.50-4.40	3,760,000	4,080,000
Bonds of 2004	10/26/04	10/01/19	3.50	1,503,000	1,627,000
Bonds of 2006	07/21/06	08/01/16	4.24	2,250,000	2,520,000
Bonds of 2007	06/12/07	06/01/17	5.73	4,584,201	5,105,011
Bonds of 2008	12/16/08	09/01/18	4.36	4,183,343	4,600,000
Notes:					
Farmers Home Admin	1992	2032	5.75	237,633	242,987
RDA High School Loan I	06/28/07	06/28/37	4.125	4,484,612	4,663,532
RDA High School Loan II	02/28/08	2038	4.375	4,550,066	4,727,019
PPG Loan	01/05/96	2011	5.20	93,184	181,705
Capital Leases:					
Transit Bus	04/11/06	04/11/13	5.94	143,836	175,804
Sheriff vehicles	2008	07/24/09	6.40	-	42,511
Bureau of Police vehicle	04/13/09	04/13/11	6.60	62,258	41,108
State Loans:					
Md Industrial Land Act:					
Superfos Expansion	1991	2028	6.90	381,934	427,270
Blue Cross Bldg	1992	2012	6.80	730,333	794,764
Micro - Integration	1994	2014	5.93	266,851	336,936
Superfos III	1995	2014	5.93	458,630	550,877
MICRF Loans:					
PPG Purchase	01/05/96	2020	5.00	1,528,280	1,658,301
PPG Improvements	2001	2022	4.69	165,477	181,208
MD Historical Trust Loan	2000	2020	1.00	150,000	150,000
Md Environmental Loan	2003	2023	0.89	494,266	530,946
Total Long - Term General Obligation Debt				35,667,904	40,491,979
Compensated Absences				4,103,473	4,414,040
Total long-term liabilities				\$ 39,771,377	\$ 44,906,019

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

**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,	
				2010	2009
<b>Water Districts Debt:</b>					
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 89,999	\$ 92,122
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	219,705	224,892
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	288,334	293,558
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	430,716	439,334
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	203,221	207,285
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	207,455	211,604
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	544,177	551,894
Consol FHA loan	2004	2044	4.5	97,687	98,904
McCoole FHA Loan	1999	2039	4.5	951,075	967,255
Barton Industrial Park	2005	2045	4.5	337,894	341,923
Klondike FHA	2005	2045	4.5	440,298	445,470
Morantown FHA Loan	2005	2046	4.25	161,908	163,839
Mexico Farms	1992	2032	5.5	334,299	341,696
Sub-total				<u>4,306,768</u>	<u>4,379,776</u>
Carlos/Shaft Allegany Advance	2006	2040	4.5	46,754	47,475
Missick Rd Alleg Co Advance	2006	2040	4.5	73,665	74,801
Rt. 51 Allegany Co Advance	2006	2040	4.5	25,998	26,399
PSC Rate case	2007	2017	4.5	251,317	265,744
Sub - total				<u>397,734</u>	<u>414,419</u>
Total debt				<u>4,704,502</u>	<u>4,794,195</u>
Less: Current maturities of long - term debt				<u>(93,425)</u>	<u>(105,005)</u>
Total Water Districts long - term debt				<u>\$ 4,611,077</u>	<u>\$ 4,689,190</u>
<b>Sanitary Districts Debt:</b>					
Maryland Water Quality Loans					
Bowling Green	1980	2010	5.5	\$ -	\$ 911
Bowling Green	1984	2014	8.3	20,083	23,230
Cresaptown	1980	2010	5.5	-	873
Cresaptown	1984	1024	8.3	12,508	14,468
Cresaptown	1986	2015	8.8	7,175	8,058
Bedford Road	1983	2013	8.2	82,559	106,097
Oldtown	1981	2011	6.1	3,883	7,567
Flintstone	1980	2010	6.1	11,650	22,700
Georges Creek	1981	2011	6.1	42,254	61,639
Georges Creek	1982	2012	6.1	100,348	130,093
Sub - total				<u>280,460</u>	<u>375,636</u>
Maryland Department of Environment					
Celanese Treatment Plant	1991	2010	3.705	-	41,954
Celanese WWTP Upgrade	06/03	2023	0.40	6,134,239	6,517,342
Inflow and Infiltration Study I	12/03	2023	0.40	887,624	957,354
Celanese	2006	2026	0.40	649,732	687,323
Inflow and Infiltration Study II	2008	2082	1.00	879,701	935,192
George Creek WWTP Upgrade	2009	2029	0.40	6,627,226	3,754,437
Inflow and Infiltration Study II	2010	2030	1.00	207,357	-
Sub - total				<u>15,385,879</u>	<u>12,893,602</u>
Farmers Home Administration Loans					
Georges Creek	2007	2047	4.125	490,071	495,600
Cash Valley Road	1996	2036	4.50	120,599	123,046
Oldtown Road	1996	2036	4.50	457,369	466,649
Bowling Green/Cresaptown A	2007	2047	4.125	1,849,885	1,870,752
Bowling Green/Cresaptown B	2007	2047	4.125	363,188	367,288
Sub - total				<u>3,281,112</u>	<u>3,323,335</u>
Allegany County Advances:					
Oldtown	2006	2036	4.5	18,453	18,819
Sub - total				<u>18,453</u>	<u>18,819</u>
Total				<u>18,965,904</u>	<u>16,611,392</u>
Less: Current maturities of long - term debt				<u>(991,008)</u>	<u>(873,287)</u>
Total Sanitary Districts Long - term Debt				<u>\$ 17,974,896</u>	<u>\$ 15,738,105</u>



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 10. Long-Term Debt - continued

The following is a summary of debt transactions for the discretely presented component units for the fiscal year ended June 30, 2010.

Long-term Liabilities - Component Units						
Long-term debt activity for the year ended June 30, 2010:						
	Allegany College of Maryland			LaVale Sanitary Commission		
Payable at July 1, 2009	\$1,798,102			\$3,962,243		
Amount issued	-			-		
Amount retired	(362,472)			(75,730)		
Payable at June 30, 2010	<u>\$1,435,630</u>			<u>\$3,886,513</u>		
Annual debt service requirements to maturity:						
Fiscal Year	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 375,670	\$ 45,505	\$ 421,175	\$ 101,791	\$ 152,307	\$ 254,098
2012	300,613	31,849	332,462	105,299	148,799	254,098
2013	302,099	21,559	323,658	108,954	145,144	254,098
2014	303,268	11,341	314,609	112,764	141,334	254,098
2015	153,980	1,909	155,889	116,735	137,363	254,098
2016-2020	-	-	-	649,369	621,121	1,270,490
2021-2025	-	-	-	729,322	493,447	1,222,769
2026-2030	-	-	-	813,204	337,935	1,151,139
2031-2035	-	-	-	937,855	148,638	1,086,493
2036-2040	-	-	-	211,220	6,648	217,868
	<u>\$1,435,630</u>	<u>\$ 112,163</u>	<u>\$1,547,793</u>	<u>\$3,886,513</u>	<u>\$2,332,736</u>	<u>\$6,219,249</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 11. Pension and Retirement Systems

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*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, 2010, there are 9 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 11.47% 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 7.58% 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, 2010, 2009 and 2008, were \$1,522,868, \$1,379,237 and \$1,588,247 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 7.58% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$511,588 and the required contribution was \$37,313, 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, 2010**

Note 11. Pension and Retirement Systems - continued

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*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, 2010, 2009 and 2008 were \$1,121,559, and \$955,884, and \$993,118, 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, 2010. The Library's contributions for the years ended June 30, 2010, 2009 and 2008 were \$5,373, \$5,122, and \$5,989, 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, 2010, 2009 and 2008 in the amounts of \$118,186, \$97,245, and \$84,042 respectively.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 11. Pension and Retirement Systems - continued

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*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 2010 were \$1,470,833.

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, 2010. Allegany College's contributions for the years ended June 30, 2010, 2009 and 2008 were \$85,101, \$85,059, and \$104,644, 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, 2010. LaVale Sanitary's contributions for the years ended June 30, 2010, 2009 and 2008 were \$73,341, \$590,755, and \$56,783, respectively, equal to or greater than the required employer contributions for each year. Contributions exceeding the required annual contributions are recorded as an asset in the Commission's financial statements; that balance at June 30, 2010 was \$559,869.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 12. Postemployment Healthcare Plan

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**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 12.85 percent of annual covered payroll.

**Annual OPEB Cost.** For fiscal year 2010, the County's annual OPEB cost (expense) of \$2,050,000 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 2010 and the preceding fiscal year 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>
06/30/10	\$2,050,000	100%	\$ -
06/30/09	2,245,000	100%	-

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2010**

Note 12. Postemployment Healthcare Plan - Continued

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**Funded Status and Funding Progress.** The funded status of the plan as of July 1, 2009 (the date of the latest actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 23,598,539
Actuarial value of plan assets	<u>1,113,415</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 22,485,124</u>
Funded ratio (actuarial value of plan assets/AAL)	4.70%
Covered payroll (active plan members)	\$ 14,172,360
UAAL as a percentage of covered payroll	158.70%

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 July 1, 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 July 1, 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, 2010**

Note 13. Risk Management

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**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. During the current fiscal year the County established a Health Insurance Trust Fund, an employee benefit trust fund, used to account for the activity and assets held in trust for the health insurance benefits of its employees.

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 \$200,000 per year and aggregate annual participant claims in excess of \$8,030,301.

Third party administrators estimated the non-discounted claims liability reported in the funds at June 30, 2010. 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 necessary 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 2010 are as follows:

Balance at July 1, 2009	\$	548,166
Claims and changes in estimates		(20,626)
Claim payments		-
Balance at June 30, 2010	\$	<u>527,540</u>

Note 14. Pending Claims and Litigation

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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, 2010**

**Note 15. Contingent Liabilities**

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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, 2010 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, 2010, such debt includes loans with the U.S. Department of Agriculture of \$3,584,701.

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. – Sale of the Allegany County Nursing Home**

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On July 1, 2009 Allegany County sold its Nursing Home operations for \$8,000,000 to a private operator. The sale realized a gain on the sale of assets of \$4,569,787 and resulted in a transfer to the General Fund of \$3,364,331.



**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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**ALLEGANY COUNTY, MARYLAND  
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS FOR the NON-PENSION POST EMPLOYMENT BENEFITS TRUST**

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
July 1, 2008	-	\$25,521,000	0.0%	\$25,521,000	\$15,952,000	160.0%
July 1, 2009	1,113,415	23,598,539	4.7%	22,485,124	14,172,360	158.7%

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, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES</b>				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 39,211,420	\$ 39,211,420	\$ 42,030,704	\$ 2,819,284
Payments in lieu of taxes:				
Coal companies	225,000	225,000	281,500	56,500
Housing Authorities	37,500	37,500	40,603	3,103
Interest on Delinquent taxes	700,000	700,000	834,990	134,990
Sub-total	<u>40,173,920</u>	<u>40,173,920</u>	<u>43,187,797</u>	<u>3,013,877</u>
Less:				
Prompt payment discounts	165,000	165,000	164,482	518
Deferred revenues	215,000	215,000	782,053	(567,053)
Industrial exemptions	2,400,000	2,400,000	2,298,178	101,822
Enterprise zone exemptions	190,000	190,000	(3,082)	193,082
Residential development tax credit	30,000	30,000	24,167	5,833
Tax increment financing	12,000	12,000	80,941	(68,941)
Historic tax credit	75,000	75,000	89,442	(14,442)
Real estate tax set-aside	35,000	35,000	60,024	(25,024)
Sub-total	<u>3,122,000</u>	<u>3,122,000</u>	<u>3,496,205</u>	<u>(374,205)</u>
Total Net Property Taxes	<u>37,051,920</u>	<u>37,051,920</u>	<u>39,691,592</u>	<u>2,639,672</u>
Income Taxes	23,100,000	23,700,000	23,824,268	124,268
Other Local Taxes:				
Hotel/motel tax	660,000	660,000	588,204	(71,796)
Admissions	150,000	150,000	149,995	(5)
Recordation	1,250,000	1,250,000	1,235,868	(14,132)
911 Fees	550,000	550,000	637,448	87,448
Trailer court	70,000	70,000	64,421	(5,579)
Transfer Tax	375,000	375,000	441,940	66,940
Total Local Taxes	<u>3,055,000</u>	<u>3,055,000</u>	<u>3,117,876</u>	<u>62,876</u>
Total Taxes	<u>63,206,920</u>	<u>63,806,920</u>	<u>66,633,736</u>	<u>2,826,816</u>
Licenses and Permits				
Alcoholic beverage licenses	84,600	84,600	84,060	(540)
Amusement licenses	7,000	7,000	5,836	(1,164)
Traders licenses	98,000	98,000	95,683	(2,317)
Occupational licenses	1,200	1,200	1,100	(100)
Animal licenses	12,000	12,000	14,654	2,654
Building permits	30,000	30,000	25,243	(4,757)
Marriage licenses	4,500	4,500	5,195	695
Cable franchise fees	330,000	330,000	353,375	23,375
Sediment control permits	30,000	30,000	24,731	(5,269)
Total Licenses and Permits	<u>597,300</u>	<u>597,300</u>	<u>609,877</u>	<u>12,577</u>

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b>REVENUES (Continued):</b>				
<u>Intergovernmental:</u>				
Federal Funds:				
Homeland security grant	283,059	283,059	207,709	(75,350)
Justice department grant	9,469	152,273	143,127	(9,146)
Civil defense	65,000	65,000	72,179	7,179
FEMA grant	-	-	14,795	14,795
EMT Grant	35,000	35,000	26,523	(8,477)
MTA Grant	110,700	193,384	38,098	(155,286)
MTA Transportation planning	135,172	135,172	86,317	(48,855)
Health & Human Services Grant	-	157,915	41,236	(116,679)
Food distribution to the needy	18,000	18,000	11,897	(6,103)
Emergency shelter grant	25,000	25,000	8,774	(16,226)
ARC Grants	60,000	60,000	-	(60,000)
Masters program	74,967	74,967	41,376	(33,591)
Miscellaneous federal grants	78,000	78,000	-	(78,000)
Payments in lieu of property taxes	4,000	4,000	7,370	3,370
Sub-total Federal funds	898,367	1,281,770	699,401	(582,369)
State Funds:				
Public Health	25,000	25,000	16,879	(8,121)
Police protection	240,000	151,230	196,280	45,050
State 911 grant	15,000	15,000	1,500	(13,500)
State MTA operating assistance	55,350	-	242,051	242,051
Alltrans Grant	209,945	209,945	-	(209,945)
State transportation planning	16,896	16,896	10,790	(6,106)
Maryland Department of Environment grant	8,900	8,900	5,558	(3,342)
Juvenile services grant	15,130	15,130	14,307	(823)
JSA Crisis Intervention	36,396	36,396	17,983	(18,413)
Dept. of Social Services	55,350	15,416	-	(15,416)
Department of Natural Resources	35,000	35,000	35,908	908
Conservation aid salary	28,727	28,727	28,768	41
Program Open Space grant	68,550	68,550	28,562	(39,988)
Fire suppression, DNR	250	250	-	(250)
Disparity grant	7,298,505	7,298,505	7,298,505	-
State Jury Reimbursement	44,000	44,000	41,680	(2,320)
Tourism grant	39,534	39,534	28,403	(11,131)
Work Crew Supervisor	42,223	38,660	31,742	(6,918)
Victim/witness Program	-	-	4,807	4,807
Miscellaneous	296,986	316,335	292,968	(23,367)
Sub-total State Funds	8,531,742	8,363,474	8,296,691	(66,783)

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b>REVENUES (Continued)</b>				
<u>Intergovernmental (continued):</u>				
Other Intergovernmental:				
Other agencies	224,320	292,956	343,402	50,446
Sub-total Other Intergovernmental:	224,320	292,956	343,402	50,446
Total Intergovernmental	9,654,429	9,938,200	9,339,494	(598,706)
<u>Service Charges:</u>				
General government charges:				
State civil process	60,000	60,000	59,198	(802)
Child support incentive	-	2,946	2,946	-
Publication sales	-	-	960	960
Plans & specifications	3,000	3,000	11,110	8,110
Regulation & Maps	4,000	4,000	11,409	7,409
Tax sale fees	16,000	16,000	22,046	6,046
Election filing fees			200	200
Security interest filing fee	100	100	80	(20)
License application fees	8,260	8,260	7,640	(620)
Liquor License transfer fee	4,800	4,800	5,355	555
Bay restoration collection fee	1,000	1,000	7,321	6,321
Health Ins Admin fee	800	800	1,218	418
Tourism promotion charges	70,000	70,000	80,253	10,253
Collection fees-special areas	49,000	49,000	57,972	8,972
Liquor License Collection fee	3,600	3,600	3,622	22
Hotel/Motel collection fee	16,000	16,000	17,703	1,703
Partial payment fee	1,000	1,000	1,964	964
Engineering fees	63,061	183,061	277,108	94,047
Miscellaneous general government	-	-	17,211	17,211
Indirect cost allocation	542,567	542,567	24,948	(517,619)
Sub-total general government charges	843,188	966,134	610,264	(355,870)
Public safety charges:				
Police protection charges	10,000	102,000	127,718	25,718
Fingerprinting fee	100	100	30	(70)
Impound fees	2,500	2,500	2,295	(205)
Jail work release	30,000	30,000	19,194	(10,806)
Boarding state prisoners	-	-	65,655	65,655
Boarding Federal prisoners	650,000	650,000	561,204	(88,796)
Community service fee	16,000	16,000	22,255	6,255
Home detention fee	35,000	35,000	34,302	(698)
Inmate Medical Copay	4,000	4,000	3,901	(99)
Building Inspection fees	25,000	25,000	13,240	(11,760)
Sub-total public safety charges	772,600	864,600	849,794	(14,806)
Sanitation and Waste Removal:				
Landfill fees	145,000	145,000	138,343	(6,657)
Recycling fees	85,000	85,000	54,428	(30,572)
Recycled material sales	15,000	15,000	17,878	2,878
Sub-total Sanitation and Waste	245,000	245,000	210,649	(34,351)

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES (Continued):</b>				
<u>Service Charges (continued):</u>				
Health service charges:				
Dog adoption fees	18,000	18,000	19,360	1,360
Sub-total Health service charges	18,000	18,000	19,360	1,360
Recreation Charges:				
Hotel fee, Rocky gap	160,000	160,000	145,469	(14,531)
Sub-total recreation service charges	160,000	160,000	145,469	(14,531)
Public service enterprises:				
Upper Potomac River Commission	294,393	294,393	294,393	-
Job access fares	15,750	15,750	-	(15,750)
AllTrans fares	29,250	29,250	46,122	16,872
Road closing fees	450	450	300	(150)
Maintenance fees	-	-	-	-
Sub-total public service charges	339,843	339,843	340,815	972
Total Service Charges	2,378,631	2,593,577	2,176,351	(417,226)
<u>Fines and Forfeitures:</u>				
Circuit court fines	7,000	7,000	7,574	574
Contraband seizures	2,500	2,500	455	(2,045)
Dog ordinance fines	5,000	5,000	4,518	(482)
Other fines	7,600	7,600	22,682	15,082
Total Fines and Forfeitures	22,100	22,100	35,229	13,129
<u>Miscellaneous:</u>				
Interest	328,878	328,878	220,203	(108,675)
Rents and concessions	306,365	306,365	327,994	21,629
Miscellaneous	45,250	45,250	360,766	315,516
Total Miscellaneous	680,493	680,493	908,963	228,470
Total Revenues	76,539,873	77,638,590	79,703,650	2,065,060

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>				
<u>General Government:</u>				
Legislative:				
County Commissioners	174,940	174,940	160,804	14,136
County Commissioners Office	194,364	194,364	171,137	23,227
Total legislative	369,304	369,304	331,941	37,363
Judicial:				
Family Support Services	182,373	159,553	159,610	(57)
Alternative dispute resolution	7,500	7,500	4,981	2,519
Circuit court masters program	105,693	108,639	95,512	13,127
Circuit court	358,716	358,716	313,117	45,599
Orphans court	57,029	57,029	57,839	(810)
Family Law Master	59,010	59,010	54,970	4,040
State's attorney	1,158,308	1,158,308	1,119,026	39,282
Victim-Witness coordinator	9,469	9,469	9,469	-
Law library	19,620	19,620	19,620	-
Grand and petit juries	70,185	70,185	66,701	3,484
Total Judicial	2,027,903	2,008,029	1,900,845	107,184
Executive:				
Administrator	274,187	274,187	194,390	79,797
Elections:				
Registration and elections	431,804	431,804	347,508	84,296
Financial Administration:				
Finance Office	770,268	770,268	660,862	109,406
Tax Office	534,689	534,689	290,461	244,228
Professional services	50,000	50,000	48,053	1,947
Total Financial Administration	1,354,957	1,354,957	999,376	355,581
Legal:				
Legal counsel	184,688	184,688	156,650	28,038
Other legal/professional	81,000	76,750	46,318	30,432
Total legal	265,688	261,438	202,968	58,470
Personnel Administration:				
Human Resources department	325,489	325,489	247,704	77,785
Human resources board of appeals	5,579	5,579	1,855	3,724
Wellness/Employee recognition	26,428	26,428	19,942	6,486
Total personnel administration	357,496	357,496	269,501	87,995
Planning and Zoning:				
Planning and zoning department	526,737	526,737	500,087	26,650
Land use planning	146,328	146,328	141,266	5,062
Total Planning and Zoning	673,065	673,065	641,353	31,712
General Services:				
County Building Maintenance	1,288,800	1,282,251	1,202,111	80,140
Data Processing	251,240	251,240	185,963	65,277
Total general services	1,540,040	1,533,491	1,388,074	145,417

Continued



**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b>EXPENDITURES (Continued):</b>				
<u>General Government (continued):</u>				
Other general government:				
Liquor control board	107,885	107,885	106,858	1,027
Insurance	334,725	334,725	311,254	23,471
Employee benefits	167,000	167,000	51,268	115,732
Post retirement benefits	1,709,515	1,709,515	1,500,587	208,928
Total Other General Government	2,319,125	2,319,125	1,969,967	349,158
Total General Government	9,613,569	9,582,896	8,245,923	1,336,973
<u>Public Safety:</u>				
Police:				
Bureau of police	1,199,998	1,531,184	1,506,847	24,337
Sheriffs department	1,083,153	1,142,576	992,811	149,765
C31 Unit	13,000	13,000	7,141	5,859
Safe School	47,012	47,012	46,715	297
Juvenile review board	58,233	58,233	61,991	(3,758)
Parents and law enforcement	5,350	5,350	91	5,259
Total Police	2,406,746	2,797,355	2,615,596	181,759
Fire:				
Suppression of forest fires	1,000	1,000	-	1,000
Volunteer fire companies	1,024,487	1,024,487	985,512	38,975
Total Fire	1,025,487	1,025,487	985,512	39,975
Correction:				
County detention center maintenance	186,657	186,657	182,771	3,886
County detention center	6,860,045	6,860,045	6,360,827	499,218
JSA crisis intervention	36,396	36,396	18,004	18,392
Juvenile service grant	15,130	15,130	14,307	823
Alternative sentencing	161,570	158,007	143,762	14,245
Home detention grant	134,756	134,756	124,645	10,111
Total Correction	7,394,554	7,390,991	6,844,316	546,675
Other Protection:				
Permits & enforcement	345,206	345,206	314,415	30,791
Emergency Management Agency	264,626	264,626	257,308	7,318
Local emergency planning	8,900	8,900	6,579	2,321
Animal control	302,138	302,138	254,657	47,481
Animal shelter	85,952	85,952	81,592	4,360
911	1,726,091	1,726,091	1,709,051	17,040
Hazardous materials operations	74,700	74,700	63,606	11,094
Public safety department	218,748	173,748	171,505	2,243
Emergency medical assistance	70,000	70,000	60,254	9,746
Domestic preparedness grant	277,059	434,974	220,825	214,149
Community emergency response	6,000	6,000	-	6,000
Building Codes	124,229	124,229	111,358	12,871
Code Enforcement	97,716	97,716	88,626	9,090
Flood control	39,000	39,000	-	39,000
Transportation planning	172,521	172,521	116,735	55,786
Total Other Protection	3,812,886	3,925,801	3,456,511	469,290
Total Public Safety	14,639,673	15,139,634	13,901,935	1,237,699

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amount	
<b><u>EXPENDITURES (Continued):</u></b>				
<u>Public Works:</u>				
Public Services:				
Airport	240,000	240,000	240,000	-
Waste collection:				
Solid waste disposal	405,533	405,533	434,104	(28,571)
Solid waste recycling	166,920	184,010	172,262	11,748
UPRC	367,991	367,991	367,991	-
County engineer	1,306,153	1,426,153	1,358,597	67,556
Total Public Works	2,486,597	2,623,687	2,572,954	50,733
<u>Health and Hospitals:</u>				
Brook Building	221,760	221,760	152,956	68,804
Willowbrook Office	335,610	335,610	286,548	49,062
Health Department supplemental	33,753	33,753	32,685	1,068
Western Maryland Health Planning	7,348	7,348	7,348	-
Total Health and Hospitals	598,471	598,471	479,537	118,934
<u>Social Services:</u>				
Alltrans/Job access	781,847	769,247	786,289	(17,042)
Nursing Home costs	425,000	425,000	1,206,850	(781,850)
Pauper's burials	1,300	1,300	-	1,300
Human Resources Devel. Comm.	707,570	707,570	707,570	-
Emergency shelter grant	25,000	25,000	8,774	16,226
Child abuse coordinator	101,864	101,864	101,683	181
Family Crisis Center	88,000	88,000	88,000	-
Food distribution to the needy	18,000	18,000	11,897	6,103
Total Social Services	2,148,581	2,135,981	2,911,063	(775,082)
<u>Education:</u>				
State debt reimbursement	25,261	25,261	25,261	-
Total Education	25,261	25,261	25,261	-
<u>Recreation and Culture:</u>				
Agriculture Expo	14,000	16,850	16,850	-
Allegany County Arts Council	35,000	35,000	35,000	-
Allegany County fair	186,234	186,234	186,262	(28)
Fairgrounds maintenance	201,170	219,629	186,553	33,076
Highland trail operations	111,817	111,817	93,465	18,352
Cumberland Summer Theatre	8,000	8,000	8,000	-
Program Open Space	68,550	68,550	28,994	39,556
Total Recreation and Culture	624,771	646,080	555,124	90,956

(continued)

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b><u>EXPENDITURES (Continued):</u></b>				
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	128,730	128,730	123,170	5,560
Soil conservation services	170,860	170,860	158,903	11,957
Gypsy moth control	10,000	10,000	4,200	5,800
Total Conservation of Natural Resources	309,590	309,590	286,273	23,317
<u>Community Development &amp; Housing</u>				
Office of Community Assistance	125,600	125,600	109,218	16,382
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	133,600	133,600	117,218	16,382
<u>Economic Development:</u>				
Department of Economic Development	518,064	513,064	478,002	35,062
Scenic railroad development	170,000	170,000	170,000	-
Tri-County Council	50,000	50,000	50,000	-
Tourism department	597,190	583,990	589,812	(5,822)
Toll House	6,400	6,400	551	5,849
Thrasher Museum	102,000	102,000	102,000	-
Community promotion	11,000	9,200	6,000	3,200
Canal Place Preservation	25,000	25,000	36,647	(11,647)
Total Economic Development	1,479,654	1,459,654	1,433,012	26,642
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,205,466	1,205,466	1,204,448	1,018
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,243,970	1,243,970	1,242,952	1,018
<u>Miscellaneous:</u>				
Contingency	-	(420,998)	-	(420,998)
Miscellaneous	25,600	25,600	18,119	7,481
Total Miscellaneous	25,600	(395,398)	18,119	(413,517)
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	28,165,000	28,200,000	28,200,000	-
Allegany College	7,350,000	7,425,000	7,425,000	-
Allegany County Library	905,000	905,000	905,000	-
Information Technology	348,334	348,334	348,334	-
Total payments to component units	36,768,334	36,878,334	36,878,334	-
Total Expenditures	70,097,671	70,381,760	68,667,705	1,714,055
Excess (deficiency) of revenues over (under) expenditures	6,442,202	7,256,830	11,035,945	3,779,115

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

OTHER FINANCING SOURCES (USES)	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Unexpended balance - prior years</u>	<u>4,335,460</u>	<u>4,801,856</u>	<u>-</u>	<u>(4,801,856)</u>
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds	45,380	45,380	45,380	-
Transfer from debt service fund	135,000	135,000	230,496	95,496
Transfers from capital project funds	-	386,000	386,000	-
Transfers from enterprise funds	46,085	46,085	3,396,367	3,350,282
Total Transfers In	<u>226,465</u>	<u>612,465</u>	<u>4,058,243</u>	<u>3,445,778</u>
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Highway fund	(4,531,112)	(6,385,340)	(6,290,358)	94,982
Transit Fund	(275,501)	(115,823)	(250,000)	(134,177)
Housing & Section 8 fund	(217,027)	(205,277)	(175,247)	30,030
Narcotics Task Force	(12,000)	(12,000)	(11,526)	474
Public Safety Fund	(633,083)	(646,307)	(572,000)	74,307
Debt service Fund:				
From General government	(5,044,767)	(5,044,767)	(4,873,222)	171,545
From Bureau of Police	(52,573)	(52,573)	(45,282)	7,291
From Sheriff department	(45,232)	(45,232)	(45,232)	-
Capital projects funds:				
Capital Projects Fund	-	-	(500,000)	(500,000)
Pay-As-You-GO Capital Proj. Fund	-	-	(1,004,975)	(1,004,975)
Enterprise funds:				
Water fund	-	-	(4,579)	(4,579)
Sanitary fund	(207,832)	(207,832)	(206,115)	1,717
Total operating transfers to other funds	<u>(11,019,127)</u>	<u>(12,715,151)</u>	<u>(13,978,536)</u>	<u>(1,263,385)</u>
<u>Sale of capital assets</u>	<u>15,000</u>	<u>44,000</u>	<u>77,525</u>	<u>33,525</u>
Total Other Financing Sources and Uses	<u>(6,442,202)</u>	<u>(7,256,830)</u>	<u>(9,842,768)</u>	<u>(2,585,938)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	1,193,177	<u>1,193,177</u>
Fund balance, beginning			15,779,273	
Fund balance, ending			<u>\$ 16,972,450</u>	

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
HIGHWAY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Taxes - State shared	2,051,000	125,430	227,622	102,192
Intergovernmental:				
Federal	-	-	64,305	64,305
State	-	-	-	-
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>2,051,000</u>	<u>125,430</u>	<u>291,927</u>	<u>166,497</u>
<b>EXPENDITURES</b>				
Public works - Highway	<u>6,832,112</u>	<u>6,760,770</u>	<u>6,799,866</u>	<u>(39,096)</u>
Total Expenditures	<u>6,832,112</u>	<u>6,760,770</u>	<u>6,799,866</u>	<u>(39,096)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,781,112)</u>	<u>(6,635,340)</u>	<u>(6,507,939)</u>	<u>127,401</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Unexpended balance - prior years	-	-	-	-
Transfer from other funds	4,781,112	6,635,340	6,392,744	(242,596)
Transfers to other funds	-	-	-	-
Total Other Financing Sources and Uses	<u>4,781,112</u>	<u>6,635,340</u>	<u>6,392,744</u>	<u>(242,596)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(115,195)</u>	<u>(115,195)</u>
Fund balance, beginning			<u>(69,854)</u>	
Fund balance, ending			<u>(185,049)</u>	

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**REVOLVING BUILDING FUND SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b>REVENUES:</b>				
Intergovernmental:				
Federal	60,000	60,000	-	(60,000)
State	50,500	50,500	170,501	120,001
Interest	-	-	712	712
Miscellaneous	3,128,709	3,128,709	3,015,676	(113,033)
Total Revenues	3,239,209	3,239,209	3,186,889	(52,320)
<b>EXPENDITURES</b>				
Economic development	3,876,003	3,876,003	584,508	3,291,495
Total Expenditures	3,876,003	3,876,003	584,508	3,291,495
Excess (deficiency) of revenues over (under) expenditures	(636,794)	(636,794)	2,602,381	3,239,175
<b>OTHER FINANCING SOURCES AND USES:</b>				
Unexpended balance - prior years	2,202,409	2,202,409	-	(2,202,409)
Transfer from other funds	-	-	-	-
Transfers to other funds	(1,565,615)	(1,565,615)	(1,618,811)	(53,196)
Proceeds from debt issuance	-	-	-	-
Sale of capital assets	-	-	129,461	129,461
Total Other Financing Sources and Uses	636,794	636,794	(1,489,350)	(2,126,144)
Net change in fund balances	-	-	1,113,031	1,113,031
Fund balance, beginning			4,839,641	
Fund balance, ending			5,952,672	

**Notes to Required Supplementary Information**  
**June 30, 2010**

**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, 2010**

	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
<b>ASSETS:</b>						
Cash	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ 500
Cash - restricted	-	-	-	-	55,139	-
Investments	469,553	-	-	-	-	100,000
Receivables						
Notes and loans	-	-	-	493,310	-	-
Other	311	277,419	-	-	1,829	24
Due from other funds	210,523	-	5,541	105,177	130,159	91,940
Inventory	-	68,632	-	-	-	-
Prepays	-	-	-	-	-	-
Total Assets	<u>680,387</u>	<u>346,201</u>	<u>5,541</u>	<u>598,487</u>	<u>187,127</u>	<u>192,464</u>
<b>LIABILITIES:</b>						
Accounts payable	-	85,362	-	3,761	121,959	10,823
Accrued payroll	-	14,395	-	-	2,297	-
Accrued payroll fringe	-	6,968	-	-	1,400	-
Due to other funds	-	256,472	-	-	-	-
Amounts held in escrow	-	-	-	-	55,139	141,756
Unearned revenue	-	-	1,753	493,310	6,332	-
Miscellaneous	-	2,402	-	-	-	-
Total Liabilities	<u>-</u>	<u>365,599</u>	<u>1,753</u>	<u>497,071</u>	<u>187,127</u>	<u>152,579</u>
<b>FUND BALANCES</b>						
Reserved:						
For noncurrent assets	-	-	-	101,416	-	-
For prepaid items	-	-	-	-	-	-
For inventories	-	-	-	-	-	-
For fund projects/programs	-	-	-	-	-	-
Unreserved/Designated:						
For next fiscal year	-	-	-	-	-	-
For specific programs	680,387	-	3,788	-	-	39,885
Undesignated	-	(19,398)	-	-	-	-
Total Fund Balances	<u>680,387</u>	<u>(19,398)</u>	<u>3,788</u>	<u>101,416</u>	<u>-</u>	<u>39,885</u>
Total Liabilities and Fund Balances	<u>\$ 680,387</u>	<u>\$ 346,201</u>	<u>\$ 5,541</u>	<u>\$ 598,487</u>	<u>\$ 187,127</u>	<u>\$ 192,464</u>

**ALLEGANY COUNTY, MARYLAND  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2010**

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	
\$ -	\$ -	\$ 650	\$ -	\$ -	\$ -	\$ -	\$ 650
-	-	55,139	-	-	-	-	55,139
-	254,829	824,382	142,528	1,618,062	557,168	2,175,230	3,142,140
-	-	493,310	-	-	-	-	493,310
13,361	15,774	308,718	1,781	57,574	535,634	593,208	903,707
1,368,304	945,117	2,856,761	170,923	962,980	-	962,980	3,990,664
-	-	68,632	-	-	-	-	68,632
-	-	-	-	-	-	-	-
<u>1,381,665</u>	<u>1,215,720</u>	<u>4,607,592</u>	<u>315,232</u>	<u>2,638,616</u>	<u>1,092,802</u>	<u>3,731,418</u>	<u>8,654,242</u>
319,823	18,652	560,380	-	158,584	83,624	242,208	802,588
2,914	10,456	30,062	-	-	-	-	30,062
239	3,232	11,839	-	-	-	-	11,839
-	-	256,472	-	-	3,715	3,715	260,187
-	-	196,895	-	-	-	-	196,895
-	-	501,395	-	-	-	-	501,395
-	-	2,402	-	-	-	-	2,402
<u>322,976</u>	<u>32,340</u>	<u>1,559,445</u>	<u>-</u>	<u>158,584</u>	<u>87,339</u>	<u>245,923</u>	<u>1,805,368</u>
-	-	101,416	-	-	-	-	101,416
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	517,752	517,752	-	-	589,963	589,963	1,107,715
-	-	-	106,963	110,500	415,500	526,000	632,963
1,058,689	665,628	2,448,377	208,269	2,369,532	-	2,369,532	5,026,178
-	-	(19,398)	-	-	-	-	(19,398)
<u>1,058,689</u>	<u>1,183,380</u>	<u>3,048,147</u>	<u>315,232</u>	<u>2,480,032</u>	<u>1,005,463</u>	<u>3,485,495</u>	<u>6,848,874</u>
<u>\$ 1,381,665</u>	<u>\$ 1,215,720</u>	<u>\$ 4,607,592</u>	<u>\$ 315,232</u>	<u>\$ 2,638,616</u>	<u>\$ 1,092,802</u>	<u>\$ 3,731,418</u>	<u>\$ 8,654,242</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	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
<b>REVENUES:</b>						
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	126,675	-	-	-	-	-
Intergovernmental:						
Federal	-	1,477,722	230,394	2,284	731,609	-
State	-	180,527	-	-	169,645	-
Other	-	-	16,700	-	2,250	-
Service charges	-	201,589	-	-	8,800	-
Fines and forfeitures	-	-	-	-	-	79,143
Interest	6,880	-	-	-	-	925
Miscellaneous	-	7,931	-	59,568	808	-
Total Revenues	<u>133,555</u>	<u>1,867,769</u>	<u>247,094</u>	<u>61,852</u>	<u>913,112</u>	<u>80,068</u>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	103,220
Public works	-	2,309,063	-	-	-	-
Highways	70,336	-	-	-	-	-
Community Development and Housing	-	-	245,635	106,202	1,097,234	-
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	<u>70,336</u>	<u>2,309,063</u>	<u>245,635</u>	<u>106,202</u>	<u>1,097,234</u>	<u>103,220</u>
Excess (deficiency) of revenues over (under) expenditures	<u>63,219</u>	<u>(441,294)</u>	<u>1,459</u>	<u>(44,350)</u>	<u>(184,122)</u>	<u>(23,152)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	250,000	-	-	175,247	11,526
Transfers out	(102,385)	(42,411)	-	-	-	-
Debt issued	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-
Sale of capital assets	-	1,266	-	-	-	9,276
Total Other Financing Sources and uses	<u>(102,385)</u>	<u>208,855</u>	<u>-</u>	<u>-</u>	<u>175,247</u>	<u>20,802</u>
Net change in fund balances	(39,166)	(232,439)	1,459	(44,350)	(8,875)	(2,350)
Fund balance, beginning,	719,553	213,041	2,329	145,766	8,875	42,235
Fund balance, ending	<u>\$ 680,387</u>	<u>\$ (19,398)</u>	<u>\$ 3,788</u>	<u>\$ 101,416</u>	<u>\$ -</u>	<u>\$ 39,885</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
425,295	-	551,970	-	-	-	-	551,970
-	74,716	2,516,725	-	-	82,500	82,500	2,599,225
-	248,150	598,322	-	25,398	535,265	560,663	1,158,985
-	-	18,950	-	-	-	-	18,950
41,000	127,245	378,634	-	-	-	-	378,634
-	-	79,143	-	-	-	-	79,143
-	1,595	9,400	1,782	12,965	2,502	15,467	26,649
-	59,545	127,852	-	-	-	-	127,852
466,295	511,251	4,280,996	1,782	38,363	620,267	658,630	4,941,408
122,974	-	122,974	-	-	-	-	122,974
90,841	807,574	1,001,635	-	-	-	-	1,001,635
-	-	2,309,063	-	-	-	-	2,309,063
-	-	70,336	-	-	-	-	70,336
-	-	1,449,071	-	-	-	-	1,449,071
-	-	-	-	-	-	-	-
-	-	-	2,750	-	-	-	2,750
-	-	-	4,887,794	-	-	-	4,887,794
-	-	-	1,732,167	-	-	-	1,732,167
-	-	-	-	9,100	18,100	27,200	27,200
-	-	-	-	245,202	692,034	937,236	937,236
-	-	-	-	766,799	-	766,799	766,799
-	-	-	-	-	136,115	136,115	136,115
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,288	3,288	3,288
318,587	-	318,587	-	-	-	-	318,587
532,402	807,574	5,271,666	6,622,711	1,021,101	849,537	1,870,638	13,765,015
(66,107)	(296,323)	(990,670)	(6,620,929)	(982,738)	(229,270)	(1,212,008)	(8,823,607)
-	572,000	1,008,773	6,552,728	1,004,975	-	1,004,975	8,566,476
-	-	(144,796)	(230,496)	(421,360)	-	(421,360)	(796,652)
-	-	-	-	-	-	-	-
-	-	-	-	63,719	-	63,719	63,719
-	-	10,542	-	-	-	-	10,542
-	572,000	874,519	6,322,232	647,334	-	647,334	7,844,085
(66,107)	275,677	(116,151)	(298,697)	(335,404)	(229,270)	(564,674)	(979,522)
1,124,796	907,703	3,164,298	613,929	2,815,436	1,234,733	4,050,169	7,828,396
\$ 1,058,689	\$ 1,183,380	\$ 3,048,147	\$ 315,232	\$ 2,480,032	\$ 1,005,463	\$ 3,485,495	\$ 6,848,874

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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 also 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, 2010**

		Allegany County Loan Fund	
<b>ASSETS</b>	Allconet II		Total
Current Assets:			
Cash:			
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	45,971	64,555	110,526
Other	40,537	-	40,537
Due from other funds	-	694,412	694,412
Miscellaneous assets	-	-	-
Total current assets	<u>86,508</u>	<u>758,967</u>	<u>845,475</u>
Non-current Assets:			
Advances to other funds	-	416,187	416,187
Capital assets subject to depreciation	3,616,904	-	3,616,904
Accumulated depreciation	<u>(2,365,478)</u>	<u>-</u>	<u>(2,365,478)</u>
Total noncurrent assets	<u>1,251,426</u>	<u>416,187</u>	<u>1,667,613</u>
Total Assets	<u>1,337,934</u>	<u>1,175,154</u>	<u>2,513,088</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	498	-	498
Due to other funds	7,862	-	7,862
Miscellaneous liabilities	-	-	-
Total current liabilities	<u>8,360</u>	<u>-</u>	<u>8,360</u>
Noncurrent Liabilities:			
Long term debt:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>8,360</u>	<u>-</u>	<u>8,360</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	1,251,426	-	1,251,426
Unrestricted	78,148	1,175,154	1,253,302
Total Net Assets	<u>\$ 1,329,574</u>	<u>\$ 1,175,154</u>	<u>\$ 2,504,728</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, 2010**

	Allconet II	Allegany County Loan Fund	Total
<b><u>OPERATING REVENUES:</u></b>			
Service charges	\$ 124,134	\$ -	\$ 124,134
Miscellaneous	-	-	-
Total Operating Revenues	<u>124,134</u>	<u>-</u>	<u>124,134</u>
<b><u>OPERATING EXPENSES:</u></b>			
Office expenses	15,302	-	15,302
Utilities	7,081	-	7,081
Repairs & maintenance	27,385	-	27,385
Professional services	1,460	-	1,460
Materials and supplies	673	-	673
Insurance	7,670	-	7,670
Miscellaneous	3,945	-	3,945
Depreciation	<u>549,942</u>	<u>-</u>	<u>549,942</u>
Total operating expenses	<u>613,458</u>	<u>-</u>	<u>613,458</u>
Operating Income (Loss)	<u>(489,324)</u>	<u>-</u>	<u>(489,324)</u>
<b><u>NON-OPERATING REVENUE (EXPENSES):</u></b>			
Interest income	2,566	-	2,566
Other income (expense)	-	-	-
Total non-operating revenue (expenses)	<u>2,566</u>	<u>-</u>	<u>2,566</u>
Income (Loss) before contributions and transfers	(486,758)	-	(486,758)
Transfer in	-	-	-
Transfer out	-	(32,035)	(32,035)
Change in net assets	<u>(486,758)</u>	<u>(32,035)</u>	<u>(518,793)</u>
Total net assets - beginning	1,816,332	1,207,189	3,023,521
Total net assets - ending	<u>\$ 1,329,574</u>	<u>\$ 1,175,154</u>	<u>\$ 2,504,728</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Allconet II	Allegany County Loan Fund	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 134,007	\$ 32,034	\$ 166,041
Cash payments for goods and services	(63,354)	-	(63,354)
Other operating revenues	-	-	-
Net cash provided by operating activities	<u>70,653</u>	<u>32,034</u>	<u>102,687</u>
<b>Cash flows from noncapital financing activities:</b>			
Advances from other funds	99,953	15,561	115,514
Advances to other funds	(137,157)	(15,561)	(152,718)
Transfers from other funds	-	-	-
Transfers to other funds	-	(32,034)	(32,034)
Net cash provided by noncapital financing activities	<u>(37,204)</u>	<u>(32,034)</u>	<u>(69,238)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(36,015)	-	(36,015)
Proceeds from sale of assets	-	-	-
Net cash used for capital and related financing activities	<u>(36,015)</u>	<u>-</u>	<u>(36,015)</u>
<b>Cash flows from investing activities:</b>			
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest on investments	2,566	-	2,566
Net cash used in investing activities	<u>2,566</u>	<u>-</u>	<u>2,566</u>
Net increase (decrease) in cash	-	-	-
Cash at beginning of the year	-	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	<u>\$ (489,324)</u>	<u>\$ -</u>	<u>\$ (489,324)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	549,942	-	549,942
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	9,873	32,034	41,907
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in acc'ts payable	162	-	162
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	<u>559,977</u>	<u>32,034</u>	<u>592,011</u>
Net cash provided by operating activities	<u>\$ 70,653</u>	<u>\$ 32,034</u>	<u>\$ 102,687</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, 2010**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Revenues:</b>				
Interest	-	-	1,782	1,782
<b>Expenditures:</b>				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 2,750	\$ 22,250
Debt Service:				
Principal payments on :				
General obligation debt	4,546,296	4,546,296	4,433,263	113,033
State loans	460,301	460,301	454,531	5,770
Total principal payments	5,006,597	5,006,597	4,887,794	118,803
Interest payments on:				
General obligation debt	1,670,695	1,670,695	1,560,162	110,533
State loans	171,060	171,060	172,005	(945)
Total interest payments	1,841,755	1,841,755	1,732,167	109,588
Total Expenditures	6,873,352	6,873,352	6,622,711	250,641
Deficiency of revenues under expenditures	(6,873,352)	(6,873,352)	(6,620,929)	252,423
<b>Other Financing Sources and (Uses):</b>				
Unexpended fund balance	329,982	329,982	-	(329,982)
Transfers from other funds:				
From the General Fund	5,142,572	5,142,572	4,963,736	(178,836)
From the Transit Fund	42,411	42,411	42,411	-
From the Revolving Building Fund	1,493,387	1,493,387	1,546,581	53,194
From the Capital Projects Fund	-	-	-	-
Transfer to the General Fund	(135,000)	(135,000)	(230,496)	(95,496)
Total Other Financing Sources and Uses	6,873,352	6,873,352	6,322,232	(551,120)
Net change in fund balances	\$ -	\$ -	(298,697)	\$ (298,697)
Fund balance, beginning			613,929	
Fund balance, ending			\$ 315,232	

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	<b>Highway Fund</b>				<b>Coal Haul Roads Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes - State Shared	\$ 2,051,000	\$ 125,430	\$ 227,622	\$ 102,192	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	95,000	95,000	126,675	31,675
Intergovernmental:								
Federal	-	-	64,305	64,305	-	-	-	-
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	10,000	10,000	6,880	(3,120)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>2,051,000</u>	<u>125,430</u>	<u>291,927</u>	<u>166,497</u>	<u>105,000</u>	<u>105,000</u>	<u>133,555</u>	<u>28,555</u>
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	6,832,112	6,760,770	6,799,866	(39,096)	-	-	70,336	(70,336)
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	<u>6,832,112</u>	<u>6,760,770</u>	<u>6,799,866</u>	<u>(39,096)</u>	<u>-</u>	<u>-</u>	<u>70,336</u>	<u>(70,336)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,781,112)</u>	<u>(6,635,340)</u>	<u>(6,507,939)</u>	<u>127,401</u>	<u>105,000</u>	<u>105,000</u>	<u>63,219</u>	<u>(41,781)</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year	-	-	-	-	145,000	145,000	-	(145,000)
Transfer from other funds	4,781,112	6,635,340	6,392,744	(242,596)	-	-	-	-
Transfers to other funds	-	-	-	-	(250,000)	(250,000)	(102,385)	147,615
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>4,781,112</u>	<u>6,635,340</u>	<u>6,392,744</u>	<u>(242,596)</u>	<u>(105,000)</u>	<u>(105,000)</u>	<u>(102,385)</u>	<u>2,615</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(115,195)</u>	<u>\$ (115,195)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(39,166)</u>	<u>\$ (39,166)</u>
Fund balance, beginning,								
As adjusted			(69,854)				719,553	
Fund balance, ending			<u>\$ (185,049)</u>				<u>\$ 680,387</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, 2010**

<b>Transit Fund</b>				<b>Community Development Block Grant Fund</b>			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
1,367,840	1,469,995	1,477,722	7,727	100,000	100,000	230,394	130,394
316,570	316,570	180,527	(136,043)	-	-	-	-
-	-	-	-	42,500	42,500	16,700	(25,800)
217,000	217,000	201,589	(15,411)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
6,000	6,000	9,197	3,197	-	-	-	-
<u>1,907,410</u>	<u>2,009,565</u>	<u>1,869,035</u>	<u>(140,530)</u>	<u>142,500</u>	<u>142,500</u>	<u>247,094</u>	<u>104,594</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,190,500	2,132,977	2,309,063	(176,086)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	142,500	142,500	245,635	(103,135)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,190,500</u>	<u>2,132,977</u>	<u>2,309,063</u>	<u>(176,086)</u>	<u>142,500</u>	<u>142,500</u>	<u>245,635</u>	<u>(103,135)</u>
<u>(283,090)</u>	<u>(123,412)</u>	<u>(440,028)</u>	<u>(316,616)</u>	<u>-</u>	<u>-</u>	<u>1,459</u>	<u>1,459</u>
50,000	50,000	-	(50,000)	-	-	-	-
275,501	115,823	250,000	134,177	-	-	-	-
(42,411)	(42,411)	(42,411)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>283,090</u>	<u>123,412</u>	<u>207,589</u>	<u>84,177</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(232,439)</u>	<u>\$ (232,439)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,459</u>	<u>\$ 1,459</u>
		<u>213,041</u>				<u>2,329</u>	
		<u>\$ (19,398)</u>				<u>\$ 3,788</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, 2010**

	<b>Block Grant Program Income Fund</b>				<b>Community Development &amp; Housing Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	-	-	2,284	2,284	957,491	957,491	731,609	(225,882)
State	-	-	-	-	281,000	281,000	169,645	(111,355)
Other	-	-	-	-	7,500	7,500	2,250	(5,250)
Service charges	-	-	-	-	26,800	26,800	8,800	(18,000)
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	46,400	46,400	59,568	13,168	1,000	1,000	808	(192)
Total Revenues	<u>46,400</u>	<u>46,400</u>	<u>61,852</u>	<u>15,452</u>	<u>1,273,791</u>	<u>1,273,791</u>	<u>913,112</u>	<u>(360,679)</u>
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	221,400	221,400	106,202	115,198	1,490,818	1,479,068	1,097,234	381,834
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	<u>221,400</u>	<u>221,400</u>	<u>106,202</u>	<u>115,198</u>	<u>1,490,818</u>	<u>1,479,068</u>	<u>1,097,234</u>	<u>381,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(175,000)</u>	<u>(175,000)</u>	<u>(44,350)</u>	<u>130,650</u>	<u>(217,027)</u>	<u>(205,277)</u>	<u>(184,122)</u>	<u>21,155</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year:	175,000	175,000	-	(175,000)	-	-	-	-
Transfer from other funds	-	-	-	-	217,027	205,277	175,247	(30,030)
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>175,000</u>	<u>175,000</u>	<u>-</u>	<u>(175,000)</u>	<u>217,027</u>	<u>205,277</u>	<u>175,247</u>	<u>(30,030)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(44,350)</u>	<u>\$ (44,350)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(8,875)</u>	<u>\$ (8,875)</u>
Fund balance, beginning								
As adjusted			145,766				8,875	
Fund balance, ending			<u>\$ 101,416</u>				<u>\$ -</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, 2010

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	456,001	456,001	425,295	(30,706)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,300	50,300	79,143	28,843	41,000	41,000	41,000	-
-	-	925	2,397	-	-	-	-
-	-	-	-	-	-	-	-
<u>50,300</u>	<u>50,300</u>	<u>80,068</u>	<u>31,240</u>	<u>497,001</u>	<u>497,001</u>	<u>466,295</u>	<u>(30,706)</u>
-	-	-	-	132,730	132,730	122,974	9,756
62,300	62,300	103,220	(40,920)	91,068	91,068	90,841	227
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>62,300</u>	<u>62,300</u>	<u>103,220</u>	<u>(40,920)</u>	<u>273,203</u>	<u>273,203</u>	<u>318,587</u>	<u>(45,384)</u>
				<u>497,001</u>	<u>497,001</u>	<u>532,402</u>	<u>(35,401)</u>
<u>(12,000)</u>	<u>(12,000)</u>	<u>(23,152)</u>	<u>(9,680)</u>	<u>-</u>	<u>-</u>	<u>(66,107)</u>	<u>(66,107)</u>
-	-	-	-	-	-	-	-
12,000	12,000	11,526	(474)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	9,276	9,276	-	-	-	-
<u>12,000</u>	<u>12,000</u>	<u>20,802</u>	<u>8,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(2,350)</u>	<u>\$ (878)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(66,107)</u>	<u>\$ (66,107)</u>
		<u>42,235</u>				<u>1,124,796</u>	
		<u>\$ 39,885</u>				<u>\$ 1,058,689</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, 2010**

	<b>Revolving Building Fund</b>				<b>Fire, Rescue &amp; Public Safety Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	60,000	60,000	-	(60,000)	75,476	75,476	74,716	(760)
State	50,500	50,500	170,501	120,001	205,212	205,212	248,150	42,938
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	91,000	91,000	127,245	36,245
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	712	712	4,000	4,000	1,595	(2,405)
Miscellaneous	3,128,709	3,128,709	3,015,676	(113,033)	58,000	58,000	59,545	1,545
Total Revenues	3,239,209	3,239,209	3,186,889	(52,320)	433,688	433,688	511,251	77,563
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,316,983	1,330,207	807,574	522,633
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	3,876,003	3,876,003	584,508	3,291,495	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	3,876,003	3,876,003	584,508	3,291,495	1,316,983	1,330,207	807,574	522,633
Excess (deficiency) of revenues over (under) expenditures	(636,794)	(636,794)	2,602,381	3,239,175	(883,295)	(896,519)	(296,323)	600,196
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year:	2,202,409	2,202,409	-	(2,202,409)	250,212	250,212	-	(250,212)
Transfer from other funds	-	-	-	-	633,083	646,307	572,000	(74,307)
Transfers to other funds	(1,565,615)	(1,565,615)	(1,618,811)	(53,196)	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	129,461	129,461	-	-	-	-
Total Other Financing Sources and Uses	636,794	636,794	(1,489,350)	(2,126,144)	883,295	896,519	572,000	(324,519)
Net change in fund balances	\$ -	\$ -	1,113,031	\$ 1,113,031	\$ -	\$ -	275,677	\$ 275,677
Fund balance, beginning								
As adjusted			4,839,641				907,703	
Fund balance, ending			<u>\$ 5,952,672</u>				<u>\$ 1,183,380</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, 2010

Total Special Revenue Funds			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ 2,051,000	\$ 125,430	\$ 227,622	\$ 102,192
551,001	551,001	551,970	969
2,560,807	2,662,962	2,581,030	(81,932)
853,282	853,282	768,823	(84,459)
50,000	50,000	18,950	(31,050)
375,800	375,800	378,634	2,834
50,300	50,300	79,143	28,843
14,000	14,000	10,112	(3,888)
3,240,109	3,240,109	3,144,794	(95,315)
9,746,299	7,922,884	7,761,078	(161,806)
132,730	132,730	122,974	9,756
1,470,351	1,483,575	1,001,635	481,940
2,190,500	2,132,977	2,309,063	(176,086)
-	-	-	-
6,832,112	6,760,770	6,870,202	(109,432)
-	-	-	-
1,854,718	1,842,968	1,449,071	393,897
3,876,003	3,876,003	584,508	3,291,495
-	-	-	-
273,203	273,203	318,587	(45,384)
16,629,617	16,502,226	12,656,040	3,846,186
(6,883,318)	(8,579,342)	(4,894,962)	3,684,380
2,822,621	2,822,621	-	(2,822,621)
5,918,723	7,614,747	7,401,517	(213,230)
(1,858,026)	(1,858,026)	(1,763,607)	94,419
-	-	-	-
-	-	138,737	138,737
6,883,318	8,579,342	5,776,647	(2,802,695)
\$ -	\$ -	881,685	\$ 881,685
		7,934,085	
		\$ 8,815,770	

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECT FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2010**

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Intergovernmental								
Federal grants	\$ 150,000	\$ 150,000	\$ 5,018,302	\$ 4,868,302	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
State grants	5,500,000	5,500,000	388,716	(5,111,284)	107,600	107,600	-	(107,600)
Other	-	-	-	-	-	-	25,398	25,398
Service charges			47,236	47,236	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	-	-	12,965	12,965
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>5,650,000</u>	<u>5,650,000</u>	<u>5,454,254</u>	<u>(195,746)</u>	<u>157,600</u>	<u>157,600</u>	<u>38,363</u>	<u>(119,237)</u>
<b>EXPENDITURES:</b>								
General Government	-	-	-	-	-	-	9,100	(9,100)
Public Safety	-	-	2,078,857	(2,078,857)	200,000	200,000	245,202	(45,202)
Public Works	5,678,000	5,678,000	3,778,303	1,899,697	577,300	577,300	766,799	(189,499)
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	-	-	46,527	(46,527)	-	-	-	-
Recreation, Culture & Libraries	-	-	-	-	45,000	45,000	-	45,000
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic Development	-	-	71	(71)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	151,000	151,000	-	151,000	-	-	-	-
Total Expenditures	<u>5,829,000</u>	<u>5,829,000</u>	<u>5,903,758</u>	<u>(74,758)</u>	<u>822,300</u>	<u>822,300</u>	<u>1,021,101</u>	<u>(198,801)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(179,000)</u>	<u>(179,000)</u>	<u>(449,504)</u>	<u>(270,504)</u>	<u>(664,700)</u>	<u>(664,700)</u>	<u>(982,738)</u>	<u>(318,038)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>								
Unexpended fund balance	179,000	179,000	-	(179,000)	664,700	664,700	-	(664,700)
Transfers In:								
From other funds	-	-	535,360	535,360	-	-	1,004,975	1,004,975
Transfers Out:								
To other funds	-	-	-	-	-	-	(421,360)	(421,360)
Debt issued	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	63,719	63,719
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Uses	<u>179,000</u>	<u>179,000</u>	<u>535,360</u>	<u>356,360</u>	<u>664,700</u>	<u>664,700</u>	<u>647,334</u>	<u>(17,366)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>85,856</u>	<u>\$ 85,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(335,404)</u>	<u>\$ (335,404)</u>
Fund balance, beginning			33,788				2,815,436	
Fund balance, ending			<u>\$ 119,644</u>				<u>\$ 2,480,032</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, 2010**

Public Improvement Bonds Capital Projects Fund				Total All Capital Projects			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ 82,500	\$ 82,500	\$ 200,000	\$ 200,000	\$ 5,100,802	\$ 4,900,802
580,000	580,000	535,265	(44,735)	6,187,600	6,187,600	923,981	(5,263,619)
-	-	-	-	-	-	25,398	25,398
-	-	-	-	-	-	47,236	47,236
-	-	2,502	2,502	-	-	-	-
-	-	-	-	-	-	15,467	15,467
580,000	580,000	620,267	40,267	6,387,600	6,387,600	6,112,884	(274,716)
-	-	18,100	(18,100)	-	-	27,200	(27,200)
995,000	995,000	692,034	302,966	1,195,000	1,195,000	3,016,093	(1,821,093)
-	-	-	-	6,255,300	6,255,300	4,545,102	1,710,198
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	136,115	(136,115)	-	-	182,642	(182,642)
-	-	-	-	45,000	45,000	-	45,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	71	(71)
-	-	3,288	(3,288)	-	-	3,288	(3,288)
-	-	-	-	151,000	151,000	-	151,000
995,000	995,000	849,537	145,463	7,646,300	7,646,300	7,774,396	(128,096)
(415,000)	(415,000)	(229,270)	185,730	(1,258,700)	(1,258,700)	(1,661,512)	(402,812)
415,000	415,000	-	(415,000)	1,258,700	1,258,700	-	(1,258,700)
-	-	-	-	-	-	1,540,335	1,540,335
-	-	-	-	-	-	(421,360)	(421,360)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	63,719	63,719
415,000	415,000	-	(415,000)	1,258,700	1,258,700	1,182,694	(76,006)
\$ -	\$ -	(229,270)	\$ (229,270)	\$ -	\$ -	(478,818)	\$ (478,818)
		1,234,733				4,083,957	
		<u>\$ 1,005,463</u>				<u>\$ 3,605,139</u>	

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**CAPITAL PROJECT FUNDS**

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

**FROM INCEPTION TO JUNE 30, 2010**

ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

	Proj. No.	Project Length Budget	Revenues and other Sources				
			Federal Grants	State Grants	Other Intergov'l	Service Charges	Miscellaneous. Revenues
Capital Improvement Projects Fund							
Continuity operations	4081	-	1,999,646	-	-	-	-
Shaft Bureau of Mines	4082	-	-	388,716	-	-	-
New Hope Bridge	4083	-	-	-	-	-	-
Cash Valley Road	4084	-	662,648	-	-	-	-
Flood Projects	4085	-	124,597	-	-	-	-
AC Auto Tech Building	4086	-	-	-	-	-	-
Dry Run Phase II	409L	520,000	292,086	-	-	-	-
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
Flood Gate, Savage Dam	409S	3,715,000	2,624,576	-	-	346,401	-
Potomac River Water	409T	70,000	15,000	-	-	-	-
Flood Mitigation, PDM Scattered	409X	53,000	158,247	-	-	-	-
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>10,616,446</u>	<u>6,507,743</u>	<u>62,132</u>	<u>346,401</u>	<u>4,462,884</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
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	-	25,398	-	-	-
Capital Project Reserves	4181	4,779,154	-	-	-	-	2,922,185
			<u>-</u>	<u>47,398</u>	<u>-</u>	<u>16,392</u>	<u>3,119,458</u>
Public Improvement Bonds Capital Project Fund							
Computer aided dispatcher	432B	702,000	-	-	-	-	-
Bond Interest	432Z	15,444	-	-	-	-	17,946
Bond closing costs	4321	46,800	-	-	-	-	-
Library - LaVale parking lot	4322	34,000	-	-	-	-	-
Braddock Run Restoration	4323	800,000	82,500	475,000	-	-	500
Jennings Run Restoration	4324	800,000	-	450,000	-	-	-
Allegany College, Library	4325	1,160,000	-	-	-	-	-
AC Geothermal Project	4327	327,000	-	-	-	-	-
Courthouse roof	4239	342,000	-	-	-	-	-
			<u>82,500</u>	<u>925,000</u>	<u>-</u>	<u>-</u>	<u>18,446</u>
Total Capital Project Funds			<u>\$ 10,698,946</u>	<u>\$ 7,480,141</u>	<u>\$ 62,132</u>	<u>\$ 362,793</u>	<u>\$ 7,600,788</u>



ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2010

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
-	87	1,999,733	1,999,733	-	1,999,733	-	(1,999,733)
-	-	388,716	388,716	-	388,716	-	(388,716)
-	-	-	1,627	-	1,627	(1,627)	(1,627)
-	-	662,648	669,843	-	669,843	(7,195)	(669,843)
-	-	124,597	114,085	-	114,085	10,512	(114,085)
-	500,000	500,000	46,527	-	46,527	453,473	(46,527)
-	94,527	386,613	387,328	-	387,328	(715)	132,672
-	526,000	2,212,927	2,177,130	25,000	2,202,130	10,797	(120,220)
-	3,134,468	7,151,715	7,128,320	-	7,128,320	23,395	871,680
-	220,000	3,190,977	3,502,181	-	3,502,181	(311,204)	212,819
-	123,360	138,360	118,664	-	118,664	19,696	(48,664)
-	53,000	211,247	208,623	-	208,623	2,624	(155,623)
-	2,012,287	2,415,159	1,930,876	484,283	2,415,159	-	(315,188)
-	296,679	9,573,322	9,653,434	-	9,653,434	(80,112)	952,566
-	6,960,408	28,956,014	28,327,087	509,283	28,836,370	119,644	(1,690,489)
-	165,039	165,039	124,092	5,725	129,817	35,222	20,183
-	5,081,608	5,081,608	3,266,491	796,990	4,063,481	1,018,127	518,127
575,663	279,831	855,494	766,907	88,587	855,494	-	(579,446)
-	711,187	844,000	666,417	-	666,417	177,583	833,583
-	250,000	250,000	8,500	241,500	250,000	-	-
-	805,309	805,309	407,086	-	407,086	398,223	77,914
-	400,000	400,000	-	200,000	200,000	200,000	-
-	206,624	271,084	265,092	-	265,092	5,992	(65,092)
-	716,731	733,123	679,639	-	679,639	53,484	3,484
-	208,111	230,111	200,111	30,000	230,111	-	(130,111)
-	83,760	83,760	58,400	25,360	83,760	-	(8,760)
-	416,000	416,000	423,993	-	423,993	(7,993)	(188,993)
-	50,000	50,000	5,200	-	5,200	44,800	19,800
-	200,000	200,000	19,900	-	19,900	180,100	(19,900)
-	86,600	86,600	41,480	-	41,480	45,120	133,520
-	65,000	65,000	62,492	2,508	65,000	-	(65,000)
-	10,800	36,198	-	-	-	36,198	184,100
-	2,347,674	5,269,859	-	4,976,683	4,976,683	293,176	(197,529)
575,663	12,084,274	15,843,185	6,995,800	6,367,353	13,363,153	2,480,032	535,880
702,000	-	702,000	4,164	-	4,164	697,836	697,836
-	-	17,946	16,869	-	16,869	1,077	(1,425)
46,800	-	46,800	47,697	-	47,697	(897)	(897)
34,000	-	34,000	33,588	-	33,588	412	412
300,000	-	858,000	650,788	-	650,788	207,212	149,212
300,000	-	750,000	613,386	-	613,386	136,614	186,614
1,160,000	-	1,160,000	1,160,000	-	1,160,000	-	-
327,000	-	327,000	326,800	-	326,800	200	200
250,000	92,000	342,000	378,991	-	378,991	(36,991)	(36,991)
3,119,800	92,000	4,237,746	3,232,283	-	3,232,283	1,005,463	994,961
\$ 3,695,463	\$ 19,136,682	\$ 49,036,945	\$ 38,555,170	\$ 6,876,636	\$ 45,431,806	\$ 3,605,139	\$ (159,648)

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# **CAPITAL PROJECT FUNDS**

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

**FOR THE YEAR ENDED JUNE 30, 2010**

**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, 2010**

	Continuing Operations (4081)	Shaft Bureau of Mines (4082)	New Hope Bridge (4083)	Cash Valley Road (4084)	Flood Projects (4085)	AC Auto Tech Bldg. (4086)
<b>REVENUES:</b>						
Intergovernmental:						
Federal:						
FEMA grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation grant	1,593,946	-	-	662,648	-	-
Soil conservation grant	-	-	-	-	-	-
Environmental Protection Agency						
Comm. Devel. Block Grant	-	-	-	-	124,597	-
State:						
Bureau of Mines	-	388,716	-	-	-	-
Service charges	-	-	-	-	-	-
Miscellaneous:						
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>1,593,946</u>	<u>388,716</u>	<u>-</u>	<u>662,648</u>	<u>124,597</u>	<u>-</u>
<b>EXPENDITURES:</b>						
General government	-	-	-	-	-	-
Public Safety	1,567,885	388,716	-	-	114,085	-
Public Works	-	-	1,627	669,843	-	-
Education	-	-	-	-	-	46,527
Economic Development	-	-	-	-	-	-
Total Expenditures	<u>1,567,885</u>	<u>388,716</u>	<u>1,627</u>	<u>669,843</u>	<u>114,085</u>	<u>46,527</u>
<b>OTHER FINANCING SOURCES and (USES):</b>						
Transfers-in from:						
General Fund	-	-	-	-	-	500,000
General Fund, internal transfers	87	-	-	-	-	-
PAYGO Fund	-	-	-	-	-	-
Transfer to:						
Debt Service Fund	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>87</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
Net change in fund balances	26,148	-	(1,627)	(7,195)	10,512	453,473
Fund Balance, beginning	(26,148)	-	-	-	-	-
Fund Balance, Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,627)</u>	<u>\$ (7,195)</u>	<u>\$ 10,512</u>	<u>\$ 453,473</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, 2010**

<u>Dry Run Phase II (409L)</u>	<u>NRCS Flood Project (409M)</u>	<u>Health Department Relocation (409N)</u>	<u>UPRC Flood Gate (409S)</u>	<u>Potomac River Water Study (409T)</u>	<u>Flood Mitigation PDM Sites (409X)</u>	<u>Riverside Industrial Park (410R)</u>	<u>Highland Trail (410X)</u>	<u>Fund Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,306	\$ -	\$ -	\$ 4,306
-	-	-	-	-	-	-	-	2,256,594
8,229	-	-	-	-	-	-	-	8,229
-	-	-	2,624,576	-	-	-	-	2,624,576
-	-	-	-	-	-	-	-	124,597
-	-	-	-	-	-	-	-	388,716
-	-	-	47,236	-	-	-	-	47,236
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>8,229</u>	<u>-</u>	<u>-</u>	<u>2,671,812</u>	<u>-</u>	<u>4,306</u>	<u>-</u>	<u>-</u>	<u>5,454,254</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	8,171	-	-	2,078,857
10,972	-	-	3,056,723	39,138	-	-	-	3,778,303
-	-	-	-	-	-	71	-	46,527
<u>10,972</u>	<u>-</u>	<u>-</u>	<u>3,056,723</u>	<u>39,138</u>	<u>8,171</u>	<u>71</u>	<u>-</u>	<u>5,903,758</u>
-	-	-	-	-	-	-	-	500,000
-	-	4,091	-	-	-	(4,178)	-	-
-	-	-	-	35,360	-	-	-	35,360
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>4,091</u>	<u>-</u>	<u>35,360</u>	<u>-</u>	<u>(4,178)</u>	<u>-</u>	<u>535,360</u>
(2,743)	-	4,091	(384,911)	(3,778)	(3,865)	(4,249)	-	85,856
2,028	10,797	19,304	73,707	23,474	6,489	4,249	(80,112)	33,788
<u>\$ (715)</u>	<u>\$ 10,797</u>	<u>\$ 23,395</u>	<u>\$ (311,204)</u>	<u>\$ 19,696</u>	<u>\$ 2,624</u>	<u>\$ -</u>	<u>\$ (80,112)</u>	<u>\$ 119,644</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, 2010**

	Computer Network (418I)	Roads Paving Program (418R)	Capital Outlay (418Z)	LaVale Storm Drains (420O)	County Office Building (420R)
<b>REVENUES:</b>					
Intergovernmental:					
State grants:					
Public safety grant	\$ -	\$ -	\$ -	\$ -	\$ -
Other Agency					
Miscellaneous:					
Interest	-	-	-	-	-
Contributions & donations	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>					
General Government	9,100	-	-	-	-
Public safety	-	-	63,719	-	-
Public works	-	127,864	-	164,880	-
Miscellaneous	-	-	-	-	-
Total Expenditures	<u>9,100</u>	<u>127,864</u>	<u>63,719</u>	<u>164,880</u>	<u>-</u>
<b>OTHER FINANCING SOURCES and (USES):</b>					
Transfers-in from:					
General fund	-	250,000	-	-	-
General Fund, internal transfers	-	(150,000)	-	-	(241,500)
2008 Public Improvement Bond	-	-	-	-	-
Transfers-out to:					
Highway Fund	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-
Debt proceeds, capital lease	-	-	63,719	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>100,000</u>	<u>63,719</u>	<u>-</u>	<u>(241,500)</u>
Net change in fund balances	(9,100)	(27,864)	-	(164,880)	(241,500)
Fund Balance, beginning	44,322	1,045,991	-	342,463	241,500
Fund Balance, Ending	<u>\$ 35,222</u>	<u>\$ 1,018,127</u>	<u>\$ -</u>	<u>\$ 177,583</u>	<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, 2010**

Gen Ledger Software Upgrades (420S)	Emergency Capital (420V)	Animal Shelter Quarantine (420X)	Road Improvements (4203)	Dispatcher Consol (4205)	Total This Page
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	9,100
-	-	13,983	-	160,000	237,702
-	-	-	39,080	-	331,824
-	-	-	-	-	-
-	-	13,983	39,080	160,000	578,626
300,000	200,000	4,975	25,000	-	779,975
20,309	(336,000)	-	25,000	(20,309)	(702,500)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	63,719
320,309	(136,000)	4,975	50,000	(20,309)	141,194
320,309	(136,000)	(9,008)	10,920	(180,309)	(437,432)
77,914	336,000	15,000	42,564	180,309	2,326,063
\$ 398,223	\$ 200,000	\$ 5,992	\$ 53,484	\$ -	\$ 1,888,631

(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, 2010**

	Total Previous Page	Water Study Disinfection (4206)	Bridge Street Bridge (4207)	Drainage Improvements (4208)
<b>REVENUES:</b>				
Intergovernmental:				
State grants:				
Public safety grant	\$ -	\$ -	\$ -	\$ -
Other Agency				
Miscellaneous:				
Interest	-	-	-	-
Contributions & donations	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>				
General Government	9,100	-	-	-
Public safety	237,702	-	-	-
Public works	331,824	23,360	366,435	3,700
Miscellaneous	-	-	-	-
Total Expenditures	<u>578,626</u>	<u>23,360</u>	<u>366,435</u>	<u>3,700</u>
<b>OTHER FINANCING SOURCES and (USES):</b>				
Transfers-in from:				
General fund	779,975	-	-	25,000
General Fund, internal transfers	(702,500)	8,760	416,000	-
2008 Public Improvement Bond	-			
Transfers -out to:				
General Fund	-	-	-	-
Capital Projects Fund	-	(25,360)	-	-
Debt proceeds, capital lease	63,719	-	-	-
Total Other Financing Sources and Uses	<u>141,194</u>	<u>(16,600)</u>	<u>416,000</u>	<u>25,000</u>
Net change in fund balances	(437,432)	(39,960)	49,565	21,300
Fund Balance, beginning	2,326,063	39,960	(57,558)	23,500
Fund Balance, Ending	<u>\$ 1,888,631</u>	<u>\$ -</u>	<u>\$ (7,993)</u>	<u>\$ 44,800</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, 2010**

<u>Fiber Infrastructure (421A)</u>	<u>County Wide Water Study (421C)</u>	<u>Cresaptown Street Scape (421S)</u>	<u>Capital Reserves (4181)</u>	<u>Designated Projects (4181)</u>	<u>Total PAYGO Capital Projects Fund</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		25,398			25,398
-	-	-	12,965	-	12,965
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>25,398</u>	<u>12,965</u>	<u>-</u>	<u>38,363</u>
-	-	-	-	-	9,100
7,500	-	-	-	-	245,202
-	41,480	-	-	-	766,799
-	-	-	-	-	-
<u>7,500</u>	<u>41,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,021,101</u>
-	-	-	200,000	-	1,004,975
-	-	-	277,740	-	-
-	-	-	-	-	-
-	-	-	(386,000)	-	(386,000)
-	-	-	(10,000)	-	(35,360)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,719</u>
-	-	-	81,740	-	647,334
(7,500)	(41,480)	25,398	94,705	-	(335,404)
187,600	86,600	10,800	198,471	-	2,815,436
<u>\$ 180,100</u>	<u>\$ 45,120</u>	<u>\$ 36,198</u>	<u>\$ 293,176</u>	<u>\$ -</u>	<u>\$ 2,480,032</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, 2010**

	2008 Public Improvement Bond			
	Computer Aided Dispatcher (432B)	Bond Interest (432Z)	Bond Closing Costs (4321)	LaVale Library (4322)
<b>REVENUES:</b>				
Intergovernmental:				
Federal grants:				
Rural Development Grant	\$ -	\$ -	\$ -	\$ -
State grants:				
Md. Department of Environment	-	-	-	-
Miscellaneous:				
Interest	-	2,502	-	-
Miscellaneous:	-	-	-	-
Total Revenues	-	2,502	-	-
<b>EXPENDITURES:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Education	4,164	-	-	-
Miscellaneous	-	3,288	-	-
Payments to component units:				
Board of Education	-	-	-	-
Total Expenditures	4,164	3,288	-	-
<b>OTHER FINANCING SOURCES and (USES):</b>				
Transfers from:				
Capital Projects Funds	-	-	-	-
Transfers to:				
Capital projects fund	-	-	-	-
PAYGO Capital Projects Fund	-	-	-	-
Debt issued	-	-	-	-
Total Other Financing	-	-	-	-
Sources and Uses	-	-	-	-
Net change in fund balances	(4,164)	(786)	-	-
Fund Balance, beginning	702,000	1,863	(897)	412
Fund Balance, Ending	\$ 697,836	\$ 1,077	\$ (897)	\$ 412

**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, 2010**

2008 Public Improvement Bond					
Braddock Run Restoration (4323)	Jennings Run Restoration (4324)	Allegany College Library (4325)	AC Geothermal Project (4327)	Court House Roof (4329)	Total 2008 Public Improvement Bond
\$ 82,500	\$ -	\$ -	\$ -	\$ -	\$ 82,500
85,265	450,000				535,265
-	-	-	-	-	2,502
-	-	-	-	-	-
<u>167,765</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620,267</u>
-	-	-	-	18,100	18,100
162,019	530,015	-	-	-	692,034
-	-	129,656	2,295	-	136,115
-	-	-	-	-	3,288
-	-	-	-	-	-
<u>162,019</u>	<u>530,015</u>	<u>129,656</u>	<u>2,295</u>	<u>18,100</u>	<u>849,537</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,746	(80,015)	(129,656)	(2,295)	(18,100)	(229,270)
201,466	216,629	129,656	2,495	(18,891)	1,234,733
<u>\$ 207,212</u>	<u>\$ 136,614</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ (36,991)</u>	<u>\$ 1,005,463</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, 2010**

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F	Bowman's Addition 501G
<b>OPERATING REVENUES:</b>								
Service charges	\$ 22,294	\$ 135,391	\$ 33,961	\$ 12,117	\$ 950,013	\$ 55,762	\$ 424,505	\$ 79,731
Miscellaneous	-	3	1	-	2	-	8	2
Total Operating Revenues	<u>22,294</u>	<u>135,394</u>	<u>33,962</u>	<u>12,117</u>	<u>950,015</u>	<u>55,762</u>	<u>424,513</u>	<u>79,733</u>
<b>OPERATING EXPENSES:</b>								
Salaries	-	16,130	4,697	-	10,724	1,241	50,695	9,926
Fringe benefits	-	7,018	2,044	-	4,666	540	22,057	4,319
Office expenses	-	108	32	-	72	8	339	67
Utilities	-	60,828	16,079	13,369	766,915	25,686	316,662	30,253
Repairs and maintenance	-	72	21	109	8,205	16,840	55,103	45
Contractual	-	-	-	-	-	-	-	-
Professional fees	-	491	144	-	324	38	4,536	302
Materials and supplies	-	934	3,716	101	716	212	8,503	748
Insurance	-	-	-	-	-	-	-	-
Indirect cost	-	5,705	1,803	3,140	30,128	2,436	15,966	46
Miscellaneous	-	-	-	-	-	-	-	-
Depreciation	-	39,661	18,237	44,422	46,994	14	39,477	5,734
Total Operating Expenses	<u>0</u>	<u>130,947</u>	<u>46,773</u>	<u>61,141</u>	<u>868,744</u>	<u>47,015</u>	<u>513,338</u>	<u>51,440</u>
Operating Income (Loss)	<u>22,294</u>	<u>4,447</u>	<u>(12,811)</u>	<u>(49,024)</u>	<u>81,271</u>	<u>8,747</u>	<u>(88,825)</u>	<u>28,293</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>								
Interest income	232	1,020	255	23	1,824	-	13,108	997
Interest expense	(8,073)	(24,645)	(4,425)	(15,313)	(18,614)	-	-	-
Total Non-operating Revenue (Expenses)	<u>(7,841)</u>	<u>(23,625)</u>	<u>(4,170)</u>	<u>(15,290)</u>	<u>(16,790)</u>	<u>-</u>	<u>13,108</u>	<u>997</u>
Income Before Contributions and Transfers	14,453	(19,178)	(16,981)	(64,314)	64,481	8,747	(75,717)	29,290
Capital Contributions:								
Federal grants	-	-	-	-	-	-	-	448,119
State grants	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-
Transfers in:								
General fund	-	-	-	4,579	-	-	-	-
Revolving Building Fund	-	-	-	19,348	-	-	-	-
Change in Net Assets	<u>\$ 14,453</u>	<u>\$ (19,178)</u>	<u>\$ (16,981)</u>	<u>\$ (40,387)</u>	<u>\$ 64,481</u>	<u>\$ 8,747</u>	<u>\$ (75,717)</u>	<u>\$ 477,409</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, 2010**

Cresaptown 501H	Mt. Savage 501J	Oldtown Road 5012	McCoole 5013	Ellerslie 5014	Eckhart 5015	Hoffman 5016	Route 36 Vale Summit 5017	Borden/ Zhilman/ Morantown 5018	Carlos/Shaft/ Klondike 5019	Total
\$ 346,769	\$ -	\$ 177,133	\$ 169,312	\$ 350,328	\$ 271,367	\$ 8,020	\$ 57,757	\$ 111,424	\$ 179,708	\$ 3,385,592
2	-	3	3	7	5	-	1	3	3	43
<u>346,771</u>	<u>0</u>	<u>177,136</u>	<u>169,315</u>	<u>350,335</u>	<u>271,372</u>	<u>8,020</u>	<u>57,758</u>	<u>111,427</u>	<u>179,711</u>	<u>3,385,635</u>
12,142	-	19,676	21,625	45,909	31,108	1,064	6,381	14,358	22,069	267,745
5,283	-	8,561	9,409	19,975	13,535	463	2,776	6,247	9,602	116,495
81	4	132	145	306	206	7	42	96	148	1,793
302,563	-	55,917	51,375	170,322	96,198	3,163	30,564	51,198	91,497	2,082,589
1,199	-	6,555	974	24,262	41,802	428	2,418	383	2,029	160,445
-	-	-	-	3,867	-	-	-	-	-	3,867
446	-	596	659	1,389	1,685	32	192	435	672	11,941
1,269	-	1,134	4,773	3,031	2,458	2,702	6,955	1,287	1,542	40,081
-	-	-	-	158	158	-	-	-	-	316
14	-	7,380	9,246	13,726	13,142	263	2,804	4,771	9,338	119,908
-	-	-	-	-	-	-	-	-	-	-
2,881	-	73,996	96,821	76,943	88,581	2,342	28,638	34,693	87,316	686,750
<u>325,878</u>	<u>4</u>	<u>173,947</u>	<u>195,027</u>	<u>359,888</u>	<u>288,873</u>	<u>10,464</u>	<u>80,770</u>	<u>113,468</u>	<u>224,213</u>	<u>3,491,930</u>
20,893	(4)	3,189	(25,712)	(9,553)	(17,501)	(2,444)	(23,012)	(2,041)	(44,502)	(106,295)
315	-	4,609	4,292	9,443	9,805	73	879	4,557	5,453	56,885
-	-	(18,094)	(43,192)	-	(18,755)	-	-	(20,015)	(36,265)	(207,391)
<u>315</u>	<u>-</u>	<u>(13,485)</u>	<u>(38,900)</u>	<u>9,443</u>	<u>(8,950)</u>	<u>73</u>	<u>879</u>	<u>(15,458)</u>	<u>(30,812)</u>	<u>(150,506)</u>
21,208	(4)	(10,296)	(64,612)	(110)	(26,451)	(2,371)	(22,133)	(17,499)	(75,314)	(256,801)
-	-	-	-	-	-	-	-	-	-	448,119
-	608,915	-	-	-	500,388	-	-	-	-	1,109,303
559,429	-	-	-	-	-	-	-	-	-	559,429
-	-	-	-	-	-	-	-	-	-	4,579
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,348</u>
<u>\$ 580,637</u>	<u>\$ 608,911</u>	<u>\$ (10,296)</u>	<u>\$ (64,612)</u>	<u>\$ (110)</u>	<u>\$ 473,937</u>	<u>\$ (2,371)</u>	<u>\$ (22,133)</u>	<u>\$ (17,499)</u>	<u>\$ (75,314)</u>	<u>1,883,977</u>
Total net assets - beginning										18,455,058
Total net assets - ending										<u>\$ 20,339,035</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2010**

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek	McCoole
<b>ASSETS</b>							
Current Assets:							
Cash:							
Cash	\$ 682,368	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	93,963	-	-	-
Investments	201,326	65,613	44,491	-	62,260	-	-
Receivables:							
Accounts (net)	3,000	94,097	73,676	326,792	120,884	94,257	17,968
Taxes - restricted	-	23,834	19,784	2,148	17,317	6,906	2,890
Accounts (net) - restricted	-	-	-	-	-	6,206	3,866
Other	523,155	1	-	-	645	-	-
Due from other funds	725,540	-	514,399	-	-	-	-
Inventory	77,749	-	-	-	-	-	-
Total current assets	<u>2,213,138</u>	<u>183,545</u>	<u>652,350</u>	<u>422,903</u>	<u>201,106</u>	<u>107,369</u>	<u>24,724</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	2,534,269	-	-	-	-	-	-
Capital assets subject to depreciation	3,351,913	4,828,368	4,231,357	3,490,756	4,968,149	6,123,262	2,282,006
Less: Accumulated depreciation	<u>(1,912,891)</u>	<u>(2,151,091)</u>	<u>(1,644,923)</u>	<u>(2,671,788)</u>	<u>(3,228,738)</u>	<u>(3,979,246)</u>	<u>(1,277,445)</u>
Total noncurrent assets	<u>3,978,291</u>	<u>2,678,277</u>	<u>2,591,434</u>	<u>819,468</u>	<u>1,740,411</u>	<u>2,145,516</u>	<u>1,004,561</u>
Total Assets	<u>6,191,429</u>	<u>2,861,822</u>	<u>3,243,784</u>	<u>1,242,371</u>	<u>1,941,517</u>	<u>2,252,885</u>	<u>1,029,285</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	1,547,169	566	1,373	53,747	32,640	11,574	5,400
Accrued wages payable	37,824	-	-	-	-	-	-
Accrued payroll fringe benefits	16,976	-	-	-	-	-	-
Accrued interest payable	6,996	2,204	2,291	-	833	-	-
Current portion of long term debt							
Bonds & loans	123,643	16,936	15,570	-	25,465	-	-
Advances from other funds	-	-	-	-	-	-	-
Compensated absences	40,002	-	-	-	-	-	-
Due to other funds	1,534,142	85,645	-	624,273	611,016	1,051,302	613,425
Accrued health claims	-	-	-	-	-	-	-
Miscellaneous liabilities	56,718	-	-	44,246	-	-	-
Total current liabilities	<u>3,363,470</u>	<u>105,351</u>	<u>19,234</u>	<u>722,266</u>	<u>669,954</u>	<u>1,062,876</u>	<u>618,825</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	800,000	-
Long term debt:							
Bonds & loans	1,851,040	1,153,945	1,066,388	-	57,094	-	-
Advances from other funds	-	-	-	-	-	-	-
Compensated absences	313,140	-	-	-	-	-	-
Total noncurrent liabilities	<u>2,164,180</u>	<u>1,153,945</u>	<u>1,066,388</u>	<u>-</u>	<u>57,094</u>	<u>800,000</u>	<u>-</u>
Total Liabilities	<u>5,527,650</u>	<u>1,259,296</u>	<u>1,085,622</u>	<u>722,266</u>	<u>727,048</u>	<u>1,862,876</u>	<u>618,825</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	2,003,608	1,507,396	1,509,476	819,468	1,657,852	2,145,516	1,004,561
Restricted for debt service	-	23,834	19,784	2,148	17,317	13,112	6,756
Unrestricted	<u>(1,339,829)</u>	<u>71,296</u>	<u>628,902</u>	<u>(301,511)</u>	<u>(460,700)</u>	<u>(1,768,619)</u>	<u>(600,857)</u>
Total Net Assets	<u>\$ 663,779</u>	<u>\$ 1,602,526</u>	<u>\$ 2,158,162</u>	<u>\$ 520,105</u>	<u>\$ 1,214,469</u>	<u>\$ 390,009</u>	<u>\$ 410,460</u>



**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2010**

Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	682,368
-	-	-	-	-	-	-	-	-	93,963
-	-	171,944	-	-	-	-	-	-	545,634
4,740	11,010	221,160	11,694	25,639	83,977	6,443	23,145	850	1,119,332
20	2,595	31,957	158	-	2,272	1,797	2,972	-	114,650
2,625	1,327	69,566	-	-	-	-	-	-	83,590
-	-	2,959	-	-	6,245	1	-	-	533,006
-	-	380,710	475,825	794,804	796,750	-	81,091	-	3,769,119
-	-	-	-	-	-	-	-	-	77,749
<u>7,385</u>	<u>14,932</u>	<u>878,296</u>	<u>487,677</u>	<u>820,443</u>	<u>889,244</u>	<u>8,241</u>	<u>107,208</u>	<u>850</u>	<u>7,019,411</u>
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282
-	-	26,064,170	-	-	-	-	-	-	28,598,439
892,947	1,214,876	22,860,413	561,728	21,669,400	2,051,939	813,332	2,816,919	2,430,653	84,588,018
(493,299)	(649,321)	(11,677,168)	(311,165)	(3,383,528)	(733,119)	(284,666)	(916,690)	(199,752)	(35,514,830)
<u>400,148</u>	<u>568,555</u>	<u>37,293,697</u>	<u>250,563</u>	<u>18,285,872</u>	<u>1,321,320</u>	<u>528,666</u>	<u>1,901,229</u>	<u>2,230,901</u>	<u>77,738,909</u>
<u>407,533</u>	<u>583,487</u>	<u>38,171,993</u>	<u>738,240</u>	<u>19,106,315</u>	<u>2,210,564</u>	<u>536,907</u>	<u>2,008,437</u>	<u>2,231,751</u>	<u>84,758,320</u>
(1,428)	1,854	19,256	320	5,905	34,156	-	804	1,685	1,715,021
-	-	1,743	-	4,115	-	-	-	-	43,682
-	-	175	-	1,881	-	-	-	-	19,032
40	561	37,034	-	25,158	-	818	3,101	-	79,036
3,883	11,650	356,704	-	424,505	-	2,560	9,709	-	990,625
-	-	-	-	-	-	-	383	-	383
-	-	-	-	-	-	-	-	-	40,002
199,582	293,086	-	-	-	-	18,521	-	459,612	5,490,604
-	-	-	-	-	-	-	-	-	0
-	-	-	-	40,001	-	-	-	-	140,965
<u>202,077</u>	<u>307,151</u>	<u>414,912</u>	<u>320</u>	<u>501,565</u>	<u>34,156</u>	<u>21,899</u>	<u>13,997</u>	<u>461,297</u>	<u>8,519,350</u>
-	-	-	-	-	-	-	-	-	800,000
-	-	6,903,194	-	6,359,466	-	118,039	447,660	-	17,956,826
-	-	-	-	-	-	-	18,070	-	18,070
-	-	-	-	-	-	-	-	-	313,140
-	-	6,903,194	-	6,359,466	-	118,039	465,730	-	19,088,036
<u>202,077</u>	<u>307,151</u>	<u>7,318,106</u>	<u>320</u>	<u>6,861,031</u>	<u>34,156</u>	<u>139,938</u>	<u>479,727</u>	<u>461,297</u>	<u>27,607,386</u>
396,265	556,905	30,033,799	250,563	11,501,901	1,321,320	408,067	1,425,407	2,230,901	58,773,005
2,645	3,922	101,523	158	-	2,272	1,797	2,972	-	198,240
(193,454)	(284,491)	718,565	487,199	743,383	852,816	(12,895)	100,331	(460,447)	(1,820,311)
<u>\$ 205,456</u>	<u>\$ 276,336</u>	<u>\$ 30,853,887</u>	<u>\$ 737,920</u>	<u>\$ 12,245,284</u>	<u>\$ 2,176,408</u>	<u>\$ 396,969</u>	<u>\$ 1,528,710</u>	<u>\$ 1,770,454</u>	<u>\$ 57,150,934</u>

**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, 2010**

	General	Bowling		Braddock	Bedford	Jennings	
	Fund	Green	Cresaptown	Run	Road	Run/Wills	McCoole
<b>OPERATING REVENUES:</b>							
Service charges	\$ 11,085	\$ 390,069	\$ 355,319	\$ 1,022,753	\$ 441,991	\$ 346,113	\$ 64,318
Miscellaneous	13	365	316	(1,860)	17,838	438	82
Total Operating Revenues	11,098	390,434	355,635	1,020,893	459,829	346,551	64,400
<b>OPERATING EXPENSES:</b>							
Wages and salaries	3,577	55,393	47,771	167,684	84,728	66,471	12,497
Employee benefits	1,744	24,101	20,785	72,959	36,865	28,921	5,437
Office expenses	243	6,828	9,671	20,888	10,406	8,165	1,534
Utilities	832	22,279	10,990	43,026	13,152	12,531	9,539
Repairs and maintenance	2,559	46,822	29,146	57,361	78,766	49,395	4,573
Contractual services	108	2,886	2,492	8,737	4,417	3,466	651
Water/Sewage treatment costs		213,499	184,671	639,877	292,686	214,875	60,750
Professional fees	32	896	774	2,712	1,371	1,385	202
Materials and supplies	2,491	20,808	20,096	76,045	30,467	24,114	8,713
Insurance	386	10,797	9,325	32,691	16,527	16,584	2,437
Indirect cost	976	27,301	23,579	82,664	41,790	32,791	6,162
Miscellaneous	21	572	2,245	1,738	4,378	3,689	128
Depreciation	867	95,412	79,631	143,095	137,064	154,508	53,158
Total Operating Expenses	13,836	527,594	441,176	1,349,477	752,617	616,895	165,781
Operating Income (Loss)	(2,738)	(137,160)	(85,541)	(328,584)	(292,788)	(270,344)	(101,381)
<b>NON-OPERATING REVENUE (EXPENSES):</b>							
Real and personal property taxes	-	222,460	195,404	27,972	123,074	47,430	9,152
Interest & Penalties, taxes	-	5,508	4,231	421	3,687	1,240	705
Discounts, taxes	-	(1,122)	(976)	(144)	(621)	(235)	(37)
Enterprise/industrial exemptions	-	-	-	387	-	-	-
Collection fees	-	(5,015)	(4,382)	(615)	(2,781)	(1,047)	(222)
Front footage assessments	-	-	-	-	-	17,822	8,882
Interest income	119	4,827	16,385	6,352	17,763	9,206	1,139
Interest income, debt service	-	464	323	-	-	380	152
Interest expense	(19,979)	(49,608)	(45,879)	-	(8,447)	-	-
Allocated debt service revenue	145,200	(13,043)	(11,257)	(39,480)	(19,953)	(15,663)	(2,942)
Gain (Loss) on disposal of assets	-	-	-	-	-	-	-
Total Nonoperating revenue (expenses)	125,340	164,471	153,849	(5,107)	112,722	59,133	16,829
Income Before Contributions and Transfers	122,602	27,311	68,308	(333,691)	(180,066)	(211,211)	(84,552)
Capital Contributions:							
Federal	10	294	254	286,536	450	353	66
State	-	-	-	-	-	-	-
Other	-	-	-	27,144	-	-	-
Transfers in:							
General Fund	367	10,264	8,865	31,080	15,712	12,329	2,317
Revolving Building Fund	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-
Change in Net Assets	122,979	37,869	77,427	11,069	(163,904)	(198,529)	(82,169)
Net assets - beginning	540,800	1,564,657	2,080,735	509,036	1,378,373	588,538	492,629
Net assets - ending	\$ 663,779	\$ 1,602,526	\$ 2,158,162	\$ 520,105	\$ 1,214,469	\$ 390,009	\$ 410,460

**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, 2010**

Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
\$ 15,635	\$ 33,278	\$ 687,949	\$ 40,620	\$ 1,052,589	\$ 407,343	\$ 21,708	\$ 94,517	\$ 3,468	\$ 4,988,755
18	31	1,069	57	-	105	31	119	-	18,622
15,653	33,309	689,018	40,677	1,052,589	407,448	21,739	94,636	3,468	5,007,377
4,977	8,498	231,079	8,597	129,751	15,953	4,697	18,080	20,573	880,326
2,422	4,135	112,497	3,741	56,928	6,941	2,044	7,867	11,168	398,555
334	570	16,576	1,056	738	1,960	577	2,218	-	81,764
12,959	18,505	72,558	152	218,871	13,678	45	5,998	11,714	466,829
5,815	14,013	35,225	1,759	72,233	31,581	789	6,904	9,384	446,325
148	253	8,266	448	-	832	245	941	-	33,890
-	-	-	7,056	-	161,465	15,258	4,675	-	1,794,812
809	375	6,473	139	16,653	258	76	292	-	32,447
5,414	3,264	92,611	3,013	106,862	12,412	1,638	14,303	5,792	428,043
531	2,725	40,900	1,677	-	3,112	917	5,342	-	143,951
1,342	2,288	62,807	4,240	-	7,870	2,318	8,907	-	305,035
29	47	3,420	88	9	166	49	186	1	16,766
18,528	32,970	516,392	14,986	446,226	46,956	22,393	76,769	67,501	1,906,456
53,308	87,643	1,198,804	46,952	1,048,271	303,184	51,046	152,482	126,133	6,935,199
(37,655)	(54,334)	(509,786)	(6,275)	4,318	104,264	(29,307)	(57,846)	(122,665)	(1,927,822)
2,195	11,333	216,911	1,488	-	11,212	11,142	19,827	-	899,600
131	471	7,783	34	-	827	594	906	-	26,538
(13)	(53)	(1,068)	(12)	-	(54)	(50)	(93)	-	(4,478)
-	-	-	-	-	-	-	-	-	387
(58)	(258)	(4,949)	(35)	-	(302)	(272)	(498)	-	(20,434)
2,771	3,822	70,211	17	-	-	-	-	-	103,525
533	1,359	26,744	807	36,639	560	409	1,290	18	124,150
115	165	3,634	3	-	-	-	-	-	5,236
(424)	(853)	(96,837)	-	(66,760)	-	(5,481)	(21,636)	-	(315,904)
(644)	(1,098)	(29,965)	(2,020)	-	(3,762)	(1,113)	(4,260)	-	(0)
-	-	-	-	-	-	-	-	-	0
4,606	14,888	192,464	282	(30,121)	8,481	5,229	(4,464)	18	818,620
(33,049)	(39,446)	(317,322)	(5,993)	(25,803)	112,745	(24,078)	(62,310)	(122,647)	(1,109,202)
14	25	677	46	36,000	85	25	96	-	324,931
-	-	4,943,537	-	-	-	-	-	-	4,943,537
-	-	-	-	-	-	-	-	-	27,144
505	860	23,614	1,594	43,784	2,959	872	3,349	47,646	206,117
-	-	-	-	-	-	-	-	7,500	7,500
-	-	-	-	-	-	-	-	-	-
(32,530)	(38,561)	4,650,506	(4,353)	53,981	115,789	(23,181)	(58,865)	(67,501)	4,400,027
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
\$ 205,456	\$ 276,336	\$ 30,853,887	\$ 737,920	\$ 12,245,284	\$ 2,176,408	\$ 396,969	\$ 1,528,710	\$ 1,770,454	\$ 57,150,934

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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, 2010**

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
<b>ASSETS:</b>				
Taxes levied for State:				
Taxes receivable - State	\$ 345,380	\$ 3,793,581	\$ 3,698,771	\$ 440,190
Bay restoration fee	262,299	503,615	464,198	301,716
Other receivables	(7)	9,475	9,464	4
Taxes levied for Special Areas:				
Lonaconing, Town of	12,353	104,648	101,078	15,923
Midland, Town of	3,859	33,038	32,359	4,538
Westernport, Town of	45,526	354,373	353,067	46,832
Cumberland differential	1,933	-	662	1,271
Bel Air Special Tax Area	2,138	30,705	30,342	2,501
Bowling Green Fire Co.	3,227	31,575	31,208	3,594
Bedford Road Fire Co.	5,612	39,883	38,982	6,513
Bowling Green Special Tax Area	2,786	24,994	24,953	2,827
Cresaptown Ambulance	10,384	132,128	128,267	14,245
Cresaptown Civic Imp. Assoc.	2,267	29,097	28,088	3,276
Cresaptown Fire Co.	12,183	176,491	170,399	18,275
Corriganville Light & Imp.	1,982	17,426	17,030	2,378
Ellerslie Special Tax Area	873	10,839	10,479	1,233
LaVale Volunteer Fire Dept.	9,879	164,172	159,861	14,190
LaVale Rescue Squad	5,014	82,086	80,004	7,096
LaVale Sanitary District	36,001	556,671	546,601	46,071
McCoole Special Tax Area	719	3,843	3,403	1,159
Moscow Light	670	3,147	3,214	603
Mt. Savage Special Tax Area	1,084	9,152	8,453	1,783
Potomac Park Special Tax Area	1,626	15,027	14,559	2,094
Rawlings Fire Co.	3,411	38,382	37,388	4,405
Sub-total special areas	163,527	1,857,677	1,820,397	200,807
Due from other funds	160,725	6,448,374	6,437,098	172,001
Total Assets	<u>\$ 931,924</u>	<u>\$ 12,612,722</u>	<u>\$ 12,429,928</u>	<u>\$ 1,114,718</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 160,718	\$ 7,195,944	\$ 7,184,657	\$ 172,005
A/P Special Areas	163,527	1,861,297	1,824,017	200,807
Taxes payable - State	345,380	3,946,870	3,852,060	440,190
A/P Bay restoration fee	262,299	547,537	508,120	301,716
Total Liabilities	<u>\$ 931,924</u>	<u>\$ 13,551,648</u>	<u>\$ 13,368,854</u>	<u>\$ 1,114,718</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, 2010 and 2009**

ASSETS	Primary Government			
	At June 30, 2009			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2009
Land	\$ 21,027,590	\$ -	\$ 21,027,590	\$ 20,918,704
Construction in progress	2,971,486	-	2,971,486	8,945,111
Buildings	57,324,035	16,337,150	40,986,885	34,932,441
Infrastructure	46,479,749	27,821,186	18,658,563	19,172,094
Furniture & fixtures	975,203	587,873	387,330	181,307
Machinery & equipment	8,438,190	5,184,486	3,253,704	3,543,905
Vehicles	9,064,304	6,586,479	2,477,825	2,377,758
Heavy equipment	3,752,335	3,171,393	580,942	735,842
Other capital assets	924,623	494,403	430,220	451,563
Total Assets	<u>\$ 150,957,515</u>	<u>\$ 60,182,970</u>	<u>\$ 90,774,545</u>	<u>\$ 91,258,725</u>
<b>FUND EQUITY</b>				
Investment in general capital assets acquired before July 1, 1993 - source unidentified			\$ 8,679,961	\$ 8,758,883
Investment in construction in progress			2,971,486	8,945,111
Investment in general capital assets by source:				
General Fund:				
General revenues			7,911,702	7,453,531
Federal grants			3,064,742	2,974,977
State grants			2,864,201	2,915,408
Miscellaneous revenues			447,143	428,283
Debt proceeds			1,148,899	1,098,944
Special Revenue Funds:				
General revenues			42,419,488	41,624,372
Federal grants			7,266,213	6,277,942
State grants			8,000,241	6,938,157
Miscellaneous revenues			194,574	194,574
Debt proceeds			8,926,043	3,431,798
Capital Project Funds:				
General revenues			14,666,565	14,710,830
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			9,984,774	10,052,753
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(60,182,970)	(56,958,321)
Total Fund Equity			<u>\$ 90,774,545</u>	<u>\$ 91,258,725</u>



**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF ASSETS BY FUNCTION**  
**June 30, 2010**

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	\$ 1,561,264	\$ 323,916	\$ 177,888	\$ 472,014	\$ 9,175,236	\$ (4,647,911)	\$ 4,527,325
Public Safety	2,045,433	18,207,518	1,743,304	321,592	5,870,938	1,338,600	162,511	146,986	29,836,882	(8,410,526)	21,426,356
Public Works	1,449,166	1,492,972	38,860,754	298,253	780,856	6,166,696	3,802,413	2,235,364	55,086,474	(36,856,196)	18,230,278
Health	575,119	6,553,202	-	-	-	-	4,121	-	7,132,442	(677,644)	6,454,798
Social Services	116	3,250	24,331	193,522	74,650	1,072,228	13,000	-	1,381,097	(427,228)	953,869
Recreation & Culture	583,119	2,620,688	214,288	8,295	6,528	39,246	430,696	-	3,902,860	(1,116,550)	2,786,310
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(575,889)	1,061,144
Natural Resources	-	-	-	-	15,839	15,999	-	-	31,838	(31,838)	-
Urban Development	-	-	-	-	-	-	-	-	-	-	-
& Housing	56,637	426,508	-	4,160	35,846	9,302	-	-	532,453	(320,832)	211,621
Economic Development	14,394,877	21,854,990	5,597,296	-	92,269	98,317	86,329	117,122	42,241,200	(7,118,356)	35,122,844
Total General Capital Assets	\$ 21,027,590	\$ 57,324,035	\$ 46,479,749	\$ 975,203	\$ 8,438,190	\$ 9,064,304	\$ 4,676,958	\$ 2,971,486	\$ 150,957,515	\$ (60,182,970)	\$ 90,774,545

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Function	General Capital Assets 6/30/2009	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Total Cost	Accumulated Depreciation June 30, 2009	Less Current Year Depreciation	Add Depreciation on Disposals	General Capital Assets June 30, 2010
General Government	\$ 9,172,542	\$ -	\$ -	\$ 70,673	\$ (67,979)	\$ 9,175,236	\$ (4,220,889)	\$ (495,000)	\$ 67,978	\$ 4,527,325
Public Safety	29,349,102	-	-	553,816	(66,036)	29,836,882	(7,252,200)	(1,224,362)	66,036	21,426,356
Public Works	53,803,524	-	-	1,652,936	(369,986)	55,086,474	(36,207,620)	(1,016,664)	368,088	18,230,278
Health	7,132,442	-	-	-	-	7,132,442	(459,204)	(218,440)	-	6,454,798
Social Services	703,114	-	-	757,661	(79,678)	1,381,097	(387,610)	(117,398)	77,780	953,869
Recreation & Culture	3,894,811	-	-	8,049	-	3,902,860	(1,012,725)	(103,825)	-	2,786,310
Libraries	1,637,033	-	-	-	-	1,637,033	(514,588)	(61,301)	-	1,061,144
Natural Resources	31,838	-	-	-	-	31,838	(31,628)	(210)	-	0
Urban Development & Housing	532,453	-	-	-	-	532,453	(302,997)	(17,835)	-	211,621
Economic Development	41,960,187	-	-	281,013	-	42,241,200	(6,568,860)	(549,496)	-	35,122,844
Total General Capital Assets	\$ 148,217,046	\$ -	\$ -	\$ 3,324,148	\$ (583,679)	\$ 150,957,515	\$ (56,958,321)	\$ (3,804,531)	\$ 579,882	\$ 90,774,545

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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 Six Fiscal Years.....	F-5
Changes in Net Assets, Last Six Fiscal Years.....	F-6
Fund Balances, Governmental Funds, Last Ten Years.....	F-9
Changes in Fund Balances, Governmental Funds, Last Ten Years.....	F-10

### 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.....	F-13
Schedule of Property Tax Rates-Direct and Overlapping, Last Ten Fiscal Years.....	F-14
Principal Property Tax Payers.....	F-15
Property Tax Levies and Collections.....	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.....	F-19
Ratios of General Obligation Debt Outstanding, Last Ten Fiscal Years.....	F-20
Legal Debt Margin Information, Last Ten Fiscal Years.....	F-21
Pledged Revenue Coverage, Last Ten Fiscal Years.....	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.....	F-25
Principal Employers, Current Year and Nine Years Ago.....	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 Yea	F-29
Operating Indicators by Function/Program, Last Six Fiscal Years .....	F-30
Capital Asset Statistics by Function/Program, Last Six Fiscal Years.....	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 Eight Fiscal Years (a)**  
(accrual basis of accounting)

	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities</b>								
Invested in capital assets,								
net of related debt								
Restricted	\$ 49,601,139	\$ 53,978,694	\$ 60,161,453	\$ 66,160,686	\$ 70,105,110	\$ 76,516,700	78,593,428	79,922,549
Unrestricted	1,684,063	2,093,507	3,021,117	2,277,836	13,043,675	5,939,861	4,418,898	3,963,136
	(11,733,113)	(5,166,240)	(4,128,194)	3,048,018	(4,635,623)	(6,346,388)	(2,368,710)	2,817,886
Total governmental activities net assets	\$ 39,552,089	\$ 50,905,961	\$ 59,054,376	\$ 71,486,540	\$ 78,513,162	\$ 76,110,173	\$ 80,643,616	\$ 86,703,571
<b>Business-type activities</b>								
Invested in capital assets,								
net of related debt	\$ 51,533,344	\$ 56,841,888	\$ 59,474,528	\$ 67,030,468	\$ 62,978,258	\$ 64,244,563	76,553,963	80,104,054
Restricted	185,808	159,657	172,797	167,898	170,832	175,654	184,204	198,240
Unrestricted	5,398,109	1,439,367	1,552,398	(1,694,100)	878,952	(20,398)	(3,714,137)	(307,597)
Total business-type activities net assets	\$ 57,117,261	\$ 58,440,912	\$ 61,199,723	\$ 65,504,266	\$ 64,028,042	\$ 64,399,819	\$ 73,024,030	\$ 79,994,697
<b>Primary Government</b>								
Invested in capital assets,								
net of related debt	\$ 101,134,483	\$ 110,820,582	\$ 119,635,981	\$ 133,191,154	\$ 133,083,368	\$ 140,761,263	\$ 155,147,391	\$ 160,026,603
Restricted	1,869,871	2,253,164	3,193,914	2,445,734	13,214,507	6,115,515	4,603,102	4,161,376
Unrestricted	(6,335,004)	(3,726,873)	(2,575,796)	1,353,918	(3,756,671)	(6,366,786)	(6,082,847)	2,510,289
Total primary government net assets	\$ 96,669,350	\$ 109,346,873	\$ 120,254,099	\$ 136,990,806	\$ 142,541,204	\$ 140,509,992	\$ 153,667,646	\$ 166,698,268

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

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

	Fiscal Year							
Expenses	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental activities:</b>								
General Government:	\$ 5,697,910	\$ 6,483,254	\$ 6,863,528	\$ 7,046,308	\$ 7,517,730	\$ 9,121,475	\$ 9,072,487	8,846,071
Payment to data processing	255,757	264,767	279,661	294,847	311,568	328,464	350,334	348,334
Public Safety	10,729,932	10,878,035	13,320,579	14,571,046	13,998,396	15,612,059	16,626,793	18,650,183
Public Works	10,320,589	9,277,395	9,691,963	11,176,350	11,366,638	12,280,040	12,000,493	15,378,566
Health	1,311,200	1,345,102	1,422,154	1,610,957	1,778,704	2,083,410	1,902,151	1,902,425
Social Services	3,158,083	3,372,943	3,220,006	1,987,579	2,371,360	2,312,169	1,932,208	2,285,943
Education:	106,438	51,733	796,573	709,684	437,620	1,274,899	317,766	207,903
Payment to public school system	27,832,107	27,503,531	27,638,498	27,262,735	29,699,591	36,171,292	28,883,694	28,518,587
Payments to community college	5,543,512	5,575,000	5,575,000	6,010,000	6,382,000	7,175,000	7,425,000	7,425,000
Recreation, culture & libraries:	525,002	517,927	637,904	720,024	1,072,292	1,050,609	1,041,683	712,201
Payment to public library system	769,000	781,000	794,000	835,000	875,000	905,000	905,000	905,000
Conservation of natural resources	336,489	232,345	264,776	230,040	293,066	327,747	506,897	289,487
Community development & housing	1,338,847	1,659,272	2,031,225	1,666,691	1,556,909	1,774,905	2,002,596	1,527,343
Economic Development	2,865,480	2,412,668	3,487,397	2,487,755	3,083,041	4,113,586	2,407,460	2,296,740
Interest on long term debt	1,972,084	1,741,664	1,582,097	1,377,559	1,351,127	1,810,725	1,810,688	1,678,376
Total governmental activities expenses	\$ 72,762,410	\$ 72,096,636	\$ 77,605,361	\$ 77,986,575	\$ 82,095,092	\$ 96,341,380	\$ 87,185,250	\$ 90,972,159
<b>Business-type activities:</b>								
Water	1,446,660	1,483,542	1,448,043	1,751,458	1,798,200	2,977,733	3,272,629	3,699,321
Sewer	5,845,641	5,796,718	6,398,687	7,137,019	7,900,344	7,249,045	7,220,779	7,251,103
Nursing Home	8,174,160	8,620,622	9,550,145	9,657,283	10,292,274	10,425,903	11,034,410	-
Other Funds	-	-	-	487,108	446,058	578,996	597,356	613,458
Total business-type activities expenses	15,466,461	15,900,882	17,396,875	19,032,868	20,436,876	21,231,677	22,125,174	11,563,882
Total primary government expenses	\$ 88,228,871	\$ 87,997,518	\$ 95,002,236	\$ 97,019,443	\$ 102,531,968	\$ 117,573,057	\$ 109,310,424	\$ 102,536,041
<b>Program Revenues</b>								
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	\$ 2,193,379	1,854,301
Public works	858,844	915,434	834,819	850,935	957,924	940,444	874,542	1,002,656
Economic development	1,259,978	1,152,183	1,956,832	2,472,961	2,179,128	2,090,151	2,976,731	3,208,431
Other activities	478,640	597,748	626,097	935,592	783,227	898,153	819,558	756,974
Operating grants and contributions	5,657,933	6,398,218	6,549,718	6,162,976	5,564,276	5,130,297	5,111,876	5,468,828
Capital grants and contributions	5,783,782	5,704,736	10,626,139	4,861,929	5,205,639	6,009,919	2,193,383	6,597,432
Total governmental activities program revenues	15,318,745	16,671,959	22,804,574	17,869,466	17,075,223	17,299,839	14,169,469	18,888,622
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	2,809,168	3,385,635
Sanitary	4,522,491	4,614,481	5,142,139	5,488,342	5,671,545	4,653,216	4,835,519	5,007,377
Nursing Home	8,027,848	8,690,049	8,464,607	9,030,901	9,455,148	9,922,523	10,900,432	-
Other Funds	157,703	128,362	163,815	53,667	13,448	439,381	62,018	124,134
Operating grants and contributions	-	-	-	-	-	-	-	-
Capital grants and contributions	2,054,418	3,816,273	3,320,783	3,560,637	803,391	3,290,107	10,872,588	7,412,463
Total business-type activities program revenues	15,821,815	18,356,687	18,243,982	19,513,011	17,257,506	20,835,305	29,479,725	15,929,609
Total primary government program revenues	\$ 31,140,560	\$ 35,028,646	\$ 41,048,556	\$ 37,382,477	\$ 34,332,729	\$ 38,135,144	\$ 43,649,194	\$ 34,818,231

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



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

**Explanation of Significant Variances:**

a	Increase due to Allegany County's portion of new school construction.
b	Increase due to an increase in personnel salaries and fringe
c	Increase in grants due to significant grants received for Allegany Highlands Trail and Barton Business Park
d	Increase in grants due to grants received for Celanese Wastewater Treatment Plant
e	Increase due to donation of land from the State of Maryland for the Allegany Highlands Trail
f	Increase due to revenue growth from sources such as increase in tax rate, income tax increase, charges from boarding federal/state prisoners while expenses remained relatively the same.
g	Increase due expenditures for new High School
h	Increases/decreases due to separating water districts from combined sewer/water districts, therefore increasing water revenues and decreasing sewer.
i	Increase due to revenue collected for capital replacement of allconet switches
j	Increase due to donation of 911 assets from the State of Maryland in the amount of \$ 851,686
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.
p	Sold County owned Nursing Home.
q	Increase due to over \$ 4 million in ARRA federal grant money received
r	Decrease due to less grant money received in FY 2010 for the Georges Creek WWTP Upgrade which is near completion
s	Decrease due to dramatic decrease in highway users revenue and recordation/transfer taxes.
t	Increase due to decrease in highway users tax revenue therefore transfers to highway fund increased.

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Fund</b>										
Reserved	\$ 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	1,210,859
Unreserved	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	15,761,591
Total General Fund	<u>\$ 10,011,550</u>	<u>\$ 9,898,690</u>	<u>\$ 10,575,238</u>	<u>\$ 12,699,553</u>	<u>\$ 12,702,276</u>	<u>\$ 13,947,301</u>	<u>\$ 15,501,646</u>	<u>\$ 15,799,702</u>	<u>\$ 15,779,273</u>	<u>\$ 16,972,450</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 2,144,563	\$ 1,740,443	\$ 416,165	\$ 100,856	\$ 1,294,529	\$ 424,349	\$ 10,240,090	\$ 3,778,869	\$ 703,075	1,209,131
Unreserved, reported in:										
Special revenue funds	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	8,196,602
Capital project funds	5,724,934	2,745,547	1,370,878	2,228,198	1,220,786	2,487,471	2,817,863	1,148,208	4,083,957	3,015,176
Debt service funds	1,400,000	1,400,000	1,275,000	1,150,000	1,175,000	1,517,200	1,687,610	1,654,049	613,929	315,232
Total all other governmental funds	<u>\$ 11,065,846</u>	<u>\$ 8,445,221</u>	<u>\$ 6,322,316</u>	<u>\$ 7,272,455</u>	<u>\$ 8,792,482</u>	<u>\$ 9,430,144</u>	<u>\$ 19,928,092</u>	<u>\$ 12,471,143</u>	<u>\$ 12,631,971</u>	<u>\$ 12,736,141</u>

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

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>										
Property taxes	\$ 26,205,688	\$ 26,949,364	\$ 26,823,761	\$ 27,527,977	\$ 28,460,485	\$ 29,786,204	30,740,703	32,434,205	35,262,339	39,691,592
Income taxes	19,177,773	18,441,780	19,391,155	21,536,150	21,472,667	22,103,548	23,977,520	24,859,124	25,429,319	23,824,268
Highway user taxes	4,108,731	4,207,379	3,942,972	3,360,759	3,688,177	4,013,872	4,823,654	4,643,174	4,023,284	227,622
Other local taxes	1,539,919	1,842,004	1,683,107	3,205,042	3,912,061	4,709,748	4,837,769	4,622,525	3,529,059	3,669,846
Licenses and permits	534,121	558,218	580,355	606,228	583,575	586,286	616,222	621,136	611,328	609,877
Intergovernmental:										
Federal	5,484,707	4,528,456	4,012,379	5,047,771	7,136,309	6,784,009	5,206,553	4,889,944	4,046,367	8,381,233
State	8,194,787	12,990,625	14,842,988	13,997,115	13,829,081	10,779,726	14,134,749	13,132,681	9,961,957	10,014,893
Other	55,526	110,275	135,025	269,579	495,599	561,733	399,757	328,351	354,708	362,352
Service charges	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	2,602,221
Fines and forfeitures	58,531	72,008	147,986	2,560	91,420	79,618	109,022	71,133	98,463	114,372
Interest	1,625,162	680,463	343,052	194,563	402,229	752,182	948,856	1,215,979	440,827	247,564
Miscellaneous	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	3,832,288
Total revenues	\$ 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	\$ 93,578,128
<b>Expenditures</b>										
General government	\$ 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	\$ 8,368,897
Public safety	7,895,973	8,526,503	9,882,124	10,531,391	11,845,960	13,162,203	13,340,006	14,769,517	15,177,619	14,903,570
Public works	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	11,752,219
Health and Hospitals	299,806	291,868	297,275	314,944	365,730	547,635	668,436	639,555	477,204	479,537
Social Services	2,719,978	2,821,402	3,217,712	3,340,700	3,153,780	2,481,137	2,267,955	2,199,074	1,825,634	2,911,063
Education	-	6,872	106,438	7,125	6,487	6,788	296,339	33,511	28,261	25,261
Recreation, culture and libraries	284,468	529,568	400,679	416,091	525,238	557,173	785,391	785,287	818,848	555,124
Conservation of natural resources	232,807	212,488	236,697	223,675	254,764	222,849	286,942	321,258	505,126	286,273
Community Development and Housing	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	1,566,289
Economic development	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	2,017,520
Miscellaneous	11,693	4,678	18,775	18,721	13,991	17,671	25,749	28,742	27,755	20,869
Appropriation to other governments	905,343	961,388	990,488	1,005,981	1,017,170	1,044,128	1,162,444	1,243,264	1,245,011	1,242,952
Capital Outlay	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	8,092,983
Debt Service:										
Interest	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	1,732,167
Principal	3,777,228	3,936,483	4,090,571	4,221,604	4,005,632	4,716,262	4,213,086	4,892,495	4,728,665	4,887,794
Payments to Component Units	31,970,969	32,557,486	34,400,376	32,550,767	32,278,661	33,734,847	34,948,568	36,788,464	37,130,334	36,878,334
Total expenditures	\$ 78,815,368	\$ 78,080,570	\$ 78,883,530	\$ 79,642,095	\$ 88,556,911	\$ 89,925,262	\$ 93,417,886	\$ 106,981,132	\$ 94,640,959	\$ 95,720,852
Excess of revenues over (under)	\$ (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)	\$ (2,142,724)
<b>Other Financing Sources (Uses)</b>										
Proceeds from borrowing	\$ -	\$ 322,680	\$ 63,710	\$ 588,607	\$ 2,258,256	\$ 149,483	\$ 14,141,516	\$ 5,237,697	\$ 4,663,719	\$ 63,719
Proceeds from refunding	-	9,683,148	-	-	-	-	-	-	-	-
Payments to escrow agent	-	(9,683,148)	-	-	-	-	-	-	-	-
Transfers in	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	19,552,823
Transfers from component units	-	-	65,050	-	390,603	-	-	-	-	-
Transfers out	(12,298,277)	(9,953,385)	(9,634,659)	(9,959,540)	(13,556,482)	(10,461,602)	(12,634,570)	(11,397,805)	(13,773,441)	(16,393,999)
Sale of capital assets	-	-	416,000	18,674	298,110	4,552,930	358,874	2,330,993	102,838	217,528
Total Other Financing Sources (Uses)	\$ (793,451)	\$ 1,073,587	\$ 1,426,990	\$ 2,383,370	\$ 3,498,263	\$ 4,799,308	\$ 14,070,203	\$ 7,253,686	\$ 4,677,926	\$ 3,440,071
Net Change in fund balances	\$ (8,196,293)	\$ (2,733,485)	\$ (1,446,357)	\$ 3,074,454	\$ 995,071	\$ 2,015,839	\$ 12,234,341	\$ (7,158,893)	\$ 140,399	\$ 1,297,347
Debt service as a percentage of noncapital expenditures	9.0%	8.7%	8.2%	8.3%	7.2%	7.6%	6.7%	7.0%	7.2%	7.6%

# **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		Personal & Corporate Personal Total Direct Tax Rate
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	
2001	2,027,094,175	810,837,670	8,839,920	8,869,920	662,748,955	662,748,955	2,698,683,050	1,482,456,545	2.4600
2002	2,072,981,398	2,072,981,398	10,142,410	10,142,410	493,595,405	493,595,405	2,576,719,213	2,576,719,213	2.4600
2003	2,158,322,043	2,158,322,043	10,417,090	10,417,090	360,582,630	360,582,630	2,529,321,763	2,529,321,763	2.4595
2004	2,223,185,344	2,223,185,344	11,255,730	11,255,730	334,611,519	334,611,519	2,569,052,593	2,569,052,593	2.5000
2005	2,346,218,412	2,346,218,412	10,253,280	10,253,280	351,375,290	351,375,290	2,707,846,982	2,707,846,982	2.5018
2006	2,439,119,223	2,439,119,223	9,047,760	9,047,760	344,568,390	344,568,390	2,792,735,373	2,792,735,373	2.5018
2007	2,542,803,943	2,542,803,943	8,701,450	8,701,450	358,861,080	358,861,080	2,910,366,473	2,910,366,473	2.4573
2008	2,762,960,350	2,762,960,350	9,994,750	9,994,750	329,523,214	329,523,214	3,102,478,314	3,102,478,314	2.4573
2009	3,014,146,982	3,014,146,982	6,519,060	6,519,060	320,952,870	320,952,870	3,341,618,912	3,341,618,912	2.4573
2010	3,141,346,303	3,141,346,303	6,100,480	6,100,480	424,375,697	424,375,697	3,571,822,480	3,571,822,480	2.4573

Source: Allegany County Finance Office & Allegany Tax Office

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

The real property tax rate year 2001 has been restated to a full cash value assessment.

# Allegany County, Maryland

## Schedule Of Real Property Tax Rates - Direct And Overlapping Last Ten Fiscal Years

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

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<b><u>Allegany County Direct Tax Rates</u></b>										
Barton	0.9545	0.9552	0.9551	0.9494	0.9727	0.9724	0.9721	0.9520	0.9513	0.9520
Cumberland	0.9016	0.9074	0.9090	0.9087	0.9309	0.9248	1.0000	0.9838	0.9840	0.9040
Frostburg	0.9086	0.9107	0.9136	0.9111	0.9366	0.9305	0.9312	0.9128	0.9128	0.9120
Lonaconing	0.9305	0.9336	0.9333	0.9283	0.9548	0.9517	0.9535	0.9334	0.9330	0.9320
Luke	0.9266	0.9304	0.9302	0.9227	0.9516	0.9484	0.9498	0.9299	0.9287	0.9280
Midland	0.9545	0.9552	0.9551	0.9474	0.9727	0.9724	0.9721	0.9520	0.9513	0.9520
Westernport	0.9305	0.9336	0.9333	0.9263	0.9548	0.9517	0.9535	0.9344	0.9330	0.9320
Unincorporated	0.9829	0.9829	0.9829	0.9829	1.0007	1.0007	1.0000	0.9838	0.9840	0.9840
<b><u>Municipal Direct Tax Rates</u></b>										
Barton	0.1835	0.1981	0.2156	0.2220	0.2220	0.2220	0.2220	0.2260	0.2320	0.2320
Cumberland	0.9654	0.9654	0.9479	0.9479	0.9479	0.9479	0.8720	0.8720	0.8720	1.0400
Frostburg	0.5500	0.5540	0.5500	0.5500	0.5500	0.5500	0.5500	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	0.5500	0.5000	0.5000	0.5000	0.3500	0.3500	0.2400	0.2400	0.2400
Midland	0.2800	0.2800	0.2708	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
<b><u>Special Taxing Areas</u></b>										
<b><u>Sanitary Districts</u></b>										
Bedford Road	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0880
Bowling Green	0.2900	0.2530	0.2530	0.2530	0.2530	0.2530	0.1580	0.1480	0.1480	0.1440
Braddock Run	0.0070	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
Cresaptown	0.2900	0.3000	0.3000	0.3000	0.3000	0.3000	0.1600	0.0480	0.0480	0.0360
Jennings Run - Wills Creek	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0320
Cash Valley Subdistrict	0.1860	0.2200	0.2200	0.2200	0.2200	0.2440	0.2440	0.2440	0.2440	0.2320
McCoole	0.0700	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.1700	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0190	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0800	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	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	0.0600	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840
Oldtown Road	0.0770	0.2400	0.2400	0.2400	0.2400	0.2600	0.2600	0.2600	0.2600	0.2600
<b><u>Other Special Districts</u></b>										
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	0.0650	0.0320	0.0320	0.0320	0.0320	0.0400	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	0.0500	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	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	0.0450	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0800	0.0800	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. Tax year 2001 has 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	2010			2001		
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value
AES WR Limited Partnership	\$ 112,773,250	1	3.17%	\$ 237,871,410	1	7.02%
New Page (Mead/Westvaco)	65,987,938	2	1.86%	208,577,120	2	6.15%
Potomac Edison Co	45,004,390	3	1.27%	56,222,880	3	1.66%
Trans-Allegheny Interstate	40,756,100	4	1.15%			
LaVale Associates	32,072,930	5	0.90%	12,863,200	7	0.38%
Verizon-Maryland (Bell Atlantic)	28,868,650	6	0.81%	44,901,880	4	1.32%
Columbia Gas of Maryland	24,433,616	7	0.69%	14,828,390	5	0.44%
CSX Transportation	23,184,836	8	0.65%	14,417,550	6	0.43%
Allegany Coal-Land	17,849,803	9	0.50%			
Hunter Douglas Northeast, Inc.	16,315,070	10	0.46%	4,243,160	10	0.13%
Biederlack Of America Corp				5,674,430	9	0.17%
Superfos Packaging, Inc.				8,806,590	8	0.26%
<b>Total</b>	<b>\$ 407,246,583</b>		<b>11.46%</b>	<b>\$ 608,406,610</b>		<b>17.95%</b>

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
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%	(48,245)	1,548,953	22,215,162	22,214,047	99.99%
2006	23,311,852	21,694,064	93.06%	(21,574)	1,594,287	23,290,278	23,288,351	99.99%
2007	24,152,164	22,574,066	93.47%	(34,653)	1,539,995	24,117,511	24,114,061	99.99%
2008	26,296,828	24,418,173	92.86%	(46,613)	1,814,824	26,250,215	26,232,997	99.93%
2009	28,732,488	26,710,075	92.96%	(37,671)	980,285	28,694,817	27,690,360	96.50%
2010	31,122,925	28,546,101	91.72%	-	-	31,122,925	28,546,101	91.72%

**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
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%	(31,466)	14,969	217,839	211,176	96.94%
2004	274,789	216,817	78.90%	(35,560)	17,261	239,229	234,078	97.85%
2005	249,585	217,982	87.34%	(12,162)	15,467	237,423	233,449	98.33%
2006	221,878	201,105	90.64%	(10,295)	6,591	211,583	207,696	98.16%
2007	208,932	186,368	89.20%	(2,927)	9,289	206,005	195,657	94.98%
2008	240,950	143,066	59.38%	(69,162)	18,535	171,788	161,601	94.07%
2009	156,136	131,719	84.36%	(2,463)	6,309	153,673	138,028	89.82%
2010	145,616	119,211	81.87%	-	-	145,616	119,211	81.87%

**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
2001	15,858,558	15,708,793	99.06%	(92,439)	49,300	15,766,119	15,758,093	99.95%
2002	11,671,917	11,416,395	97.81%	(50,037)	198,743	11,621,880	11,615,138	99.94%
2003	9,282,992	9,163,854	98.72%	(31,840)	82,490	9,251,152	9,246,344	99.95%
2004	8,897,728	8,790,614	98.80%	(283,936)	(189,525)	8,613,792	8,601,089	99.85%
2005	8,501,900	8,407,644	98.89%	(114,421)	(32,395)	8,387,479	8,375,249	99.85%
2006	8,408,395	8,276,381	98.43%	(32,927)	85,499	8,375,468	8,361,880	99.84%
2007	8,210,266	8,094,923	98.60%	(14,227)	52,341	8,196,039	8,147,264	99.40%
2008	7,921,091	7,814,936	98.66%	282,712	338,226	8,203,803	8,153,161	99.38%
2009	7,710,088	7,559,542	98.05%	1,272,043	1,328,946	8,982,131	8,888,488	98.96%
2010	9,076,556	8,244,551	90.83%	-	-	9,076,556	8,244,551	90.83%

**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
2001	35,337,738	33,680,300	95.31%	(156,014)	1,489,506	35,181,724	35,169,806	99.97%
2002	31,652,576	29,820,195	94.21%	(151,187)	1,668,907	31,501,389	31,489,102	99.96%
2003	29,722,371	28,089,561	94.51%	(83,666)	1,536,797	29,638,705	29,626,358	99.96%
2004	30,411,557	28,845,547	94.85%	(341,562)	1,205,577	30,069,995	30,051,124	99.94%
2005	31,014,892	29,290,720	94.44%	(174,828)	1,532,025	30,840,064	30,822,745	99.94%
2006	31,942,125	30,171,550	94.46%	(64,796)	1,686,377	31,877,329	31,857,927	99.94%
2007	32,571,362	30,855,357	94.73%	(51,808)	1,601,625	32,519,554	32,456,982	99.81%
2008	34,458,868	32,376,175	93.96%	166,937	2,171,584	34,625,806	34,547,759	99.77%
2009	36,598,711	34,401,336	94.00%	1,231,909	2,315,540	37,830,620	36,716,876	97.06%
2010	40,345,097	36,909,863	91.49%	-	-	40,345,097	36,909,863	91.49%

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		Sanitary Capital Bonds		Sanitary Term Notes		Sanitary State Loans		Sanitary Federal Loans					Nursing Home Loans
					Term Notes	Federal Loans	Term Notes	Federal Loans	Term Notes	Federal Loans	State Loans	Federal Loans	State Loans	Federal Loans				
2001	37,945,000	1,080,232	51,783	8,460,725	189,449	1,665,100	-	2,120,833	2,014,938	2,166,706	-	-	55,694,766	3.43%	748			
2002	35,115,000	1,013,492	82,761	8,046,052	122,832	3,303,469	-	1,792,880	1,840,612	1,079,369	-	-	52,396,467	3.15%	707			
2003	31,580,000	941,011	41,978	7,667,455	50,779	3,263,926	-	1,455,938	1,842,994	1,064,987	-	-	47,909,068	2.82%	649			
2004	27,945,000	864,699	-	7,787,748	4,811	3,326,911	-	172,977	8,432,882	1,049,890	-	-	49,584,918	2.80%	670			
2005	26,596,000	784,473	112,435	7,357,164	3,130	4,103,242	-	115,294	10,177,907	1,034,042	525,000	-	50,808,687	2.70%	690			
2006	22,944,000	699,910	206,123	6,433,258	156,183	4,218,791	-	77,435	10,137,902	1,017,406	501,088	-	46,392,096	2.40%	639			
2007	28,532,000	5,610,818	126,929	5,941,976	475,717	4,161,123	-	19,503	10,012,618	3,790,944	475,926	-	59,147,554	3.00%	815			
2008	24,949,597	10,253,745	288,444	5,065,139	445,537	4,449,625	-	19,169	9,489,761	3,363,826	449,448	-	58,774,291	2.70%	809			
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	2.70%	859			
2010	21,920,544	9,365,495	206,094	4,175,771	397,734	4,306,768	-	18,453	15,666,339	3,281,112	-	-	59,338,310	2.40%	818			

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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Taxable Value of Property</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Population</b>	<b>Debt Per Capita</b>
<b>2001</b>	37,945,000	1,482,426,545	2.56%	74,449	509.68
<b>2002</b>	35,115,000	2,576,719,213	1.36%	74,059	474.15
<b>2003</b>	31,580,000	2,529,321,763	1.25%	73,867	427.53
<b>2004</b>	27,945,000	2,569,052,593	1.09%	73,999	377.64
<b>2005</b>	26,596,000	2,707,846,982	0.98%	73,639	361.17
<b>2006</b>	22,944,000	2,792,735,373	0.82%	72,613	315.98
<b>2007</b>	28,532,000	2,910,366,473	0.98%	72,603	392.99
<b>2008</b>	24,949,597	3,102,478,314	0.80%	72,658	343.38
<b>2009</b>	25,787,011	3,341,618,912	0.77%	72,532	355.53
<b>2010</b>	21,920,544	3,571,822,480	0.61%	72,500	302.35

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**

	Fiscal year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population	74,449	74,059	73,867	73,999	73,639	72,613	72,603	72,658	72,532	72,500
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	71,170	70,780	70,588	70,720	70,360	69,334	69,324	69,379	69,253	69,221
Debt Per Capita	585	585	585	585	585	585	585	585	585	585
Debt Limit	41,634,450	41,406,300	41,293,980	41,371,200	41,160,600	40,560,390	40,554,540	40,586,715	40,513,005	40,494,285
Total Net Debt applicable to limit	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	35,667,904
Legal Debit Margin	(5,903,290)	(2,851,005)	1,063,536	4,773,753	6,310,528	10,277,099	342,817	29,790	21,026	4,826,381
Total net debt applicable to the limit as a percentage of debt limit	114.2%	106.9%	97.4%	88.5%	84.7%	74.7%	99.2%	99.9%	99.9%	88.1%

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
2010	6,166,813	5,053,655	1,113,158	725,634	315,904	1,041,538	1.07
2009	5,947,874	5,114,760	833,114	727,580	283,759	1,011,339	0.82
2008	5,756,775	(4)	535,496	786,386	233,002	1,019,388	0.53
2007	6,800,108	5,835,667	964,441	750,057	233,277	983,334	0.98
2006	6,390,329	5,189,019	1,201,310	436,091	190,715	626,806	1.92
2005	6,138,374	4,705,332	1,433,042	342,541	206,399	548,940	2.61
2004	5,380,331	4,121,055	1,259,276	379,008 (3)	219,141	598,149	2.11
2003	5,196,676	4,135,237	1,061,439	534,257	253,771	788,028	1.35
2002	5,322,012	3,870,291	1,451,721	515,979	288,075	804,054	1.81
2001	5,225,033	3,805,192	1,419,841	477,182	301,188	778,370	1.82

## **WATER DISTRICTS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2010	3,442,520	2,805,180	637,340	89,693	207,391	297,084	2.15
2009	2,866,797	2,395,589	471,208	100,967	211,276	312,243	1.51
2008	2,585,222	(4)	485,542	97,009	215,232	312,241	1.56
2007	1,417,547	1,053,569	363,978	60,953	195,878	256,831	1.42
2006	1,430,789	1,068,917	361,872	55,436	181,207	236,643	1.53
2005	1,180,132	833,099	347,033	48,352	158,073	206,425	1.68
2004	1,124,973	909,646	215,327	87,484	144,383	231,867	0.93
2003	1,073,757	878,777	194,980	111,596	150,978	262,574	0.74
2002	1,043,256	826,387	216,869	101,883	139,236	241,119	0.90
2001	754,227	682,149	72,078	81,955	87,478	169,433	0.43

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 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

<u>Year</u>	<u>Population</u>	<u>Personal Income In 000s</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment</u>	<u>Unemployment Rate</u>
<b>2001</b>	74,449	1,623,601	21,808	10,425	6.70%
<b>2002</b>	74,059	1,661,981	22,441	10,180	6.50%
<b>2003</b>	73,867	1,701,416	23,034	10,128	6.30%
<b>2004</b>	73,999	1,785,371	24,127	9,926	6.40%
<b>2005</b>	73,639	1,884,432	25,590	9,840	6.50%
<b>2006</b>	72,613	1,897,150	26,127	9,715	5.59%
<b>2007</b>	72,603	1,974,017	27,189	9,526	5.20%
<b>2008</b>	72,658	2,204,237 (b)	30,337	9,221	5.80%
<b>2009</b>	72,532	2,314,449 (b)	31,909	9,157	8.90%
<b>2010</b>	72,500 (a)	2,430,171 (b)	33,520	9,152	8.93%

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 5% growth

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

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total County Employment</u>
Western Maryland Health Systems	2,258	1	6.95%	2,350	1	7.15%
ATK Tactical Systems	1,472	2	4.53%			
Allegany County Board Of Education	1,401	3	4.31%	1,291	3	3.93%
New Page Corporation (Westvaco)	973	4	2.99%	1,500	2	4.57%
Frostburg State University	930	5	2.86%	918	5	2.79%
CSX Transportation	900	6	2.77%	1,000	4	3.04%
Allegany County Government				500	7	1.52%
Hunter Douglas	594	7	1.83%	487	8	1.48%
ACS, Inc.	592	8	1.82%			
North Branch Correctional Institution	557	9	1.71%			
Western Correctional Institution	552	10	1.70%	578	6	1.76%
Allegany College				445	9	1.35%
Biederlack				400	10	1.22%
<b>Total</b>	<b><u>10,229</u></b>		<b><u>31.46%</u></b>	<b><u>9,469</u></b>		<b><u>28.82%</u></b>

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 Eight Fiscal Years

Function/Program	2003	2004	2005	2006	2007	2008	2009	2010
General Government								
Commissioners & Staff	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0
Judicial	28.5	26.5	27.3	27.3	28.0	28.6	28.6	29.1
Finance	9.3	9.3	9.3	9.6	9.6	9.6	9.6	9.6
Tax Office	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.7
Maintenance	16.1	15.5	16.5	16.1	16.4	16.2	15.7	15.7
Other	33.3	35.8	28.7	32.1	38.6	40.8	43.7	42.6
Public Safety								
Sheriff/Bureau of Police	27.0	24.0	27.9	31.6	33.2	29.4	28.3	32.4
Detention Center	78.5	79.8	84.8	85.3	85.0	85.5	86.0	85.4
911	17.2	19.3	21.0	25.0	24.6	25.2	26.2	25.9
Other	5.1	1.1	13.9	13.1	13.4	21.9	23.5	31.3
Public Works								
Roads division	76.3	76.3	74.5	74.5	74.5	75.7	75.7	74.7
Engineering	18.3	18.2	16.7	15.4	16.5	16.3	16.3	14.5
Solid Waste	5.5	5.4	5.4	5.4	5.3	5.3	5.3	5.3
Transit	27.1	27.1	27.1	29.6	32.7	33.0	31.9	30.2
Health and Hospitals	3.3	3.3	3.3	3.3	2.3	2.0	2.0	2.0
Social Services	6.0	7.0	7.0	1.0	1.0	1.0	1.0	1.0
Recreation, culture, libraries, tourism	1.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0
Conservation of natural resources	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Community Development and Housing	5.3	4.3	5.6	5.6	4.3	4.3	4.3	3.7
Economic Development	8.2	9.4	9.1	10.1	7.2	7.5	8.3	7.7
Sanitary	23.5	23.5	23.0	24.0	25.0	25.0	26.0	31.8
Nursing Home	150.0	150.0	161.5	165.5	152.1	150.5	147.5	-
Total	556.0	557.3	581.1	593.0	589.2	597.3	599.4	462.6

Source: Allegany County Finance Office-Budget

# **Allegany County, Maryland** **Operating Indicators By Function/Program** **Last Eight Fiscal Years**

Function/Program	Fiscal Year							
	2003	2004	2005	2006	2007	2008	2009	2010
General Government								
Average number of tax bills issued	38,000	38,020	38,060	38,130	38,124	38,419	38,454	38,532
Number of building permits issued	421	479	469	424	460	410	372	312
Public Safety								
Total Number of arrests	1,430	1,505	1,341	1,246	608	1,060	1,491	1,608
Total Number of traffic stops	1,157	199	613	1,527	1,153	1,167	1,840	1,640
Average number of inmates	176	180	180	172	179	203	168	157
Number of Volunteer Fire Stations	23	23	23	23	23	23	23	23
Public Works								
Miles of roads maintained	544	544	544	544	544	544	544	544
Street resurfacing (miles)	56	47	35	23	31	30	30	Not Available
Recycling, total tons (calendar year)	20,577	20,058	22,468	24,685	23,925	25,121	Not Available	Not Available
Social Services								
Transit route miles	538,567	470,456	445,957	500,772	675,570	502,317	446,420	384,182
Transit passengers	88,650	99,441	94,813	119,027	138,131	179,555	189,004	189,708
Community Development and Housing								
Number of families' rent subsidized	253	274	253	262	267	190	198	** N/A
Low-Income Housing loans issued	42	32	43	36	43	21	35	7
Sanitary								
Average number of sanitary/water customers	8,500	8,500	8,500	8,500	8,500	8,500	8,500	9250
Nursing Home								
Total Number of Beds Available, Annually	55,845	55,998	55,845	55,845	55,845	55,998	55,845	0
Number of Beds Occupied Annually	49,660	51,427	48,701	47,422	48,400	47,512	48,692	0
Occupancy Rate, Annual	89%	92%	87%	85%	86%	85%	87%	0
Gaming								
Games Sold	N/A	39,935 *	50,870	49,901	48,800	43,056	36,206	35,357
Operators Licensed	N/A	79 *	94	100	79	83	85	92
Inspections Conducted	N/A	1,200 *	1,180	1,035	965	972	921	860

\* Only in operation for 7 months of the fiscal year

\*\* Local nonprofit agency absorbed the County's Section 8 program during FY 2010

Source: Various County Departments

# **Allegany County, Maryland** **Capital Asset Statistics by Function/Program** **Last Eight Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>							
	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>
General Government								
Number of major buildings maintained	10	10	10	10	11	11	11	11
Public Safety								
Number of police stations	1	1	1	1	1	1	2	4
Number of patrol vehicles	12	13	20	20	20	20	29	34
Public Works								
Miles of roads maintained	544	544	544	544	544	544	544	544
Average number of highway vehicles	140	140	140	140	140	140	140	140
Number of Garages-Roads Dept	4	4	4	4	4	5	5	5
Number of operating transit buses	9	9	9	10	10	11	14	21
Economic Development								
Number of Industrial parks	8	8	8	8	8	8	8	8
Number of Buildings leased	14	14	14	14	15	12	10	13
Sanitary								
Sanitary/Water (miles)	175	175	175	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6	6	6	6
Nursing Home								
Number of buildings maintained	1	1	1	1	1	1	1	0

Source: Various County Departments

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