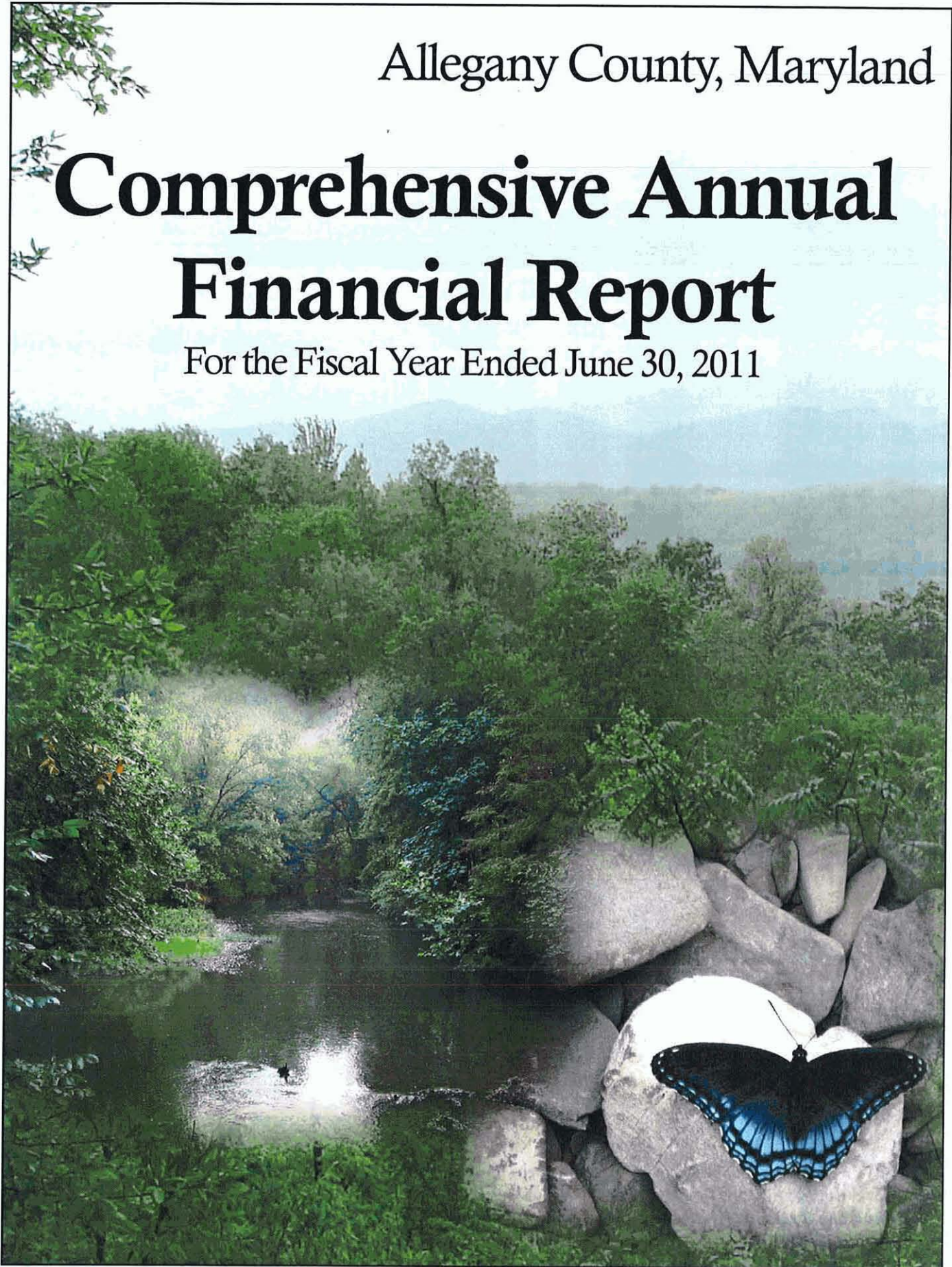


Allegany County, Maryland

# Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2011



Cover:

Evitts Creek and Mount Savage Overlook photographs by  
David Dorsey, Allegany County Planning Division.

Fifteen Mile Creek butterfly, photograph by Siera Wigfield,  
Allegany County Planning and Transit Divisions.

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

**FOR THE FISCAL YEAR**  
**JULY 1, 2010 - JUNE 30, 2011**

Prepared by:  
The Allegany County Finance Office  
Jason M. Bennett, CPA, Director



# ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **INTRODUCTORY SECTION**

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# ALLEGANY COUNTY, MARYLAND

## *Finance Office*

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### BOARD OF COMMISSIONERS

Michael W. McKay, *President*  
Creade V. Brodie, Jr.  
William R. Valentine

Jason M. Bennett, CPA, *Director of Finance*

December 20, 2011

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, 2011, 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, P.A., 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, 2011, 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, 2011, 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 2000 census showed a population of 74,930; according to the 2010 Census, the population is 75,087 for the County. The County seat and principal city is Cumberland, with a 2010 population of 20,859.

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 9.0% at June 30, 2010 to 9.3% at June 30, 2011. 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 34,495. 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 2011 the County borrowed \$2.25 million; \$600,000 for the Bowman's Addition Water Project, \$221,000 Clarysville Water Project, \$317,000 for Inflow and Infiltration projects and \$1.1 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 2012, 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.

During 2011, the County awarded a contract to provide a new cashiering system and a utility billing system that will fully integrate with the County's accounting package. This will provide improved efficiency and will increase the public access to information and payment methods. It is anticipated the cost will be approximately \$400,000 and completed in the summer of 2012.


### **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, 2010. This was the nineteenth consecutive year that the government has achieved 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, Pamela Smith, Chief Accountant, and the entire staff of the Finance Office for their cooperation, dedication, and professionalism in the preparation of this report. In conclusion, I want to acknowledge the efforts of the many County employees that support the accounting function.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. M. Bennett", is written over a horizontal line.

Jason M. Bennett, 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, 2010

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



President

Executive Director



Allegany County, Maryland  
Summary of Certain Officials  
June 30, 2011

Board of Commissioners

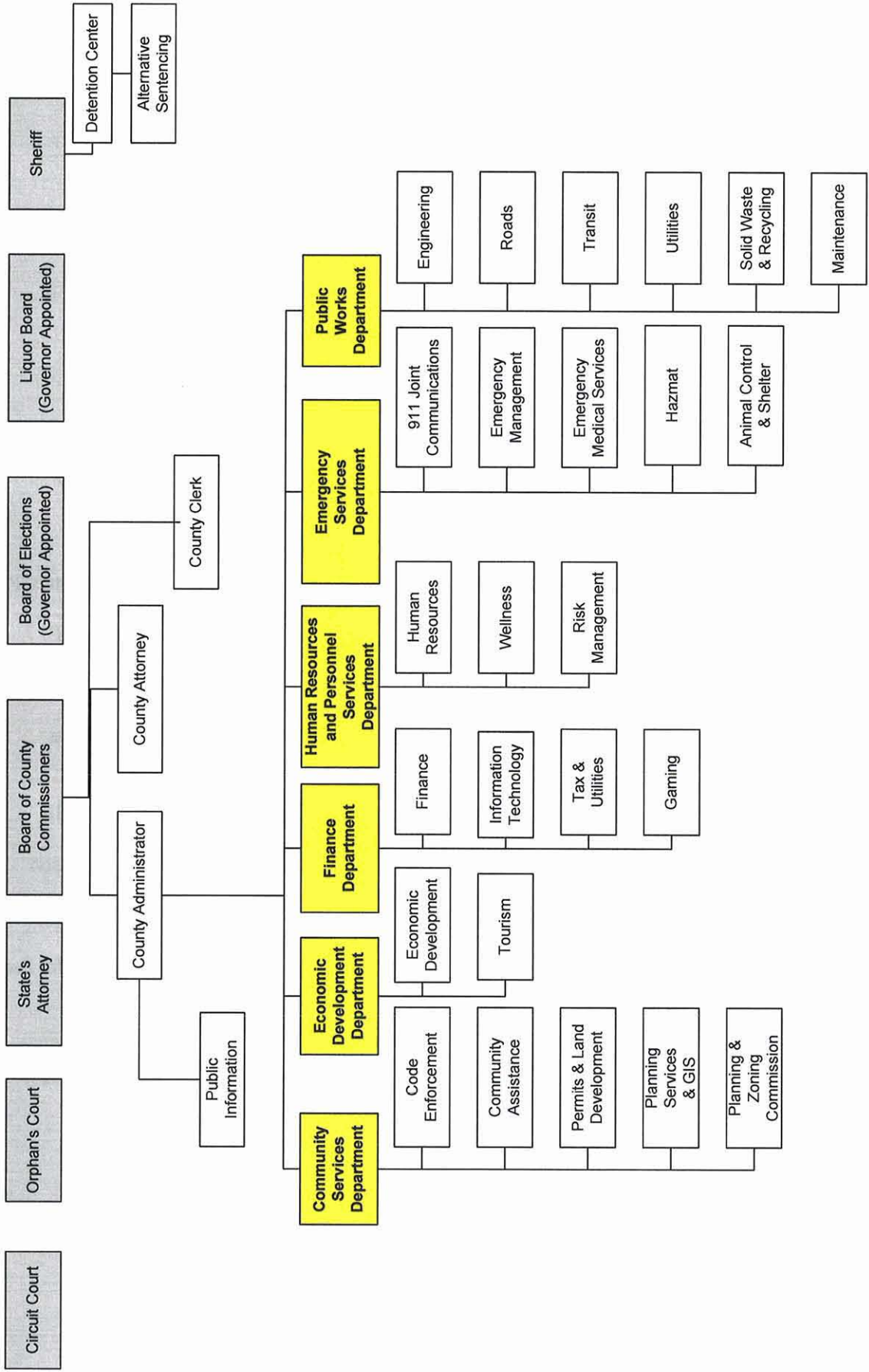
Michael W. McKay, President  
Creade V. Brodie Jr., Commissioner  
William R. Valentine, Commissioner

County Administrator	David A. Eberly
Clerk of the Board	Cathy E. Blank
Director of Finance	Jason M. Bennett, CPA
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	Craig A. Robertson
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 2011



# **FINANCIAL SECTION**

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



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Cumberland, Maryland 21502  
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Board of Allegany County Commissioners  
County Office Complex  
701 Kelly Road  
Cumberland, Maryland

#### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland (the County), as of and for the year ended June 30, 2011, 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, 73 percent, and 77 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our 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, 2011, 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.

As discussed in the notes to the financial statements, Allegany County, Maryland adopted the provisions of Government Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of and for the year ended June 30, 2011. This statement results in Allegany County, Maryland reporting nonspendable, restricted, committed, assigned, and unassigned fund balances in the governmental fund types. In addition, an adjustment was made to fund balance reported at the beginning of the year as a result of this change in accounting principle.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2011, 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-12 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 nonmajor 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 nonmajor 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 them.

*Tumult, Hoover; Kahl, P. A.*

Cumberland, Maryland  
December 20, 2011





## 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, 2011. 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 \$171.8 million (*net assets*). Of this amount, \$163.3 million is invested in capital assets net of related debt and \$3.3 million is restricted for specific purposes (restricted net assets). The County's total unrestricted net assets are \$5.2 million. This total unrestricted net asset amount includes \$4.5 million from governmental activities, and unrestricted net asset balance from business-type activities of \$723 thousand.
- The government's total net assets increased by \$5.0 million or 3.0%. The governmental net assets increased \$2.0 million (or 2.3%). Business-type net assets increased by \$3 million (or 3.8%) during the year.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$26.9 million, a decrease of \$2.8 million in comparison with the prior year. The decrease was due to several factors. The Gaming special revenue fund spent \$500,000 more than it received in revenues for educational projects using prior year's reserves. The Public Safety special revenue fund contributed (from unexpended fund balance) \$600,000 towards the Length of Service Awards Program for firefighters. The capital project funds fund balances decreased by \$1.5 million due to the use of reserves to pay for continuing capital projects and prefunding several projects to be reimbursed later. Approximately 40.2% of the ending fund balance, \$10.8 million, is *available for spending* at the government's discretion (*unassigned fund balance*), \$1.2 is nonspendable, \$1.3 million is restricted, \$9.4 million is committed to certain programs and \$4.2 million is assigned to specific programs.
- Allegany County's governmental activity outstanding debt decreased by \$5.1 million (or 14.3%) during the current fiscal year. The County did not issue any general obligation debt during the 2011 fiscal year. The County's business-type debt increased by \$2.2 million (or 9.5%) due to borrowing for improvements to and construction of various water and sewer projects.

### 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 and the revolving building fund, both of which are considered to be major funds. Data from the other thirteen 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, loan fund, and the Allconet II 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 and sewer 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 C18-19 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 C21-62 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 and the Revolving Building which are reported as major funds. Required supplementary information can be found on pages D3-12 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 E4-50 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 \$171.8 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (\$163.3 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 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
<b>Assets:</b>						
Current and other assets	\$ 35,459,708	\$ 39,686,806	\$ 4,039,706	\$ 3,277,829	\$ 39,499,414	\$ 42,964,635
Capital assets	90,612,402	90,774,546	106,760,912	103,774,460	197,373,314	194,549,096
Total assets	126,072,110	130,461,352	110,800,618	107,052,289	236,872,728	237,513,641
<b>Liabilities:</b>						
Current and other liabilities	9,401,899	11,165,234	3,079,124	3,357,065	12,481,023	14,522,299
Long-term liabilities outstanding	27,943,752	32,592,547	24,695,447	23,700,527	52,639,199	56,293,074
Total liabilities	37,345,651	43,757,781	27,774,571	27,057,592	65,120,222	70,815,373
<b>Net assets:</b>						
Investment in capital assets						
net of related debt	81,231,372	79,922,549	82,056,523	80,104,054	163,287,895	160,026,603
Restricted	3,009,835	3,963,136	246,463	198,240	3,256,298	4,161,376
Unrestricted	4,485,252	2,817,886	723,061	(307,597)	5,208,313	2,510,289
Total net assets	\$ 88,726,459	\$ 86,703,571	\$ 83,026,047	\$ 79,994,697	\$ 171,752,506	\$ 166,698,268

An additional portion of Allegany County's net assets (1.9%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net assets* balance of \$5.2 million. The *unrestricted net assets* balance for the governmental activities was \$4.5 million and the business-type activities have a balance of \$723,000.

During the current fiscal year, the government's net assets increased by \$5.0 million. Revenues decreased by approximately \$10.1 million to \$105.5 million while expenses decreased by \$2.1 million from the prior year to \$100.4 million.

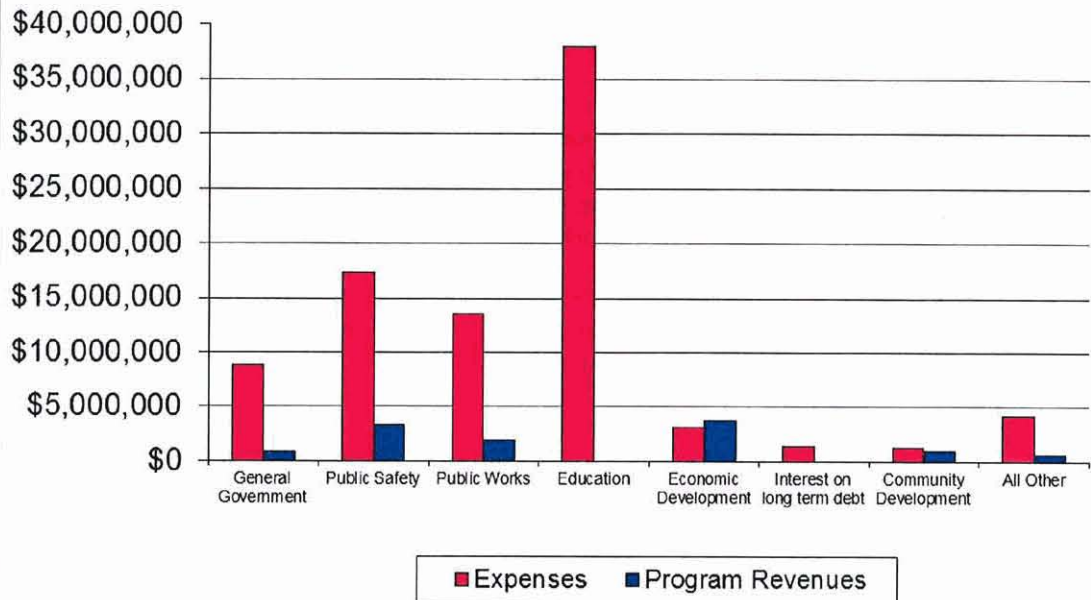
ALLEGANY COUNTY'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	FY 2011	FY 2010	FY 2011	FY 2010	FY 2011	FY 2010
Revenues:						
Program revenues:						
Charges for services	\$ 6,495,617	\$ 6,822,362	\$ 9,329,635	\$ 8,517,146	\$ 15,825,252	\$ 15,339,508
Operating grants and contributions	4,309,939	5,468,828	-	-	4,309,939	5,468,828
Capital grants and contributions	480,667	6,597,432	4,545,246	7,412,463	5,025,913	14,009,895
General revenues:						
Property taxes	41,236,282	39,552,052	141,497	901,613	42,650,779	40,453,665
Income taxes	24,239,325	22,821,267	-	-	24,239,325	22,821,267
Other local taxes	3,360,863	3,260,020	-	-	3,360,863	3,260,020
Franchise taxes	355,176	353,375	-	-	355,176	353,375
Grants and contributions not restricted to specific programs	7,346,258	7,341,783	-	-	7,346,258	7,341,783
Unrestricted fees	-	-	-	-	-	-
Unrestricted investment earnings	1,184,451	1,082,485	183,350	183,601	1,367,801	1,266,086
Gain on sale/retirement of capital assets	243,845	-	-	4,569,787	243,845	4,569,787
Miscellaneous	591,353	573,688	166,208	108,761	757,561	682,449
Total revenues	89,843,776	93,873,292	15,638,936	21,693,371	105,482,712	115,566,663
Expenses:						
General government	8,485,854	8,846,071	-	-	8,485,854	8,846,071
Payment to data processing	348,334	348,334	-	-	348,334	348,334
Public safety	17,290,112	18,650,183	-	-	17,290,112	18,650,183
Public works	13,596,902	15,378,566	-	-	13,596,902	15,378,566
Health	1,452,867	1,902,425	-	-	1,452,867	1,902,425
Social services	1,497,708	2,285,943	-	-	1,497,708	2,285,943
Education	417,181	207,903	-	-	417,181	207,903
Payment to public school system	29,005,829	28,518,587	-	-	29,005,829	28,518,587
Payment to community college	7,425,000	7,425,000	-	-	7,425,000	7,425,000
Recreation, culture & libraries	1,078,718	712,201	-	-	1,078,718	712,201
Payment to public library system	905,000	905,000	-	-	905,000	905,000
Conservation of natural resources	309,166	289,487	-	-	309,166	289,487
Community development & housing	1,260,818	1,527,343	-	-	1,260,818	1,527,343
Economic development	3,099,936	2,296,740	-	-	3,099,936	2,296,740
Interest on long-term debt	1,438,754	1,678,376	-	-	1,438,754	1,678,376
Water	-	-	4,184,704	3,699,321	4,184,704	3,699,321
Sewer	-	-	7,914,948	7,251,103	7,914,948	7,251,103
Nursing Home	-	-	-	-	-	-
Other proprietary funds	-	-	716,643	613,458	716,643	613,458
Total expenses	87,612,179	90,972,159	12,816,295	11,563,882	100,428,474	102,536,041
Increase in net assets before transfers	2,231,597	2,901,133	2,822,641	10,129,489	5,054,238	13,030,622
Transfers	(208,709)	3,158,822	208,709	(3,158,822)	-	-
Increase (decrease) in net assets	2,022,888	6,059,955	3,031,350	6,970,667	5,054,238	13,030,622
Net assets, beginning	86,703,571	80,643,616	79,994,697	73,024,030	166,698,268	153,667,646
Net assets, ending	\$ 88,726,459	\$ 86,703,571	\$ 83,026,047	\$ 79,994,697	\$ 171,752,506	\$ 166,698,268

**Governmental activities.** Governmental activities increased Allegany County's net assets by \$2.0 million. Total revenues decreased \$4.0 million (or 4.3%) and expenses increased \$3.8 million (or 4.3%). Key elements of the changes in governmental net assets are as follows:

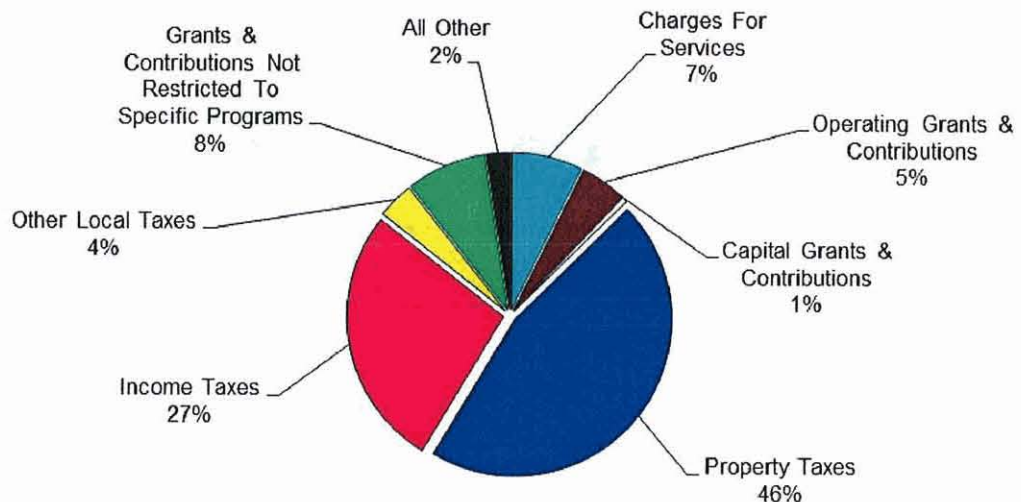
- Property taxes in the governmental funds increased by \$1.7 million (4.3%). The increase was the result of property assessments increasing by \$142.6 million.
- Income tax revenue increased \$1.4 million or 6.2%. The increase is a result of the economic conditions nationally stabilizing with some improvement locally.

- Operating grants decreased 21.1%, or \$1.2 million, largely due to the State continuing to make cuts to its allocations to local governments to balance the State of Maryland budget.
- Capital grants decreased dramatically from \$6.6 million the prior year to \$500,000 in the current year, a decrease of \$6.1 million. The decrease was almost entirely due to the expiration of the American Recovery and Reinvestment Act.

### Expenses and Program Revenues - Governmental Activities



### Revenues By Source - Governmental Activities

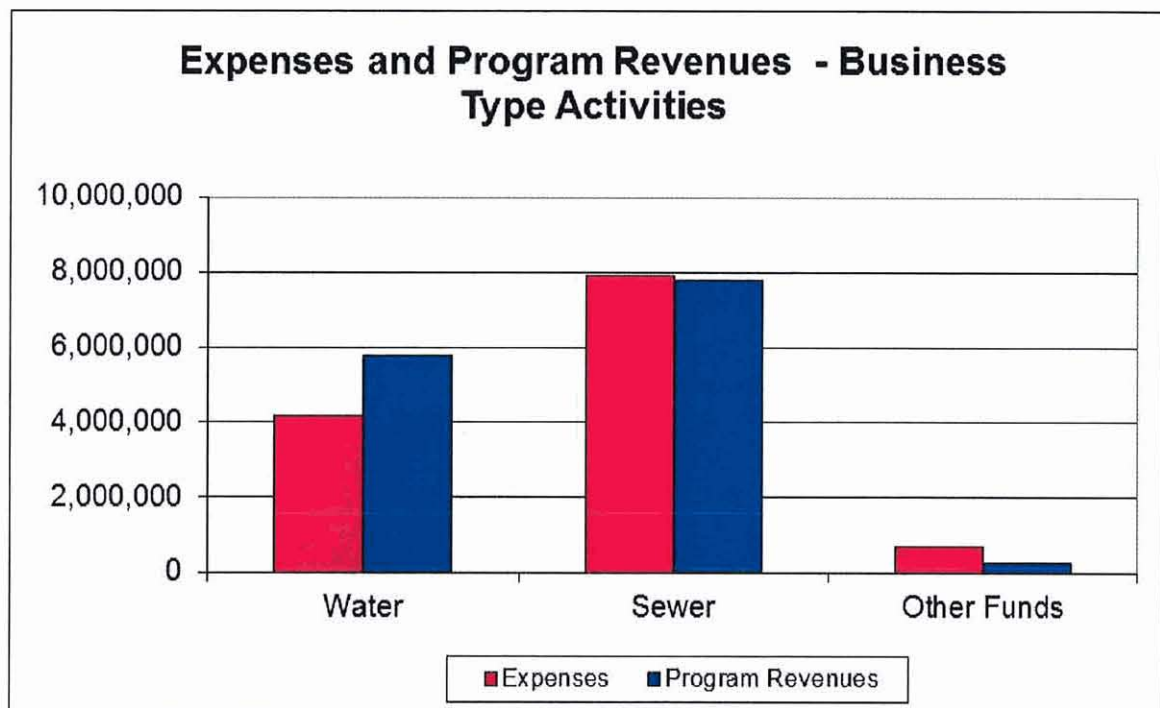


The decrease in governmental expenses of \$3.4 million (or 3.7%) was the result of the following:

- Public safety expenses decreased \$1.4 million (or 7.3%) due to completion of a project to acquire equipment on behalf of the Federal government and not capitalized as County assets.
- Public works expenses decreased \$1.8 million (11.6%) as a result of the work being completed on the Savage River Dam's flood gate during the current fiscal year. The flood gate is not an asset of Allegany County and was reported as an expense in the prior year.

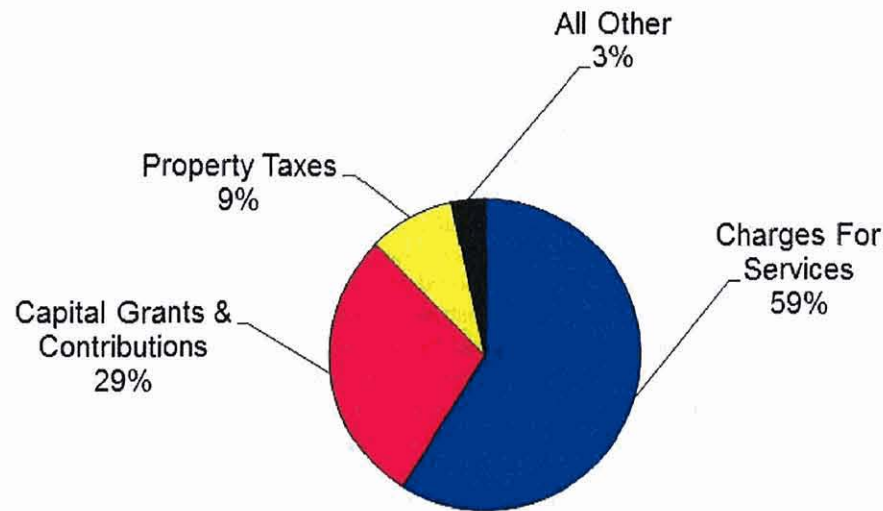
**Business-type activities.** The net assets of the County's business-type activities increased by \$3.0 million after transfers. Key elements of the increase were:

- Total business-type service charges increased \$800,000 (or 9.5%) and expenses increased \$1.3 million (or 10.8%). Property taxes increased \$500,000 (or 56.9%).
- The increase in service charges were due to water service being extended to new customers in new areas, no increases in water or sewer rates were made during the 2011 fiscal year.
- The change in property taxes was due to increases in tax rates to pay for additional debt service payments for the Georges Creek Wastewater Treatment plant and other loans made for various improvements to infrastructure.
- The increase in expenses was the result of purchasing additional water to supply the increase in the customer base. The additional water purchases increase expenses by approximately \$280,000.
- Also, sanitary district expenses increased 9.3% (\$640,000) largely due to increases in the rates for treatment costs.





## 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, *unassigned* 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 balance of \$26.9 million, a decrease of \$2.8 million in comparison with the prior year. Approximately 40.2 percent of this total amount (\$10.8 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Other fund balance classifications are;

- Nonspendable – amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact - \$1.2 million
- Restricted – amounts restricted to specific purposes by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation - \$2.0 million.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's Board of Commissioners. - \$8.7 million.
- Assigned – amounts which are intended to be used for specific purposes as constrained by the action of the Board or by the Director of Finance - \$4.2 million.

The general fund is the chief operating fund of Allegany County. At the end of the current fiscal year, *unassigned fund balance* of the general fund was \$11.4 million, out of a total fund balance of \$17.2 million. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total fund expenditures. *Unassigned fund balance* represents 3.3 percent of total general fund expenditures, while total fund balance represents 22.5 percent of that same amount.

Key factors in the \$2.8 million decrease in the governmental fund balances are:

The fund balance of Allegany County's general fund increased \$250,000; which was the result of:

- Revenues increased \$1.8 million (or 2.3%) and expenditures increased \$8.0 million (or 11.7%). The increase in revenue and expenditures was the result of certain operations being moved to the general fund from special revenue funds. The highway special revenue fund (expenditures of \$7.7 million) and the medical services portion (expenditures of \$1.2 million) of the public safety special revenue fund were recorded in the general fund in fiscal year 2011.
- Property taxes grew 6.1%, an increase of \$2.4 million from the prior year. The increase was half of the previous year's increase as the effects of the housing collapse began to have an impact locally.
- Other than the two functions moved to the general fund mentioned above, expenditures for operating departments of the County saw small increases or, in most cases, realized a decrease in the amounts spent from the previous year. The Board of Commissioners had made a request for all County departments to voluntarily reduce their costs which many were able to achieve.
- Transfers to other funds from the general fund decreased \$8.3 million (59.2%) because the transfer to the highway fund was no longer necessary. Those costs are now a part of the County's general fund.
- Transfers from other funds decreased \$3.3 million. A transfer from the Nursing Home fund of \$3.3 million (from its sale) was a one-time event in the prior year.

The Revolving Building Fund, another major fund, reported a decrease in fund balance of \$470,000. Revenues increased slightly (\$217,000 or 6.8%) and expenditures increased dramatically from \$585,000 in fiscal year 2010 to \$2.3 million in fiscal year 2011. The increase in expenditures was the result of improvements to shell buildings costing \$1.4 million in fiscal year 2011. The costs were paid for using fund balance committed for that purpose in the Revolving Building Fund.

The non-major governmental funds fund balance decreased by \$2.5 million. Most of the decrease, \$1.5 million was the result of capital project funds spending fund balance previously assigned to specific projects or debt proceeds restricted to various bond projects. The gaming special revenue fund's fund balance fell \$537,000 due to spending from committed fund balance for various public school 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	Other Enterprise Funds	Totals
Net assets:				
Invested in capital assets, net of related debt	\$22,247,407	\$58,945,777	\$ 863,339	\$82,056,523
Restricted for debt service	-	246,463	-	246,463
Unrestricted	(190,200)	(302,045)	1,215,306	723,061
Total net assets	<u>\$22,057,207</u>	<u>\$58,890,195</u>	<u>\$ 2,078,645</u>	<u>\$83,026,047</u>
Change in net assets during the year, increase (decrease)	<u>\$ 1,718,172</u>	<u>\$ 1,145,697</u>	<u>\$ (426,083)</u>	<u>\$ 2,437,786</u>

Other factors concerning the finances of these three 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 \$2.2 million (includes other sources and uses) to a revised total of \$85.3 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- Budgets were added during the year for the Emergency Medical Services, SAFER Grant and Length of Service Award departments; the total budget adjustments for these three departments were \$1.3 million.
- The public safety budgets for police increased \$235,000 for the patrol function and a juvenile review board.

Revenues exceeded budgetary estimates by \$776,000 and actual expenditures were less than budgetary estimates by \$2.7 million.

- The General Fund's property tax revenue exceeded budget by \$294,000, a variance of less than 1%.
- Income taxes exceeded the budget by \$1.6 million. The County's income tax collections continue to defy state and national trends with gains.
- State grants in the General Fund were \$475,000 below the estimated budget due to continued cutbacks in state aid for numerous programs.
- Public works expenditures were \$694,000 below budgetary estimates largely due to the highway department spending \$632,000 less than budgeted.
- General government expenditures had a favorable variance of \$1.1 million. The larger favorable variances were: financial administration - \$357,000 and general services - \$285,000. 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, 2011 was \$197.4 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 1.5 percent (a .2 percent decrease for governmental activities and a 2.9 percent increase for business-type activities).

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

- Construction was completed on the Braddock Run Sewer Interceptor System; costs incurred during the fiscal year were \$1.2 million, and this project had a total cost of nearly \$ 1.5 million at its completion.
- Design and construction continued on the Bowman's Addition Phase 2 Water Project with a total cost incurred of nearly \$ 1.7 million during the fiscal year, both phases of this project are projected to have a total cost of \$5.6 million.
- Construction continued on the Burbridge Building, which is a RBF project and costs incurred during the fiscal year were almost \$1.5 million. This project is projected to have a total cost of \$2.1 million.
- Major design and construction began on the Cresaptown Water System during the fiscal year at a cost of \$1.4 million, and this project is projected to have a total cost of almost \$2 million at its completion.
- Purchase and installation of a new computer aided dispatch system was completed during the fiscal year at a cost of \$ 438 thousand.

ALLEGANY COUNTY'S CAPITAL ASSETS  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$21,320,090	\$21,027,590	\$ 192,532	\$ 95,917	\$ 21,512,622	\$ 21,123,507
Work in Progress	4,338,091	2,971,486	5,811,108	30,298,019	10,149,199	33,269,505
Buildings	39,530,741	40,986,885	91,413	99,820	39,622,154	41,086,705
Infrastructure	19,235,864	18,658,563	97,309,275	69,372,155	116,545,139	88,030,718
Furniture & fixture	337,499	387,330	2,156	2,773	339,655	390,103
Equipment	2,694,097	3,253,704	1,172,874	1,619,279	3,866,971	4,872,983
Vehicles	2,220,885	2,477,825	320,824	292,325	2,541,709	2,770,150
Heavy equipment	522,582	580,942	294,312	301,106	816,894	882,048
Other fixed assets	412,553	430,220	1,566,418	1,693,066	1,978,971	2,123,286
Total	<u>\$90,612,402</u>	<u>\$90,774,545</u>	<u>\$ 106,760,912</u>	<u>\$ 103,774,460</u>	<u>\$ 197,373,314</u>	<u>\$ 194,549,005</u>

Additional information on Allegany County's capital assets can be found in the notes to the financial statements, note 7 on pages C-44 through C-45 of this report.

**Long-term debt.** At the end of the current fiscal year, Allegany County had total debt outstanding of \$55.3 million. Governmental activities debt consists of \$17.9 million in general obligation bonds and \$12.7 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$24.7 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	
	2011	2010	2011	2010	2011	2010
General obligation	\$17,861,152	\$21,920,544	\$ -	\$ -	\$ 17,861,152	\$ 21,920,544
Notes	8,895,326	9,365,495	-	-	8,895,326	9,365,495
Capital leases	131,177	206,094	-	-	131,177	206,094
State loans	3,697,419	4,175,771	16,021,388	15,666,339	19,718,807	19,842,110
Federal loans	-	-	8,284,415	7,587,880	8,284,415	7,587,880
Other loans	-	-	398,586	416,187	398,586	416,187
Total	<u>\$30,585,074</u>	<u>\$35,667,904</u>	<u>\$24,704,389</u>	<u>\$23,670,406</u>	<u>\$ 55,289,463</u>	<u>\$ 59,338,310</u>

Allegany County issued no general obligation debt and retired \$5.1 million during the current fiscal year as debt outstanding fell 14.3 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 \$1.1 million was incurred for the sewer districts to upgrade the George's Creek wastewater treatment plant to meet discharge requirements of the Maryland Department of the Environment and \$317,000 for inflow and infiltration reduction. New debt for the water districts included \$600,000 for the Bowman's Addition project and \$221,000 for the Clarysville water project. Business type debt retired during the year was \$1.2 million.

Allegany County has an "A1" rating from Moody's for its general obligation debt. In April of 2011 Standard & Poor's raised the County's "A-" bond rating to "A", one of the few upgrades nationally for a governmental entity.

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 2011 for Allegany County was 9.3 percent, which was an increase from an 9.0 percent rate for June 2010.
- Property assessments increased 4.0% from the previous fiscal year.

All of these factors were considered in preparing Allegany County's budget for the 2012 fiscal year.

During the current fiscal year, spendable fund balance in the general fund increased to \$16.0 million. Allegany County has appropriated \$2.6 million of this amount for spending in the 2012 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 2012 fiscal year

The sewer and water district minimum service charges were not increased for the 2012 budget year. Every effort will be made to contain costs during the year for the 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, 2011**

	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	\$ 12,398,444	\$ 623,748	\$ 13,022,192	\$ 19,563,684	\$ 8,963,965	\$ 42,950	\$ 2,767,740
Investments	12,129,878	749,859	12,879,737	25,017,000	202,155	1,001,782	-
Property taxes receivable	4,248,111	-	4,248,111	-	-	-	-
Receivables:							
Accounts	-	2,029,149	2,029,149	3,657,882	949,380	14,998	186,514
Other	6,167,930	514,362	6,682,292	61,100	1,904,134	-	821,728
Internal balances	286,000	(286,000)	-	-	-	-	-
Inventory	67,006	66,318	133,324	213,786	309,342	-	254,813
Prepaid expenses	2,021	-	2,021	-	68,977	7,266	19,464
Deferred charges	70,494	-	70,494	-	-	-	-
Miscellaneous	46,106	-	46,106	-	-	-	563,287
Restricted Assets:							
Cash	43,718	95,807	139,525	-	329,484	-	20,484
Investments	-	-	-	-	9,230,131	-	-
Taxes - receivable	-	164,144	164,144	-	-	-	-
Receivables	-	82,319	82,319	-	-	-	-
Total current assets	35,459,708	4,039,706	39,499,414	48,513,452	21,957,568	1,066,996	4,634,030
Non-current Assets:							
Other receivables	-	398,585	398,585	-	-	-	-
Land	21,320,090	192,532	21,512,622	4,027,394	697,465	-	226,385
Work In Progress	4,338,091	5,811,108	10,149,199	752,837	1,058,818	-	48,767
Other non-depreciable assets	-	-	-	276,758	101,830	-	-
Capital assets subject to depreciation/amortization	129,088,309	150,751,214	279,839,523	172,506,744	56,710,904	8,073,567	23,931,885
Accumulated depreciation	(64,134,088)	(49,993,942)	(114,128,030)	(84,536,785)	(24,660,846)	(4,740,915)	(10,284,657)
Total non-current assets	90,612,402	107,159,497	197,771,899	93,026,948	33,908,171	3,332,652	13,922,380
Total Assets	126,072,110	111,199,203	237,271,313	141,540,400	55,865,739	4,399,648	18,556,410
<b>LIABILITIES:</b>							
Current Liabilities:							
Accounts payable	1,769,376	1,410,987	3,180,363	7,666,973	794,516	55,022	910,082
Accrued wages payable	527,694	43,006	570,700	4,078,764	784,574	39,763	-
Accrued fringe benefits payable	257,093	21,921	279,014	-	-	-	-
Accrued interest	243,070	105,173	348,243	-	-	-	23,795
Current portion of long-term debt:							
Bonds and loans	4,382,294	1,146,742	5,529,036	-	156,015	-	104,959
Capital leases	57,087	-	57,087	-	304,516	-	-
Compensated absences	769,566	53,500	823,066	138,604	101,614	-	-
Due to Agency Fund	380,001	-	380,001	-	-	-	-
Unearned revenue	1	-	1	4,432,739	551,666	-	-
Accrued health claims	-	-	-	8,895,040	390,746	-	-
Miscellaneous liabilities	1,015,717	315,973	1,331,690	2,007,130	308,299	-	20,484
Total current liabilities	9,401,899	3,097,302	12,499,201	27,219,250	3,391,946	94,785	1,059,320
Non-current liabilities:							
Cash advance due general fund	(1,200,000)	1,200,000	-	-	-	-	-
Bonds and loans	26,071,603	23,557,647	49,629,250	-	2,790,462	-	3,679,889
Capital leases	74,090	-	74,090	-	772,944	-	-
Termination benefits	-	-	-	-	447,424	21,617	-
Compensated absences	2,998,059	318,207	3,316,266	2,476,125	-	62,700	-
Total non-current liabilities	27,943,752	25,075,854	53,019,606	2,476,125	4,010,830	84,317	3,679,889
Total Liabilities	37,345,651	28,173,156	65,518,807	29,695,375	7,402,776	179,102	4,739,209
<b>NET ASSETS</b>							
Invested in capital assets net of related debt	81,231,372	82,056,523	163,287,895	92,750,190	29,884,234	3,332,652	10,137,532
Restricted for:							
Public safety	615,884	-	615,884	-	-	-	-
Highways	713,344	-	713,344	-	-	-	-
Education	443,042	-	443,042	-	-	-	-
Community development & housing	171,142	-	171,142	-	-	-	-
Economic development	555,754	-	555,754	-	-	-	-
Capital projects	510,669	-	510,669	6,374,144	-	-	-
Other purposes	-	246,463	246,463	267,404	10,213,451	608,374	-
Unrestricted	4,485,252	723,061	5,208,313	12,453,287	8,365,278	279,520	3,679,669
Total Net Assets	\$ 88,726,459	\$ 83,026,047	\$ 171,752,506	\$ 111,845,025	\$ 48,462,963	\$ 4,220,546	\$ 13,817,201

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, 2011**

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:	\$ 9,012,955	\$ (527,101)	\$ 8,485,854	\$ 397,412	\$ 414,371	\$ -
Payment to data processing	348,334	-	348,334	-	-	-
Public safety	17,290,112	-	17,290,112	1,503,049	1,292,453	480,667
Public works	13,522,087	74,815	13,596,902	842,854	1,058,132	-
Health	1,452,867	-	1,452,867	-	14,991	-
Social services	1,497,708	-	1,497,708	42,312	156,699	-
Education:	417,181	-	417,181	-	-	-
Payment to public school system	29,005,829	-	29,005,829	-	-	-
Payment to community college	7,425,000	-	7,425,000	-	-	-
Recreation, culture & libraries:	1,078,718	-	1,078,718	318,662	50,691	-
Payment to public library system	905,000	-	905,000	-	-	-
Conservation of natural resources	309,166	-	309,166	23,294	33,556	-
Community development and housing	1,260,818	-	1,260,818	-	943,888	-
Economic development	3,099,936	-	3,099,936	3,368,034	345,158	-
Interest on long term debt	1,438,754	-	1,438,754	-	-	-
Total governmental activities	<u>88,064,465</u>	<u>(452,286)</u>	<u>87,612,179</u>	<u>6,495,617</u>	<u>4,309,939</u>	<u>480,667</u>
Business-type activities:						
Water	4,045,814	138,890	4,184,704	3,792,949	-	2,006,778
Sewer	7,601,552	313,396	7,914,948	5,265,246	-	2,538,468
Other funds	716,643	-	716,643	271,440	-	-
Total business-type activities	<u>12,364,009</u>	<u>452,286</u>	<u>12,816,295</u>	<u>9,329,635</u>	<u>-</u>	<u>4,545,246</u>
Total primary government	<u>\$ 100,428,474</u>	<u>\$ -</u>	<u>\$ 100,428,474</u>	<u>\$ 15,825,252</u>	<u>\$ 4,309,939</u>	<u>\$ 5,025,913</u>
<b>Component units:</b>						
Board of Education			\$ 130,078,277	\$ 1,872,552	\$ 18,027,253	\$ 1,191,269
Allegany College of Md.			37,733,298	11,241,228	19,309,388	781,579
County Library			2,072,602	81,461	85,462	-
LaVale Sanitary Commission			4,154,572	3,243,136	-	1,118,249
Total component units			<u>\$ 174,038,749</u>	<u>\$ 16,438,377</u>	<u>\$ 37,422,103</u>	<u>\$ 3,091,097</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, 2011**

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
\$ (7,674,071)	\$ -	\$ (7,674,071)	\$ -	\$ -	\$ -	\$ -
(348,334)	-	(348,334)	-	-	-	-
(14,013,943)	-	(14,013,943)	-	-	-	-
(11,695,916)	-	(11,695,916)	-	-	-	-
(1,437,876)	-	(1,437,876)	-	-	-	-
(1,298,697)	-	(1,298,697)	-	-	-	-
(417,181)	-	(417,181)	-	-	-	-
(29,005,829)	-	(29,005,829)	-	-	-	-
(7,425,000)	-	(7,425,000)	-	-	-	-
(709,365)	-	(709,365)	-	-	-	-
(905,000)	-	(905,000)	-	-	-	-
(252,316)	-	(252,316)	-	-	-	-
(316,930)	-	(316,930)	-	-	-	-
613,256	-	613,256	-	-	-	-
(1,438,754)	-	(1,438,754)	-	-	-	-
(76,325,956)	-	(76,325,956)	-	-	-	-
-	1,615,023	1,615,023	-	-	-	-
-	(111,234)	(111,234)	-	-	-	-
-	(445,203)	(445,203)	-	-	-	-
-	1,058,586	1,058,586	-	-	-	-
(76,325,956)	1,058,586	(75,267,370)	-	-	-	-
-	-	-	(108,987,203)	-	-	-
-	-	-	-	(6,401,103)	-	-
-	-	-	-	-	(1,905,679)	-
-	-	-	-	-	-	206,813
-	-	-	(108,987,203)	(6,401,103)	(1,905,679)	206,813
41,236,282	1,414,497	42,650,779	-	-	-	556,116
24,239,325	-	24,239,325	-	-	-	470,613
3,360,863	-	3,360,863	-	-	-	-
-	-	-	29,354,163	7,425,000	905,000	-
355,176	-	355,176	-	-	-	-
7,346,258	-	7,346,258	78,998,701	-	757,955	-
1,184,451	183,350	1,367,801	167,763	1,343,098	16,866	10,328
243,845	-	243,845	-	-	-	-
591,353	166,208	757,561	572,188	248,808	36,005	1,268
(208,709)	208,709	-	-	-	200	-
78,348,844	1,972,764	80,321,608	109,092,815	9,016,906	1,716,026	1,038,325
2,022,888	3,031,350	5,054,238	105,612	2,615,803	(189,653)	1,245,138
86,703,571	79,994,697	166,698,268	111,781,040	45,847,160	4,410,199	12,572,063
\$ 88,726,459	\$ 83,026,047	\$ 171,752,506	\$ 111,886,652	\$ 48,462,963	\$ 4,220,546	\$ 13,817,201

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, 2011**

<b>ASSETS:</b>	General Fund	Revolving Building Fund	Other Governmental Funds	Total
Cash	\$ 12,397,794	\$ -	\$ 650	\$ 12,398,444
Cash -restricted	-	-	43,718	43,718
Investments	8,378,146	-	3,751,732	12,129,878
Property tax receivable	4,366,111	-	-	4,366,111
Receivables				
Notes and loans	-	-	472,280	472,280
Other receivables	3,532,978	199,886	469,693	4,202,557
Due from other funds	-	5,483,394	1,438,355	6,921,749
Advances to other funds	1,200,000	-	-	1,200,000
Inventory	-	-	67,006	67,006
Prepays	2,021	-	-	2,021
Miscellaneous assets	46,106	-	-	46,106
Total Assets	\$ 29,923,156	\$ 5,683,280	\$ 6,243,434	\$ 41,849,870
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 923,967	\$ 199,945	\$ 645,464	\$ 1,769,376
Accrued payroll	495,171	852	31,671	527,694
Accrued payroll fringe	239,875	749	16,469	257,093
Due to other funds	6,364,951	-	650,799	7,015,750
Amounts held in escrow	723,485	-	184,517	908,002
Deferred revenue	3,845,360	-	472,280	4,317,640
Miscellaneous liabilities	105,215	2,500	-	107,715
Total Liabilities	12,698,024	204,046	2,001,200	14,903,270
<b>Fund Balances:</b>				
Nonspendable	1,202,021	-	-	1,202,021
Restricted	110,767	-	1,930,820	2,041,587
Committed	2,649,697	5,479,234	521,713	8,650,644
Assigned	1,868,295	-	2,340,790	4,209,085
Unassigned	11,394,352	-	(551,089)	10,843,263
Total Fund Balances	17,225,132	5,479,234	4,242,234	26,946,600
Total Liabilities and Fund Balances	\$ 29,923,156	\$ 5,683,280	\$ 6,243,434	

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.	90,612,403
Other long -term assets are not available to pay current -period expenditures and are deferred in the funds.	1,445,587
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(34,352,699)
Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds.	4,074,568

Net assets of governmental activities \$ 88,726,459

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, 2011**

	General Fund	Revolving Building Fund	Other Governmental Funds	Total
<b>REVENUES:</b>				
Taxes:				
Property taxes	\$ 42,100,002	\$ -	\$ -	\$ 42,100,002
Income taxes	24,248,781	-	-	24,248,781
Other local taxes	3,334,798	-	521,862	3,856,660
Licenses and permits	613,729	-	-	613,729
Intergovernmental:				
Federal	663,949	-	2,228,637	2,892,586
State	7,906,991	300,000	1,311,077	9,518,068
Other	466,109	-	49,365	515,474
Service charges	1,581,364	-	419,309	2,000,673
Fines and forfeitures	24,106	-	50,071	74,177
Interest	150,501	-	12,077	162,578
Miscellaneous	432,948	3,103,720	468,377	4,005,045
Total Revenues	<u>81,523,278</u>	<u>3,403,720</u>	<u>5,060,775</u>	<u>89,987,773</u>
<b>EXPENDITURES:</b>				
Current:				
General government	8,147,087	-	130,693	8,277,780
Public safety	15,670,675	-	554,060	16,224,735
Public works	9,901,746	-	2,222,222	12,123,968
Health and Hospitals	460,030	-	-	460,030
Social Services	1,449,501	-	-	1,449,501
Education	24,511	-	-	24,511
Recreation, culture and libraries	863,290	-	-	863,290
Conservation of natural resources	353,689	-	-	353,689
Community Development and Housing	101,476	-	1,197,631	1,299,107
Economic development	1,504,971	2,269,633	-	3,774,604
Miscellaneous	42,963	-	71,892	114,855
Appropriation to other governments	1,242,369	-	-	1,242,369
Payments to component units	36,918,334	-	-	36,918,334
Debt Service:				
Principal	-	-	5,082,830	5,082,830
Interest	-	-	1,491,130	1,491,130
Capital Outlay:				
General government	-	-	186,609	186,609
Public safety	-	-	519,972	519,972
Public works	-	-	1,294,774	1,294,774
Education	-	-	392,670	392,670
Recreation, culture and libraries	-	-	47,890	47,890
Economic development	-	-	-	-
Miscellaneous	-	-	2,028	2,028
Payments to component units	-	-	765,829	765,829
Total Expenditures	<u>76,680,642</u>	<u>2,269,633</u>	<u>13,960,230</u>	<u>92,910,505</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,842,636</u>	<u>1,134,087</u>	<u>(8,899,455)</u>	<u>(2,922,732)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	751,017	-	7,072,737	7,823,754
Transfers out	(5,699,220)	(1,618,728)	(714,517)	(8,032,465)
Debt issued	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	358,249	11,203	-	369,452
Total Other Financing Sources and uses	<u>(4,589,954)</u>	<u>(1,607,525)</u>	<u>6,358,220</u>	<u>160,741</u>
Net change in fund balances	252,682	(473,438)	(2,541,235)	(2,761,991)
Fund balance, beginning	16,972,450	5,952,672	6,783,469	29,708,591
Fund balance, ending	<u>\$ 17,225,132</u>	<u>\$ 5,479,234</u>	<u>\$ 4,242,234</u>	<u>\$ 26,946,600</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, 2011**

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) \$ (2,761,991)

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	\$ 3,864,007	
Depreciation	<u>(4,026,151)</u>	(162,144)

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (513,447)

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	-	
Effect of bond issuance costs	(10,584)	
Payment of principal	<u>5,082,830</u>	5,072,246

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. 388,224

Change in net assets of governmental activities (pages C6-C7) \$ 2,022,888

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, 2011**

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
<b>ASSETS</b>				
Current Assets:				
Cash:				
Cash	\$ -	\$ 623,748	\$ -	\$ 623,748
Cash - restricted	-	95,807	-	95,807
Investments	202,453	547,406	-	749,859
Receivables:				
Accounts (net)	862,931	1,073,917	92,300	2,029,148
Taxes - restricted	-	164,144	-	164,144
Accounts (net) - restricted	-	82,319	-	82,319
Other	10,315	470,511	33,536	514,362
Due from other funds	-	6,629,902	709,619	7,339,521
Prepaid expenses	-	-	-	-
Inventory	-	66,318	-	66,318
Total current assets	<u>1,075,699</u>	<u>9,754,072</u>	<u>835,455</u>	<u>11,665,226</u>
Non-current Assets:				
Other receivables	-	-	398,586	398,586
Land	125,250	67,282	-	192,532
Construction in Progress	3,150,702	2,660,406	-	5,811,108
Capital assets subject to depreciation	33,984,500	112,985,106	3,781,608	150,751,214
Accumulated depreciation	<u>(9,585,190)</u>	<u>(37,490,483)</u>	<u>(2,918,269)</u>	<u>(49,993,942)</u>
Total noncurrent assets	<u>27,675,262</u>	<u>78,222,311</u>	<u>1,261,925</u>	<u>107,159,498</u>
Total Assets	<u>28,750,961</u>	<u>87,976,383</u>	<u>2,097,380</u>	<u>118,824,724</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	229,035	1,163,217	18,735	1,410,987
Accrued payroll	-	43,006	-	43,006
Accrued payroll fringe	-	21,921	-	21,921
Accrued interest	26,583	78,590	-	105,173
Current portion of long-term debt				
Revenue debt:				
Bonds and loans	89,710	1,038,854	-	1,128,564
Other loans	17,778	400	-	18,178
Compensated absences	-	53,500	-	53,500
Due to other funds	610,281	7,015,240	-	7,625,521
Miscellaneous liabilities	-	315,973	-	315,973
Total current liabilities	<u>973,387</u>	<u>9,730,701</u>	<u>18,735</u>	<u>10,722,823</u>
Noncurrent Liabilities:				
Cash advance due to General Fund	400,000	800,000	-	1,200,000
Long term debt:				
Revenue debt:				
Bonds and loans	4,957,630	18,219,610	-	23,177,240
Other loans	362,737	17,670	-	380,407
Compensated absences	-	318,207	-	318,207
Total noncurrent liabilities	<u>5,720,367</u>	<u>19,355,487</u>	<u>-</u>	<u>25,075,854</u>
Total Liabilities	<u>6,693,754</u>	<u>29,086,188</u>	<u>18,735</u>	<u>35,798,677</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	22,247,407	58,945,777	863,339	82,056,523
Restricted for debt service	-	246,463	-	246,463
Unrestricted	(190,200)	(302,045)	1,215,306	723,061
Total Net Assets	<u>\$ 22,057,207</u>	<u>\$ 58,890,195</u>	<u>\$ 2,078,645</u>	<u>\$ 83,026,047</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, 2011**

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
<b>OPERATING REVENUES:</b>				
Service charges	\$ 3,792,949	\$ 5,265,246	\$ 271,440	\$ 9,329,635
Miscellaneous	4,565	3,800	50,591	58,956
Total Operating Revenues	<u>3,797,514</u>	<u>5,269,046</u>	<u>322,031</u>	<u>9,388,591</u>
<b>OPERATING EXPENSES:</b>				
Salaries	301,350	881,797	-	1,183,147
Employee benefits	187,941	513,957	-	701,898
Office expenses	86	79,346	10,397	89,829
Utilities	2,368,467	464,951	6,826	2,840,244
Repairs & maintenance	130,780	513,495	34,604	678,879
Contractual services	2,298	34,240	-	36,538
Treatment costs	-	2,158,829	-	2,158,829
Professional services	5,048	56,990	84,889	146,927
Materials and supplies	59,356	436,871	-	496,227
Insurance	316	137,545	10,547	148,408
Indirect cost	138,890	313,396	-	452,286
Miscellaneous	351	11,327	16,588	28,266
Depreciation	768,041	1,975,653	552,792	3,296,486
Total operating expenses	<u>3,962,924</u>	<u>7,578,397</u>	<u>716,643</u>	<u>12,257,964</u>
Operating Income (Loss)	<u>(165,410)</u>	<u>(2,309,351)</u>	<u>(394,612)</u>	<u>(2,869,373)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
Real and personal property taxes	-	1,417,835	-	1,417,835
Interest & penalties on taxes	-	34,835	-	34,835
Discounts on taxes	-	(7,103)	-	(7,103)
Enterprise/industrial exemptions	-	308	-	308
Collection fees	-	(31,378)	-	(31,378)
Front footage assessments	-	102,906	-	102,906
Interest income	65,971	115,319	2,060	183,350
Interest income, debt service	-	4,346	-	4,346
Interest expense	(221,780)	(336,551)	-	(558,331)
Gain (Loss) on sale of capital assets	-	-	-	-
Total non-operating revenue (expenses)	<u>(155,809)</u>	<u>1,300,517</u>	<u>2,060</u>	<u>1,146,768</u>
Income (Loss) before contributions and transfers	<u>(321,219)</u>	<u>(1,008,834)</u>	<u>(392,552)</u>	<u>(1,722,605)</u>
Capital contributions:				
Federal grants	972,136	1,083,289	-	2,055,425
State grants	1,026,242	843,872	-	1,870,114
Other	8,400	17,743	-	26,143
Transfers:				
Transfers in	32,613	209,627	-	242,240
Transfers out	-	-	(33,531)	(33,531)
Change in net assets	<u>1,718,172</u>	<u>1,145,697</u>	<u>(426,083)</u>	<u>2,437,786</u>
Total net assets - beginning restated	<u>20,339,035</u>	<u>57,744,498</u>	<u>2,504,728</u>	<u>80,588,261</u>
Total net assets - ending	<u>\$ 22,057,207</u>	<u>\$ 58,890,195</u>	<u>\$ 2,078,645</u>	<u>\$ 83,026,047</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, 2011**

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 3,741,605	\$ 5,437,099	\$ 314,268	\$ 9,492,972
Cash payments for goods and services	(2,707,208)	(4,168,852)	(143,615)	(7,019,675)
Cash payments to employees for services	(489,289)	(1,374,974)	-	(1,864,263)
Other operating revenues	4,562	6,706	50,591	61,859
Net cash provided (used) by operating activities	549,670	(100,021)	221,244	670,893
<b>Cash flows from noncapital financing activities:</b>				
Advances from other funds	6,817,528	23,870,603	275,968	30,964,099
Advances to other funds	(6,319,100)	(25,206,750)	(301,037)	(31,826,887)
Transfers from other funds	13,265	209,629	-	222,894
Transfers to other funds	-	-	(33,531)	(33,531)
Net cash provided (used) by noncapital financing activities	511,693	(1,126,518)	(58,600)	(673,425)
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from capital debt	821,000	1,423,796	-	2,244,796
Acquisition and construction of capital assets	(3,659,180)	(3,014,548)	(164,704)	(6,838,432)
Principal paid on capital debt	(97,647)	(1,113,166)	-	(1,210,813)
Interest paid on capital debt	(216,539)	(336,995)	-	(553,534)
Proceeds from sale of assets	-	-	-	-
Grant revenues	2,026,125	2,623,609	-	4,649,734
Debt fees	-	1,473,525	-	1,473,525
Net cash used for capital and related financing activities	(1,126,241)	1,056,221	(164,704)	(234,724)
<b>Cash flows from investing activities:</b>				
Purchase of investments	(404,331)	(1,877,476)	-	(2,281,807)
Sale of investments	403,204	1,875,704	-	2,278,908
Interest on investments	66,005	115,314	2,060	183,379
Net cash used in investing activities	64,878	113,542	2,060	180,480
Net increase (decrease) in cash	-	(56,776)	-	(56,776)
Cash at beginning of the year	-	776,331	-	776,331
Cash at end of year	\$ -	\$ 719,555	\$ -	\$ 719,555
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (165,410)	\$ (2,309,351)	\$ (394,612)	\$ (2,869,373)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	768,041	1,975,652	552,792	3,296,485
Provision for uncollectible accounts	8,820	9,699	-	18,519
Change in assets & liabilities:				
(Increase) decrease in receivables	(60,162)	165,062	44,828	149,728
(Increase) decrease in inventory	-	11,429	-	11,429
(Increase) decrease in prepaids	-	-	-	-
Increase (decrease) in acc'ts payable	(1,619)	26,711	18,236	43,328
Increase (decrease) in accrued payroll	-	20,777	-	20,777
Total adjustments	715,080	2,209,330	615,856	3,540,266
Net cash provided (used) by operating activities	\$ 549,670	\$ (100,021)	\$ 221,244	\$ 670,893

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, 2011**

<b>ASSETS:</b>		Agency Fund
Taxes levied for State:		
Taxes receivable - State		\$ 455,175
Bay restoration fee		348,189
Other receivables		2
Taxes levied for Special Areas:		
Lonaconing, Town of	\$ 19,068	
Midland, Town of	6,236	
Westernport, Town of	57,943	
Cumberland differential	962	
Bel Air Special Tax Area	1,730	
Bowling Green Fire Co.	4,218	
Bedford Road Fire Co.	4,476	
Bowling Green Special Tax Area	3,018	
Cresaptown Ambulance	16,489	
Cresaptown Civic Imp. Assoc.	3,549	
Cresaptown Fire Co.	21,817	
Corriganville Light & Imp.	2,383	
Ellerslie Special Tax Area	1,459	
LaVale Volunteer Fire Dept.	14,928	
LaVale Rescue Squad	7,466	
LaVale Sanitary District	44,983	
McCoole Special Tax Area	1,002	
Moscow Light	637	
Mt. Savage Special Tax Area	1,900	
Potomac Park Special Tax Area	2,237	
Rawlings Fire Co.	4,009	
Sub-total special areas		220,510
Due from other funds		164,670
Total Assets		<u>\$ 1,188,546</u>
<b>LIABILITIES:</b>		
Accounts payable		\$ 164,672
A/P Special Areas		220,510
Taxes payable - State		455,175
A/P Bay restoration fee		348,189
Total Liabilities		<u>\$ 1,188,546</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, 2011**

<b>ASSETS:</b>	Trust Fund
Investments	\$ 1,404,693
Accounts receivable	1,727
Due from other funds	215,331
Hospital deposit	213,000
Total Assets	<u>1,834,751</u>
<b>LIABILITIES:</b>	
Accounts payable	156,202
Health claim reserves	648,114
Other Liabilities	126,627
Total Liabilities	<u>930,943</u>
<b>NET ASSETS:</b>	
Held in trust for health insurance benefits and other purposes	<u>903,808</u>

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUND**  
**HEALTH INSURANCE TRUST FUND**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<b>ADDITIONS:</b>	Trust Fund
<b>Contributions:</b>	
Employer contributions	\$ 7,232,268
Employee contributions	508,593
Total contributions	<u>7,740,861</u>
<b>Other additions:</b>	
Interest	8,225
Insurance proceeds	37,148
Miscellaneous	39,531
Total other additions	<u>84,904</u>
Total additions	<u>7,825,765</u>
<b>DEDUCTIONS:</b>	
Benefits	6,901,455
Administrative expenses	893,813
Total deductions	<u>7,795,268</u>
Change in net assets	30,497
Net assets - beginning	873,311
Net assets - ending	<u>\$ 903,808</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, 2011**

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 1. Summary of Significant Accounting Policies**

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*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, 2011**

Note 1. Summary of Significant Accounting Policies - continued

---

B. *Reporting Entity – continued*

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

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

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

**Administrative Offices:**

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

LaVale Sanitary Commission  
1 Roselawn Avenue  
LaVale, Maryland 21502

Allegany County Library System  
31 Washington Street  
Cumberland, Maryland 21502

Allegany College  
12401 Willowbrook Road  
Cumberland, Maryland 21502

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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, 2011**

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 fund is used to account for and report all financial resources not accounted for and reported in another fund.
2. Special revenue funds – are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.
3. Capital projects funds – are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. They exclude those types of capital-related outflows financed by proprietary funds or assets that will be held in trust.
4. Debt service funds – are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

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 not accounted for and reported in another fund.

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 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.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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. The water and sewer funds recognize 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.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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, 2011**

Note 1. Summary of Significant Accounting Policies - continued

---

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

2. Receivables and payables - continued

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

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2011 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9829	2.4573
Barton	.9475	2.3688
Cumberland	.8999	2.2498
Frostburg	.9065	2.2663
Lonaconing	.9328	2.3320
Luke	.9289	2.3223
Midland	.9475	2.3688
Westernport	.9328	2.3320

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, 2011**

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, 2011**

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, 2011, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 769,566	\$ 2,998,059	\$ 3,767,625
Sanitary Districts	53,500	318,207	371,707
	<u>\$ 823,066</u>	<u>\$ 3,316,266</u>	<u>\$ 4,139,332</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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. Government-wide and Proprietary Fund Net Assets:**

Government-wide and proprietary fund net assets are divided into three components:

- 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.
- Restricted net assets – consists of net assets with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through enabling legislation.
- Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “investment in capital assets, net of related debt”.

**9. Governmental Fund Balances:**

In the governmental fund financial statements, fund balances are classified as follows:

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of federal or state laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal resolution or ordinance by the Board of County Commissioners.
- Assigned – Amounts that are constrained by the Board of County Commissioners or the Director of Finance, as provided by Resolution No. 10-17, for a particular purpose.
- Unassigned – All amounts not included in other spendable classifications.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

Note 1. Summary of Significant Accounting Policies - continued

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10. Because different measurement focuses and bases of accounting are used in the government-wide statement of net assets and in government fund statements, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted net assets in the statements of net assets.

11. Use of Restricted Resources:

When an expense is incurred that can be paid using either restricted or unrestricted resources (net assets), the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources. In governmental funds, the County's policy is to first apply the expenditure toward restricted fund balance and then to other, less-restrictive classifications – committed and then assigned fund balances before using unassigned fund balances.

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 \$34,352,699 are as follows:

Bonds payable	\$17,861,152
Notes payable	8,895,326
State loans	3,697,419
Capital leases	131,177
Compensated absences	<u>3,767,625</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$34,352,699</u></u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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- 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 \$(162,144) difference are as follows:

Capital outlay	\$3,864,007
Depreciation expense	<u>(4,026,151)</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>(\$162,144)</u></u>

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 \$0 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>\$0</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>\$0</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.”

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

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The details of this \$5,072,246 difference are as follows:

Debt issued or incurred:	
Debt proceeds	\$0
Leases	0
Bond issue costs, net of amortization	(10,584)
Principal repayments:	
General obligation debt	5,007,913
Lease payments	<u>74,917</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u><u>\$5,072,246</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 \$388,224 difference are as follows:

Compensated absences	\$335,848
Accrued interest adjustment, net	<u>52,376</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>\$388,224</u></u>

**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.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 3. Stewardship, Compliance, and Accountability - continued**

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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 2011 were increased by \$2.2 million primarily due to using fund balance in the amount of \$829,000 to finance an early retirement program. Other major budget changes were \$350,000 was used from the sale of a County building to pay for capital equipment purchases and \$138,000 for a Juvenile Review Board was funded by a grant.
7. During the year, budget amendments within a department are approved by the Director of Finance. Budget amendments between departments and/or funds require Commissioner public approval.
8. Legally, total expenditures for all individual governmental funds may not exceed the total budget for a particular fund except for emergencies, state-mandated programs, or by approval of a majority of the Board of Commissioners.
9. Appropriations lapse at the end of the fiscal year for all funds, except the Capital Project Funds, and certain federal grants that do not have a year-end date of June 30.
10. Budget monitoring is the responsibility of the Finance Department and the appropriate department head.

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



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

Note 3. Stewardship, Compliance, and Accountability - continued

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*B. Excess of Expenditures Over Appropriations*

For the year ended June 30, 2011, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Highway Fund	\$69,892
Coal Haul Roads Fund	84,597
Transit Fund	64,425
Program Income Fund	13,197
Community Development & Housing Fund	329,085
Drug Task Force Fund	23,429
Gaming Fund	546,151
Public Improvement Bond Fund	496,731

- The expenditures over budget in the Highway Fund were funded by grant revenues.
- 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 unexpended fund balance.
- The expenditures over budget in the Program Income Fund were funded by unexpended fund balance.
- The Community Development & Housing Fund excess expenditures over budget were funded by grant revenues which were not budgeted due to grant approval at year end.
- The Drug Task Force excess expenditures over budget were funded by unexpended fund balance.
- The Gaming Fund excess expenditures over budget were funded by unexpended fund balance.
- The Public Improvement Bond Fund excess expenditures over budget were funded by unexpended bond proceeds.

*C. Deficit Fund Equity*

At June 30, 2011 the following governmental funds had a deficit fund balance.

Fund	Deficit
Capital Improvement Projects	\$551,089

The deficit will be funded by future grant proceeds received after the accrual period for governmental funds and transfers from the general fund.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 4. Deposits and Investments**

*Allegany County Primary Government:*

As of June 30, 2011, 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	\$ 12,879,737	\$ 7,138,653	\$ 3,066,084	\$ 2,675,000	\$ -
Employee Benefit Trust Fund	1,404,693	-	1,404,693	-	-
Certificates of Deposit	<u>\$ 14,284,430</u>	<u>\$ 7,138,653</u>	<u>\$ 4,470,777</u>	<u>\$ 2,675,000</u>	<u>\$ -</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, 2011**

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 its component units, deposits was \$20,623,050 and the bank balances were \$21,401,537. Of the bank balances, \$928,991 was covered by depository insurance; \$20,472,546 was covered by collateral held at various banks in the Board's name.

Investments - As of June 30, 2011, 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	\$29,614,511	\$ -	\$ 13,334,549	\$ 16,077,911	\$ 202,052
	<u>\$29,614,511</u>	<u>\$ -</u>	<u>\$ 13,334,549</u>	<u>\$ 16,077,911</u>	<u>\$ 202,052</u>

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2011, the carrying amount of the Library's deposits was \$42,950.

Custodial credit risk for deposits is the risk that in the event of a bank failure the Library's deposits may not be returned or the Library will not recover collateral securities in the possession of an outside party. The Library's policy requires deposits with financial institutions to be fully secured by collateral. The Library's cash balances at financial institutions at June 30, 2011 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2011, 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	\$ 19,332	\$ -	\$ 19,332	\$ -	N/A
Other Federal Government Obligations	435,638	-	-	435,638	N/A
Investment in MD Local Government Fund Pool	546,812	546,812	-	-	N/A
	<u>\$1,001,782</u>	<u>\$ 546,812</u>	<u>\$ 19,332</u>	<u>\$435,638</u>	

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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 \$2,788,074. 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, 2011**

**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 \$4,990. 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	875,497	875,497	-
Maryland Local Government			
Investment Pool	7,796,277	7,796,277	-
	<u>\$ 8,873,929</u>	<u>\$ 8,671,774</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, 2011 was \$4,366,111 (before an allowance of \$118,000) of which \$2,751,668 were current year's taxes receivable and the balance of \$1,614,443 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	RBF Fund	Non-major Governmental Funds	Total
Receivables:				
Interest	\$ 22,373	\$ -	\$ 878	\$ 23,251
Income taxes	2,701,842	-	-	2,701,842
Other taxes	590,988	-	17,562	608,550
Current:				
Accrued revenues	1,129,052	199,886	451,253	1,780,191
Loans, notes	-	4,431	-	4,431
Leases, capital	-	112,791	-	112,791
Long-term:				
Accrued revenues	-	-	-	-
Loans, notes	-	16,028	472,280	488,308
Leases, capital	-	448,566	-	448,566
Total receivables	<u>\$ 4,444,255</u>	<u>\$ 781,702</u>	<u>\$ 941,973</u>	<u>\$ 6,167,930</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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	\$ -	\$ 756	\$ -	\$ 756
Accounts, other	10,315	469,755	33,536	513,606
Accounts, trade	959,741	1,297,321	43,676	2,300,738
Less allowance	(96,810)	(223,404)	-	(320,214)
Net accounts, trade	862,931	1,073,917	43,676	1,980,524
Accounts, restricted	-	256,352	-	256,352
Less allowance	-	(9,889)	-	(9,889)
Net accounts, restricted	-	246,463	-	246,463
Loans	-	-	398,625	398,625
Less allowance	-	-	(350,000)	(350,000)
Net loans	-	-	48,625	48,625
Total receivables	\$ 873,246	\$ 1,790,891	\$ 125,837	\$ 2,789,974

*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
2012	\$ 112,791	\$ 34,700	\$ 147,491	\$ 2,744,922
2013	120,705	26,787	147,492	2,576,536
2014	129,173	18,318	147,491	2,539,070
2015	138,236	9,255	147,491	2,544,578
2016	60,415	1,032	61,447	2,602,308
2017-	-	-	-	3,779,858
Totals	\$ 561,320	\$ 90,092	\$ 651,412	\$ 16,787,272

The net book value of buildings with operating leases at June 30, 2011 is \$13,919,827.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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:

Unearned revenue recorded as a receivable which are not considered available to liquidate liabilities of the current period:	
Delinquent property taxes receivable, General Fund	\$ 3,845,360
Long term housing loans receivable	472,280
	<u>\$ 4,317,640</u>

*Loans receivable:*

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2011:

Entity	Source of funds	Balance June 30, 2011
County Loan Fund loans:		
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	\$ 250,000
YMCA	General Fund	100,000
Paving project	General Fund	13,490
Upper Potomac Industrial Park flood wall loan	General Fund	24,048
County loans		11,087
Allowance for doubtful accounts		(350,000)
Sub-total		\$ 48,625
Allconet II Fund loans:		
TWR loan	General Fund	43,675
Total		<u>\$ 92,300</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, 2011**

**Note 7. Capital Assets**

Capital asset activity for the year ended June 30, 2011 for the primary government was as follows:

<b>Primary Government:</b>	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 21,027,590	\$ 292,500	\$ -	\$ -	\$ 21,320,090
Work in Progress	2,971,486	3,062,895	-	(1,696,290)	4,338,091
Total capital assets not being depreciated:	23,999,076	3,355,395	-	(1,696,290)	25,658,181
Capital assets, being depreciated:					
Buildings	57,324,035	-	-	415,349	57,739,384
Infrastructure	46,479,749	-	-	1,280,941	47,760,690
Furniture & Fixtures	975,203	4,000	-	-	979,203
Equipment	8,438,190	94,125	(4,295)	-	8,528,020
Vehicles	9,064,304	313,102	(70,737)	-	9,306,669
Heavy Equipment	3,752,335	97,385	-	-	3,849,720
Other Capital Assets	924,623	-	-	-	924,623
Total capital assets, being depreciated:	126,958,439	508,612	(75,032)	1,696,290	129,088,309
Less accumulated depreciation for:					
Buildings	(16,337,150)	(1,871,493)	-	-	(18,208,643)
Infrastructure	(27,821,186)	(703,640)	-	-	(28,524,826)
Furniture & Fixtures	(587,873)	(53,831)	-	-	(641,704)
Equipment	(5,184,486)	(653,732)	4,295	-	(5,833,923)
Vehicles	(6,586,479)	(570,042)	70,737	-	(7,085,784)
Heavy Equipment	(3,171,393)	(155,745)	-	-	(3,327,138)
Other Capital Assets	(494,403)	(17,667)	-	-	(512,070)
Total accumulated depreciation	(60,182,970)	(4,026,150)	75,032	-	(64,134,088)
Total capital assets, being depreciated, net:	66,775,469	(3,517,538)	-	1,696,290	64,954,221
Governmental activities capital assets, net	\$ 90,774,545	\$ (162,143)	\$ -	\$ -	\$ 90,612,402

<b>Primary Government:</b>	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$95,917	\$ -	\$ -	\$ 96,615	\$ 192,532
Work in Progress	30,298,019	5,923,052	-	(30,409,963)	5,811,108
Total capital assets not being depreciated:	30,393,936	5,923,052	-	(30,313,348)	6,003,640
Capital assets, being depreciated:					
Buildings	228,189	-	-	-	228,189
Infrastructure	110,389,053	74,144	-	30,209,684	140,672,881
Furniture & Fixtures	17,681	-	-	-	17,681
Equipment	4,977,940	189,176	-	-	5,167,116
Vehicles	948,452	61,702	-	77,275	1,087,429
Heavy Equipment	679,602	34,864	-	26,389	740,855
Other Capital Assets	2,837,063	-	-	-	2,837,063
Total capital assets, being depreciated:	120,077,980	359,886	-	30,313,348	150,751,214
Less accumulated depreciation for:					
Buildings	(128,369)	(8,407)	-	-	(136,776)
Infrastructure	(41,016,898)	(2,346,708)	-	-	(43,363,606)
Furniture & Fixtures	(14,908)	(617)	-	-	(15,525)
Equipment	(3,358,661)	(635,581)	-	-	(3,994,242)
Vehicles	(656,127)	(110,478)	-	-	(766,605)
Heavy Equipment	(378,496)	(68,047)	-	-	(446,543)
Other Capital Assets	(1,143,997)	(126,648)	-	-	(1,270,645)
Total accumulated depreciation	(46,697,456)	(3,296,486)	-	-	(49,993,942)
Total capital assets, being depreciated, net:	73,380,524	(2,936,600)	0	30,313,348	100,757,272
Business-type activities capital assets, net	\$ 103,774,460	\$ 2,986,452	\$ -	\$ -	\$ 106,760,912



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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, 2011 as follows:

<u>Governmental activities:</u>	
General government	\$ 484,061
Public safety	1,213,280
Public works	974,723
Health	218,440
Social services	177,726
Recreation, culture and libraries	165,798
Community development and housing	17,315
Economic development	774,807
Total depreciation expense - governmental activities	<u>\$ 4,026,150</u>
<u>Business type activities:</u>	
Water districts	\$ 768,041
Sewer districts	1,975,653
Allconet II	552,792
Total depreciation expense - governmental activities	<u>\$ 3,296,486</u>

*Construction Commitments*

The County has active construction projects as of June 30, 2011. The projects include industrial park infrastructure, a wastewater treatment plant upgrade, and water quality and service improvements. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Burbridge building	\$ 1,654,815	\$ 195,293
Cresaptown water meters	913,490	342,335
Cresaptown water tank	492,697	160,703
Cresaptown water line	0	612,015
Shades Lane water	0	327,816
Georges Creek WWTP Upgrade	24,477,661	47,736
Bowmans Addition Phase II	1,595,706	802,039
Totals	<u>\$ 29,134,369</u>	<u>\$ 2,487,937</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, 2011**

**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, 2011 (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	\$ 4,027,394	\$ -	\$ -	\$ 4,027,394
Work in process	3,216,572	426,952	(2,890,687)	752,837
Total capital assets not being depreciated:	7,243,966	426,952	(2,890,687)	4,780,231
Capital assets, being depreciated:				
Land Improvements	7,491,640	640,687	-	8,132,327
Buildings & Improvements	141,314,298	5,997,346	-	147,311,644
Furniture, Equipment & Vehicles	14,573,466	2,417,537	(497,551)	16,493,452
Total capital assets, being depreciated:	163,379,404	9,055,570	(497,551)	171,937,423
Less accumulated depreciation for:				
Land Improvements	(764,521)	(398,747)	-	(1,163,268)
Buildings & Improvements	(70,846,125)	(3,999,181)	-	(74,845,306)
Furniture, Equipment & Vehicles	(6,958,546)	(1,627,665)	458,453	(8,127,758)
Total accumulated depreciation	(78,569,192)	(6,025,593)	458,453	(84,136,332)
Total capital assets, being depreciated, net:	84,810,212	3,029,977	(39,098)	87,801,091
Governmental activities capital assets, net	\$ 92,054,178	\$ 3,456,929	\$ (2,929,785)	92,581,322

<b>Board of Education</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Work in process	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	698,544	93,349	(222,572)	569,321
Less accumulated depreciation	(506,112)	(47,306)	152,965	(400,453)
Total capital assets, being depreciated, net:	192,432	46,043	(69,607)	168,868
Business-type activities capital assets, net	\$ 192,432	\$ 46,043	\$ (69,607)	\$ 168,868

Capital asset activity for the Library of Allegany County for the year ended June 30, 2011 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	746,607	18,790	(42,562)	722,835
Vehicles/Bookmobile	157,741	9,165	(21,378)	145,528
Library Books	3,788,137	255,264	(440,064)	3,603,337
Total capital assets, being depreciated:	8,279,990	283,219	(504,004)	8,059,205
Less accumulated depreciation for:				
Buildings & Improvements	(1,129,116)	(71,750)	-	(1,200,866)
Furniture & Equipment	(419,263)	(42,592)	41,754	(420,101)
Vehicles/Bookmobile	(90,224)	(17,427)	21,378	(86,273)
Library Books	(3,220,468)	(189,892)	376,685	(3,033,675)
Total accumulated depreciation	(4,859,071)	(321,661)	439,817	(4,740,915)
Total capital assets, being depreciated, net:	\$ 3,420,919	\$ (38,442)	\$ (64,187)	\$ 3,318,290
Governmental activities capital assets, net	\$ 3,435,281	\$ (38,442)	\$ (64,187)	\$ 3,332,652

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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, 2011, 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	82,723	19,107	-	101,830
Work in Progress	82,729	976,089	-	1,058,818
Total capital assets not being depreciated:	862,917	995,196	-	1,858,113
Capital assets, being depreciated:				
Buildings	47,944,655	128,982	-	48,073,637
Equipment	6,806,989	602,028	(107,501)	7,301,516
Auxiliary Equipment	208,317	-	-	208,317
Library Books	1,090,023	61,757	(24,346)	1,127,434
Total capital assets, being depreciated:	56,049,984	792,767	(131,847)	56,710,904
Less accumulated depreciation :	(22,624,504)	(2,150,869)	114,528	(24,660,845)
Total capital assets, being depreciated, net:	33,425,480	(1,358,102)	(17,319)	32,050,059
Business-type activities capital assets, net	\$ 34,288,397	\$ (362,906)	\$ (17,319)	\$ 33,908,172

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2011, 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	\$ 226,385	\$ -	\$ -	\$ 226,385
Work in Progress	130,353	1,737,437	(1,819,023)	48,767
Total capital assets not being depreciated:	356,738	1,737,437	(1,819,023)	275,152
Capital assets, being depreciated:				
Buildings	795,159	23,301	(2,950)	815,510
Infrastructure	19,793,385	1,883,406	-	21,676,791
Machinery, Vehicles & Equipment, Office Furniture and Equipment	1,357,032	114,727	(32,175)	1,439,584
Total capital assets, being depreciated:	21,945,576	2,021,434	(35,125)	23,931,885
Less accumulated depreciation for:	(9,772,492)	(547,291)	35,126	(10,284,657)
Total capital assets, being depreciated, net:	12,173,084	1,474,143	1	13,647,228
Business-type activities capital assets, net	\$ 12,529,822	\$ 3,211,580	\$ (1,819,022)	\$ 13,922,380

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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

The composition of interfund balances as of June 30, 2011, is as follows:

*A. Due to/from other funds*

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 6,364,951
Revolving Building Fund	5,483,394	-
Non-major Governmental Funds	1,438,355	650,799
Sub-total	6,921,749	7,015,750
Enterprise Funds:		
Water Districts	-	610,281
Sanitary Districts	6,629,902	7,015,240
Non-major Enterprise Funds	709,619	-
Sub-total	7,339,521	7,625,521
Fiduciary Funds:		
Agency Fund	164,670	-
Health Insurance Trust Fund	215,331	-
Sub-total	380,001	-
<b>TOTALS</b>	<b>\$ 14,641,271</b>	<b>\$ 14,641,271</b>

The interfund balances as of June 30, 2011 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	398,585	
Allegany County Sanitary Districts:		
Current portion of long-term debt		400
Long-term debt		17,670
Allegany County Water Districts:		
Current portion of long-term debt		17,778
Long-term debt		362,737
	<b>\$ 1,598,585</b>	<b>\$ 1,598,585</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, 2011**

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

*C. Transfers*

Transfers to other funds for the year ending June 30, 2011 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Non-major funds governmental funds	\$ 5,483,826	
Enterprise funds:		
Water Fund	13,265	
Sewer Fund	202,129	\$ 5,699,220
From the Revolving Building Fund To:		
General Fund	45,380	
Water Fund	19,348	
Sewer Fund	7,500	
Non-major funds governmental funds	1,546,500	1,618,728
From the Non-major Governmental Funds to:		
General Fund	672,106	
Other Non-major governmental fund	42,411	714,517
From the Non-major Enterprise Funds to:		
General Fund	33,531	33,531
<b>TOTALS</b>	<b>\$ 8,065,996</b>	<b>\$ 8,065,996</b>

General Fund transfers to the non-major governmental funds were to fund the local share of grant funded programs and to pay debt service. Transfers to the enterprise funds were to assist in operating costs and debt service. 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, 2011 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 28,240,000	
Board of Education, Data Processing	348,334	
Allegany College of Maryland	7,425,000	
Library	905,000	\$ 36,918,334
From the Gaming Fund to:		
Board of Education:		
Westmar Middle roof	253,748	
Central office improvements	4,721	
Mt. Savage roof	486,193	
Fort Hill High School roof	11,155	
South Penn addition	10,012	765,829
<b>Total</b>	<b>\$ 37,684,163</b>	<b>\$ 37,684,163</b>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 9. Short-term Debt**

Allegheny County did not issue short-term debt during the fiscal year ending June 30, 2011 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, 2011, was as follows:

<b>Long-term Debt</b>					
<b>Governmental Activities</b>					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
General Obligation	\$ 21,920,544	\$ -	\$ (4,059,392)	\$ 17,861,152	\$ 3,645,226
Notes	9,365,495	-	(470,169)	8,895,326	232,890
Capital Leases*	206,094	-	(74,917)	131,177	57,087
State Loans	4,175,771	-	(478,352)	3,697,419	504,178
Total	<u>\$ 35,667,904</u>	<u>\$ 0</u>	<u>\$ (5,082,830)</u>	<u>\$ 30,585,074</u>	<u>\$ 4,439,381</u>
* The net book value of leased vehicles at June 30, 2011 is \$104,078.					
<b>Business-type activities</b>					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
Water districts:					
Rural development loans	\$ 4,306,768	\$ 821,000	\$ (80,429)	\$ 5,047,339	\$ 89,710
County loans	397,734	-	(17,218)	380,516	17,778
Total water districts	<u>4,704,502</u>	<u>821,000</u>	<u>(97,647)</u>	<u>5,427,855</u>	<u>107,488</u>
Sewer districts:					
Maryland water quality loans	280,460	-	(99,619)	180,841	89,757
Maryland environmental loans	15,385,879	1,423,796	(969,128)	15,840,547	903,162
Rural development loans	3,281,112	-	(44,036)	3,237,076	45,936
Other loans	18,453	-	(383)	18,070	400
Total sewer districts	<u>18,965,904</u>	<u>1,423,796</u>	<u>(1,113,166)</u>	<u>19,276,534</u>	<u>1,039,255</u>
Total business-type activities:					
Maryland water quality loans	280,460	-	(99,619)	180,841	89,757
Maryland environmental loans	15,385,879	1,423,796	(969,128)	15,840,547	903,162
Rural development loans	7,587,880	821,000	(124,465)	8,284,415	135,646
Other loans	416,187	-	(17,601)	398,586	18,178
Total business-type activities	<u>\$ 23,670,406</u>	<u>\$ 2,244,796</u>	<u>\$ (1,210,813)</u>	<u>\$ 24,704,389</u>	<u>\$ 1,146,743</u>
<b>Other Long-term Liabilities</b>					
<b>Governmental Activities</b>					
	Beginning Balance	Current Year Changes	Payments	Ending Balance	Due Within One Year
Compensated Absences	\$ 4,103,473	\$ 288,102	\$ (623,950)	\$ 3,767,625	\$ 769,566
<b>Business-type activities</b>					
Water & sewer districts					
Compensated absences	\$ 353,142	\$ 57,466	\$ (38,901)	\$ 371,707	\$ 53,500

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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, 2011 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
2012	\$ 3,645,226	\$ 757,554	\$ 232,890	\$ 377,958	\$ 57,087	\$ 7,995	\$ 504,178	\$ 129,136	\$ 4,439,381	\$ 1,272,643
2013	3,142,070	603,628	243,031	367,817	38,010	4,401	527,537	105,777	3,950,648	1,081,623
2014	3,287,032	454,740	253,616	357,232	17,520	2,143	493,610	81,801	4,051,778	895,916
2015	2,009,227	331,565	264,663	346,185	18,560	1,102	390,731	61,834	2,683,181	740,686
2016	2,093,774	235,665	276,193	334,655	-	-	374,984	46,916	2,744,951	617,236
2017-2021	3,683,823	198,248	1,572,363	1,481,877	-	-	1,339,799	68,839	6,595,985	1,748,964
2022-2026	-	-	1,946,465	1,107,775	-	-	66,580	871	2,013,045	1,108,646
2027-2031	-	-	2,410,034	644,206	-	-	-	-	2,410,034	644,206
2032-2036	-	-	1,696,071	122,131	-	-	-	-	1,696,071	122,131
2037-2041	-	-	0	0	-	-	-	-	0	0
	<u>\$ 17,861,152</u>	<u>\$ 2,581,400</u>	<u>\$ 8,895,326</u>	<u>\$ 5,139,836</u>	<u>\$ 131,177</u>	<u>\$ 15,641</u>	<u>\$ 3,697,419</u>	<u>\$ 495,174</u>	<u>\$ 30,585,074</u>	<u>\$ 8,232,051</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2011 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2011 are:

Year Ending June 30,	Farmers Home Admin. Loans		Other Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 89,710	\$ 214,082	\$ 17,778	\$ 13,708	\$ 107,488	\$ 227,790
2013	93,664	210,128	18,357	13,129	112,021	223,257
2014	97,795	205,997	18,956	12,530	116,751	218,527
2015	102,116	201,676	19,574	11,912	121,690	213,588
2016	106,636	197,156	20,214	11,273	126,850	208,429
2017-2021	608,612	910,669	111,435	45,997	720,047	956,666
2022-2026	757,412	761,548	81,857	27,342	839,269	788,890
2027-2031	948,166	574,677	26,562	18,370	974,728	593,047
2032-2036	930,476	364,060	33,250	11,682	963,726	375,742
2037-2041	796,860	173,718	32,533	3,113	829,393	176,831
2042-2046	359,064	58,582	-	-	359,064	58,582
2047-2051	156,828	13,089	-	-	156,828	13,089
Totals	<u>\$ 5,047,339</u>	<u>\$ 3,885,382</u>	<u>\$ 380,516</u>	<u>\$ 169,056</u>	<u>\$ 5,427,855</u>	<u>\$ 4,054,438</u>

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2011 are:

Year Ending June 30,	Water Quality Loans		Md. Environmental Loans		Farmers Home Admin. Loans		Other Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2012	\$ 89,757	\$ 12,988	\$ 903,162	\$ 154,170	\$ 45,935	\$ 134,928	\$ 400	\$ 816	\$ 1,039,254	\$ 302,902
2013	72,475	6,777	912,862	145,420	47,909	132,955	419	798	1,033,665	285,950
2014	8,267	1,566	919,392	136,593	49,968	130,896	438	779	978,065	269,834
2015	8,893	873	928,291	123,694	52,116	128,748	458	759	989,758	254,074
2016	1,449	127	937,280	118,705	54,356	126,508	479	738	993,564	246,078
2017-2021	-	-	4,824,454	455,468	308,907	595,413	2,747	3,337	5,136,108	1,054,218
2022-2026	-	-	4,255,662	221,530	381,286	523,034	3,438	2,645	4,640,386	747,209
2027-2031	-	-	2,159,444	58,273	470,657	433,663	4,304	1,779	2,634,405	493,715
2032-2036	-	-	-	-	568,961	323,331	5,387	695	574,348	324,026
2037-2041	-	-	-	-	502,137	211,823	-	-	502,137	211,823
2042-2046	-	-	-	-	616,505	97,455	-	-	616,505	97,455
2047-2051	-	-	-	-	138,339	3,570	-	-	138,339	3,570
Totals	<u>\$ 180,841</u>	<u>\$ 22,331</u>	<u>\$ 15,840,547</u>	<u>\$ 1,413,853</u>	<u>\$ 3,237,076</u>	<u>\$ 2,842,324</u>	<u>\$ 18,070</u>	<u>\$ 12,346</u>	<u>\$ 19,276,534</u>	<u>\$ 4,290,834</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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 Issue	Date of Maturity	Interest Rate (%)	June 30,	
Public Improvement Bonds:				2011	2010
Bonds of 1995	11/01/05	11/01/10	4.25-5.10	-	565,000
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	3,895,000	5,075,000
Bonds of 2001	09/01/01	11/01/16	3.50-4.40	2,835,000	3,760,000
Bonds of 2004	10/26/04	10/01/19	3.50	1,375,000	1,503,000
Bonds of 2006	07/21/06	08/01/16	4.24	1,965,000	2,250,000
Bonds of 2007	06/12/07	06/01/17	5.73	4,033,548	4,584,201
Bonds of 2008	12/16/08	09/01/18	4.36	3,757,603	4,183,343
Notes:					
Farmers Home Admin	1992	2032	5.75	231,968	237,633
RDA High School Loan I	06/28/07	06/28/37	4.125	4,294,255	4,484,612
RDA High School Loan II	02/28/08	2038	4.375	4,369,103	4,550,066
PPG Loan	01/05/96	2011	5.20	-	93,184
Capital Leases:					
Transit Bus	04/11/06	04/11/13	5.94	109,969	143,836
Bureau of Police vehicle	04/13/09	04/13/11	6.60	21,208	62,258
State Loans:					
Md Industrial Land Act:					
Superfos Expansion	1991	2017	6.90	333,407	381,934
Blue Cross Bldg	1992	2012	6.80	661,408	730,333
Micro - Integration	1994	2014	5.93	192,516	266,851
Superfos III	1995	2014	5.93	360,790	458,630
MICRF Loans:					
PPG Purchase	01/05/96	2020	5.00	1,395,639	1,528,280
PPG Improvements	2001	2022	4.69	149,429	165,477
MD Historical Trust Loan	2000	2020	1.00	147,000	150,000
Md Environmental Loan	2003	2023	0.89	457,230	494,266
Total Long - Term General Obligation Debt				30,585,073	35,667,904
Compensated Absences				3,767,625	4,103,473
Total long-term liabilities				\$ 34,352,698	\$ 39,771,377



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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,	
				2011	2010
<b>Water Districts Debt:</b>					
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 87,747	\$ 89,999
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	214,201	219,705
Eckhart/Clarysville RDA Loan	04/17/11	2051	2.5	220,202	-
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	282,870	288,334
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	421,815	430,716
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	199,023	203,221
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	203,169	207,455
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	536,108	544,177
Consol FHA loan	2004	2044	4.5	96,414	97,687
McCooke FHA Loan	1999	2039	4.5	934,155	951,075
Barton Industrial Park	2005	2045	4.5	333,681	337,894
Klondike FHA	2005	2045	4.5	434,889	440,298
Morantown FHA Loan	2005	2046	4.25	159,893	161,908
Mexico Farms	1992	2032	5.5	326,487	334,299
Bowmans Addition RDA Loan	10/01/10	2051	3.75	596,685	-
Sub-total				<u>5,047,339</u>	<u>4,306,768</u>
Carlos/Shaft Loan	2006	2040	4.5	46,000	46,754
Missick Road Loan	2006	2040	4.5	72,477	73,665
Route 51 Loan	2006	2040	4.5	25,578	25,998
PSC Rate case	2007	2017	4.5	236,461	251,317
Sub - total				<u>380,516</u>	<u>397,734</u>
Total debt				<u>5,427,855</u>	<u>4,704,502</u>
Less: Current maturities of long - term debt				<u>(107,488)</u>	<u>(93,425)</u>
Total Water Districts long - term debt				<u>\$ 5,320,367</u>	<u>\$ 4,611,077</u>
<b>Sanitary Districts Debt:</b>					
Maryland Water Quality Loans					
Bowling Green	1984	2014	8.3	\$ 16,674	\$ 20,083
Cresaptown	1984	1024	8.3	10,385	12,508
Cresaptown	1986	2015	8.8	6,214	7,175
Bedford Road	1983	2013	8.2	57,094	82,559
Oldtown	1981	2011	6.1	-	3,883
Flintstone	1980	2010	6.1	-	11,650
Georges Creek	1981	2011	6.1	21,686	42,254
Georges Creek	1982	2012	6.1	68,788	100,348
Sub - total				<u>180,841</u>	<u>280,460</u>
Maryland Department of Environment					
Celanese Treatment Plant	1991	2010	3.705	-	-
Celanese WWTP Upgrade	06/03	2023	0.40	5,747,664	6,134,239
Inflow and Infiltration Study I	12/03	2023	0.40	817,263	887,624
Celanese	2006	2026	0.40	611,802	649,732
Inflow and Infiltration Study II	2008	2082	1.00	1,024,474	879,701
George Creek WWTP Upgrade	2009	2029	0.40	7,332,397	6,627,226
Inflow and Infiltration Study II	2010	2030	1.00	306,947	207,357
Sub - total				<u>15,840,547</u>	<u>15,385,879</u>
Farmers Home Administration Loans					
Georges Creek	2007	2047	4.125	484,311	490,071
Cash Valley Road	1996	2036	4.50	118,040	120,599
Oldtown Road	1996	2036	4.50	447,664	457,369
Bowling Green/Cresaptown A	2007	2047	4.125	1,828,145	1,849,885
Bowling Green/Cresaptown B	2007	2047	4.125	358,916	363,188
Sub - total				<u>3,237,076</u>	<u>3,281,112</u>
Other Loans					
Oldtown	2006	2036	4.5	18,070	18,453
Sub - total				<u>18,070</u>	<u>18,453</u>
Total				<u>19,276,534</u>	<u>18,965,904</u>
Less: Current maturities of long - term debt				<u>(1,039,255)</u>	<u>(991,008)</u>
Total Sanitary Districts Long - term Debt				<u>\$ 18,237,279</u>	<u>\$ 17,974,896</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**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, 2011.

Long-term Liabilities - Component Units			
Long-term debt activity for the year ended June 30, 2011:			
	Allegany College of Maryland	LaVale Sanitary Commission	
Payable at July 1, 2010	\$1,435,630	\$3,886,513	
Amount issued	20,988	-	
Amount retired	(379,158)	(101,665)	
Payable at June 30, 2011	<u>\$1,077,460</u>	<u>\$3,784,848</u>	

Annual debt service requirements to maturity:						
Fiscal Year	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 304,516	\$ 32,874	\$ 337,390	\$ 104,959	\$ 148,929	\$ 253,888
2013	306,260	22,326	328,586	108,822	145,277	254,099
2014	307,705	11,831	319,536	112,628	141,470	254,098
2015	158,717	2,101	160,818	116,596	137,502	254,098
2016	262	2	264	120,732	133,366	254,098
2017-2021	-	-	-	672,092	598,398	1,270,490
2022-2026	-	-	-	733,338	465,561	1,198,899
2027-2031	-	-	-	847,435	303,705	1,151,140
2032-2036	-	-	-	928,002	109,793	1,037,795
2037-2041	-	-	-	40,244	428	40,672
	<u>\$1,077,460</u>	<u>\$ 69,134</u>	<u>\$1,146,594</u>	<u>\$3,784,848</u>	<u>\$2,184,429</u>	<u>\$5,969,277</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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 one defined contribution plan, the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers the plan. At June 30, 2011, there are 9 members enrolled in the plans.

Funding Policy

Employees covered under the retirement system are required to contribute between five and seven percent of their base salary. The County is required to contribute at an actuarially determined rate and the current rate is 13.77% of covered payroll. 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 10.9% 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, 2011, 2010 and 2009, were \$1,654,551, \$1,522,868 and \$1,379,237 respectively, equal to the required employer contributions for each year.

The defined contribution plan requires the County to contribute 10.83% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$476,018 and the required contribution was \$54,000, 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, 2011**

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 rate is 10.83%. 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, 2011, 2010 and 2009 were \$1,428,305, and \$1,121,559, and \$955,884, 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, 2011. The Library's contributions for the years ended June 30, 2011, 2010 and 2009 were \$7,692, \$5,373, and \$5,122, 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, 2011, 2010 and 2009 in the amounts of \$128,282, \$118,186, and \$97,245 respectively.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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 2011 were \$1,613,343.

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, 2011. Allegany College's contributions for the years ended June 30, 2011, 2010 and 2009 were \$116,081, \$85,101, and \$85,059, 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, 2011. LaVale Sanitary's contributions for the years ended June 30, 2011, 2010 and 2009 were \$50,927, \$73,341, and \$590,755, 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, 2011 was \$563,287.

Note 12. Length of Service Award Program (LOSAP)

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On January 27, 2011, the County established the Fire and Rescue Length of Service Awards Program (LOSAP) for the Allegany County Fire and Rescue Association. The plan is a single employer, defined benefit pension plan which is open to any volunteer over the age of eighteen. The plan year is from January to December and no financial reports have been issued to date, the first due December 31, 2011. As a result, no financial information for the plan is included in the County's annual financial report for the period ending June 30, 2011. During fiscal year 2011 the County contributed \$600,000 to the plan.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 13. Governmental Fund Balance Classifications**

Beginning with fiscal year 2011, the County adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", which redefined how fund balances of governmental funds are presented in the financial statements. Those classifications are:

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of the Allegany County Code, federal or state laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal resolution or ordinance by the Board of County Commissioners.
- Assigned – Amounts that are designated by the Board of Commissioners or the Director of Finance for a particular purpose.
- Unassigned – All amounts not included in other spendable classifications.

Fiscal Year 2011 Fund Balance Classifications				
Fund Balances:	General Fund	Major Special Revenue Fund Revolving Building	Other Funds	Total
Nonspendable				
Long term receivables	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
Prepays	2,021	-	-	2,021
Restricted for:				
Transit bus replacement	110,767	-	-	110,767
Housing programs	-	-	171,142	171,142
Coal Haul Roads	-	-	713,344	713,344
Drug task Force	-	-	19,417	19,417
Inmate activities	-	-	279,654	279,654
Fire Companies	-	-	236,594	236,594
Computer aided dispatcher	-	-	259,472	259,472
Stream restoration	-	-	251,197	251,197
Committed to:				
Fiscal Year 2012 budget	2,649,697	-	-	2,649,697
Economic development	-	5,479,234	-	5,479,234
Fire Companies	-	-	78,671	78,671
School capital	-	-	443,042	443,042
Assigned to:				
Election machine replacements	150,000	-	-	150,000
Nursing Home retiree health insurance	1,718,295	-	-	1,718,295
Debt retirement	-	-	208,269	208,269
Technology enhancements	-	-	663,294	663,294
Highway projects	-	-	1,160,272	1,160,272
Public safety projects	-	-	205,992	205,992
County building improvements	-	-	102,963	102,963
Unassigned:	11,394,352	-	(551,089)	10,843,263
	<u>\$ 17,225,132</u>	<u>\$ 5,479,234</u>	<u>\$ 4,242,234</u>	<u>\$ 26,946,600</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

Note 14. 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 13.1 percent of annual covered payroll.

**Annual OPEB Cost.** For fiscal year 2011, the County's annual OPEB cost (expense) of \$2,028,454 for ACBP was greater than the ARC. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 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>
06/30/11	\$1,973,780	102.8%	\$ -
06/30/10	2,050,000	100.0%	-
06/30/09	2,245,000	100.0%	-

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 14. Postemployment Healthcare Plan - Continued**

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**Funded Status and Funding Progress.** The funded status of the plan as of July 1, 2010 (the date of the latest actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 25,006,403
Actuarial value of plan assets	<u>1,850,589</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 23,155,814</u></u>
Funded ratio (actuarial value of plan assets/AAL)	7.40%
Covered payroll (active plan members)	\$ 15,070,838
UAAL as a percentage of covered payroll	153.60%

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, 2010 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, 2010, was twenty-eight 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, 2011**

**Note 15. 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 \$250,000 per year and aggregate annual participant claims in excess of \$7,638,913.

Third party administrators estimated the non-discounted claims liability reported in the funds at June 30, 2011. 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 2011 are as follows:

Balance at July 1, 2010	\$	527,540
Claims and changes in estimates		120,574
Claim payments		-
Balance at June 30, 2011	\$	<u>648,114</u>

**Note 16. 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, 2011**

**Note 17. 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, 2011 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, 2011, such debt includes loans with the U.S. Department of Agriculture of \$3,505,699.

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 18. – Prior Period Adjustment**

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In the financial statements for the year ended June 30, 2010, an error was made in accounting for \$593,564 of grant revenues for the Georges Creek Wastewater Treatment Plant. This error has been corrected and the grant revenues are recorded in fiscal year 2010 and had the following effect on the beginning fund balance.

	<u>George's Creek Sanitary District</u>	<u>Total All Sanitary Districts</u>
Ending fund equity , previously reported June 30, 2010	\$ 30,853,887	\$ 57,150,934
Accrual of grant revenue	<u>593,564</u>	<u>593,564</u>
Beginning fund equity as restated July 1, 2010	<u>\$ 31,447,451</u>	<u>\$ 57,744,498</u>

**Note 19. – Subsequent events**

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On July 1, 2011 Allegany County regained possession of a County shell building previously sold and recorded as a capital lease and revenue from the sale of property in the government wide financial statements. The transaction will result in a loss from the cancellation of the lease but will also result in the recognition of a gain from reacquiring the building. The net effect will be a gain from the transaction of approximately \$1.6 million.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

**Note 20. – Changes to Governmental Beginning Fund Balances**

The governmental beginning fund balances as of July 1, 2011 have been adjusted as follows:

	Governmental Funds					
	Major Funds			Non-Major Funds		
	Highway Fund	Capital Projects Fund	Total Major Funds	Highway Fund	Capital Projects Fund	Total Non-Major Funds
Fund balance as originally reported at 6/30/10	\$(185,049)	\$119,644	\$22,740,073	\$ -	\$ -	\$ 6,848,874
Reclassification of Highway fund as a non-major fund (1)	185,049	-	185,049	(185,049)	-	(185,049)
Reclassification of the Capital Projects Fund as a non-major fund (1)	-	(119,644)	(119,644)	-	119,644	119,644
Restated beginning fund balance at July 1, 2010	<u>\$ -</u>	<u>\$ -</u>	<u>\$22,805,478</u>	<u>\$ (185,049)</u>	<u>\$ 119,644</u>	<u>\$ 6,783,469</u>

- (1) The Highway and the Capital Projects Funds were classified as major funds prior to fiscal year 2011. Due to decreased activity in fiscal year 2011 the funds no longer met the criteria to be classified as major funds and as a result were reclassified as non-major as of July 1, 2010.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2011**

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**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, 2010	1,850,589	25,006,403	7.4%	23,155,814	15,070,838	153.6%

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, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES</b>				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 41,993,168	\$ 41,993,168	\$ 41,617,623	\$ (375,545)
Payments in lieu of taxes:				
Coal companies	240,000	240,000	255,304	15,304
Housing Authorities	38,500	38,500	34,887	(3,613)
Interest on Delinquent taxes	735,000	735,000	1,021,909	286,909
Sub-total	43,006,668	43,006,668	42,929,723	(76,945)
Less:				
Prompt payment discounts	165,000	165,000	170,715	(5,715)
Deferred revenues	250,000	250,000	278,537	(28,537)
Industrial exemptions	420,000	420,000	60,399	359,601
Enterprise zone exemptions	175,000	175,000	176,182	(1,182)
Residential development tax credit	26,000	26,000	16,889	9,111
Tax increment financing	38,000	38,000	38,817	(817)
Historic tax credit	95,000	95,000	76,782	18,218
Real estate tax set-aside	32,000	32,000	-	32,000
PILOT abatement	-	-	11,400	(11,400)
Sub-total	1,201,000	1,201,000	829,721	371,279
Total Net Property Taxes	41,805,668	41,805,668	42,100,002	294,334
Income Taxes	22,640,000	22,640,000	24,248,781	1,608,781
Other Local Taxes:				
Hotel/motel tax	620,000	620,000	609,954	(10,046)
Admissions	150,000	150,000	217,606	67,606
Recordation	1,250,000	1,250,000	1,150,654	(99,346)
911 Fees	525,000	525,000	495,798	(29,202)
Trailer court	65,000	65,000	67,212	2,212
Transfer tax	395,000	395,000	475,984	80,984
Highway users taxes	214,000	214,000	317,590	103,590
Total Local Taxes	3,219,000	3,219,000	3,334,798	115,798
Total Taxes	67,664,668	67,664,668	69,683,581	2,018,913
Licenses and Permits				
Alcoholic beverage licenses	84,000	84,000	82,865	(1,135)
Amusement licenses	7,000	7,000	4,560	(2,440)
Traders licenses	99,000	99,000	94,623	(4,377)
Occupational licenses	1,100	1,100	800	(300)
Animal licenses	12,000	12,000	9,152	(2,848)
Building permits	28,000	28,000	38,504	10,504
Marriage licenses	4,500	4,500	4,755	255
Cable franchise fees	340,000	340,000	355,176	15,176
Sediment control permits	28,000	28,000	23,294	(4,706)
Total Licenses and Permits	603,600	603,600	613,729	10,129

Continued



**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES (Continued):</b>				
<u>Intergovernmental:</u>				
Federal Funds:				
Homeland security grant	233,182	386,177	261,475	(124,702)
Justice department grant	9,469	9,469	3,758	(5,711)
Civil defense	65,000	65,000	77,551	12,551
FEMA grant	-	-	9,965	9,965
EMT Grant	35,000	35,000	-	(35,000)
MTA Transportation planning	145,703	145,703	95,924	(49,779)
Railroad grant	-	-	19,848	19,848
Health & Human Services Grant	-	-	10,473	10,473
Food distribution to the needy	18,000	24,000	23,082	(918)
Emergency shelter grant	25,000	40,000	34,867	(5,133)
ARC Grants	56,000	56,000	20,000	(36,000)
Masters program	60,483	60,483	77,972	17,489
Miscellaneous federal grants	78,000	78,000	21,606	(56,394)
Payments in lieu of property taxes	5,000	5,000	7,428	2,428
Sub-total Federal funds	<u>730,837</u>	<u>904,832</u>	<u>663,949</u>	<u>(240,883)</u>
State Funds:				
Public Health	20,000	20,000	14,991	(5,009)
Police protection	165,000	165,000	130,595	(34,405)
State 911 grant	16,500	16,500	6,648	(9,852)
State transportation planning	18,213	18,213	11,990	(6,223)
Maryland Department of Environment grant	6,077	6,077	8,850	2,773
Juvenile services grant	15,130	15,130	14,540	(590)
Department of Natural Resources	35,000	35,000	40,325	5,325
Conservation aid salary	28,727	28,727	33,556	4,829
Program Open Space grant	479,937	479,937	5,160	(474,777)
Fire suppression, DNR	250	250	-	(250)
Disparity grant	7,298,505	7,298,505	7,298,505	-
State Jury Reimbursement	44,000	44,000	47,475	3,475
Tourism grant	-	42,658	42,658	-
Work Crew Supervisor	31,365	31,365	30,647	(718)
Miscellaneous	187,741	180,407	221,051	40,644
Sub-total State Funds	<u>8,346,445</u>	<u>8,381,769</u>	<u>7,906,991</u>	<u>(474,778)</u>
Other Intergovernmental:				
Other agencies	<u>383,114</u>	<u>548,019</u>	<u>466,109</u>	<u>(81,910)</u>
Sub-total Other Intergovernmental:	<u>383,114</u>	<u>548,019</u>	<u>466,109</u>	<u>(81,910)</u>
Total Intergovernmental	<u>9,460,396</u>	<u>9,834,620</u>	<u>9,037,049</u>	<u>(797,571)</u>

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES (Continued)</b>				
<u>Service Charges:</u>				
General government charges:				
State civil process	70,000	70,000	52,017	(17,983)
Child support incentive	-	1,492	1,492	-
Plans & specifications	5,000	5,000	165	(4,835)
Regulation & Maps	6,000	6,000	10,982	4,982
Tax sale fees	16,000	16,000	30,014	14,014
Election filing fees	300	300	1,804	1,504
Security interest filing fee	100	100	55	(45)
License application fees	8,000	8,000	7,200	(800)
Liquor License transfer fee	4,500	4,500	4,470	(30)
Bay restoration collection fee	1,500	1,500	5,347	3,847
Health Ins Admin fee	1,000	1,000	1,554	554
Other general government service charges	-	-	5,500	5,500
Tourism promotion charges	70,000	70,000	81,888	11,888
Collection fees-special areas	49,000	49,000	71,310	22,310
Liquor License Collection fee	3,600	3,600	3,611	11
Hotel/Motel collection fee	16,000	16,000	18,939	2,939
Partial payment fee	1,000	1,000	1,870	870
Engineering fees	65,000	65,000	74,841	9,841
Miscellaneous general government	-	-	10,512	10,512
Indirect cost allocation	523,278	523,278	19,891	(503,387)
Sub-total general government charges	840,278	841,770	403,462	(438,308)
Public safety charges:				
Police protection charges	10,000	37,000	19,735	(17,265)
Fingerprinting fee	100	100	340	240
Impound fees	2,500	2,500	2,333	(167)
Jail work release	12,000	12,000	19,061	7,061
Boarding state prisoners	-	-	54,000	54,000
Boarding Federal prisoners	350,000	350,000	287,376	(62,624)
Community service fee	17,000	21,800	25,075	3,275
Home detention fee	40,000	40,000	28,248	(11,752)
Inmate Medical Copay	4,000	4,000	4,552	552
Building Inspection fees	25,000	25,000	14,350	(10,650)
Ambulance fees	-	24,000	79,269	55,269
Sub-total public safety charges	460,600	516,400	534,339	17,939
Sanitation and Waste Removal:				
Landfill fees	140,000	140,000	138,579	(1,421)
Recycling fees	55,000	55,000	58,785	3,785
Recycled material sales	11,000	11,000	44,344	33,344
Sub-total Sanitation and Waste	206,000	206,000	241,708	35,708
Health service charges:				
Dog adoption fees	18,000	18,000	9,365	(8,635)
Sub-total Health service charges	18,000	18,000	9,365	(8,635)

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b><u>REVENUES (Continued):</u></b>				
<u>Service Charges (continued):</u>				
Recreation Charges:				
Hotel fee, Rocky gap	235,000	235,000	98,135	(136,865)
Sub-total recreation service charges	235,000	235,000	98,135	(136,865)
Public service enterprises:				
Upper Potomac River Commission	294,055	294,055	294,055	-
Road closing fees	450	450	300	(150)
Sub-total public service charges	294,505	294,505	294,355	(150)
Total Service Charges	2,054,383	2,111,675	1,581,364	(530,311)
<u>Fines and Forfeitures:</u>				
Circuit court fines	7,000	7,000	7,103	103
Contraband seizures	2,500	2,500	-	(2,500)
Dog ordinance fines	4,000	4,000	4,153	153
Liquor violation fines	3,000	3,000	6,050	3,050
Zoning fines	1,400	1,400	4,500	3,100
Fines and forfeitures	200	200	2,300	2,100
Total Fines and Forfeitures	18,100	18,100	24,106	6,006
<u>Miscellaneous:</u>				
Interest	132,059	132,059	150,501	18,442
Rents and concessions	292,546	332,046	329,960	(2,086)
Miscellaneous	50,908	50,908	102,988	52,080
Total Miscellaneous	475,513	515,013	583,449	68,436
Total Revenues	80,276,660	80,747,676	81,523,278	775,602

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>EXPENDITURES:</b>	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>General Government:</u>				
Legislative:				
County Commissioners	174,589	174,589	157,611	16,978
County Commissioners Office	117,457	117,457	93,192	24,265
Total legislative	292,046	292,046	250,803	41,243
Judicial:				
Family Support Services	177,891	157,618	160,010	(2,392)
Alternative dispute resolution	7,500	7,500	5,019	2,481
Circuit court masters program	97,265	98,757	98,178	579
Circuit court	341,431	380,322	366,729	13,593
Orphans court	57,740	57,740	57,458	282
Family Law Master	59,150	59,150	57,631	1,519
State's attorney	1,164,197	1,214,292	1,222,187	(7,895)
Victim-Witness coordinator	9,469	9,469	7,098	2,371
Law library	15,000	15,000	15,000	-
Grand and petit juries	70,247	70,247	76,464	(6,217)
Total Judicial	1,999,890	2,070,095	2,065,774	4,321
Executive:				
Administrator	300,870	348,913	296,835	52,078
Elections:				
Registration and elections	580,772	580,772	488,841	91,931
Financial Administration:				
Finance Office	774,842	882,365	762,718	119,647
Tax Office	533,929	533,929	299,148	234,781
Professional services	47,500	47,500	45,371	2,129
Total Financial Administration	1,356,271	1,463,794	1,107,237	356,557
Legal:				
Legal counsel	187,333	187,333	161,843	25,490
Other legal/professional	77,000	77,000	34,563	42,437
Total legal	264,333	264,333	196,406	67,927
Personnel Administration:				
Human Resources department	306,474	306,474	252,913	53,561
Human resources board of appeals	4,960	4,960	2,977	1,983
Wellness/Employee recognition	11,015	11,015	4,251	6,764
Total personnel administration	322,449	322,449	260,141	62,308
Planning and Zoning:				
Planning and zoning department	460,239	460,239	427,676	32,563
Land use planning	144,542	144,542	145,173	(631)
Total Planning and Zoning	604,781	604,781	572,849	31,932
General Services:				
County Building Maintenance	1,154,649	1,379,649	1,126,051	253,598
Data Processing	288,283	288,283	256,555	31,728
Total general services	1,442,932	1,667,932	1,382,606	285,326
Other general government:				
Liquor control board	110,040	110,040	107,146	2,894
Insurance	327,725	327,725	304,617	23,108
Employee benefits	143,000	143,000	44,673	98,327
Post retirement benefits	1,005,000	1,005,000	1,069,159	(64,159)
Total Other General Government	1,585,765	1,585,765	1,525,595	60,170
Total General Government	8,750,109	9,200,880	8,147,087	1,053,793

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>	Original	Final	Amount	
<b>EXPENDITURES (Continued):</b>				
<u>Public Safety:</u>				
Police:				
Bureau of police	1,427,271	1,520,567	1,589,073	(68,506)
Sheriff's department	1,019,875	1,023,272	971,501	51,771
C31 Unit	13,000	13,000	3,732	9,268
Safe School	47,780	47,780	48,292	(512)
Juvenile review board	-	138,151	106,120	32,031
Total Police	2,507,926	2,742,770	2,718,718	24,052
Fire and rescue:				
Suppression of forest fires	1,000	1,000	-	1,000
Emergency medical services	-	608,479	487,616	120,863
SAFER grant	-	69,419	108,769	(39,350)
Length of service award	-	600,000	600,000	-
Volunteer fire companies	1,025,528	1,025,528	1,006,902	18,626
Total Fire	1,026,528	2,304,426	2,203,287	101,139
Correction:				
County detention center maintenance	190,410	190,410	172,243	18,167
County detention center	6,714,299	6,755,650	6,535,737	219,913
Juvenile service grant	15,130	15,130	14,890	240
Alternative sentencing	155,214	202,814	200,305	2,509
Home detention grant	135,206	135,206	123,346	11,860
Total Correction	7,210,259	7,299,210	7,046,521	252,689
Other Protection:				
Permits & enforcement	321,931	321,931	308,991	12,940
Emergency Management Agency	271,745	355,321	341,694	13,627
Local emergency planning	6,077	6,077	4,090	1,987
Animal control	315,162	315,162	290,460	24,702
Animal shelter	92,078	92,078	92,110	(32)
911	1,759,133	1,804,549	1,812,967	(8,418)
Hazardous materials operations	73,513	73,513	66,994	6,519
Public safety department	59,038	59,038	80,554	(21,516)
Emergency medical assistance	70,000	70,000	12,727	57,273
Domestic preparedness grant	233,182	233,182	299,065	(65,883)
Building Codes	122,342	160,805	141,411	19,394
Code Enforcement	94,711	94,711	106,432	(11,721)
Flood control	39,000	39,000	4,948	34,052
Transportation planning	184,369	184,369	139,706	44,663
Total Other Protection	3,642,281	3,809,736	3,702,149	107,587
Total Public Safety	14,386,994	16,156,142	15,670,675	485,467
<u>Public Works:</u>				
Public Services:				
Highway department	8,038,834	8,317,894	7,685,878	632,016
Airport	240,000	240,000	240,000	-
Waste collection:				
Solid waste disposal	416,936	437,240	433,851	3,389
Solid waste recycling	164,917	164,917	161,181	3,736
UPRC	367,569	367,569	367,569	-
County engineer	1,018,133	1,068,384	1,013,267	55,117
Total Public Works	10,246,389	10,596,004	9,901,746	694,258

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>	Original	Final	Amount	
<b>EXPENDITURES (Continued):</b>				
<u>Health and Hospitals:</u>				
Brook Building	194,000	194,000	124,277	69,723
Willowbrook Office	304,000	304,000	295,047	8,953
Health Department supplemental	32,524	32,524	32,991	(467)
Western Maryland Health Planning	7,715	7,715	7,715	-
Total Health and Hospitals	538,239	538,239	460,030	78,209
<u>Social Services:</u>				
Nursing Home costs	400,000	400,000	491,376	(91,376)
Pauper's burials	1,300	1,300	1,300	-
Human Resources Devel. Comm.	707,570	707,570	707,570	-
Emergency shelter grant	25,000	40,000	34,868	5,132
Child abuse coordinator	103,177	103,177	103,305	(128)
Family Crisis Center	88,000	88,000	88,000	-
Food distribution to the needy	18,000	24,000	23,082	918
Total Social Services	1,343,047	1,364,047	1,449,501	(85,454)
<u>Education:</u>				
State debt reimbursement	24,511	24,511	24,511	-
Total Education	24,511	24,511	24,511	-
<u>Recreation and Culture:</u>				
Agriculture Expo	13,000	13,000	13,000	-
Allegany County Arts Council	35,000	35,000	35,000	-
Allegany County fair	181,251	220,751	215,879	4,872
Fairgrounds maintenance	198,029	198,029	195,446	2,583
Highland trail operations	85,817	85,817	95,805	(9,988)
Cumberland Summer Theatre	8,000	8,000	8,000	-
Program Open Space	479,937	479,937	300,160	179,777
Total Recreation and Culture	1,001,034	1,040,534	863,290	177,244
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	128,730	128,730	126,194	2,536
Soil conservation services	167,747	230,146	223,295	6,851
Gypsy moth control	10,000	10,000	4,200	5,800
Total Conservation of Natural Resources	306,477	368,876	353,689	15,187
<u>Community Development &amp; Housing</u>				
Office of Community Assistance	96,307	96,307	93,476	2,831
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	104,307	104,307	101,476	2,831
<u>Economic Development:</u>				
Department of Economic Development	519,916	519,916	503,083	16,833
Scenic railroad development	155,000	155,000	155,000	-
Tri-County Council	25,000	25,000	25,000	-
Tourism department	582,190	692,740	671,260	21,480
Toll House	3,900	3,900	501	3,399
Thrasher Museum	91,000	91,000	93,992	(2,992)
Community promotion	-	6,000	4,500	1,500
Canal Place Preservation	32,000	32,000	51,635	(19,635)
Total Economic Development	1,409,006	1,525,556	1,504,971	20,585

(continued)

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
<b>EXPENDITURES:</b>	Original	Final	Amount	
<b>EXPENDITURES (Continued):</b>				
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,206,695	1,206,695	1,203,865	2,830
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,245,199	1,245,199	1,242,369	2,830
<u>Miscellaneous:</u>				
Contingency	288,937	298,230	-	298,230
Miscellaneous	25,600	25,600	42,963	(17,363)
Total Miscellaneous	314,537	323,830	42,963	280,867
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	28,240,000	28,240,000	28,240,000	-
Allegany College	7,425,000	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	36,918,334	36,918,334	36,918,334	-
Total Expenditures	76,588,183	79,406,459	76,680,642	2,725,817
Excess (deficiency) of revenues over (under) expenditures	3,688,477	1,341,217	4,842,636	3,501,419
<b>OTHER FINANCING SOURCES (USES)</b>				
<u>Unexpended balance - prior years</u>	2,515,000	3,448,629	-	(3,448,629)
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds	295,380	695,380	717,486	22,106
Transfers from enterprise funds	24,262	24,262	33,531	9,269
Total Transfers In	319,642	719,642	751,017	31,375
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Transit Fund	(432,863)	(444,596)	(460,426)	(15,830)
Housing & Section 8 fund	(75,891)	(107,290)	(131,699)	(24,409)
Narcotics Task Force	(12,000)	(12,000)	(11,615)	385
Gaming fund	-	(2,368)	-	2,368
Public Safety Fund	(744,479)	-	-	-
Debt service Fund:				
From General government	(5,016,529)	(5,016,529)	(4,834,804)	181,725
From Bureau of Police	(52,573)	(52,573)	(45,282)	7,291
Enterprise funds:				
Water fund	-	-	(13,265)	(13,265)
Sanitary fund	(203,784)	(239,132)	(202,129)	37,003
Total operating transfers to other funds	(6,538,119)	(5,874,488)	(5,699,220)	175,268
<u>Sale of capital assets</u>	15,000	365,000	358,249	(6,751)
Total Other Financing Sources and Uses	(3,688,477)	(1,341,217)	(4,589,954)	(3,248,737)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	252,682	\$ 252,682
Fund balance, beginning			16,972,450	
Fund balance, ending			\$ 17,225,132	

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**REVOLVING BUILDING FUND SPECIAL REVENUE FUND**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental:				
State	\$ -	\$ -	\$ 300,000	\$ 300,000
Interest	-	-	-	-
Miscellaneous	3,051,983	3,051,983	3,103,720	51,737
Total Revenues	3,051,983	3,051,983	3,403,720	351,737
<b>EXPENDITURES</b>				
Economic development	5,014,124	5,014,124	2,269,633	2,744,491
Total Expenditures	5,014,124	5,014,124	2,269,633	2,744,491
Excess (deficiency) of revenues over (under) expenditures	(1,962,141)	(1,962,141)	1,134,087	3,096,228
<b>OTHER FINANCING SOURCES AND USES:</b>				
Unexpended balance - prior years	3,527,757	3,527,757	-	(3,527,757)
Transfer from other funds	-	-	-	-
Transfers to other funds	(1,565,616)	(1,565,616)	(1,618,728)	(53,112)
Proceeds from debt issuance	-	-	-	-
Sale of capital assets	-	-	11,203	11,203
Total Other Financing Sources and Uses	1,962,141	1,962,141	(1,607,525)	(3,569,666)
Net change in fund balances	\$ -	\$ -	(473,438)	\$ (473,438)
Fund balance, beginning			5,952,672	
Fund balance, ending			\$ 5,479,234	

**Notes to Required Supplementary Information**  
**June 30, 2011**

**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.

Highway Fund - this fund was used to account for State shared highway users taxes. The County no longer receives a significant amount of funds from the State and this function was moved to the County's General in fiscal year 2011.

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 Capital Projects Fund is used to account for capital projects primarily funded by grants and other external sources.

The PAYGO (Pay-As-You-Go) Capital Project Fund is used to segregate 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, 2011**

	Special Revenue Funds						
	Highway Fund	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	-	-	-	-	-	43,718	-
Investments	-	680,387	-	-	-	-	100,000
Receivables							
Notes and loans	-	-	-	-	472,280	-	-
Other	-	354	405,123	-	-	-	52
Due from other funds	-	32,603	-	5,135	164,991	75,378	68,052
Inventory	-	-	67,006	-	-	-	-
Prepays	-	-	-	-	-	-	-
Total Assets	-	713,344	472,279	5,135	637,271	119,096	168,604
<b>LIABILITIES:</b>							
Accounts payable	-	-	29,065	-	(1,016)	73,257	7,797
Accrued payroll	-	-	26,327	-	-	1,315	540
Accrued payroll fringe	-	-	15,324	-	-	806	51
Due to other funds	-	-	401,563	-	-	-	-
Amounts held in escrow	-	-	-	-	-	43,718	140,799
Unearned revenue	-	-	-	-	472,280	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Liabilities	-	-	472,279	-	471,264	119,096	149,187
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	713,344	-	5,135	166,007	-	19,417
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	-	713,344	-	5,135	166,007	-	19,417
Total Liabilities and Fund Balances	\$ -	\$ 713,344	\$ 472,279	\$ 5,135	\$ 637,271	\$ 119,096	\$ 168,604

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2011**

Special Revenue Funds			Debt Service	Capital Project Funds			Total Capital Projects Funds	Total Nonmajor Governmental Funds
Gaming Fund	State Fire, Rescue & Public Safety Fund	Total	Debt Service Fund	Capital Project Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund		
\$ -	\$ -	\$ 650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 650
-	-	43,718	-	-	-	-	-	43,718
-	236,334	1,016,721	-	-	2,177,843	557,168	2,735,011	3,751,732
-	-	472,280	-	-	-	-	-	472,280
17,562	3,769	426,860	-	9,447	33,356	30	42,833	469,693
534,720	281,161	1,162,040	208,269	-	68,046	-	68,046	1,438,355
-	-	67,006	-	-	-	-	-	67,006
-	-	-	-	-	-	-	-	-
<u>552,282</u>	<u>521,264</u>	<u>3,189,275</u>	<u>208,269</u>	<u>9,447</u>	<u>2,279,245</u>	<u>557,198</u>	<u>2,845,890</u>	<u>6,243,434</u>
26,792	5,016	140,911	-	320,658	146,724	37,171	504,553	645,464
3,489	-	31,671	-	-	-	-	-	31,671
288	-	16,469	-	-	-	-	-	16,469
-	-	401,563	-	239,878	-	9,358	249,236	650,799
-	-	184,517	-	-	-	-	-	184,517
-	-	472,280	-	-	-	-	-	472,280
-	-	-	-	-	-	-	-	-
<u>30,569</u>	<u>5,016</u>	<u>1,247,411</u>	<u>-</u>	<u>560,536</u>	<u>146,724</u>	<u>46,529</u>	<u>753,789</u>	<u>2,001,200</u>
-	-	-	-	-	-	-	-	-
-	516,248	1,420,151	-	-	-	510,669	510,669	1,930,820
521,713	-	521,713	-	-	-	-	-	521,713
-	-	-	208,269	-	2,132,521	-	2,132,521	2,340,790
-	-	-	-	(551,089)	-	-	(551,089)	(551,089)
<u>521,713</u>	<u>516,248</u>	<u>1,941,864</u>	<u>208,269</u>	<u>(551,089)</u>	<u>2,132,521</u>	<u>510,669</u>	<u>2,092,101</u>	<u>4,242,234</u>
<u>\$ 552,282</u>	<u>\$ 521,264</u>	<u>\$ 3,189,275</u>	<u>\$ 208,269</u>	<u>\$ 9,447</u>	<u>\$ 2,279,245</u>	<u>\$ 557,198</u>	<u>\$ 2,845,890</u>	<u>\$ 6,243,434</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds						
	Highway Fund	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>							
Other local taxes	\$ -	\$ 114,886	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental:							
Federal	-	-	1,124,825	99,624	1,937	809,257	3,074
State	-	-	340,746	-	-	109,631	-
Other	-	-	-	21,250	-	3,750	-
Service charges	-	-	262,300	-	-	10,000	-
Fines and forfeitures	-	-	-	-	-	-	50,071
Interest	-	2,668	-	-	-	-	501
Miscellaneous	254,941	-	11,137	-	75,851	570	-
Total Revenues	<u>254,941</u>	<u>117,554</u>	<u>1,739,008</u>	<u>120,874</u>	<u>77,788</u>	<u>933,208</u>	<u>53,646</u>
<b>EXPENDITURES:</b>							
<b>Current:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	85,729
Public works	-	-	2,137,625	-	-	-	-
Highways	-	84,597	-	-	-	-	-
Community Development and Housing	-	-	-	119,527	13,197	1,064,907	-
Economic development	-	-	-	-	-	-	-
Miscellaneous	69,892	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital Outlay:							
General government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Payments to component units:							
Board of Education	-	-	-	-	-	-	-
Total Expenditures	<u>69,892</u>	<u>84,597</u>	<u>2,137,625</u>	<u>119,527</u>	<u>13,197</u>	<u>1,064,907</u>	<u>85,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>185,049</u>	<u>32,957</u>	<u>(398,617)</u>	<u>1,347</u>	<u>64,591</u>	<u>(131,699)</u>	<u>(32,083)</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	-	-	460,426	-	-	131,699	11,615
Transfers out	-	-	(42,411)	-	-	-	-
Debt issued	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total Other Financing Sources and uses	<u>-</u>	<u>-</u>	<u>418,015</u>	<u>-</u>	<u>-</u>	<u>131,699</u>	<u>11,615</u>
Net change in fund balances	185,049	32,957	19,398	1,347	64,591	-	(20,468)
Fund balance, beginning,	<u>(185,049)</u>	<u>680,387</u>	<u>(19,398)</u>	<u>3,788</u>	<u>101,416</u>	<u>-</u>	<u>39,885</u>
Fund balance, ending	<u>\$ -</u>	<u>\$ 713,344</u>	<u>\$ -</u>	<u>\$ 5,135</u>	<u>\$ 166,007</u>	<u>\$ -</u>	<u>\$ 19,417</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

Special Revenue Funds			Debt Service	Capital Project Funds			Total Capital Projects Funds	Total Nonmajor Governmental Funds
Gaming Fund	State Fire, Rescue & Public Safety Fund	Total Special Revenue Funds	Debt Service Fund	Capital Project Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund		
\$ 406,976	\$ -	\$ 521,862	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 521,862
-	6,478	2,045,195	-	133,442	50,000	-	183,442	2,228,637
-	224,948	675,325	-	401,372	184,380	50,000	635,752	1,311,077
-	-	25,000	-	-	24,365	-	24,365	49,365
38,400	99,162	409,862	-	9,447	-	-	9,447	419,309
-	-	50,071	-	-	-	-	-	50,071
-	902	4,071	-	-	6,069	1,937	8,006	12,077
-	55,985	398,484	-	69,893	-	-	69,893	468,377
<u>445,376</u>	<u>387,475</u>	<u>4,129,870</u>	<u>-</u>	<u>614,154</u>	<u>264,814</u>	<u>51,937</u>	<u>930,905</u>	<u>5,060,775</u>
130,693	-	130,693	-	-	-	-	-	130,693
85,830	382,501	554,060	-	-	-	-	-	554,060
-	-	2,137,625	-	-	-	-	-	2,137,625
-	-	84,597	-	-	-	-	-	84,597
-	-	1,197,631	-	-	-	-	-	1,197,631
-	-	-	-	-	-	-	-	-
-	-	69,892	2,000	-	-	-	-	71,892
-	-	-	5,082,830	-	-	-	-	5,082,830
-	-	-	1,491,130	-	-	-	-	1,491,130
-	-	-	-	-	150,251	36,358	186,609	186,609
-	-	-	-	11,627	-	508,345	519,972	519,972
-	-	-	-	880,590	414,184	-	1,294,774	1,294,774
-	-	-	-	392,670	-	-	392,670	392,670
-	-	-	-	-	47,890	-	47,890	47,890
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	2,028	2,028	2,028
<u>765,829</u>	<u>-</u>	<u>765,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>765,829</u>
<u>982,352</u>	<u>382,501</u>	<u>4,940,327</u>	<u>6,575,960</u>	<u>1,284,887</u>	<u>612,325</u>	<u>546,731</u>	<u>2,443,943</u>	<u>13,960,230</u>
(536,976)	4,974	(810,457)	(6,575,960)	(670,733)	(347,511)	(494,794)	(1,513,038)	(8,899,455)
-	-	603,740	6,468,997	-	-	-	-	7,072,737
-	(672,106)	(714,517)	-	-	-	-	-	(714,517)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	(672,106)	(110,777)	6,468,997	-	-	-	-	6,358,220
(536,976)	(667,132)	(921,234)	(106,963)	(670,733)	(347,511)	(494,794)	(1,513,038)	(2,541,235)
<u>1,058,689</u>	<u>1,183,380</u>	<u>2,863,098</u>	<u>315,232</u>	<u>119,644</u>	<u>2,480,032</u>	<u>1,005,463</u>	<u>3,605,139</u>	<u>6,783,469</u>
<u>\$ 521,713</u>	<u>\$ 516,248</u>	<u>\$ 1,941,864</u>	<u>\$ 208,269</u>	<u>\$ (551,089)</u>	<u>\$ 2,132,521</u>	<u>\$ 510,669</u>	<u>\$ 2,092,101</u>	<u>\$ 4,242,234</u>

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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, 2011**

		Allegany County Loan Fund	
<b>ASSETS</b>	<b>Alliconet II</b>		<b>Total</b>
Current Assets:			
Cash:			
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	43,675	48,625	92,300
Other	33,536	-	33,536
Due from other funds	17,207	692,412	709,619
Miscellaneous assets	-	-	-
Total current assets	<u>94,418</u>	<u>741,037</u>	<u>835,455</u>
Non-current Assets:			
Advances to other funds	-	398,586	398,586
Capital assets subject to depreciation	3,781,608	-	3,781,608
Accumulated depreciation	(2,918,269)	-	(2,918,269)
Total noncurrent assets	<u>863,339</u>	<u>398,586</u>	<u>1,261,925</u>
Total Assets	<u>957,757</u>	<u>1,139,623</u>	<u>2,097,380</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	18,735	-	18,735
Due to other funds	-	-	-
Miscellaneous liabilities	-	-	-
Total current liabilities	<u>18,735</u>	<u>-</u>	<u>18,735</u>
Noncurrent Liabilities:			
Long term debt:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>18,735</u>	<u>-</u>	<u>18,735</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	863,339	-	863,339
Unrestricted	75,683	1,139,623	1,215,306
Total Net Assets	<u>\$ 939,022</u>	<u>\$ 1,139,623</u>	<u>\$ 2,078,645</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, 2011**

	Allconet II	Allegany County Loan Fund	Total
<b>OPERATING REVENUES:</b>			
Service charges	\$ 271,440	\$ -	\$ 271,440
Miscellaneous	50,591	-	50,591
Total operating Revenues	322,031	-	322,031
<b>OPERATING EXPENSES:</b>			
Office expenses	10,397	-	10,397
Utilities	6,826	-	6,826
Repairs & maintenance	34,604	-	34,604
Professional services	84,889	-	84,889
Materials and supplies	-	-	-
Insurance	10,547	-	10,547
Miscellaneous	14,588	2,000	16,588
Depreciation	552,792	-	552,792
Total operating expenses	714,643	2,000	716,643
Operating Income (Loss)	(392,612)	(2,000)	(394,612)
<b>NON-OPERATING REVENUE (EXPENSES):</b>			
Interest income	2,060	-	2,060
Other income (expense)	-	-	-
Total non-operating revenue (expenses)	2,060	-	2,060
Income (Loss) before contributions and transfers	(390,552)	(2,000)	(392,552)
Transfer in	-	-	-
Transfer out	-	(33,531)	(33,531)
Change in net assets	(390,552)	(35,531)	(426,083)
Total net assets - beginning	1,329,574	1,175,154	2,504,728
Total net assets - ending	\$ 939,022	\$ 1,139,623	\$ 2,078,645

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Alleconet II	Allegany County Loan Fund	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 280,737	\$ 33,531	\$ 314,268
Cash payments for goods and services	(143,615)	-	(143,615)
Other operating revenues	50,591	-	50,591
Net cash provided by operating activities	187,713	33,531	221,244
<b>Cash flows from noncapital financing activities:</b>			
Advances from other funds	260,038	15,930	275,968
Advances to other funds	(285,107)	(15,930)	(301,037)
Transfers from other funds	-	-	-
Transfers to other funds	-	(33,531)	(33,531)
Net cash provided by noncapital financing activities	(25,069)	(33,531)	(58,600)
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(164,704)	-	(164,704)
Proceeds from sale of assets	-	-	-
Net cash used for capital and related financing activities	(164,704)	-	(164,704)
<b>Cash flows from investing activities:</b>			
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest on investments	2,060	-	2,060
Net cash used in investing activities	2,060	-	2,060
Net increase (decrease) in cash	-	-	-
Cash at beginning of the year	-	-	-
Cash at end of year	\$ -	\$ -	\$ -
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (392,612)	\$ (2,000)	\$ (394,612)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	552,792	-	552,792
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	9,297	35,531	44,828
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in acc'ts payable	18,236	-	18,236
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	580,325	35,531	615,856
Net cash provided by operating activities	\$ 187,713	\$ 33,531	\$ 221,244

**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, 2011**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<u>Expenditures:</u>				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 2,000	\$ 23,000
Debt Service:				
Principal payments on :				
General obligation debt	4,612,310	4,612,310	4,604,478	7,832
State loans	479,989	479,989	478,352	1,637
Total principal payments	<u>5,092,299</u>	<u>5,092,299</u>	<u>5,082,830</u>	<u>9,469</u>
Interest payments on:				
General obligation debt	1,441,240	1,441,240	1,339,945	101,295
State loans	153,325	153,325	151,185	2,140
Total interest payments	<u>1,594,565</u>	<u>1,594,565</u>	<u>1,491,130</u>	<u>103,435</u>
Total Expenditures	<u>6,711,864</u>	<u>6,711,864</u>	<u>6,575,960</u>	<u>135,904</u>
Deficiency of revenues under expenditures	<u>(6,711,864)</u>	<u>(6,711,864)</u>	<u>(6,575,960)</u>	<u>(135,904)</u>
<u>Other Financing Sources and (Uses):</u>				
Unexpended fund balance	106,963	106,963	-	(106,963)
Transfers from other funds:				
From the General Fund	5,069,103	5,069,103	4,880,086	(189,017)
From the Transit Fund	42,411	42,411	42,411	-
From the Revolving Building Fund	1,493,387	1,493,387	1,546,500	53,113
Total Other Financing Sources and Uses	<u>6,711,864</u>	<u>6,711,864</u>	<u>6,468,997</u>	<u>(242,867)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(106,963)	<u>\$ (106,963)</u>
Fund balance, beginning			315,232	
Fund balance, ending			<u>\$ 208,269</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, 2011**

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	95,000	95,000	114,886	19,886
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	10,000	10,000	2,668	(7,332)
Miscellaneous	-	-	254,941	254,941	-	-	-	-
Total Revenues	-	-	254,941	254,941	105,000	105,000	117,554	12,554
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	84,597	(84,597)
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	69,892	(69,892)	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	-	-	69,892	(69,892)	-	-	84,597	(84,597)
Excess (deficiency) of revenues over (under) expenditures	-	-	185,049	185,049	105,000	105,000	32,957	(72,043)
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year	-	-	-	-	145,000	145,000	-	(145,000)
Transfer from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	(250,000)	(250,000)	-	250,000
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	(105,000)	(105,000)	-	105,000
Net change in fund balances	\$ -	\$ -	185,049	\$ 185,049	\$ -	\$ -	32,957	\$ 32,957
Fund balance, beginning, As adjusted			(185,049)				680,387	
Fund balance, ending			\$ -				\$ 713,344	



ALLEGANY COUNTY, MARYLAND  
SPECIAL REVENUE FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011

Transit Fund				Community Development Block Grant Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
997,472	997,472	1,124,825	127,353	126,340	126,340	99,624	(26,716)
294,543	294,543	340,746	46,203	-	-	-	-
-	-	-	-	42,500	42,500	21,250	(21,250)
260,000	260,000	262,300	2,300	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,000	8,000	11,137	3,137	-	-	-	-
<u>1,560,015</u>	<u>1,560,015</u>	<u>1,739,008</u>	<u>178,993</u>	<u>168,840</u>	<u>168,840</u>	<u>120,874</u>	<u>(47,966)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,061,467	2,073,200	2,137,625	(64,425)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	168,840	168,840	119,527	49,313
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,061,467</u>	<u>2,073,200</u>	<u>2,137,625</u>	<u>(64,425)</u>	<u>168,840</u>	<u>168,840</u>	<u>119,527</u>	<u>49,313</u>
<u>(501,452)</u>	<u>(513,185)</u>	<u>(398,617)</u>	<u>114,568</u>	<u>-</u>	<u>-</u>	<u>1,347</u>	<u>1,347</u>
111,000	111,000	-	(111,000)	-	-	-	-
432,863	444,596	460,426	15,830	-	-	-	-
(42,411)	(42,411)	(42,411)	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>501,452</u>	<u>513,185</u>	<u>418,015</u>	<u>(95,170)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>19,398</u>	<u>\$ 19,398</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,347</u>	<u>\$ 1,347</u>
		<u>(19,398)</u>				<u>3,788</u>	
		<u>\$ -</u>				<u>\$ 5,135</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, 2011**

	<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	-	-	1,937	1,937	161,509	161,509	809,257	647,748
State	-	-	-	-	200,000	200,000	109,631	(90,369)
Other	-	-	-	-	7,500	7,500	3,750	(3,750)
Service charges	-	-	-	-	30,000	30,000	10,000	(20,000)
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	75,851	75,851	54,000	54,000	570	(53,430)
Total Revenues	-	-	77,788	77,788	453,009	453,009	933,208	480,199
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	13,197	(13,197)	704,423	735,822	1,064,907	(329,085)
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	-	-	13,197	(13,197)	704,423	735,822	1,064,907	(329,085)
Excess (deficiency) of revenues over (under) expenditures	-	-	64,591	64,591	(251,414)	(282,813)	(131,699)	151,114
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year:	-	-	-	-	175,523	175,523	-	(175,523)
Transfer from other funds	-	-	-	-	75,891	107,290	131,699	24,409
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	251,414	282,813	131,699	(151,114)
Net change in fund balances	\$ -	\$ -	64,591	\$ 64,591	\$ -	\$ -	-	\$ -
Fund balance, beginning								
As adjusted			101,416				-	
Fund balance, ending			\$ 166,007				\$ -	

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2011**

<b>Drug Task Force Fund</b>				<b>Gaming Fund</b>			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	396,001	396,001	406,976	10,975
-	-	3,074	3,074	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	38,000	38,000	38,400	400
50,300	50,300	50,071	(229)	-	-	-	-
-	-	501	501	-	-	-	-
-	-	-	-	-	-	-	-
<u>50,300</u>	<u>50,300</u>	<u>53,646</u>	<u>3,346</u>	<u>434,001</u>	<u>434,001</u>	<u>445,376</u>	<u>11,375</u>
-	-	-	-	135,762	137,962	130,693	7,269
62,300	62,300	85,729	(23,429)	74,560	74,560	85,830	(11,270)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	223,679	223,679	765,829	(542,150)
<u>62,300</u>	<u>62,300</u>	<u>85,729</u>	<u>(23,429)</u>	<u>434,001</u>	<u>436,201</u>	<u>982,352</u>	<u>(546,151)</u>
<u>(12,000)</u>	<u>(12,000)</u>	<u>(32,083)</u>	<u>(20,083)</u>	<u>-</u>	<u>(2,200)</u>	<u>(536,976)</u>	<u>(534,776)</u>
-	-	-	-	-	-	-	-
12,000	12,000	11,615	(385)	-	2,200	-	(2,200)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>12,000</u>	<u>12,000</u>	<u>11,615</u>	<u>(385)</u>	<u>-</u>	<u>2,200</u>	<u>-</u>	<u>(2,200)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(20,468)</u>	<u>\$ (20,468)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(536,976)</u>	<u>\$ (536,976)</u>
		<u>39,885</u>				<u>1,058,689</u>	
		<u>\$ 19,417</u>				<u>\$ 521,713</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, 2011**

	<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	-	-	-	-	69,419	-	6,478	6,478
State	-	-	300,000	300,000	240,000	240,000	224,948	(15,052)
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	109,000	85,000	99,162	14,162
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	1,500	1,500	902	(598)
Miscellaneous	3,051,983	3,051,983	3,103,720	51,737	58,000	58,000	55,985	(2,015)
Total Revenues	<u>3,051,983</u>	<u>3,051,983</u>	<u>3,403,720</u>	<u>351,737</u>	<u>477,919</u>	<u>384,500</u>	<u>387,475</u>	<u>2,975</u>
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	1,522,638	644,740	382,501	262,239
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	5,014,124	5,014,124	2,269,633	2,744,491	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,014,124</u>	<u>5,014,124</u>	<u>2,269,633</u>	<u>2,744,491</u>	<u>1,522,638</u>	<u>644,740</u>	<u>382,501</u>	<u>262,239</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,962,141)</u>	<u>(1,962,141)</u>	<u>1,134,087</u>	<u>3,096,228</u>	<u>(1,044,719)</u>	<u>(260,240)</u>	<u>4,974</u>	<u>265,214</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year:	3,527,757	3,527,757	-	(3,527,757)	300,240	260,240	-	(260,240)
Transfer from other funds	-	-	-	-	744,479	400,000	-	(400,000)
Transfers to other funds	(1,565,616)	(1,565,616)	(1,618,728)	(53,112)	-	(400,000)	(672,106)	(272,106)
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	11,203	11,203	-	-	-	-
Total Other Financing Sources and Uses	<u>1,962,141</u>	<u>1,962,141</u>	<u>(1,607,525)</u>	<u>(3,569,666)</u>	<u>1,044,719</u>	<u>260,240</u>	<u>(672,106)</u>	<u>(932,346)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(473,438)</u>	<u>\$ (473,438)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(667,132)</u>	<u>\$ (667,132)</u>
Fund balance, beginning								
As adjusted			5,952,672				1,183,380	
Fund balance, ending			<u>\$ 5,479,234</u>				<u>\$ 516,248</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, 2011**

<b>Total Special Revenue Funds</b>			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -
491,001	491,001	521,862	30,861
1,354,740	1,285,321	2,045,195	759,874
734,543	734,543	975,325	240,782
50,000	50,000	25,000	(25,000)
437,000	413,000	409,862	(3,138)
50,300	50,300	50,071	(229)
11,500	11,500	4,071	(7,429)
3,171,983	3,171,983	3,502,204	330,221
6,301,067	6,207,648	7,533,590	1,325,942
135,762	137,962	130,693	7,269
1,659,498	781,600	554,060	227,540
2,061,467	2,073,200	2,137,625	(64,425)
-	-	-	-
-	-	84,597	(84,597)
-	-	-	-
873,263	904,662	1,197,631	(292,969)
5,014,124	5,014,124	2,269,633	2,744,491
-	-	69,892	(69,892)
223,679	223,679	765,829	(542,150)
9,967,793	9,135,227	7,209,960	1,925,267
(3,666,726)	(2,927,579)	323,630	3,251,209
4,259,520	4,219,520	-	(4,219,520)
1,265,233	966,086	603,740	(362,346)
(1,858,027)	(2,258,027)	(2,333,245)	(75,218)
-	-	-	-
-	-	11,203	11,203
3,666,726	2,927,579	(1,718,302)	(4,645,881)
\$ -	\$ -	(1,394,672)	\$ (1,394,672)
		8,815,770	
		<u>\$ 7,421,098</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, 2011**

	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	\$ 3,089,000	\$ 3,089,000	\$ 133,442	\$ (2,955,558)	\$ 75,000	\$ 75,000	\$ 50,000	\$ (25,000)
State grants	200,000	200,000	401,372	201,372	372,200	372,200	184,380	(187,820)
Other	-	-	-	-	32,900	32,900	24,365	(8,535)
Service charges			9,447	9,447	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	-	-	6,069	6,069
Miscellaneous	-	-	69,893	69,893	31,000	31,000	-	(31,000)
Total Revenues	<u>3,289,000</u>	<u>3,289,000</u>	<u>614,154</u>	<u>(2,674,846)</u>	<u>511,100</u>	<u>511,100</u>	<u>264,814</u>	<u>(246,286)</u>
<b>EXPENDITURES:</b>								
General Government	1,200,000	1,200,000	-	1,200,000	-	-	150,251	(150,251)
Public Safety	409,000	409,000	11,627	397,373	-	-	-	-
Public Works	2,025,000	2,025,000	880,590	1,144,410	538,400	538,400	414,184	124,216
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	-	-	392,670	(392,670)	-	-	-	-
Recreation, Culture & Libraries	-	-	-	-	83,200	83,200	47,890	35,310
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	859,000	859,000	-	859,000	-	-	-	-
Total Expenditures	<u>4,493,000</u>	<u>4,493,000</u>	<u>1,284,887</u>	<u>3,208,113</u>	<u>621,600</u>	<u>621,600</u>	<u>612,325</u>	<u>9,275</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,204,000)</u>	<u>(1,204,000)</u>	<u>(670,733)</u>	<u>533,267</u>	<u>(110,500)</u>	<u>(110,500)</u>	<u>(347,511)</u>	<u>(237,011)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>								
Unexpended fund balance	879,000	879,000	-	(879,000)	110,500	110,500	-	(110,500)
Transfers In:								
From other funds	-	-	-	-	-	-	-	-
Transfers Out:								
To other funds	-	-	-	-	-	-	-	-
Debt issued	325,000	325,000	-	(325,000)	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Uses	<u>1,204,000</u>	<u>1,204,000</u>	<u>-</u>	<u>(1,204,000)</u>	<u>110,500</u>	<u>110,500</u>	<u>-</u>	<u>(110,500)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(670,733)</u>	<u>\$ (670,733)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(347,511)</u>	<u>\$ (347,511)</u>
Fund balance, beginning			119,644				2,480,032	
Fund balance, ending			<u>\$ (551,089)</u>				<u>\$ 2,132,521</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, 2011**

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)
\$ -	\$ -	\$ -	\$ -	\$ 3,164,000	\$ 3,164,000	\$ 183,442	\$ (2,980,558)
-	-	50,000	50,000	572,200	572,200	635,752	63,552
-	-	-	-	32,900	32,900	24,365	(8,535)
-	-	-	-	-	-	9,447	9,447
-	-	1,937	1,937	-	-	-	-
-	-	-	-	31,000	31,000	8,006	8,006
-	-	-	-	31,000	31,000	69,893	38,893
-	-	51,937	51,937	3,800,100	3,800,100	930,905	(2,869,195)
-	-	36,358	(36,358)	1,200,000	1,200,000	186,609	1,013,391
50,000	50,000	508,345	(458,345)	459,000	459,000	519,972	(60,972)
-	-	-	-	2,563,400	2,563,400	1,294,774	1,268,626
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	392,670	(392,670)
-	-	-	-	83,200	83,200	47,890	35,310
-	-	-	-	-	-	-	-
-	-	2,028	(2,028)	-	-	-	-
-	-	-	-	-	-	2,028	(2,028)
-	-	-	-	859,000	859,000	-	859,000
50,000	50,000	546,731	(496,731)	5,164,600	5,164,600	2,443,943	2,720,657
(50,000)	(50,000)	(494,794)	(444,794)	(1,364,500)	(1,364,500)	(1,513,038)	(148,538)
50,000	50,000	-	(50,000)	1,039,500	1,039,500	-	(1,039,500)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	325,000	325,000	-	(325,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
50,000	50,000	-	(50,000)	1,364,500	1,364,500	-	(1,364,500)
\$ -	\$ -	(494,794)	\$ (494,794)	\$ -	\$ -	(1,513,038)	\$ (1,513,038)
		1,005,463				3,605,139	
		\$ 510,669				\$ 2,092,101	

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**CAPITAL PROJECT FUNDS**

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

**FROM INCEPTION TO JUNE 30, 2011**

ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

	Proj. No.	Project Length Budget	Revenues and other Sources				
			Federal Grants	State Grants	Other Intergov'l	Service Charges	Miscellaneous. Revenues
Capital Improvement Projects Fund							
New Hope Bridge	4083	130,000	121,853	-	-	-	-
Cash Valley Road	4084	675,100	674,237	-	-	-	-
Flood Projects	4085	124,597	124,597	-	-	-	-
AC Auto Tech Building	4086	500,000	-	-	-	-	-
Flood buyouts	4087	10,797	-	-	-	-	-
Orleans Road Bridge	408B	6,939,000	-	-	-	-	69,892
Dry Run Phase II	409L	520,000	292,086	-	-	-	-
NRCS Flood Project	409M	2,212,927	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	401,372	-	355,848	-
Potomac River Water	409T	70,000	15,000	-	-	-	-
Flood Mitigation, PDM Scattered	409X	211,247	158,247	-	-	-	-
Highland Trail	410X	10,606,000	3,224,644	5,829,521	6,772	-	215,706
			8,750,242	6,520,399	62,132	355,848	4,129,904
Pay-As-You-Go Capital Project Fund							
Computer Network	418I	350,000	-	-	-	-	-
Roads Paving Program	418R	4,581,608	-	-	-	-	-
LaVale Blvd Storm Drain	420O	1,500,000	-	110,435	-	-	132,813
Software upgrade	420S	805,309	-	-	-	-	-
Disaster Emergency Capital	420V	200,000	-	-	-	-	-
Animal Shelter Quarantine Addn	420X	271,084	-	-	-	-	64,460
OP Roads Improvements	4203	733,123	-	-	-	16,392	-
Bridge Street bridge	4207	416,000	-	-	-	-	-
Drainage improvements	4208	25,000	-	-	-	-	-
Fiber infrastructure	421A	200,000	-	-	-	-	-
County wide water study	421C	219,540	50,000	50,000	32,940	-	-
Cresaptown Streetscape	421S	51,568	23,945	16,823	-	-	-
County bldg improvements	4181	106,681	-	-	-	-	106,681
			73,945	177,258	32,940	16,392	303,954
Public Improvement Bonds Capital Project Fund							
Computer aided dispatcher	432B	702,000	-	-	-	-	-
Bond Interest	432Z	15,444	-	-	-	-	19,598
Bond closing costs	4321	47,697	-	-	-	-	285
Library - LaVale parking lot	4322	34,000	-	-	-	-	-
Braddock Run Restoration	4323	800,000	82,500	475,000	-	-	500
Jennings Run Restoration	4324	800,000	-	500,000	-	-	-
AC Geothermal Project	4327	327,000	-	-	-	-	-
Courthouse roof	4239	342,000	-	-	-	-	-
			82,500	975,000	-	-	20,383
Total Capital Project Funds			\$ 8,906,687	\$ 7,672,657	\$ 95,072	\$ 372,240	\$ 4,454,241

ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2011

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
-	-	121,853	160,170	-	160,170	(38,317)	(30,170)
-	-	674,237	675,100	-	675,100	(863)	-
-	-	124,597	124,597	-	124,597	-	-
-	500,000	500,000	439,197	-	439,197	60,803	60,803
-	10,797	10,797	-	-	-	10,797	10,797
-	-	69,892	287,323	-	287,323	(217,431)	6,651,677
-	94,527	386,613	387,328	-	387,328	(715)	132,672
-	526,000	2,212,927	2,177,130	35,797	2,212,927	-	-
-	3,134,468	7,151,715	7,128,320	-	7,128,320	23,395	871,680
-	220,000	3,601,796	3,787,221	-	3,787,221	(185,425)	(72,221)
-	123,360	138,360	118,664	-	118,664	19,696	(48,664)
-	53,000	211,247	209,738	-	209,738	1,509	1,509
-	296,679	9,573,322	9,653,434	-	9,653,434	(80,112)	952,566
-	4,958,831	24,777,356	25,148,222	35,797	25,184,019	(406,663)	8,530,649
-	365,039	365,039	135,262	5,725	140,987	224,052	209,013
-	5,081,608	5,081,608	3,266,491	796,990	4,063,481	1,018,127	518,127
-	711,187	954,435	852,595	-	852,595	101,840	647,405
-	805,309	805,309	521,367	-	521,367	283,942	283,942
-	400,000	400,000	-	200,000	200,000	200,000	-
-	206,624	271,084	265,092	-	265,092	5,992	5,992
-	716,731	733,123	698,846	-	698,846	34,277	34,277
-	416,000	416,000	445,672	-	445,672	(29,672)	(29,672)
-	50,000	50,000	14,300	-	14,300	35,700	10,700
-	200,000	200,000	44,700	-	44,700	155,300	155,300
-	86,600	219,540	219,500	40	219,540	-	-
-	10,800	51,568	47,890	3,678	51,568	-	-
-	-	106,681	3,718	-	3,718	102,963	102,963
-	9,049,898	9,654,387	6,515,433	1,006,433	7,521,866	2,132,521	1,938,047
702,000	-	702,000	442,528	-	442,528	259,472	259,472
-	-	19,598	18,897	-	18,897	701	(3,453)
47,412	-	47,697	47,697	-	47,697	-	-
33,588	-	33,588	33,588	-	33,588	-	412
300,000	-	858,000	677,508	-	677,508	180,492	122,492
300,000	-	800,000	656,647	-	656,647	143,353	143,353
326,800	-	326,800	326,800	-	326,800	-	200
250,000	92,000	342,000	415,349	-	415,349	(73,349)	(73,349)
1,959,800	92,000	3,129,683	2,619,014	-	2,619,014	510,669	449,127
\$ 1,959,800	\$ 14,100,729	\$ 37,561,426	\$ 34,282,669	\$ 1,042,230	\$ 35,324,899	\$ 2,236,527	\$ 10,917,823

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**CAPITAL PROJECT FUNDS**

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

**FOR THE YEAR ENDED JUNE 30, 2011**

**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, 2011**

	Orleans Rd Bridge (408B)	New Hope Bridge (4083)	Cash Valley Road (4084)	Flood Projects (4085)	AC Auto Tech Bldg. (4086)	Flood Buyout (4087)
<b>REVENUES:</b>						
Intergovernmental:						
Federal:						
Transportation grant	\$ -	\$ 121,853	\$ 11,589	\$ -	\$ -	\$ -
State:						
Department of environment	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Miscellaneous:						
Interest	-	-	-	-	-	-
Miscellaneous	69,892	-	-	-	-	-
Total Revenues	<u>69,892</u>	<u>121,853</u>	<u>11,589</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>						
Public Safety	-	-	-	10,512	-	-
Public Works	287,323	158,543	5,257	-	-	-
Education	-	-	-	-	392,670	-
Economic Development	-	-	-	-	-	-
Total Expenditures	<u>287,323</u>	<u>158,543</u>	<u>5,257</u>	<u>10,512</u>	<u>392,670</u>	<u>-</u>
<b>OTHER FINANCING SOURCES and (USES):</b>						
Transfers-in from:						
General Fund	-	-	-	-	-	-
General Fund, internal transfers	-	-	-	-	-	10,797
Debt issued	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,797</u>
Net change in fund balances	(217,431)	(36,690)	6,332	(10,512)	(392,670)	10,797
Fund Balance, beginning	-	(1,627)	(7,195)	10,512	453,473	-
Fund Balance, Ending	<u>\$ (217,431)</u>	<u>\$ (38,317)</u>	<u>\$ (863)</u>	<u>\$ -</u>	<u>\$ 60,803</u>	<u>\$ 10,797</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, 2011**

Dry Run Phase II (409L)	NRCS Flood Project (409M)	Health Department Relocation (409N)	UPRC Flood Gate (409S)	Potomac River Water Study (409T)	Flood Mitigation PDM Sites (409X)	Highland Trail (410X)	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 133,442
-	-	-	401,372	-	-	-	401,372
-	-	-	9,447	-	-	-	9,447
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	69,892
-	-	-	410,819	-	-	-	614,153
-	-	-	-	-	1,115	-	11,627
-	-	-	285,040	-	-	-	736,163
-	-	-	-	-	-	-	392,670
-	-	-	-	-	-	-	-
-	-	-	285,040	-	1,115	-	1,140,460
-	-	-	-	-	-	-	-
-	(10,797)	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(10,797)	-	-	-	-	-	-
-	(10,797)	-	125,779	-	(1,115)	-	(526,307)
(715)	10,797	23,395	(311,204)	19,696	2,624	(80,112)	119,644
<u>\$ (715)</u>	<u>\$ -</u>	<u>\$ 23,395</u>	<u>\$ (185,425)</u>	<u>\$ 19,696</u>	<u>\$ 1,509</u>	<u>\$ (80,112)</u>	<u>\$ (406,663)</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, 2011**

	Computer Network (418I)	Roads Paving Program (418R)	LaVale Storm Drains (420O)	Gen Ledger Software Upgrades (420S)	Public Safety Emergency Capital (420V)	Animal Shelter Quarantine (420X)
<b>REVENUES:</b>						
Intergovernmental:						
Federal grants:						
RDA grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants:						
Maryland highway grant	-	-	-	-	-	-
Maryland environmental grant	-	-	-	-	-	-
Miscellaneous state grants			110,435			
Other Agency	-	-	-	-	-	-
Miscellaneous:						
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>110,435</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>						
General Government	11,170	-	-	114,281	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	186,178	-	-	-
Recreation & culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	<u>11,170</u>	<u>-</u>	<u>186,178</u>	<u>114,281</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES and (USES):</b>						
Transfers-in from:						
General fund	-	-	-	-	-	-
General Fund, internal transfers	-	-	-	-	-	-
Transfers -out to:						
Capital Projects Fund	-	-	-	-	-	-
Debt proceeds, capital lease	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(11,170)	-	(75,743)	(114,281)	-	-
Fund Balance, beginning	235,222	1,018,127	177,583	398,223	200,000	5,992
Fund Balance, Ending	<u>\$ 224,052</u>	<u>\$ 1,018,127</u>	<u>\$ 101,840</u>	<u>\$ 283,942</u>	<u>\$ 200,000</u>	<u>\$ 5,992</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, 2011**

Road Improvements (4203)	Bridge Street Bridge (4207)	Drainage Improvements (4208)	Fiber Infrastructure (421A)	County Wide Water Study (421C)	Cresaptown Street Scape (421S)	County Building Improvements (4181)	Total PAYGO Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
-	-	-	-	-	23,945	-	23,945
-	-	-	-	50,000	-	-	50,000
-	-	-	-	-	-	-	110,435
-	-	-	-	32,940	(8,575)	-	24,365
-	-	-	-	-	-	6,069	6,069
-	-	-	-	-	-	-	-
-	-	-	-	132,940	15,370	6,069	264,814
-	-	-	24,800	-	-	-	150,251
-	-	-	-	-	-	-	-
19,207	21,679	9,100	-	178,020	-	-	414,184
-	-	-	-	-	47,890	-	47,890
-	-	-	-	-	-	-	-
19,207	21,679	9,100	24,800	178,020	47,890	-	612,325
-	-	-	-	-	-	-	-
-	-	-	-	(40)	(3,678)	3,718	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	(40)	(3,678)	3,718	-
(19,207)	(21,679)	(9,100)	(24,800)	(45,120)	(36,198)	9,787	(347,511)
53,484	(7,993)	44,800	180,100	45,120	36,198	93,176	2,480,032
\$ 34,277	\$ (29,672)	\$ 35,700	\$ 155,300	\$ -	\$ -	\$ 102,963	\$ 2,132,521

**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, 2011**

	2008 Public Improvement Bond			
	Computer Aided Dispatcher (432B)	Bond Interest (432Z)	Bond Closing Costs (4321)	LaVale Library (4322)
<b>REVENUES:</b>				
Intergovernmental:				
State grants:				
Md. Department of Environment	\$ -	\$ -	\$ -	\$ -
Miscellaneous:				
Interest	-	1,652	285	-
Miscellaneous:	-	-	-	-
Total Revenues	-	1,652	285	-
<b>EXPENDITURES:</b>				
General government	-	-	-	-
Public safety	438,364	-	-	-
Miscellaneous	-	2,028	-	-
Total Expenditures	438,364	2,028	-	-
<b>OTHER FINANCING SOURCES and (USES):</b>				
Debt issued	-	-	612	(412)
Total Other Financing	-	-	612	(412)
Sources and Uses	-	-	612	(412)
Net change in fund balances	(438,364)	(376)	897	(412)
Fund Balance, beginning	697,836	1,077	(897)	412
Fund Balance, Ending	\$ 259,472	\$ 701	\$ -	\$ -

**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, 2011**

2008 Public Improvement Bond				
Braddock Run Restoration (4323)	Jennings Run Restoration (4324)	AC Geothermal Project (4327)	Court House Roof (4329)	Total 2008 Public Improvement Bond
\$ -	\$ 50,000	\$ -	\$ -	\$ 50,000
-	-	-	-	1,937
-	-	-	-	-
-	50,000	-	-	51,937
-	-	-	36,358	36,358
26,720	43,261	-	-	508,345
-	-	-	-	2,028
26,720	43,261	-	36,358	546,731
-	-	(200)	-	-
-	-	(200)	-	-
(26,720)	6,739	(200)	(36,358)	(494,794)
207,212	136,614	200	(36,991)	1,005,463
\$ 180,492	\$ 143,353	\$ -	\$ (73,349)	\$ 510,669

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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, 2011**

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F	Bowman's Addition 501G	Cresaptown 501H
<b>OPERATING REVENUES:</b>									
Service charges	\$ 22,727	\$ 138,266	\$ 36,118	\$ 9,048	\$ 957,643	\$ 44,953	\$ 420,948	\$ 86,100	\$ 699,266
Miscellaneous	-	37	11	-	24	3	117	1,063	2,071
Total Operating Revenues	<u>22,727</u>	<u>138,303</u>	<u>36,129</u>	<u>9,048</u>	<u>957,667</u>	<u>44,956</u>	<u>421,065</u>	<u>87,163</u>	<u>701,337</u>
<b>OPERATING EXPENSES:</b>									
Salaries	-	15,985	4,659	-	10,596	1,188	50,149	9,865	47,865
Fringe benefits	-	9,970	2,905	-	6,608	741	31,276	6,153	29,852
Office expenses	-	5	1	-	3	-	14	3	14
Utilities	-	59,832	15,936	11,149	777,934	20,597	334,063	39,224	552,631
Repairs and maintenance	-	469	38	-	3,606	6,172	20,332	1,783	4,349
Contractual	-	-	-	-	-	-	-	-	-
Professional fees	-	161	47	-	531	12	502	99	480
Materials and supplies	-	2,054	600	-	1,388	160	6,765	1,269	6,960
Insurance	-	-	-	-	-	-	-	-	-
Indirect cost	-	5,858	1,927	2,870	33,326	1,766	19,323	1,941	12,284
Miscellaneous	-	-	1	-	-	-	-	-	350
Depreciation	-	39,599	18,219	44,422	53,077	9	39,281	67,575	5,901
Total Operating Expenses	<u>-</u>	<u>133,933</u>	<u>44,333</u>	<u>58,441</u>	<u>887,069</u>	<u>30,645</u>	<u>501,705</u>	<u>127,912</u>	<u>660,686</u>
Operating Income (Loss)	<u>22,727</u>	<u>4,370</u>	<u>(8,204)</u>	<u>(49,393)</u>	<u>70,598</u>	<u>14,311</u>	<u>(80,640)</u>	<u>(40,749)</u>	<u>40,651</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>									
Interest income	277	1,421	1,492	-	2,858	3	11,733	2,137	3,737
Interest expense	(7,644)	(24,289)	(4,369)	(15,129)	(18,197)	-	-	(16,660)	-
Total Non-operating Revenue (Expenses)	<u>(7,367)</u>	<u>(22,868)</u>	<u>(2,877)</u>	<u>(15,129)</u>	<u>(15,339)</u>	<u>3</u>	<u>11,733</u>	<u>(14,523)</u>	<u>3,737</u>
Income Before Contributions and Transfers	15,360	(18,498)	(11,081)	(64,522)	55,259	14,314	(68,907)	(55,272)	44,388
Capital Contributions:									
Federal grants	-	-	-	-	-	-	-	700,509	256,627
State grants	-	-	-	-	-	-	-	534,000	-
Other governments	8,400	-	-	-	-	-	-	-	-
Transfers in:									
General fund	-	441	129	4,965	292	34	1,377	272	1,317
Revolving Building Fund	-	-	-	19,348	-	-	-	-	-
Change in Net Assets	<u>\$ 23,760</u>	<u>\$ (18,057)</u>	<u>\$ (10,952)</u>	<u>\$ (40,209)</u>	<u>\$ 55,551</u>	<u>\$ 14,348</u>	<u>\$ (67,530)</u>	<u>1,179,509</u>	<u>\$ 302,332</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, 2011**

Mt. Savage 501J	Bedford Road 501K	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
\$ 4,670	\$ -	\$ 185,198	\$ 171,136	\$ 348,511	\$ 280,085	\$ 7,910	\$ 55,907	\$ 115,797	\$ 208,666	\$ 3,792,949
-	865	45	50	105	73	3	15	33	50	4,565
<u>4,670</u>	<u>865</u>	<u>185,243</u>	<u>171,186</u>	<u>348,616</u>	<u>280,158</u>	<u>7,913</u>	<u>55,922</u>	<u>115,830</u>	<u>208,716</u>	<u>3,797,514</u>
-	-	19,548	21,375	45,125	31,423	1,005	6,303	14,524	21,740	301,350
-	-	12,191	13,331	28,142	19,597	627	3,931	9,058	13,559	187,941
-	-	6	6	13	9	-	2	4	6	86
1,332	-	57,892	44,635	163,127	92,950	3,075	37,278	55,062	101,750	2,368,467
4,957	-	3,614	1,315	12,758	67,373	1,891	551	117	1,455	130,780
-	-	-	-	2,298	-	-	-	-	-	2,298
-	-	196	714	453	816	10	563	146	318	5,048
452	-	2,511	(824)	7,843	24,572	135	812	1,865	2,794	59,356
-	-	-	-	158	158	-	-	-	-	316
-	-	7,230	8,966	13,557	11,582	394	3,038	5,027	9,801	138,890
-	-	-	-	-	-	-	-	-	-	351
-	-	73,921	97,463	87,283	88,470	2,338	28,614	34,639	87,230	768,041
<u>6,741</u>	<u>-</u>	<u>177,109</u>	<u>186,981</u>	<u>360,757</u>	<u>336,950</u>	<u>9,475</u>	<u>81,092</u>	<u>120,442</u>	<u>238,653</u>	<u>3,962,924</u>
<u>(2,071)</u>	<u>865</u>	<u>8,134</u>	<u>(15,795)</u>	<u>(12,141)</u>	<u>(56,792)</u>	<u>(1,562)</u>	<u>(25,170)</u>	<u>(4,612)</u>	<u>(29,937)</u>	<u>(165,410)</u>
-	-	4,809	5,972	11,331	10,152	75	708	3,342	5,924	65,971
-	-	(17,753)	(42,449)	-	(19,889)	-	-	(19,690)	(35,711)	(221,780)
-	-	(12,944)	(36,477)	11,331	(9,737)	75	708	(16,348)	(29,787)	(155,809)
<u>(2,071)</u>	<u>865</u>	<u>(4,810)</u>	<u>(52,272)</u>	<u>(810)</u>	<u>(66,529)</u>	<u>(1,487)</u>	<u>(24,462)</u>	<u>(20,960)</u>	<u>(59,724)</u>	<u>(321,219)</u>
15,000	-	-	-	-	-	-	-	-	-	972,136
130,704	-	-	-	-	361,538	-	-	-	-	1,026,242
-	-	-	-	-	-	-	-	-	-	8,400
-	-	539	588	1,242	867	29	174	400	599	13,265
<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>\$ 143,633</u>	<u>\$ 865</u>	<u>\$ (4,271)</u>	<u>\$ (51,684)</u>	<u>\$ 432</u>	<u>\$ 295,876</u>	<u>\$ (1,458)</u>	<u>\$ (24,288)</u>	<u>\$ (20,560)</u>	<u>\$ (59,125)</u>	<u>1,718,172</u>
Total net assets - beginning										20,339,035
Total net assets - ending										<u>\$ 22,057,207</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2011**

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
<b>ASSETS</b>							
Current Assets:							
Cash:							
Cash	\$ 623,748	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	95,807	-	-	-
Investments	202,453	65,613	44,491	-	62,905	-	-
Receivables:							
Accounts (net)	3,390	98,083	71,929	236,999	132,249	95,076	18,628
Taxes - restricted	-	27,640	19,164	2,910	12,968	7,367	1,979
Accounts (net) - restricted	-	-	-	-	-	5,843	3,363
Other	455,720	3	3	309	660	-	-
Due from other funds	1,279,919	-	740,343	-	-	-	-
Inventory	66,318	-	-	-	-	-	-
Total current assets	<u>2,631,548</u>	<u>191,339</u>	<u>875,930</u>	<u>336,025</u>	<u>208,782</u>	<u>108,286</u>	<u>23,970</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	2,660,406	-	-	-	-	-	-
Capital assets subject to depreciation	3,522,289	4,828,368	4,100,179	5,070,257	4,968,149	6,123,262	2,289,639
Less: Accumulated depreciation	(2,170,783)	(2,247,518)	(1,729,213)	(2,744,903)	(3,328,290)	(4,104,622)	(1,325,204)
Total noncurrent assets	<u>4,016,912</u>	<u>2,581,850</u>	<u>2,375,966</u>	<u>2,325,854</u>	<u>1,640,859</u>	<u>2,020,140</u>	<u>964,435</u>
Total Assets	<u>6,648,460</u>	<u>2,773,189</u>	<u>3,251,896</u>	<u>2,661,879</u>	<u>1,849,641</u>	<u>2,128,426</u>	<u>988,405</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	1,000,087	508	922	46,499	32,993	18,113	4,136
Accrued wages payable	38,562	-	-	-	-	-	-
Accrued payroll fringe benefits	19,733	-	-	-	-	-	-
Accrued interest payable	10,895	2,015	2,109	-	576	-	-
Current portion of long term debt							
Bonds & loans	142,142	17,786	16,355	-	27,549	-	-
Other loans	-	-	-	-	-	-	-
Compensated absences	53,500	-	-	-	-	-	-
Due to other funds	2,159,457	90,222	-	1,214,330	707,005	1,135,940	656,184
Accrued health claims	-	-	-	-	-	-	-
Miscellaneous liabilities	75,503	-	-	60,860	-	-	-
Total current liabilities	<u>3,499,879</u>	<u>110,531</u>	<u>19,386</u>	<u>1,321,689</u>	<u>768,123</u>	<u>1,154,053</u>	<u>660,320</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	800,000	-
Long term debt:							
Bonds & loans	2,006,542	1,136,160	1,050,034	-	29,545	-	-
Other loans	-	-	-	-	-	-	-
Compensated absences	318,207	-	-	-	-	-	-
Total noncurrent liabilities	<u>2,324,749</u>	<u>1,136,160</u>	<u>1,050,034</u>	<u>-</u>	<u>29,545</u>	<u>800,000</u>	<u>-</u>
Total Liabilities	<u>5,824,628</u>	<u>1,246,691</u>	<u>1,069,420</u>	<u>1,321,689</u>	<u>797,668</u>	<u>1,954,053</u>	<u>660,320</u>
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	1,868,228	1,427,904	1,309,577	2,325,854	1,583,765	2,020,140	964,435
Restricted for debt service	-	27,640	19,164	2,910	12,968	13,210	5,342
Unrestricted	(1,044,396)	70,954	853,735	(988,574)	(544,760)	(1,858,977)	(641,692)
Total Net Assets	<u>\$ 823,832</u>	<u>\$ 1,526,498</u>	<u>\$ 2,182,476</u>	<u>\$ 1,340,190</u>	<u>\$ 1,051,973</u>	<u>\$ 174,373</u>	<u>\$ 328,085</u>



**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2011**

Oldtown 522	Flintstone 523	Georges Creek 524	Franklin/ Brophytown 525	Cefanese Treatment Plant 526	Mexico Farms 527	Cash Valley Road 528	Oldtown Road 529	Barton Industrial Park 530	Total All Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	623,748
-	-	-	-	-	-	-	-	-	95,807
-	-	171,944	-	-	-	-	-	-	547,406
4,978	10,659	222,192	12,258	42,288	93,621	6,310	24,144	1,113	1,073,917
128	3,872	82,151	169	-	1,121	1,910	2,765	-	164,144
2,701	1,283	69,129	-	-	-	-	-	-	82,319
-	-	5,870	-	-	7,946	-	-	-	470,511
-	-	2,183,277	481,021	924,771	964,153	-	56,418	-	6,629,902
-	-	-	-	-	-	-	-	-	66,318
7,807	15,814	2,734,563	493,448	967,059	1,066,841	8,220	83,327	1,113	9,754,072
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282
-	-	-	-	-	-	-	-	-	2,660,406
892,947	1,214,876	49,631,169	561,728	21,669,400	2,051,939	813,332	2,816,919	2,430,653	112,985,106
(512,793)	(680,476)	(12,182,265)	(322,384)	(3,829,702)	(773,083)	(304,999)	(985,545)	(248,703)	(37,490,483)
380,654	537,400	37,495,186	239,344	17,839,698	1,281,356	508,333	1,832,374	2,181,950	78,222,311
388,461	553,214	40,229,749	732,792	18,806,757	2,348,197	516,553	1,915,701	2,183,063	87,976,383
320	1,327	20,276	4	12,275	44,392	-	(19,708)	1,073	1,163,217
-	-	-	-	4,444	-	-	-	-	43,006
-	-	-	-	2,188	-	-	-	-	21,921
-	-	35,575	-	23,584	-	800	3,036	-	78,590
-	-	393,841	-	428,351	-	2,677	10,153	-	1,038,854
-	-	-	-	-	-	-	400	-	400
-	-	-	-	-	-	-	-	-	53,500
239,473	325,588	-	-	-	-	26,554	-	460,487	7,015,240
-	-	-	-	-	-	-	-	-	0
-	-	-	-	179,610	-	-	-	-	315,973
239,793	326,915	449,692	4	650,452	44,392	30,031	(6,119)	461,560	9,730,701
-	-	-	-	-	-	-	-	-	800,000
-	-	7,513,340	-	5,931,115	-	115,363	437,511	-	18,219,610
-	-	-	-	-	-	-	17,670	-	17,670
-	-	-	-	-	-	-	-	-	318,207
-	-	7,513,340	-	5,931,115	-	115,363	455,181	-	19,355,487
239,793	326,915	7,963,032	4	6,581,567	44,392	145,394	449,062	461,560	29,086,188
380,654	537,400	29,588,005	239,344	11,480,232	1,281,356	390,293	1,366,640	2,181,950	58,945,777
2,829	5,155	151,280	169	-	1,121	1,910	2,765	-	246,463
(234,815)	(316,256)	2,527,432	493,275	744,958	1,021,328	(21,044)	97,234	(460,447)	(302,045)
\$ 148,668	\$ 226,299	\$ 32,266,717	\$ 732,788	\$ 12,225,190	\$ 2,303,805	\$ 371,159	\$ 1,466,639	\$ 1,721,503	\$ 58,890,195

**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, 2011**

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
<b>OPERATING REVENUES:</b>							
Service charges	\$ 11,524	\$ 386,415	\$ 340,448	\$ 1,110,397	\$ 449,821	\$ 358,804	\$ 70,023
Miscellaneous	12	340	291	1,036	521	407	77
Total Operating Revenues	11,536	386,755	340,739	1,111,433	450,342	359,211	70,100
<b>OPERATING EXPENSES:</b>							
Wages and salaries	3,637	54,716	46,952	166,888	83,947	65,495	12,423
Employee benefits	2,055	34,124	29,282	104,082	52,354	40,847	7,748
Office expenses	212	6,423	5,078	18,478	9,129	7,083	1,620
Utilities	472	17,747	8,227	35,636	9,970	10,136	7,110
Repairs and maintenance	806	67,130	12,437	33,452	60,715	22,247	9,771
Contractual services	137	3,059	2,623	9,330	4,694	3,661	691
Water/Sewage treatment costs	-	284,055	220,278	646,610	287,601	258,067	70,621
Professional fees	44	1,234	1,559	6,939	4,094	2,077	659
Materials and supplies	919	25,536	22,788	83,599	39,474	32,949	(296)
Insurance	368	10,291	8,829	31,391	15,793	15,959	2,325
Indirect cost	1,003	28,018	24,037	85,463	42,998	33,533	6,331
Miscellaneous	6	158	2,587	485	3,745	3,691	36
Depreciation	3,440	119,228	104,071	142,666	134,545	152,666	52,911
Total Operating Expenses	13,099	651,719	488,748	1,365,019	749,059	648,411	171,950
Operating Income (Loss)	(1,563)	(264,964)	(148,009)	(253,586)	(298,717)	(289,200)	(101,850)
<b>NON-OPERATING REVENUE (EXPENSES):</b>							
Real and personal property taxes	-	239,198	212,858	30,643	132,144	49,401	9,771
Interest & Penalties, taxes	-	5,565	5,183	567	5,450	1,613	931
Discounts, taxes	-	(1,200)	(1,083)	(163)	(681)	(255)	(35)
Enterprise/industrial exemptions	-	-	-	308	-	-	-
Collection fees	-	(5,395)	(4,895)	(681)	(3,178)	(1,132)	(261)
Front footage assessments	-	-	-	-	-	17,648	8,815
Interest income	193	4,080	9,329	5,300	16,358	11,602	1,164
Interest income, debt service	-	234	163	-	-	441	183
Interest expense	(24,730)	(48,744)	(45,117)	-	(6,501)	-	-
Allocated debt service revenue	168,179	(15,083)	(12,935)	(46,010)	(23,149)	(18,059)	(3,416)
Gain (Loss) on disposal of assets	-	-	-	-	-	-	-
Total Nonoperating revenue (expenses)	143,642	178,655	163,503	(10,036)	120,443	61,259	17,152
Income Before Contributions and Transfers	142,079	(86,309)	15,494	(263,622)	(178,274)	(227,941)	(84,698)
Capital Contributions:							
Federal	9,206	-	-	812,183	-	-	-
State	-	-	-	230,821	-	-	-
Other	8,400	-	-	9,343	-	-	-
Transfers in:							
General Fund	368	10,281	8,820	31,360	15,778	12,305	2,323
Revolving Building Fund	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-
Change in Net Assets	160,053	(76,028)	24,314	820,085	(162,496)	(215,636)	(82,375)
Net assets - beginning restated	663,779	1,602,526	2,158,162	520,105	1,214,469	390,009	410,460
Net assets - ending	\$ 823,832	\$ 1,526,498	\$ 2,182,476	\$ 1,340,190	\$ 1,051,973	\$ 174,373	\$ 328,085

**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, 2011**

Oldtown 522	Flintstone 523	Georges Creek 524	Franklin/ Brophytown 525	Celanese Treatment Plant 526	Mexico Farms 527	Cash Valley Road 528	Oldtown Road 529	Barton Industrial Park 530	Total All Districts
\$ 15,967	\$ 31,212	\$ 720,081	\$ 40,804	\$ 1,186,370	\$ 420,336	\$ 22,557	\$ 96,224	\$ 4,263	\$ 5,265,246
17	28	779	52	-	99	29	112	-	3,800
15,984	31,240	720,860	40,856	1,186,370	420,435	22,586	96,336	4,263	5,269,046
5,095	8,582	235,144	8,404	133,679	15,894	4,659	17,995	18,287	881,797
2,886	4,855	133,061	5,241	62,632	9,913	2,905	11,223	10,749	513,957
2,030	490	13,954	907	8,698	1,721	503	1,953	1,067	79,346
9,301	17,820	93,707	(378)	221,974	14,614	(228)	6,051	12,792	464,951
381	1,261	67,162	1,070	189,150	30,144	594	11,447	5,728	513,495
151	253	7,013	469	-	890	260	1,009	-	34,240
32,543	23,156	143,335	7,153	-	161,739	18,419	5,252	-	2,158,829
81	652	6,955	189	31,636	359	105	407	-	56,990
1,264	2,152	59,965	3,935	130,655	11,200	2,183	14,063	6,485	436,871
2,321	2,667	38,760	1,577	-	2,993	875	3,396	-	137,545
1,379	2,319	64,246	4,294	-	8,148	2,382	9,245	-	313,396
6	13	366	25	98	46	13	52	-	11,327
20,617	33,043	557,381	14,713	446,174	46,596	22,272	76,379	48,951	1,975,653
78,055	97,263	1,421,049	47,599	1,224,696	304,257	54,942	158,472	104,059	7,578,397
(62,071)	(66,023)	(700,189)	(6,743)	(38,326)	116,178	(32,356)	(62,136)	(99,796)	(2,309,351)
2,278	11,891	684,214	1,548	-	11,510	11,735	20,644	-	1,417,835
8	611	12,706	15	-	831	478	877	-	34,835
(13)	(85)	(3,369)	(13)	-	(53)	(55)	(98)	-	(7,103)
-	-	-	-	-	-	-	-	-	308
(49)	(217)	(14,476)	(34)	-	(302)	(271)	(487)	-	(31,378)
2,735	3,387	70,321	-	-	-	-	-	-	102,906
658	846	27,753	837	34,238	623	438	1,900	-	115,319
101	103	3,121	-	-	-	-	-	-	4,346
(197)	(150)	(124,762)	-	(59,790)	-	(5,368)	(21,192)	-	(336,551)
(744)	(1,251)	(34,579)	(2,317)	-	(4,380)	(1,285)	(4,971)	-	-
-	-	-	-	-	-	-	-	-	-
4,777	15,135	620,929	36	(25,552)	8,229	5,672	(3,327)	-	1,300,517
(57,294)	(50,888)	(79,260)	(6,707)	(63,878)	124,407	(26,684)	(65,463)	(99,796)	(1,008,834)
-	-	261,900	-	-	-	-	-	-	1,083,289
-	-	613,051	-	-	-	-	-	-	843,872
-	-	-	-	-	-	-	-	-	17,743
506	851	23,575	1,575	43,784	2,990	874	3,392	43,345	202,127
-	-	-	-	-	-	-	-	7,500	7,500
-	-	-	-	-	-	-	-	-	-
(56,788)	(50,037)	819,266	(5,132)	(20,094)	127,397	(25,810)	(62,071)	(48,951)	1,145,697
205,456	276,336	31,447,451	737,920	12,245,284	2,176,408	396,969	1,528,710	1,770,454	57,744,498
\$ 148,668	\$ 226,299	\$ 32,266,717	\$ 732,788	\$ 12,225,190	\$ 2,303,805	\$ 371,159	\$ 1,466,639	\$ 1,721,503	\$ 58,890,195

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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, 2011**

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
<b>ASSETS:</b>				
Taxes levied for State:				
Taxes receivable - State	\$ 440,190	\$ 4,036,561	\$ 4,021,576	\$ 455,175
Bay restoration fee	301,716	519,837	473,364	348,189
Other receivables	4	10,026	10,028	2
Taxes levied for Special Areas:				
Lonaconing, Town of	15,923	126,306	123,161	19,068
Midland, Town of	4,538	36,987	35,289	6,236
Westernport, Town of	46,832	375,065	363,954	57,943
Cumberland differential	1,271	-	309	962
Bel Air Special Tax Area	2,501	33,131	33,902	1,730
Bowling Green Fire Co.	3,594	33,430	32,806	4,218
Bedford Road Fire Co.	6,513	41,719	43,756	4,476
Bowling Green Special Tax Area	2,827	26,327	26,136	3,018
Cresaptown Ambulance	14,245	140,101	137,857	16,489
Cresaptown Civic Imp. Assoc.	3,276	31,132	30,859	3,549
Cresaptown Fire Co.	18,275	186,680	183,138	21,817
Corriganville Light & Imp.	2,378	18,133	18,128	2,383
Ellerslie Special Tax Area	1,233	11,367	11,141	1,459
LaVale Volunteer Fire Dept.	14,190	169,451	168,713	14,928
LaVale Rescue Squad	7,096	84,726	84,356	7,466
LaVale Sanitary District	46,071	577,226	578,314	44,983
McCoole Special Tax Area	1,159	4,122	4,279	1,002
Moscow Light	603	3,458	3,424	637
Mt. Savage Special Tax Area	1,783	10,679	10,562	1,900
Potomac Park Special Tax Area	2,094	15,962	15,819	2,237
Rawlings Fire Co.	4,405	41,348	41,744	4,009
Sub-total special areas	<u>200,807</u>	<u>1,967,350</u>	<u>1,947,647</u>	<u>220,510</u>
Due from other funds	<u>172,001</u>	<u>7,097,160</u>	<u>7,104,491</u>	<u>164,670</u>
Total Assets	<u>\$ 1,114,718</u>	<u>\$ 13,630,934</u>	<u>\$ 13,557,106</u>	<u>\$ 1,188,546</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 172,005	\$ 7,107,186	\$ 7,114,519	\$ 164,672
A/P Special Areas	200,807	1,967,350	1,947,647	220,510
Taxes payable - State	440,190	4,036,561	4,021,576	455,175
A/P Bay restoration fee	301,716	519,837	473,364	348,189
Total Liabilities	<u>\$ 1,114,718</u>	<u>\$ 13,630,934</u>	<u>\$ 13,557,106</u>	<u>\$ 1,188,546</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, 2011 and 2010**

ASSETS	Primary Government			
	At June 30, 2011			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2010
Land	\$ 21,320,090	\$ -	\$ 21,320,090	\$ 21,027,590
Construction in progress	4,338,091	-	4,338,091	2,971,486
Buildings	57,739,384	18,208,643	39,530,741	40,986,885
Infrastructure	47,760,690	28,524,826	19,235,864	18,658,563
Furniture & fixtures	979,203	641,704	337,499	387,330
Machinery & equipment	8,528,020	5,833,923	2,694,097	3,253,704
Vehicles	9,306,669	7,085,784	2,220,885	2,477,825
Heavy equipment	3,849,720	3,327,138	522,582	580,942
Other capital assets	924,623	512,070	412,553	430,220
Total Assets	<u>\$ 154,746,490</u>	<u>\$ 64,134,088</u>	<u>\$ 90,612,402</u>	<u>\$ 90,774,545</u>
<b>FUND EQUITY</b>				
Investment in general capital assets acquired before July 1, 1993 - source unidentified			\$ 8,600,398	\$ 8,679,961
Investment in construction in progress			4,338,091	2,971,486
Investment in general capital assets by source:				
General Fund:				
General revenues			8,250,049	7,911,702
Federal grants			3,051,528	3,064,742
State grants			2,863,999	2,864,201
Miscellaneous revenues			739,643	447,143
Debt proceeds			1,148,899	1,148,899
Special Revenue Funds:				
General revenues			42,396,254	42,419,488
Federal grants			7,404,509	7,266,213
State grants			8,008,234	8,000,241
Miscellaneous revenues			194,574	194,574
Debt proceeds			8,926,043	8,926,043
Capital Project Funds:				
General revenues			15,316,766	14,666,565
Federal grants			8,986,259	8,110,162
State grants			21,846,909	21,846,909
Miscellaneous revenues			1,082,823	1,082,822
Debt proceeds			10,219,923	9,984,774
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(64,134,089)	(60,182,970)
Total Fund Equity			<u>\$ 90,612,402</u>	<u>\$ 90,774,545</u>



**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF ASSETS BY FUNCTION**  
**June 30, 2011**

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Capital Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 2,209,623	\$ 4,949,223	\$ 39,776	\$ 149,381	\$ 1,580,028	\$ 365,646	\$ 197,388	\$ 239,312	\$ 9,730,377	\$ (5,117,121)	\$ 4,613,256
Public Safety	2,045,433	18,207,518	1,743,304	325,592	5,930,886	1,428,259	162,511	585,349	30,428,852	(9,619,510)	20,809,342
Public Works	1,449,166	1,492,972	40,141,695	298,253	780,856	6,191,907	3,880,298	1,536,480	55,771,627	(37,775,033)	17,996,594
Health	575,119	6,553,202	-	-	-	-	4,121	429,468	7,561,910	(896,084)	6,665,826
Social Services	116	3,250	24,331	193,522	82,088	1,157,993	13,000	-	1,474,300	(604,955)	869,345
Recreation & Culture	583,119	2,620,688	214,288	8,295	6,528	39,246	430,696	-	3,902,860	(1,221,047)	2,681,813
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(637,191)	999,842
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	(338,146)	194,307
Economic Development	14,394,877	21,854,990	5,597,296	-	95,949	98,317	86,329	1,547,482	43,675,240	(7,893,163)	35,782,077
<b>Total General</b>											
Capital Assets	\$ 21,320,090	\$ 57,739,384	\$ 47,760,690	\$ 979,203	\$ 8,528,020	\$ 9,306,669	\$ 4,774,343	\$ 4,338,091	\$ 154,746,490	\$ (64,134,088)	\$ 90,612,402

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Function	General Capital Assets June 30, 2010	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	\$ 9,175,236	\$ -	\$ -	\$ 569,992	\$ (14,851)	\$ 9,730,377	\$ (4,647,911)	\$ (484,061)	\$ 14,851	\$ 4,613,256
Public Safety	29,836,882	-	-	596,265	(4,295)	30,428,852	(8,410,526)	(1,213,280)	4,295	20,809,341
Public Works	55,086,474	-	-	741,039	(55,886)	55,771,627	(36,856,196)	(974,723)	55,886	17,996,594
Health	7,132,442	-	-	429,468	-	7,561,910	(677,644)	(218,440)	-	6,665,826
Social Services	1,381,097	-	-	93,203	-	1,474,300	(427,228)	(177,726)	-	869,346
Recreation & Culture	3,902,860	-	-	-	-	3,902,860	(1,116,550)	(104,496)	-	2,681,814
Libraries	1,637,033	-	-	-	-	1,637,033	(575,889)	(61,302)	-	999,842
Natural Resources	31,838	-	-	-	-	31,838	(31,838)	-	-	-
Urban Development & Housing	532,453	-	-	-	-	532,453	(320,832)	(17,315)	-	194,306
Economic Development	42,241,200	-	-	1,434,040	-	43,675,240	(7,118,356)	(774,807)	-	35,782,077
<b>Total General Capital Assets</b>	<b>\$ 150,957,515</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,864,007</b>	<b>\$ (75,032)</b>	<b>\$ 154,746,490</b>	<b>\$ (60,182,970)</b>	<b>\$ (4,026,150)</b>	<b>\$ 75,032</b>	<b>\$ 90,612,402</b>

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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.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b>	
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
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<b>Revenue Capacity</b>	
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
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<b>Debt Capacity</b>	
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<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
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<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	
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Operating Indicators by Function/Program, Last Six Fiscal Years .....	F-30
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**Sources:** *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in FY 2003; schedules presenting government-wide information include information beginning in that year.*

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# **FINANCIAL TRENDS**

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

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>									
Invested in capital assets, net of related debt	\$ 49,601,139	\$ 53,978,694	\$ 60,161,453	\$ 66,160,686	\$ 70,105,110	\$ 76,516,700	78,593,428	79,922,549	81,231,372
Restricted	1,684,063	2,093,507	3,021,117	2,277,836	13,043,675	5,939,861	4,418,898	3,963,136	3,009,835
Unrestricted	(11,733,113)	(5,166,240)	(4,128,194)	3,048,018	(4,635,623)	(6,346,388)	(2,368,710)	2,817,886	4,485,252
<b>Total governmental activities net assets</b>	<b>\$ 39,552,089</b>	<b>\$ 50,905,961</b>	<b>\$ 59,054,376</b>	<b>\$ 71,486,540</b>	<b>\$ 78,513,162</b>	<b>\$ 76,110,173</b>	<b>\$ 80,643,616</b>	<b>\$ 86,703,571</b>	<b>\$ 88,726,459</b>
<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	82,056,523
Restricted	185,808	159,657	172,797	167,898	170,832	175,654	184,204	198,240	246,463
Unrestricted	5,398,109	1,439,367	1,552,398	(1,694,100)	878,952	(20,398)	(3,714,137)	(307,597)	723,061
<b>Total business-type activities net assets</b>	<b>\$ 57,117,261</b>	<b>\$ 58,440,912</b>	<b>\$ 61,199,723</b>	<b>\$ 65,504,266</b>	<b>\$ 64,028,042</b>	<b>\$ 64,399,819</b>	<b>\$ 73,024,030</b>	<b>\$ 79,994,697</b>	<b>\$ 83,026,047</b>
<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	\$ 163,287,895
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	3,256,298
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	5,208,313
<b>Total primary government net assets</b>	<b>\$ 96,669,350</b>	<b>\$ 109,346,873</b>	<b>\$ 120,254,099</b>	<b>\$ 136,990,806</b>	<b>\$ 142,541,204</b>	<b>\$ 140,509,992</b>	<b>\$ 153,667,646</b>	<b>\$ 166,698,268</b>	<b>\$ 171,752,506</b>

(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 Nine Fiscal Years (a)**  
**(accrual basis of accounting)**

	Fiscal Year								
Expenses	2003	2004	2005	2006	2007	2008	2009	2010	2011
<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	8,485,854
Payment to data processing	255,757	264,767	279,661	294,847	311,568	328,464	350,334	348,334	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	17,290,112
Public Works	10,320,589	9,277,395	9,691,963	11,176,350	11,366,688	12,280,040	12,000,493	15,378,566	13,596,902
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	1,452,867
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	1,497,708
Education:	106,438	51,733	796,573	709,684	437,620	1,274,899	317,766	207,903	417,181
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	29,005,829
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	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	1,078,718
Payment to public library system	769,000	781,000	794,000	835,000	875,000	905,000	905,000	905,000	905,000
Conservation of natural resources	336,469	232,345	264,776	230,040	293,066	327,747	506,897	289,487	309,166
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	1,260,818
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	3,099,936
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	1,438,754
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	\$ 87,612,179
<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	4,184,704
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	7,914,948
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	716,643
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	12,816,295
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	\$ 100,428,474
<b>Program Revenues</b>									
<b>Governmental activities:</b>									
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	1,503,049
Public works	858,844	915,434	834,819	850,935	957,924	940,444	874,542	1,002,656	842,854
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	3,368,034
Other activities	478,640	597,748	626,097	935,592	783,227	898,153	819,558	756,974	781,680
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	4,309,939
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	480,667
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	11,286,223
<b>Business-type activities:</b>									
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	3,792,949
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	5,265,246
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	271,440
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	4,545,246
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	13,874,881
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	\$ 25,161,104

(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 Nine Fiscal Years (a)**  
**(accrual basis of accounting)**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>									
Governmental activities	\$ (57,443,665)	\$ (55,424,677)	\$ (54,800,787)	\$ (60,117,109)	\$ (65,019,869)	\$ (79,041,541)	\$ (73,015,781)	\$ (72,083,537)	\$ (76,325,956)
Business-type activities	355,354	2,455,805	847,107	480,143	(3,179,370)	(396,372)	7,354,551	4,365,727	1,058,586
Total primary government net expense	<u>\$ (57,088,311)</u>	<u>\$ (52,968,872)</u>	<u>\$ (53,953,680)</u>	<u>\$ (59,636,966)</u>	<u>\$ (68,199,239)</u>	<u>\$ (79,437,913)</u>	<u>\$ (65,661,230)</u>	<u>\$ (67,717,810)</u>	<u>\$ (75,267,370)</u>
<b>General Revenues And Other Changes in Net Assets</b>									
Governmental Activities:									
Taxes									
Property taxes	\$ 25,545,098	\$ 26,865,528	\$ 27,060,585	\$ 29,094,141	\$ 30,141,707	\$ 32,492,011	\$ 34,266,623	39,552,052	41,236,282
Income taxes	19,451,155	21,536,150	21,472,667	23,407,305	23,177,237	24,990,613	26,338,493	22,821,267	24,239,325
Other local taxes	5,384,666	6,170,086	7,132,917	8,769,370	8,975,907	8,752,593	7,160,132	3,260,020	3,360,863
Licenses	411,923	426,638	410,720	308,405	323,025	332,774	342,819	353,375	355,176
Unrestricted grants	8,374,810	7,791,350	6,252,618	6,300,447	7,570,738	7,173,715	6,966,889	7,341,783	7,346,258
Investment earnings	1,641,108	827,216	1,046,600	1,436,172	1,634,969	1,923,408	1,303,210	1,082,485	1,184,451
Gain/(loss) on sale/retirement of capital assets	45,381	(396,544)	(112,531)	2,876,383	707,145	-	-	-	243,845
Miscellaneous	555,409	421,048	505,188	393,305	392,063	1,288,442	1,259,689	573,688	591,353
Transfers	882,228	1,776,087	551,293	96,895	(430,187)	(315,004)	(88,631)	3,158,822	(208,709)
Special item	(2,108,051)	1,360,990	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 60,183,727</u>	<u>\$ 66,778,549</u>	<u>\$ 64,320,057</u>	<u>\$ 72,682,423</u>	<u>\$ 72,492,604</u>	<u>\$ 76,638,552</u>	<u>\$ 77,549,224</u>	<u>\$ 78,143,492</u>	<u>\$ 78,348,844</u>
Business-type activities:									
Property taxes	\$ 474,742	\$ 542,636	\$ 684,529	\$ 732,367	\$ 884,340	\$ 819,542	\$ 891,363	901,613	1,414,497
Investment earnings	71,022	92,621	159,528	181,098	196,246	202,249	179,171	183,601	183,350
Miscellaneous	8,202	8,676	49,342	78,326	192,372	116,816	110,495	108,761	166,208
Gain/(loss) on sale/retirement of capital assets	-	-	-	-	-	(685,462)	-	4,569,787	-
Transfers	(882,228)	(1,776,087)	(551,293)	(96,895)	430,187	315,004	88,631	(3,158,822)	208,709
Total business-type activities	<u>\$ (328,262)</u>	<u>\$ (1,132,154)</u>	<u>\$ 342,106</u>	<u>\$ 894,896</u>	<u>\$ 1,703,145</u>	<u>\$ 768,149</u>	<u>\$ 1,269,660</u>	<u>\$ 2,604,940</u>	<u>\$ 1,972,764</u>
Total primary government	<u>\$ 59,855,465</u>	<u>\$ 65,646,395</u>	<u>\$ 64,662,163</u>	<u>\$ 73,577,319</u>	<u>\$ 74,195,749</u>	<u>\$ 77,406,701</u>	<u>\$ 78,818,884</u>	<u>\$ 80,748,432</u>	<u>\$ 80,321,608</u>
<b>Change In Net Assets</b>									
Governmental activities	\$ 2,740,062	\$ 11,353,872	\$ 9,519,270	\$ 12,565,314	\$ 7,472,735	\$ (2,402,989)	\$ 4,533,443	\$ 6,059,955	\$ 2,022,888
Business-type activities	27,092	1,323,651	1,189,213	1,375,039	(1,476,225)	371,777	8,624,211	6,970,667	3,031,350
Total primary government	<u>\$ 2,767,154</u>	<u>\$ 12,677,523</u>	<u>\$ 10,708,483</u>	<u>\$ 13,940,353</u>	<u>\$ 5,996,510</u>	<u>\$ (2,031,212)</u>	<u>\$ 13,157,654</u>	<u>\$ 13,030,622</u>	<u>\$ 5,054,238</u>

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

Note: Expenses include indirect cost allocation.

(Continued)

**Allegany County, Maryland**  
**Changes In Net Assets, Last Nine 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.
- u** Decrease in grants largely due to the decrease in American Recovery & Reinvestment Act Grants that were received in 2010
- v** Decrease largely due to a large construction project being completed (Georges Creek Wastewater Plant)

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

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund</b>										
Nonspendable										\$ 1,202,021
Restricted										110,767
Committed										2,649,697
Assigned										1,868,295
Unassigned										11,394,352
Reserved	\$ 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	8,193,358	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>\$ 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>	<u>\$ 17,225,132</u>
<b>All Other Governmental Funds</b>										
Restricted										\$ 1,930,820
Committed										6,000,947
Assigned										2,340,790
Unassigned										(551,089)
Reserved	\$ 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	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	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	1,275,000	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>\$ 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>	<u>\$ 9,721,468</u>

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

	Fiscal Year									
Revenues	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Property taxes	\$ 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	42,100,002
Income taxes	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	24,248,781
Highway user taxes	4,207,379	3,942,972	3,360,759	3,688,177	4,813,872	4,823,654	4,643,174	4,023,284	227,622	317,590
Other local taxes	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	3,539,070
Licenses and permits	558,218	580,355	606,228	583,575	586,286	616,222	621,136	611,328	609,877	613,729
Intergovernmental:										
Federal	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	2,892,586
State	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	9,518,068
Other	110,275	135,025	269,579	495,599	561,733	399,757	328,351	354,708	362,352	515,474
Service charges	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	2,000,673
Fines and forfeitures	72,008	147,986	2,560	91,420	79,618	109,022	71,133	98,463	114,372	74,177
Interest	680,463	343,052	194,563	402,229	752,182	948,856	1,215,979	440,827	247,564	162,578
Miscellaneous	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	4,005,045
Total revenues	\$ 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	\$ 89,987,773
Expenditures										
General government	\$ 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	8,277,780
Public safety	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	16,224,735
Public works	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	12,123,968
Health and Hospitals	291,868	297,275	314,944	365,730	547,635	668,436	639,555	477,204	479,537	460,030
Social Services	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	1,449,501
Education	6,872	106,438	7,125	6,487	6,788	296,339	33,511	28,261	25,261	24,511
Recreation, culture and libraries	529,568	400,679	416,091	525,238	557,173	785,391	785,287	818,848	555,124	863,290
Conservation of natural resources	212,488	236,697	223,675	254,764	222,849	286,942	321,258	505,126	286,273	353,689
Community Devel. and Housing	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	1,299,107
Economic development	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	3,774,604
Miscellaneous	4,678	18,775	18,721	13,991	17,671	25,749	28,742	27,755	20,869	114,855
Appropriation to other governments	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	1,242,369
Capital Outlay	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	3,209,772
Debt Service:										
Interest	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	1,491,130
Principal	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	5,082,830
Payments to Component Units	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	36,918,334
Total expenditures	\$ 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	\$ 92,910,505
Excess of revenues over (under)										
Expenditures	\$ (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)	\$ (2,922,732)
Other Financing Sources (Uses)										
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	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	7,823,754
Transfers from component units	-	65,050	-	390,603	-	-	-	-	-	-
Transfers out	(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)	(8,032,465)
Sale of capital assets	-	416,000	18,674	298,110	4,552,930	358,874	2,330,993	102,838	217,528	369,452
Total Other Financing	\$ 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	\$ 160,741
Sources (Uses)	\$ 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	\$ 160,741
Net Change in fund balances	\$ (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	\$ (2,761,991)
Debt service as a percentage of noncapital expenditures	8.7%	8.2%	8.3%	7.2%	7.6%	6.7%	7.0%	7.2%	7.6%	7.3%

# **REVENUE CAPACITY**

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

<b>Fiscal Year</b>	<b>Real Property</b>		<b>Real Property Total Direct Tax Rate</b>	<b>Personal Property</b>		<b>Corporate Personal Property</b>		<b>Totals</b>		<b>Personal &amp; Corporate Personal Total Direct Tax Rate</b>
	<b>Market Value</b>	<b>Assessed Value</b>		<b>Market Value</b>	<b>Assessed Value</b>	<b>Market Value</b>	<b>Assessed Value</b>	<b>Market Value</b>	<b>Assessed Value</b>	
<b>2002</b>	2,072,981,398	2,072,981,398	0.9840	10,142,410	10,142,410	493,595,405	493,595,405	2,576,719,213	2,576,719,213	2.4600
<b>2003</b>	2,158,322,043	2,158,322,043	0.9838	10,417,090	10,417,090	360,582,630	360,582,630	2,529,321,763	2,529,321,763	2.4595
<b>2004</b>	2,223,185,344	2,223,185,344	1.0000	11,255,730	11,255,730	334,611,519	334,611,519	2,569,052,593	2,569,052,593	2.5000
<b>2005</b>	2,346,218,412	2,346,218,412	1.0007	10,253,280	10,253,280	351,375,290	351,375,290	2,707,846,982	2,707,846,982	2.5018
<b>2006</b>	2,439,119,223	2,439,119,223	1.0007	9,047,760	9,047,760	344,568,390	344,568,390	2,792,735,373	2,792,735,373	2.5018
<b>2007</b>	2,542,803,943	2,542,803,943	0.9829	8,701,450	8,701,450	358,861,080	358,861,080	2,910,366,473	2,910,366,473	2.4573
<b>2008</b>	2,762,960,350	2,762,960,350	0.9829	9,994,750	9,994,750	329,523,214	329,523,214	3,102,478,314	3,102,478,314	2.4573
<b>2009</b>	3,014,146,982	3,014,146,982	0.9829	6,519,060	6,519,060	320,952,870	320,952,870	3,341,618,912	3,341,618,912	2.4573
<b>2010</b>	3,141,346,303	3,141,346,303	0.9829	6,100,480	6,100,480	424,375,697	424,375,697	3,571,822,480	3,571,822,480	2.4573
<b>2011</b>	3,360,795,103	3,360,795,103	0.9829	6,596,150	6,596,150	347,045,160	347,045,160	3,714,436,413	3,714,436,413	2.4573

Source: Allegany County Finance Office & Allegany County Tax Office

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

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

<u>Municipal Direct Tax Rates (1, 2)</u>	<u>2011</u>	<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>
Barton	0.1699	0.1835	0.1981	0.2156	0.2220	0.2220	0.2220	0.2220	0.2260	0.2320
Cumberland	0.9654	0.9654	0.9654	0.9479	0.9479	0.9479	0.9479	0.8720	0.8720	0.8720
Frostburg	0.5500	0.5500	0.5540	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000
Lonaconing	0.3700	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Luke	0.5500	0.5500	0.5500	0.5000	0.5000	0.5000	0.3500	0.3500	0.2400	0.2400
Midland	0.2800	0.2800	0.2800	0.2708	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Westempport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000

<u>Allegany County Direct Tax Rates (1, 3)</u>										
Barton	0.9475	0.9545	0.9552	0.9551	0.9494	0.9727	0.9724	0.9721	0.9520	0.9513
Cumberland	0.8999	0.9016	0.9074	0.9090	0.9087	0.9309	0.9248	1.0000	0.9838	0.9840
Frostburg	0.9065	0.9086	0.9107	0.9136	0.9111	0.9366	0.9305	0.9312	0.9128	0.9128
Lonaconing	0.9328	0.9305	0.9336	0.9333	0.9283	0.9548	0.9517	0.9535	0.9334	0.9330
Luke	0.9289	0.9266	0.9304	0.9302	0.9227	0.9516	0.9484	0.9498	0.9299	0.9287
Midland	0.9475	0.9545	0.9552	0.9551	0.9474	0.9727	0.9724	0.9721	0.9520	0.9513
Westempport	0.9328	0.9305	0.9336	0.9333	0.9263	0.9548	0.9517	0.9535	0.9344	0.9330
Unincorporated	0.9829	0.9829	0.9829	0.9829	0.9829	1.0007	1.0007	1.0000	0.9838	0.9840

**Special Taxing Areas (1, 4)**

<b>Sanitary Districts</b>										
Bedford Road	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Bowling Green	0.2900	0.2900	0.2530	0.2530	0.2530	0.2530	0.2530	0.1580	0.1480	0.1480
Braddock Run	0.0070	0.0070	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
Cresaptown	0.2900	0.2900	0.3000	0.3000	0.3000	0.3000	0.3000	0.1600	0.0480	0.0480
Jennings Run - Wills Creek	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520
Cash Valley Subdistrict	0.1860	0.1860	0.2200	0.2200	0.2200	0.2200	0.2440	0.2440	0.2440	0.2440
McCoole	0.0700	0.0700	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.1700	0.1700	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0190	0.0190	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0800	0.0800	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
George's Creek	0.4700	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Mexico Farms	0.0600	0.0600	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840
Oldtown Road	0.0770	0.0770	0.2400	0.2400	0.2400	0.2400	0.2600	0.2600	0.2600	0.2600
<b>Other Special Districts</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	0.0650	0.0320	0.0320	0.0320	0.0320	0.0400	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	0.0500	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	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	0.0450	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0800	0.0800	0.0800	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Total County Direct Rate (1, 5)	1.0305	1.0191	1.0249	1.0275	1.0233	1.0445	1.0401	1.0340	1.0143	n/a

**Notes:**

- (1) All tax rates are per \$100 of assessed value.
- (2) Municipal tax rates are presented for informative purposes only and are not included in the Total County Direct Rate.
- (3) County tax rates vary as a result of tax differentials provided to taxpayers residing in municipal jurisdictions.
- (4) 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.
- (5) County direct rate includes County taxes levied for the County and the special taxing areas; it does not include taxes levied by the municipalities. For taxes levied on behalf of special taxing districts, the direct rate includes a prorated portion of the tax rate that corresponds to the portion of the County's assessable base against which the tax is levied. Therefore, the total County direct rate presented above is not a mathematical sum of all of the individual rates presented.

Source: Allegany County Finance Department; Maryland State Assessment Office

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

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value
AES WR Limited Partnership	\$ 76,512,753	1	2.03%	\$ 171,057,456	1	6.64%
New Page (Mead/Westvaco)	65,977,679	2	1.75%	153,854,700	2	5.97%
Trans-Allegheny Interstate	42,451,710	3	1.13%			
Potomac Edison Co	34,868,316	4	0.93%	54,578,050	3	2.12%
LaVale Associates	32,314,400	5	0.86%	31,384,770	5	1.22%
Verizon-Maryland (Bell Atlantic)	26,618,390	6	0.71%	45,548,280	4	1.77%
Columbia Gas of Maryland	23,932,402	7	0.64%	15,251,110	7	0.59%
CSX Transportation	23,416,054	8	0.62%	17,827,786	6	0.69%
Allegany Coal-Land	18,201,326	9	0.48%			
Hunter Douglas Northeast, Inc.	15,962,510	10	0.42%	10,506,920	8	0.41%
Level 3 Communications				6,964,820	10	0.27%
Superfos Packaging, Inc.				9,055,060	9	0.35%
<b>Total</b>	<b>\$ 360,255,540</b>		<b>9.57%</b>	<b>\$ 516,028,952</b>		<b>20.03%</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
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%	(22,489)	1,377,420	21,216,551	21,215,536	100.00%
2005	22,263,407	20,665,094	92.82%	(49,193)	1,548,005	22,214,214	22,213,099	99.99%
2006	23,311,852	21,694,064	93.06%	(22,599)	1,593,262	23,289,253	23,287,326	99.99%
2007	24,152,164	22,574,066	93.47%	(35,823)	1,539,283	24,116,341	24,113,349	99.99%
2008	26,296,828	24,418,173	92.86%	(50,437)	1,822,329	26,246,391	26,240,502	99.98%
2009	28,732,488	26,710,075	92.96%	(47,411)	1,944,379	28,685,077	28,654,454	99.89%
2010	31,122,925	28,546,101	91.72%	(21,943)	1,384,573	31,100,982	29,930,674	96.24%
2011	32,868,341	30,352,908	92.35%			32,868,341	30,352,908	92.35%

**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
2002	240,872	195,019	80.96%	(20,413)	21,783	220,459	216,802	98.34%
2003	249,305	196,207	78.70%	(33,348)	14,969	215,957	211,176	97.79%
2004	274,789	216,817	78.90%	(36,347)	17,261	238,442	234,078	98.17%
2005	249,585	217,982	87.34%	(12,750)	15,467	236,835	233,449	98.57%
2006	221,878	201,105	90.64%	(10,295)	6,591	211,583	207,696	98.16%
2007	208,932	186,368	89.20%	(7,244)	9,289	201,688	195,657	97.01%
2008	240,950	143,066	59.38%	(69,162)	19,096	171,788	162,162	94.40%
2009	156,136	131,719	84.36%	(1,030)	8,860	155,106	140,579	90.63%
2010	145,616	119,211	81.87%	(923)	5,446	144,693	124,657	86.15%
2011	157,764	119,985	76.05%			157,764	119,985	76.05%

**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
2002	11,671,917	11,416,395	97.81%	(51,048)	198,743	11,620,869	11,615,138	99.95%
2003	9,282,992	9,163,854	98.72%	(34,301)	82,490	9,248,691	9,246,344	99.97%
2004	8,897,728	8,790,614	98.80%	(284,301)	(185,566)	8,613,427	8,605,048	99.90%
2005	8,501,900	8,407,644	98.89%	(115,503)	(32,395)	8,386,397	8,375,249	99.87%
2006	8,408,395	8,276,381	98.43%	(34,960)	85,499	8,373,435	8,361,880	99.86%
2007	8,210,266	8,094,923	98.60%	(16,367)	52,341	8,193,899	8,147,264	99.43%
2008	7,921,091	7,814,936	98.66%	273,336	327,145	8,194,427	8,142,080	99.36%
2009	7,710,088	7,559,542	98.05%	1,256,814	1,347,711	8,966,902	8,907,253	99.33%
2010	9,076,556	8,244,551	90.83%	(66,430)	699,425	9,010,126	8,943,976	99.27%
2011	8,147,312	7,948,859	97.56%			8,147,312	7,948,859	97.56%

**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
2002	31,652,576	29,820,195	94.21%	(153,209)	1,668,907	31,499,367	31,489,102	99.97%
2003	29,722,371	28,089,561	94.51%	(88,009)	1,536,797	29,634,362	29,626,358	99.97%
2004	30,411,557	28,845,547	94.85%	(343,136)	1,209,114	30,068,421	30,054,661	99.95%
2005	31,014,892	29,290,720	94.44%	(177,446)	1,531,077	30,837,446	30,821,797	99.95%
2006	31,942,125	30,171,550	94.46%	(67,854)	1,685,352	31,874,271	31,856,902	99.95%
2007	32,571,362	30,855,357	94.73%	(59,435)	1,600,913	32,511,927	32,456,270	99.83%
2008	34,458,868	32,376,175	93.96%	153,737	2,168,569	34,612,606	34,544,744	99.80%
2009	36,598,711	34,401,336	94.00%	1,208,373	3,300,950	37,807,084	37,702,286	99.72%
2010	40,345,097	36,909,863	91.49%	(69,296)	2,089,444	40,255,801	38,999,307	96.88%
2011	41,173,417	38,421,752	93.32%	-	-	41,173,417	38,421,752	93.32%

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 Term Notes	Water Federal Loans	Sanitary Capital Bonds	Sanitary Term Notes	Sanitary State Loans	Sanitary Federal Loans	Nursing Home Loans			
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%	790
2011	17,861,152	8,895,326	131,177	3,697,419	380,516	5,047,339	-	18,070	16,021,388	3,237,076	-	55,289,463	2.20%	736

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><u>Fiscal Year</u></b>	<b><u>General Obligation Bonds</u></b>	<b><u>Taxable Value of Property</u></b>	<b><u>Percentage of Actual Taxable Value of Property</u></b>	<b><u>Population</u></b>	<b><u>Debt Per Capita</u></b>
<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%	75,087	291.94
<b>2011</b>	17,861,152	3,714,436,413	0.48%	75,100	237.83

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**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Population	74,059	73,867	73,999	73,639	72,613	72,603	72,658	72,532	75,087	75,100
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	70,780	70,588	70,720	70,360	69,334	69,324	69,379	69,253	71,808	71,821
Debt Per Capita	585	585	585	585	585	585	585	585	585	585
Debt Limit	41,406,300	41,293,980	41,371,200	41,160,600	40,560,390	40,554,540	40,586,715	40,513,005	42,007,680	42,015,285
Total Net Debt applicable to limit	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	30,585,074
Legal Debit Margin	(2,851,005)	1,063,536	4,773,753	6,310,528	10,277,099	342,817	29,790	21,026	6,339,776	11,430,211
Total net debt applicable to the limit as a percentage of debt limit	106.9%	97.4%	88.5%	84.7%	74.7%	99.2%	99.9%	99.9%	84.9%	72.8%

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
2011	6,944,595	5,641,225	1,303,370	1,113,166	336,551	1,449,717	0.90
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)	5,221,279 (4)	535,496	786,386	233,002	1,019,388	0.53
2007	6,800,108	5,835,667	964,441	750,057	233,277	983,334	0.98
2006	6,390,329	5,189,019	1,201,310	436,091	190,715	626,806	1.92
2005	6,138,374	4,705,332	1,433,042	342,541	206,399	548,940	2.61
2004	5,380,331	4,121,055	1,259,276	379,008 (3)	219,141	598,149	2.11
2003	5,196,676	4,135,237	1,061,439	534,257	253,771	788,028	1.35
2002	5,322,012	3,870,291	1,451,721	515,979	288,075	804,054	1.81

**WATER DISTRICTS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2011	3,863,485	3,194,883	668,602	97,647	221,780	319,427	2.09
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)	2,099,680 (4)	485,542	97,009	215,232	312,241	1.56
2007	1,417,547	1,053,569	363,978	60,953	195,878	256,831	1.42
2006	1,430,789	1,068,917	361,872	55,436	181,207	236,643	1.53
2005	1,180,132	833,099	347,033	48,352	158,073	206,425	1.68
2004	1,124,973	909,646	215,327	87,484	144,383	231,867	0.93
2003	1,073,757	878,777	194,980	111,596	150,978	262,574	0.74
2002	1,043,256	826,387	216,869	101,883	139,236	241,119	0.90

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	30,337	9,221	5.80%
<b>2009</b>	72,532	2,310,845	31,860	9,157	8.90%
<b>2010</b>	75,087	2,426,387 (b)	32,314	9,152	8.93%
<b>2011</b>	75,100 (a)	2,547,706 (b)	33,924	9,022	8.88%

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**

<b>Employer</b>	<b>2011</b>			<b>2002</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total County Employment</b>
Western Maryland Health Systems	2,150	1	6.59%	2,350	1	7.15%
ATK Tactical Systems	1,396	2	4.28%			
Allegany County Board Of Education	1,391	3	4.26%	1,291	3	3.93%
Frostburg State University	933	4	2.86%	918	5	2.79%
New Page Corporation (Westvaco)	907	5	2.78%	1,400	2	4.26%
CSX Transportation	900	6	2.76%	1,000	4	3.04%
ACS, Inc.	564	7	1.73%			
North Branch Correctional Institution	557	8	1.71%			
Western Correctional Institution	552	9	1.69%	578	6	1.76%
Hunter Douglas	485	10	1.49%	487	8	1.48%
Allegany County Government				500	7	1.52%
CyberRep.com				470	9	
Allegany College				445	10	1.35%
<b>Total</b>	<b>9,835</b>		<b>30.14%</b>	<b>9,439</b>		<b>27.30%</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 Nine Fiscal Years**

Function/Program	Full-time Equivalent Employees as of June 30								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government									
Commissioners & Staff	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	7.0
Judicial	28.5	26.5	27.3	27.3	28.0	28.6	28.6	29.1	28.1
Finance	9.3	9.3	9.3	9.6	9.6	9.6	9.6	9.6	9.3
Tax Office	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.7	7.7
Maintenance	16.1	15.5	16.5	16.1	16.4	16.2	15.7	15.7	14.7
Other	33.3	35.8	28.7	32.1	38.6	40.8	43.7	42.6	39.7
Public Safety									
Sheriff/Bureau of Police	27.0	24.0	27.9	31.6	33.2	29.4	28.3	32.4	34.4
Detention Center	78.5	79.8	84.8	85.3	85.0	85.5	86.0	85.4	84.0
911	17.2	19.3	21.0	25.0	24.6	25.2	26.2	25.9	25.9
Other	5.1	1.1	13.9	13.1	13.4	21.9	23.5	31.3	32.3
Public Works									
Roads division	76.3	76.3	74.5	74.5	74.5	75.7	75.7	74.7	74.4
Engineering	18.3	18.2	16.7	15.4	16.5	16.3	16.3	14.5	13.5
Solid Waste	5.5	5.4	5.4	5.4	5.3	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	29.0
Health and Hospitals	3.3	3.3	3.3	3.3	2.3	2.0	2.0	2.0	2.0
Social Services	6.0	7.0	7.0	1.0	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	1.4
Conservation of natural resources	2.0	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	2.3
Economic Development	8.2	9.4	9.1	10.1	7.2	7.5	8.3	7.7	7.5
Sanitary	23.5	23.5	23.0	24.0	25.0	25.0	26.0	31.8	33.8
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	455.3

Source: Allegany County Finance Office-Budget

**Allegany County, Maryland**  
**Operating Indicators By Function/Program**  
**Last Nine 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>	<b>2011</b>
General Government									
Average number of tax bills issued	38,000	38,020	38,060	38,130	38,124	38,419	38,454	38,532	38,518
Number of building permits issued	421	479	469	424	460	410	372	312	328
Public Safety									
Total Number of arrests	1,430	1,505	1,341	1,246	608	1,060	1,491	1,608	1,285
Total Number of traffic stops	1,157	199	613	1,527	1,153	1,167	1,840	1,640	1,579
Average number of inmates	176	180	180	172	179	203	168	157	170
Number of Volunteer Fire Stations	23	23	23	23	23	23	23	23	23
Public Works									
Miles of roads maintained	544	544	544	544	544	544	544	544	544
Street resurfacing (miles)	56	47	35	23	31	30	30	Not Available	Not Available
Recycling, total tons (calendar year)	20,577	20,058	22,468	24,685	23,925	25,121	25,953	21,923	Not Available
Social Services									
Transit route miles	538,567	470,456	445,957	500,772	675,570	502,317	446,420	384,182	332,324
Transit passengers	88,650	99,441	94,813	119,027	138,131	179,555	189,004	189,708	187,522
Community Development and Housing									
Number of families' rent subsidized	253	274	253	262	267	190	198	** N/A	** N/A
Low-Income Housing loans issued	42	32	43	36	43	21	35	7	** N/A
Sanitary									
Average number of sanitary/water customers	8,500	8,500	8,500	8,500	8,500	8,500	8,500	9,250	9,250
Nursing Home									
Total Number of Beds Available, Annually	55,845	55,998	55,845	55,845	55,845	55,998	55,845	-	-
Number of Beds Occupied Annually	49,660	51,427	48,701	47,422	48,400	47,512	48,692	-	-
Occupancy Rate, Annual	89%	92%	87%	85%	86%	85%	87%	-	-
Gaming									
Games Sold	N/A	39,935 *	50,870	49,901	48,800	43,056	36,206	35,357	33,395
Operators Licensed	N/A	79 *	94	100	79	83	85	92	88
Inspections Conducted	N/A	1,200 *	1,180	1,035	965	972	921	860	672

\* 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 Nine 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>	<b>2011</b>
General Government									
Number of major buildings maintained	10	10	10	10	11	11	11	11	11
Public Safety									
Number of police stations	1	1	1	1	1	1	2	4	4
Number of patrol vehicles	12	13	20	20	20	20	29	34	38
Public Works									
Miles of roads maintained	544	544	544	544	544	544	544	544	544
Average number of highway vehicles	140	140	140	140	140	140	140	140	140
Number of Garages-Roads Dept	4	4	4	4	4	5	5	5	5
Number of operating transit buses	9	9	9	10	10	11	14	21	22
Economic Development									
Number of Industrial parks	8	8	8	8	8	8	8	8	8
Number of Buildings leased	14	14	14	14	15	12	10	13	13
Sanitary									
Sanitary/Water (miles)	175	175	175	175	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6	6	6	6	6
Nursing Home									
Number of buildings maintained	1	1	1	1	1	1	1	0	0

Source: Various County Departments

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