



Allegany County,
Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2012



ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
JULY 1, 2011 - JUNE 30, 2012

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 Bennett, CPA, Director of Finance

December 20, 2012

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, 2012, including the report of our independent Certified Public Accountants is presented herewith. This report has been prepared by the Allegany County Finance Department in accordance with Article 19 of the Annotated Code of the State of Maryland and with Part I, Chapter 26, Article 26-3 of the Allegany County code. This report is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of Allegany County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of Allegany County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Turnbull, Hoover & Kahl, PA., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Allegany County for the fiscal year ended June 30, 2012, 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, 2012, 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 decreased from 9.0% at June 30, 2011 to 8.3% at June 30, 2012. 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 37,578. 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 2012 the County borrowed \$3.4 million; \$624,000 for the Bowman's Addition Water Project, \$46,602 Shades Lane Water Project, \$473,000 for Bedford Road sewer project, \$ 245,000 to finish George Creek project and

\$2.0 million for the Cresaptown water project.

Major initiatives: As part of the 2013 Capital Improvement Program, the Commissioners approved funding for a new, approximately 800 seat Allegany High School to be constructed beginning in FY 2014, which will replace what is currently the oldest active high school building in the State of Maryland.

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, 2011. This was the twentieth 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,



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, 2011

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.



Linda C. Danison

President

Jeffrey P. Evans

Executive Director

Allegany County, Maryland
Summary of Certain Officials
June 30, 2012

Board of Commissioners

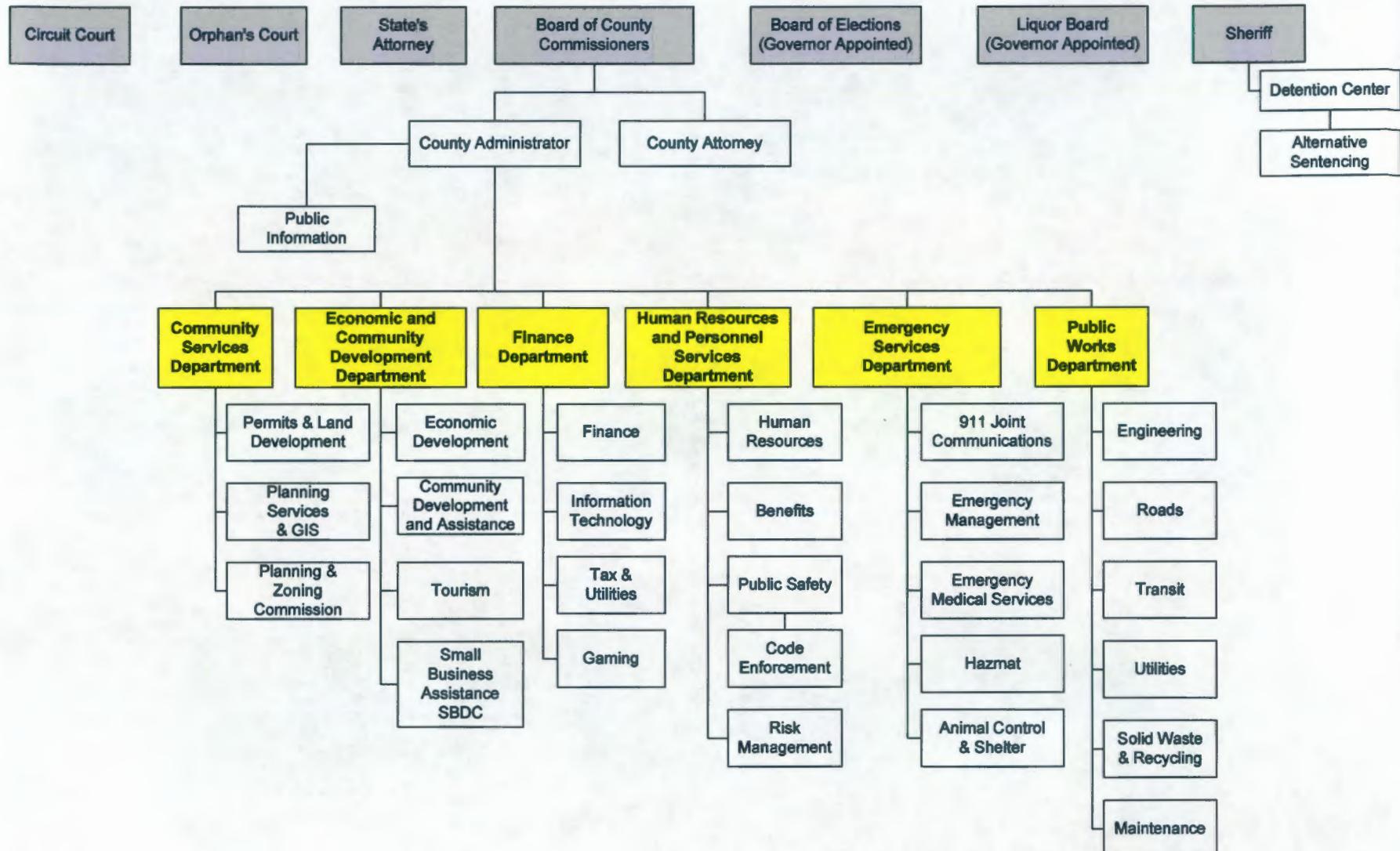
Michael W. McKay, President
Creade V. Brodie Jr., Commissioner
William R. Valentine, Commissioner

County Administrator	David A. Eberly
Clerk of the Board	David A. Eberly
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 2012





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

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Board of Allegany County Commissioners
County Office Complex
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Cumberland, Maryland

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland (the County), as of and for the year ended June 30, 2012, 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 74 percent, 71 percent, and 76 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, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012, 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 inquiries 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.

Franklin, Howard & Kahl, P.C.

Cumberland, Maryland
December 20, 2012

FINANCIAL SECTION

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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, 2012. 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 \$177 million (*net assets*). Of this amount, \$164.2 million is invested in capital assets net of related debt and \$2.2 million is restricted for specific purposes (restricted net assets). The County's total unrestricted net assets are \$10.6 million. This total unrestricted net asset amount includes \$9.1 million from governmental activities, and unrestricted net asset balance from business-type activities of \$1.5 million.
- The government's total net assets increased by \$5.2 million or 3.0%. The governmental net assets increased \$5.1 million (or 5.7%). Business-type net assets increased by \$ 80,858 (or 0.1%) during the year.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$27.8 million, an increase of \$860,000 in comparison with the prior year. The increase was due largely to all departments either staying within budget or under budget. Approximately 56.5% of the ending fund balance, \$15.7 million, is *available for spending* at the government's discretion (*unassigned fund balance*), \$1.2 is nonspendable, \$1.8 million is restricted, \$5.5 million is committed to certain programs and \$3.6 million is assigned to specific programs.
- Allegany County's governmental activity outstanding debt decreased by \$4.6 million (or 15%) during the current fiscal year. The County did not issue any general obligation debt during the 2012 fiscal year. The County's business-type debt increased by \$1.7 million (or 7%) 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. Detail financial information on the component units can be found on their separately issued financial statements.

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-C20 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 C21-66 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 \$177 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (\$164.2 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 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
Assets:						
Current and other assets	\$ 36,391,203	\$ 35,459,708	\$ 4,521,780	\$ 4,438,291	\$ 40,912,983	\$ 39,897,999
Capital assets	91,119,134	90,612,402	108,179,776	106,760,912	199,298,910	197,373,314
Total assets	<u>127,510,337</u>	<u>126,072,110</u>	<u>112,701,556</u>	<u>111,199,203</u>	<u>240,211,893</u>	<u>237,271,313</u>
Liabilities:						
Current and other liabilities	9,658,634	9,401,899	2,890,131	3,097,302	12,548,765	12,499,201
Long-term liabilities outstanding	24,035,566	27,943,752	26,704,520	25,075,854	50,740,086	53,019,606
Total liabilities	<u>33,694,200</u>	<u>37,345,651</u>	<u>29,594,651</u>	<u>28,173,156</u>	<u>63,288,851</u>	<u>65,518,807</u>
Net assets:						
Investment in capital assets net of related debt	82,834,048	81,231,372	81,346,531	82,056,523	164,180,579	163,287,895
Restricted	1,921,413	3,009,835	239,902	246,463	2,161,315	3,256,298
Unrestricted	9,060,676	4,485,252	1,520,472	723,061	10,581,148	5,208,313
Total net assets	<u>\$ 93,816,137</u>	<u>\$ 88,726,459</u>	<u>\$ 83,106,905</u>	<u>\$ 83,026,047</u>	<u>\$ 176,923,042</u>	<u>\$ 171,752,506</u>

An additional portion of Allegany County's net assets (.1%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net assets* balance of \$10.6 million. The *unrestricted net assets* balance for the governmental activities was \$9.1 million and the business-type activities have a balance of \$1,520,472.

During the current fiscal year, the government's net assets increased by \$5.2 million. Revenues decreased by approximately \$ 750,000 to \$104.7 million while expenses decreased by \$866,000 from the prior year to \$99.6 million.

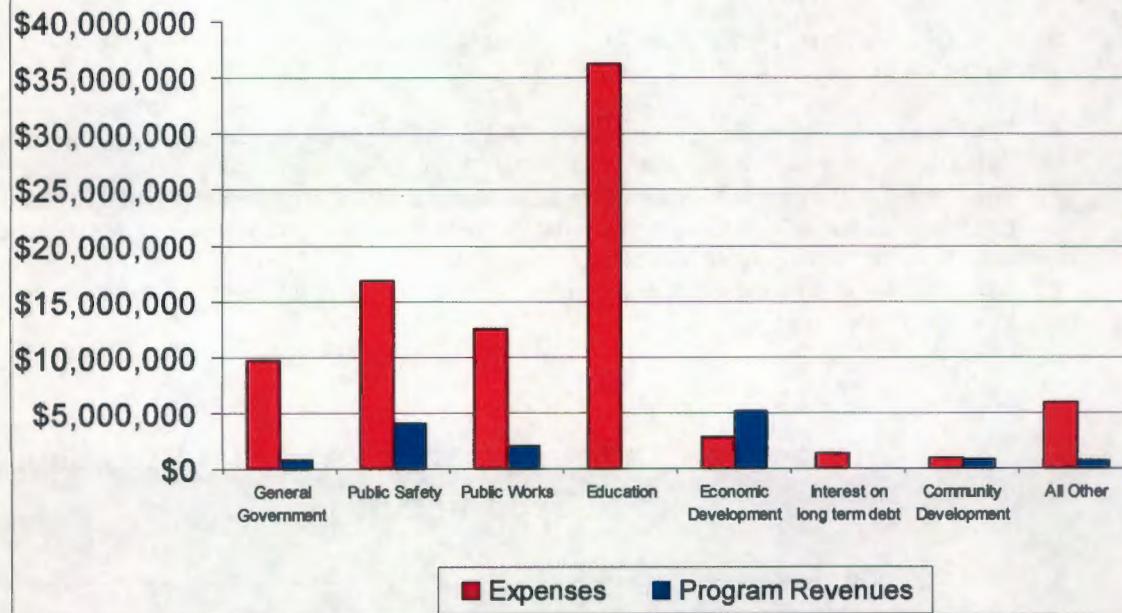
ALLEGANY COUNTY'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	FY 2012	FY 2011	FY 2012	FY 2011	FY 2012	FY 2011
Revenues:						
Program revenues:						
Charges for services	\$ 6,564,685	\$ 6,495,617	\$ 9,313,421	\$ 9,329,635	\$ 15,878,106	\$ 15,825,252
Operating grants and contributions	4,123,606	4,309,939	-	-	4,123,606	4,309,939
Capital grants and contributions	2,770,368	480,667	2,547,845	4,545,246	5,318,213	5,025,913
General revenues:						
Property taxes	41,271,372	41,236,282	996,575	1,414,497	42,267,947	42,650,779
Income taxes	24,657,767	24,239,325	-	-	24,657,767	24,239,325
Other local taxes	2,965,592	3,360,863	-	-	2,965,592	3,360,863
Franchise taxes	415,086	355,176	-	-	415,086	355,176
Grants and contributions not restricted to specific programs	7,359,609	7,346,258	-	-	7,359,609	7,346,258
Unrestricted fees						
Unrestricted investment earnings	1,163,443	1,184,451	175,200	183,350	1,338,643	1,367,801
Gain on sale/retirement of capital assets	81,820	243,845	5,924	-	87,744	243,845
Miscellaneous	191,234	591,353	129,278	166,208	320,512	757,561
Total revenues	91,564,582	89,843,776	13,168,243	15,638,936	104,732,825	105,482,712
Expenses:						
General government	9,275,767	8,485,854	-	-	9,275,767	8,485,854
Payment to data processing	358,754	348,334	-	-	358,754	348,334
Public safety	16,887,997	17,290,112	-	-	16,887,997	17,290,112
Public works	12,565,697	13,596,902	-	-	12,565,697	13,596,902
Health	2,279,912	1,452,867	-	-	2,279,912	1,452,867
Social services	1,682,412	1,497,708	-	-	1,682,412	1,497,708
Education	562,642	417,181	-	-	562,642	417,181
Payment to public school system	28,240,000	29,005,829	-	-	28,240,000	29,005,829
Payment to community college	7,425,000	7,425,000	-	-	7,425,000	7,425,000
Recreation, culture & libraries	868,620	1,078,718	-	-	868,620	1,078,718
Payment to public library system	905,000	905,000	-	-	905,000	905,000
Conservation of natural resources	201,107	309,166	-	-	201,107	309,166
Community development & housing	884,528	1,260,818	-	-	884,528	1,260,818
Economic development	2,879,427	3,099,936	-	-	2,879,427	3,099,936
Interest on long-term debt	1,290,789	1,438,754	-	-	1,290,789	1,438,754
Water	-	-	4,018,864	4,184,704	4,018,864	4,184,704
Sewer	-	-	8,485,797	7,914,948	8,485,797	7,914,948
Nursing Home	-	-				
Other proprietary funds	-	-	749,976	716,643	749,976	716,643
Total expenses	86,307,652	87,612,179	13,254,637	12,816,295	99,562,289	100,428,474
Increase in net assets before transfers	5,256,930	2,231,597	(86,394)	2,822,641	5,170,536	5,054,238
Transfers	(167,252)	(208,709)	167,252	208,709	-	-
Increase (decrease) in net assets	5,089,678	2,022,888	80,858	3,031,350	5,170,536	5,054,238
Net assets, beginning	88,726,459	86,703,571	83,026,047	79,994,697	171,752,306	166,698,268
Net assets, ending	\$ 93,816,137	\$ 88,726,459	\$ 83,106,905	\$ 83,026,047	\$ 176,923,042	\$ 171,752,306

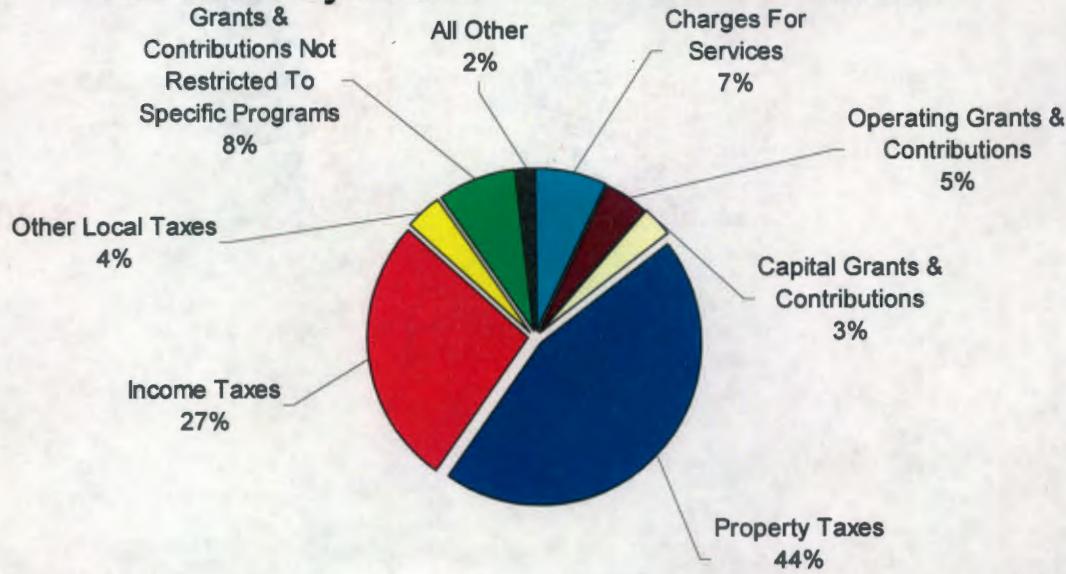
Governmental activities. Governmental activities increased Allegany County's net assets by \$5.1 million. Total revenues increased \$1.7 million (or 2%) and expenses decreased \$1.3 million (or 1.5%). Key elements of the changes in governmental net assets are as follows:

- Capital grants increased approximately \$ 1.6 million due to a building that was contributed to the Economic Development Division.
- Income tax revenue increased \$ 418,000. The increase is a result of the economic conditions nationally stabilizing with some improvement locally.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities

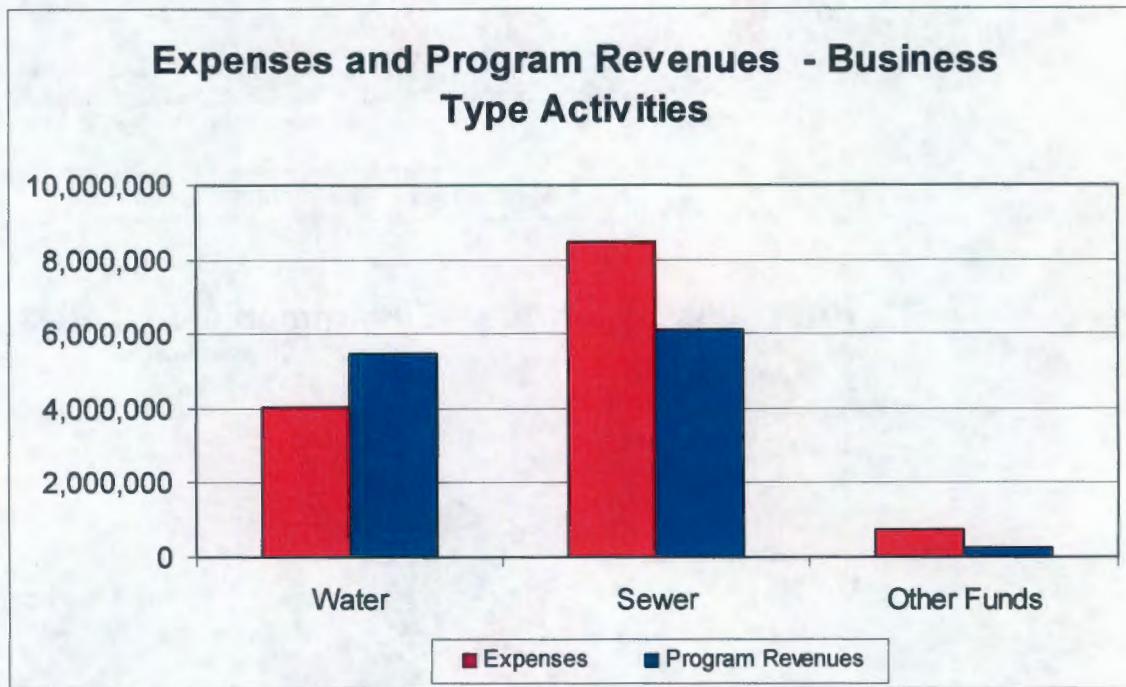


The decrease in governmental expenses of \$1.3 million (or 1.5%) was the result of the following:

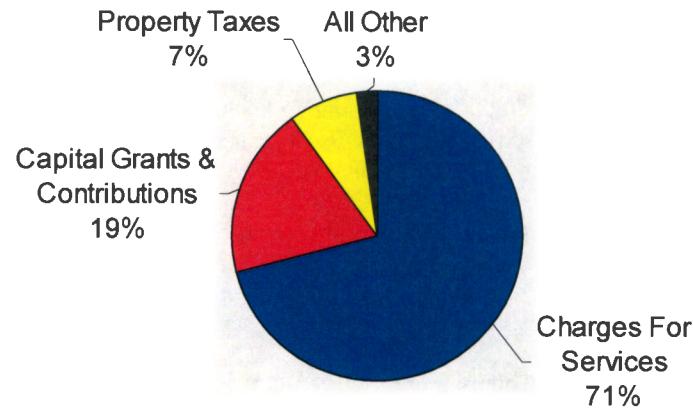
- Public works expenses decreased \$1 million (7.6%) as a result of work being completed on several projects that commenced in prior years.

Business-type activities. The net assets of the County's business-type activities increased by \$80,858 after transfers. Key elements of the increase were:

- Total business-type service charges stayed relatively the same however property taxes decreased \$418,000 (or 29.5%). Expenses increased \$ 440,000 (or 3.4%).
- The change in property taxes was due to decreases in FY 12 rates from increased FY 11 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.
- Also, sanitary district expenses increased 7.2% (\$571,000) 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 \$27.8 million, an increase of \$ 860,000 in comparison with the prior year. Approximately 56.5 percent of this total amount (\$15.7 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 - \$1.8 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. - \$5.5 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 - \$3.6 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 \$15.7 million, out of a total fund balance of \$17.9 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 18.9 percent of total general fund expenditures, while total fund balance represents 21.6 percent of that same amount.

Key factors in the \$860,000 increase in the governmental fund balances are:

The fund balance of Allegany County's general fund increased \$666,000; which was the result of:

- Revenues were nearly identical to FY 11 and expenditures decreased very little as well.
- Income taxes increased by 1.7%, or \$ 418,000, due in part to slow, steady wage growth.
- 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 voluntary reduce their costs which many were able to achieve.

The Revolving Building Fund, another major fund, reported a decrease in fund balance of \$220,000. Revenues decreased slightly (\$270,000 or 7.9%) due to \$ 300,000 grant received in FY 11 and not received in FY 12. Expenditures decreased \$365,000 in fiscal year 2012. The decrease in expenditures was the result of a decrease in capital outlay for a new shell building.

The non-major governmental funds fund balance increased by \$ 417,000. Most of the increase, \$ 774,000 was the result of capital project funds receiving general fund transfers to close out previously overspent funds and grant monies received. The gaming special revenue fund's fund balance fell \$319,000 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	\$ 22,172,284	\$ 58,851,497	\$ 322,750	\$ 81,346,531
Restricted for debt service	-	239,902	-	239,902
Unrestricted	1,443,418	(1,164,690)	1,241,746	1,520,472
Total net assets	\$ 23,615,702	\$ 57,926,709	\$ 1,564,496	\$ 83,106,905
Change in net assets during the year, increase (decrease)	\$ 1,558,495	\$ (963,486)	\$ (514,149)	\$ 80,858

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 \$1.3 million (includes other sources and uses) to a revised total of \$82.9 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- Budgets were increased during the year in order to account for \$ 304,000 used to finance an employee bonus program.
- The public safety budgets for juvenile review board increased \$103,000 for grant awards and capital equipment purchases were increased by \$ 703,000

Revenues exceeded budgetary estimates by \$643,000 and actual expenditures were less than budgetary estimates by \$1.2 million.

- The General Fund's property tax revenue exceeded budget by \$887,000, a variance of less than 1%.
- Income taxes exceeded the budget by \$1.8 million. The County's income tax collections continue to defy state and national trends with gains.
- Federal grants in the General Fund were \$431,000 above the estimated budget due to an increase in homeland security grant and ARC planning grant.
- General government expenditures had a favorable variance of \$1.2 million. The larger favorable variances were: financial administration - \$561,000 and general services - \$336,000. Almost all operating departments finished 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, 2012 was \$199.3 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 percent (a .5 percent increase for governmental activities and a 1 percent increase for business-type activities).

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

- Design and construction continued on the Bowman's Addition Phase 2 Water Project with a total cost incurred of nearly \$ 1.2 million during the fiscal year, both phases of this project are projected to have a total cost of \$5.6 million.
- Design and construction began on Ioka Basin project, with a cost of \$ 1.4 million during the fiscal year
- Construction completed on the Burbridge Building, which is a RBF project and total costs incurred was \$2.75 million.
- Major design and construction was completed on the Cresaptown Water System and Shades Lane Water System during the fiscal year at a cost of \$2.2 million,
- Purchase and installation of a new computer aided dispatch system was completed during the fiscal year at a cost of \$ 691 thousand.
- Purchase of installation of a new HVAC system for the County's Detention Center.

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 \$52.8 million. Governmental activities debt consists of \$14.2 million in general obligation bonds and \$11.8 million of debt incurred with creditors for which the full faith and credit of the County has also been

pledged. The \$26.8 million of debt for the business-type activities (revenue bonds) is either paid from revenues restricted for that purpose or by user fees.

ALLEGANY COUNTY'S OUTSTANDING DEBT
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation	\$ 14,215,926	\$ 17,861,152	\$ -	\$ -	\$ 14,215,926	\$ 17,861,152
Notes	8,502,021	8,895,326	-	-	8,502,021	8,895,326
Capital leases	74,090	131,177	-	-	74,090	131,177
State loans	3,199,049	3,697,419	15,246,646	16,376,437	18,445,695	20,073,856
Federal loans	-	-	11,206,194	8,980,950	11,206,194	8,980,950
Other loans	-	-	380,407	380,985	380,407	380,985
Total	\$ 25,991,086	\$ 30,585,074	\$ 26,833,247	\$ 25,738,372	\$ 52,824,333	\$ 56,323,446

Allegany County issued no general obligation debt and retired \$4.6 million during the current fiscal year as debt outstanding fell 15 percent. No debt was issued during the year for governmental activities.

Revenue debt in the amount of \$ 245,000 was incurred for the sewer districts to finish the upgrade of the George's Creek wastewater treatment plant to meet discharge requirements of the Maryland Department of the Environment and \$473,000 for Bedford Road sewer project. New debt for the water districts included \$624,000 for the Bowman's Addition project. \$ 2 million for the Cresaptown Water Project and \$46,602 for the Shades Lane 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 2012 for Allegany County was 8.3 percent, which was a decrease from a 9.0 percent rate for June 2011.
- Property assessments increased 5.0% from the previous fiscal year.

All of these factors were considered in preparing Allegany County's budget for the 2013 fiscal year.

During the current fiscal year, spendable fund balance in the general fund increased to \$16 million. 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 2013 fiscal year.

The sewer and water district minimum service charges were increased for the 2013 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.

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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, 2012

ASSETS:	Primary Government			Component Units			
	Governmental Activities		Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library
Current Assets:							
Cash	\$ 16,757,249	\$ 1,419,922	\$ 18,177,171	\$ 17,033,887	\$ 9,260,137	\$ 44,562	\$ 2,220,352
Investments	7,952,914	752,343	8,705,257	23,017,000	202,155	937,333	-
Property taxes receivable	4,822,373	-	4,822,373	-	-	-	-
Receivables:							
Accounts	-	2,057,447	2,057,447	4,177,904	778,679	7,520	260,753
Other	5,833,598	710,824	6,544,422	4,850	1,718,784	-	740,168
Internal balances	809,681	(809,681)	-	-	-	-	-
Inventory	64,981	65,801	130,782	186,820	412,674	-	237,798
Prepaid expenses	453	-	453	-	258,416	2,115	17,765
Deferred charges	59,910	-	59,910	-	-	-	-
Miscellaneous	46,106	-	46,106	-	-	-	582,014
Restricted Assets:							
Cash	43,938	85,222	129,160	-	335,421	-	22,385
Investments	-	-	-	-	10,078,871	-	-
Taxes - receivable	-	150,191	150,191	-	-	-	-
Receivables	-	89,711	89,711	-	-	-	-
Total current assets	36,391,203	4,521,780	40,912,983	44,420,461	23,045,137	991,530	4,081,235
Non-current Assets:							
Other receivables	-	-	-	-	-	-	-
Land	21,320,090	192,532	21,512,622	4,067,394	1,697,465	-	226,385
Work In Progress	2,204,724	8,542,020	10,746,744	256,290	-	-	13,030
Other non-depreciable assets	-	-	-	297,906	102,368	-	-
Capital assets subject to depreciation/amortization	135,366,542	153,290,781	288,657,323	177,051,957	58,779,347	8,090,903	25,197,675
Accumulated depreciation	(67,772,222)	(53,845,557)	(121,617,779)	(90,448,393)	(26,433,324)	(4,842,538)	(10,617,794)
Total non-current assets	91,119,134	108,179,776	199,298,910	91,225,154	34,145,856	3,248,365	14,819,296
Total Assets	127,510,337	112,701,556	240,211,893	135,645,615	57,190,993	4,239,895	18,900,531
LIABILITIES:							
Current Liabilities:							
Accounts payable	2,351,456	1,228,149	3,579,605	7,974,445	456,288	36,179	211,258
Accrued wages payable	691,479	51,285	742,764	3,955,873	733,927	45,284	-
Accrued fringe benefits payable	298,882	24,729	323,611	-	188,426	-	-
Accrued interest	261,955	93,844	355,799	-	-	-	22,634
Current portion of long-term debt:							
Bonds and loans	3,919,512	1,251,384	5,170,896	-	159,519	-	108,822
Capital leases	38,010	-	38,010	-	49,465	-	-
Compensated absences	739,376	53,214	792,590	142,469	107,887	-	-
Due to Agency Fund	195,891	-	195,891	-	-	-	-
Due to Trust Fund	319,426	-	319,426	-	-	-	-
Unearned revenue	-	-	-	2,765,280	512,470	-	-
Accrued health claims	-	-	-	7,364,207	426,831	-	-
Miscellaneous liabilities	842,647	187,526	1,030,173	1,884,312	281,904	-	22,385
Total current liabilities	9,658,634	2,890,131	12,548,765	24,086,586	2,916,717	81,463	365,099
Non-current liabilities:							
Cash advance due general fund	(1,200,000)	1,200,000	-	-	-	-	-
Bonds and loans	21,997,484	25,201,455	47,198,939	-	2,686,011	-	3,570,856
Capital leases	36,080	-	36,080	-	175,083	-	-
Termination benefits	-	-	-	-	326,577	38,137	-
Compensated absences	3,202,002	303,065	3,505,067	2,518,285	-	54,175	-
Total non-current liabilities	24,035,566	26,704,520	50,740,086	2,518,285	3,187,671	92,312	3,570,856
Total Liabilities	33,694,200	29,594,651	63,288,851	26,604,871	6,104,388	173,775	3,935,955
NET ASSETS							
Invested in capital assets net of related debt	82,834,048	81,346,531	164,180,579	90,927,248	31,129,943	3,248,365	11,139,618
Restricted for:							
Public safety	611,203	-	611,203	-	-	-	-
Highways	663,130	-	663,130	-	-	-	-
Education	138,454	-	138,454	-	-	-	-
Community development & housing	200,656	-	200,656	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital projects	307,970	-	307,970	5,557,582	-	-	-
Other purposes	-	239,902	239,902	284,280	11,371,363	540,571	-
Unrestricted	9,060,676	1,520,472	10,581,148	12,271,634	8,585,299	277,184	3,824,958
Total Net Assets	\$ 93,816,137	\$ 83,106,905	\$ 176,923,042	\$ 109,040,744	\$ 51,086,605	\$ 4,066,120	\$ 14,964,576

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, 2012

Functions/Programs	Expenses		Expenses		Program Revenues		
	Before Indirect Expense Allocation	Indirect Expense Allocation	After Indirect Expense Allocation	Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:							
Governmental activities:							
General government:	\$ 9,786,240	\$ (510,473)	\$ 9,275,767	\$ 378,757	\$ 377,763	\$ -	\$ -
Payment to data processing	358,754	-	358,754	-	-	-	-
Public safety	16,887,997	-	16,887,997	1,394,969	1,465,789	-	1,115,623
Public works	12,497,981	67,716	12,565,697	931,374	1,146,340	-	6,951
Health	2,279,912	-	2,279,912	-	14,777	-	-
Social services	1,682,412	-	1,682,412	38,979	119,569	-	-
Education:	562,642	-	562,642	-	-	-	-
Payment to public school system	28,240,000	-	28,240,000	-	-	-	-
Payment to community college	7,425,000	-	7,425,000	-	-	-	-
Recreation, culture & libraries:	868,620	-	868,620	337,589	155,872	-	-
Payment to public library system	905,000	-	905,000	-	-	-	-
Conservation of natural resources	201,107	-	201,107	24,544	-	-	-
Community development and housing	884,528	-	884,528	-	784,123	-	-
Economic development	2,879,427	-	2,879,427	3,458,473	59,373	-	1,647,794
Interest on long term debt	1,290,789	-	1,290,789	-	-	-	-
Total governmental activities	<u>\$ 86,750,409</u>	<u>(442,757)</u>	<u>86,307,652</u>	<u>6,564,685</u>	<u>4,123,606</u>	<u>-</u>	<u>2,770,368</u>
Business-type activities:							
Water	3,880,494	138,370	4,018,864	3,646,217	-	-	1,840,231
Sewer	8,181,410	304,387	8,485,797	5,411,747	-	-	707,614
Other funds	749,976	-	749,976	255,457	-	-	-
Total business-type activities	<u>12,811,880</u>	<u>442,757</u>	<u>13,254,637</u>	<u>9,313,421</u>	<u>-</u>	<u>-</u>	<u>2,547,845</u>
Total primary government	<u><u>\$ 99,562,289</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 99,562,289</u></u>	<u><u>\$ 15,878,106</u></u>	<u><u>\$ 4,123,606</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,318,213</u></u>
Component units:							
Board of Education			\$ 127,909,308	\$ 2,205,154	\$ 14,759,743	\$ 1,700,943	
Allegany College of Md.			36,835,125	13,253,011	17,853,681	629,930	
County Library			2,058,673	76,903	132,884	-	
LaVale Sanitary Commission			4,229,291	3,047,353	-	-	1,257,765
Total component units			<u>\$ 171,032,397</u>	<u>\$ 18,582,421</u>	<u>\$ 32,746,308</u>	<u>\$ 3,588,638</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

 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, 2012

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Board of Education	Allegany College of MD	County Library	LaVale Sanitary Commission
\$ (8,519,247)	\$ -	\$ (8,519,247)	\$ -	\$ -	\$ -	\$ -
(358,754)	-	(358,754)	-	-	-	-
(12,911,616)	-	(12,911,616)	-	-	-	-
(10,481,032)	-	(10,481,032)	-	-	-	-
(2,265,135)	-	(2,265,135)	-	-	-	-
(1,523,864)	-	(1,523,864)	-	-	-	-
(562,642)	-	(562,642)	-	-	-	-
(28,240,000)	-	(28,240,000)	-	-	-	-
(7,425,000)	-	(7,425,000)	-	-	-	-
(375,159)	-	(375,159)	-	-	-	-
(905,000)	-	(905,000)	-	-	-	-
(176,563)	-	(176,563)	-	-	-	-
(100,405)	-	(100,405)	-	-	-	-
2,286,213	-	2,286,213	-	-	-	-
(1,290,789)	-	(1,290,789)	-	-	-	-
(72,848,993)	-	(72,848,993)	-	-	-	-
-	1,467,584	1,467,584	-	-	-	-
-	(2,366,436)	(2,366,436)	-	-	-	-
-	(494,519)	(494,519)	-	-	-	-
-	(1,393,371)	(1,393,371)	-	-	-	-
(72,848,993)	(1,393,371)	(74,242,364)	-	-	-	-
-	-	-	(109,243,468)	-	-	-
-	-	-	-	(5,098,503)	-	-
-	-	-	-	-	(1,848,886)	-
-	-	-	(109,243,468)	(5,098,503)	(1,848,886)	75,827
41,271,372	996,575	42,267,947	-	-	-	567,611
24,657,767	-	24,657,767	-	-	-	496,190
2,965,592	-	2,965,592	-	-	-	-
415,086	-	415,086	28,240,000	7,425,000	905,000	-
7,359,609	-	7,359,609	77,660,395	-	748,218	-
1,163,443	175,200	1,338,643	166,675	38,675	38,446	6,509
81,820	5,924	87,744	(2,137)	-	-	-
191,234	129,278	320,512	372,117	260,607	-	1,238
(167,252)	167,252	-	-	-	2,796	-
77,938,671	1,474,229	79,412,900	106,439,187	7,722,145	1,694,460	1,071,548
5,089,678	80,858	5,170,536	(2,804,281)	2,623,642	(154,426)	1,147,375
88,726,459	83,026,047	171,752,506	111,845,025	48,462,963	4,220,546	13,817,201
\$ 93,816,137	\$ 83,106,905	\$ 176,923,042	\$ 109,040,744	\$ 51,086,605	\$ 4,066,120	\$ 14,964,576

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, 2012

ASSETS:	General Fund	Revolving Building Fund	Other Governmental Funds	Total
Cash	\$ 16,756,099	\$ -	\$ 1,150	\$ 16,757,249
Cash -restricted	-	-	43,938	43,938
Investments	4,733,689	-	3,219,225	7,952,914
Property tax receivable	4,958,373	-	-	4,958,373
Receivables				
Notes and loans	-	-	435,725	435,725
Other receivables	3,318,511	234,182	1,247,432	4,800,125
Due from other funds	-	5,169,762	2,072,657	7,242,419
Advances to other funds	1,200,000	-	-	1,200,000
Inventory	-	-	64,981	64,981
Prepays	453	-	-	453
Miscellaneous assets	46,106	-	-	46,106
Total Assets	\$ 31,013,231	\$ 5,403,944	\$ 7,085,108	\$ 43,502,283

LIABILITIES AND FUND BALANCES:

Liabilities:				
Accounts payable	\$ 1,604,276	\$ 143,575	\$ 603,607	\$ 2,351,458
Accrued payroll	657,335	947	33,197	691,479
Accrued payroll fringe	280,475	842	17,565	298,882
Due to other funds	5,754,526	-	1,193,529	6,948,055
Amounts held in escrow	544,899	-	141,520	686,419
Deferred revenue	4,126,927	-	435,725	4,562,652
Miscellaneous liabilities	153,728	2,500	-	156,228
Total Liabilities	\$ 13,122,166	\$ 147,864	\$ 2,425,143	\$ 15,695,173
Fund Balances:				
Nonspendable	1,200,453	-	-	1,200,453
Restricted	129,902		1,719,061	1,848,963
Committed		5,256,080	202,352	5,458,432
Assigned	881,313		2,695,550	3,576,863
Unassigned	15,679,397	-	43,002	15,722,399
Total Fund Balances	\$ 17,891,065	\$ 5,256,080	\$ 4,659,965	\$ 27,807,110
Total Liabilities and Fund Balances	\$ 31,013,231	\$ 5,403,944	\$ 7,085,108	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	91,119,138
Other long -term assets are not available to pay current -period expenditures and are deferred in the funds.	521,657
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(29,932,464)
Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds.	4,300,696
Net assets of governmental activities	\$ 93,816,137

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, 2012

REVENUES:	General Fund	Revolving Building Fund	Other Governmental Funds	Total
Taxes:				
Property taxes	\$ 42,049,578	\$ -	\$ -	\$ 42,049,578
Income taxes	24,854,127	-	-	24,854,127
Other local taxes	2,947,573	-	505,643	3,453,216
Licenses and permits	659,513	-	-	659,513
Intergovernmental:				
Federal	984,571	-	2,633,400	3,617,971
State	8,033,142	-	648,841	8,681,983
Other	514,765	-	-	514,765
Service charges	1,771,378	-	461,221	2,232,599
Fines and forfeitures	49,523	-	92,367	141,890
Interest	109,812	-	11,858	121,670
Miscellaneous	416,635	3,134,841	93,217	3,644,693
Total Revenues	82,390,617	3,134,841	4,446,547	89,972,005
EXPENDITURES:				
Current:				
General government	8,482,949	-	139,147	8,622,096
Public safety	15,565,949	-	544,222	16,110,171
Public works	9,541,835	-	1,955,008	11,496,843
Health and Hospitals	425,309	-	-	425,309
Social Services	1,497,113	-	-	1,497,113
Education	23,761	-	-	23,761
Recreation, culture and libraries	712,577	-	-	712,577
Conservation of natural resources	201,090	-	-	201,090
Community Development and Housing	74,141	-	796,700	870,841
Economic development	1,355,474	1,904,919	-	3,260,393
Miscellaneous	25,839	-	1,250	27,089
Appropriation to other governments	1,245,199	-	-	1,245,199
Payments to component units	36,928,754	-	-	36,928,754
Debt Service:				
Principal	-	-	4,593,988	4,593,988
Interest	-	-	1,271,904	1,271,904
Capital Outlay:				
General government	-	-	284,171	284,171
Public safety	-	-	684,710	684,710
Public works	-	-	226,244	226,244
Education	-	-	-	-
Recreation, culture and libraries	-	-	6,326	6,326
Economic development	-	-	-	-
Miscellaneous	-	-	1,552	1,552
Payments to component units	-	-	538,881	538,881
Total Expenditures	76,079,990	1,904,919	11,044,103	89,029,012
Excess (deficiency) of revenues over (under) expenditures	6,310,627	1,229,922	(6,597,556)	942,993
OTHER FINANCING SOURCES (USES):				
Transfers in	75,759	-	7,217,561	7,293,320
Transfers out	(5,734,994)	(1,523,306)	(202,274)	(7,460,574)
Debt issued	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	14,541	70,230	-	84,771
Total Other Financing Sources and uses	(5,644,694)	(1,453,076)	7,015,287	(82,483)
Net change in fund balances	665,933	(223,154)	417,731	860,510
Fund balance, beginning	17,225,132	5,479,234	4,242,234	26,946,600
Fund balance, ending	\$ 17,891,065	\$ 5,256,080	\$ 4,659,965	\$ 27,807,110

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, 2012

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) \$ 860,510

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	\$ 2,362,598	
Depreciation	<u>(4,032,004)</u>	(1,669,406)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (2,259)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 1,510,067

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>4,593,988</u>	4,583,404

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. (192,638)

Change in net assets of governmental activities (pages C6-C7) \$ 5,089,678

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, 2012

ASSETS	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
Current Assets:				
Cash:				
Cash	\$ -	\$ 1,419,922	\$ -	\$ 1,419,922
Cash - restricted	-	85,222	-	85,222
Investments	203,363	548,980	-	752,343
Receivables:				
Accounts (net)	861,900	1,118,365	77,182	2,057,447
Taxes - restricted	-	150,191	-	150,191
Accounts (net) - restricted	-	89,711	-	89,711
Other	37,345	673,479	-	710,824
Due from other funds	1,015,414	5,973,144	788,586	7,777,144
Prepaid expenses	-	-	-	-
Inventory	-	65,801	-	65,801
Total current assets	2,118,022	10,124,815	865,768	13,108,605
Non-current Assets:				
Other receivables	-	-	380,408	380,408
Land	125,250	67,282	-	192,532
Construction in Progress	4,016,234	4,525,786	-	8,542,020
Capital assets subject to depreciation	36,368,714	113,084,444	3,837,625	153,290,783
Accumulated depreciation	(10,386,514)	(39,944,168)	(3,514,875)	(53,845,557)
Total noncurrent assets	30,123,684	77,733,344	703,158	108,560,186
Total Assets	32,241,706	87,858,159	1,568,926	121,668,791
LIABILITIES				
Current Liabilities:				
Accounts payable	247,204	976,515	4,430	1,228,151
Accrued payroll	-	51,285	-	51,285
Accrued payroll fringe	-	24,729	-	24,729
Accrued interest	27,400	66,444	-	93,844
Current portion of long-term debt				
Revenue debt:				
Bonds and loans	138,349	1,113,035	-	1,251,384
Other loans	18,358	419	-	18,777
Compensated absences	-	53,214	-	53,214
Due to other funds	-	8,586,825	-	8,586,825
Miscellaneous liabilities	-	187,526	-	187,526
Total current liabilities	431,311	11,059,992	4,430	11,495,735
Noncurrent Liabilities:				
Cash advance due to General Fund	400,000	800,000	-	1,200,000
Long term debt:				
Revenue debt:				
Bonds and loans	7,450,313	17,751,142	-	25,201,455
Other loans	344,380	17,251	-	361,631
Compensated absences	-	303,065	-	303,065
Total noncurrent liabilities	8,194,693	18,871,458	-	27,066,151
Total Liabilities	8,626,004	29,931,450	4,430	38,561,886
NET ASSETS				
Invested in capital assets, net of related debt	22,172,284	58,851,497	322,750	81,346,531
Restricted for debt service	-	239,902	-	239,902
Unrestricted	1,443,418	(1,164,690)	1,241,746	1,520,472
Total Net Assets	\$ 23,615,702	\$ 57,926,709	\$ 1,564,496	\$ 83,106,905

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, 2012

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
OPERATING REVENUES:				
Service charges	\$ 3,646,217	\$ 5,411,747	\$ 255,457	\$ 9,313,421
Miscellaneous	1,762	10,545	8,625	20,932
Total Operating Revenues	3,647,979	5,422,292	264,082	9,334,353
OPERATING EXPENSES:				
Salaries	303,938	772,699	-	1,076,637
Employee benefits	172,090	423,984	-	596,074
Office expenses	2,132	78,484	11,043	91,659
Utilities	2,180,166	374,440	5,227	2,559,833
Repairs & maintenance	137,433	342,876	36,640	516,949
Contractual services	-	39,938	-	39,938
Treatment costs	-	2,672,625	-	2,672,625
Professional services	1,294	25,673	92,823	119,790
Materials and supplies	24,556	481,880	-	506,436
Insurance	316	143,082	7,347	150,745
Indirect cost	138,371	304,387	-	442,758
Miscellaneous	-	13,864	290	14,154
Depreciation	823,060	2,490,000	596,606	3,909,666
Total operating expenses	3,783,356	8,163,931	749,976	12,697,264
Operating Income (Loss)	(135,377)	(2,741,639)	(485,894)	(3,362,911)
NON-OPERATING REVENUE (EXPENSES):				
Real and personal property taxes	-	987,893	-	987,893
Interest & penalties on taxes	-	36,506	-	36,506
Discounts on taxes	-	(4,854)	-	(4,854)
Enterprise/industrial exemptions	-	282	-	282
Collection fees	-	(23,252)	-	(23,252)
Front footage assessments	-	103,893	-	103,893
Interest income	60,505	112,571	2,124	175,200
Interest income, debt service	-	4,453	-	4,453
Interest expense	(235,508)	(321,865)	-	(557,373)
Gain (Loss) on sale of capital assets	-	5,924	-	5,924
Total non-operating revenue (expenses)	(175,003)	901,551	2,124	728,672
Income (Loss) before contributions				
and transfers	(310,380)	(1,840,087)	(483,770)	(2,634,239)
Capital contributions:				
Federal grants	1,514,019	582,676	-	2,096,695
State grants	326,212	106,911	-	433,123
Other	-	18,027	-	18,027
Transfers:				
Transfers in	28,644	168,987	-	197,631
Transfers out	-	-	(30,379)	(30,379)
Change in net assets	1,558,495	(963,486)	(514,149)	80,858
Total net assets - beginning	22,057,207	58,890,195	2,078,645	83,026,047
Total net assets - ending	\$ 23,615,702	\$ 57,926,709	\$ 1,564,496	\$ 83,106,905

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, 2012

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
Cash flows from operating activities:				
Cash received from customers	\$ 3,620,088	\$ 4,860,224	\$ 322,000	\$ 8,802,312
Cash payments for goods and services	(2,466,098)	(4,372,957)	(167,384)	(7,006,439)
Cash payments to employees for services	(476,028)	(1,201,023)	-	(1,677,051)
Other operating revenues	1,762	10,853	8,625	21,240
Net cash provided (used) by operating activities	<u>679,724</u>	<u>(702,903)</u>	<u>163,241</u>	<u>140,062</u>
Cash flows from noncapital financing activities:				
Advances from other funds	9,075,702	25,688,726	235,621	35,000,049
Advances to other funds	(10,701,394)	(23,460,382)	(314,590)	(34,476,366)
Transfers from other funds	28,644	168,987	-	197,631
Transfers to other funds	-	-	(30,379)	(30,379)
Net cash provided (used) by noncapital financing activities	<u>(1,597,048)</u>	<u>2,397,331</u>	<u>(109,348)</u>	<u>690,935</u>
Cash flows from capital and related financing activities:				
Proceeds from capital debt	2,636,002	473,000	-	3,109,002
Acquisition and construction of capital assets	(3,271,486)	(2,294,306)	(56,017)	(5,621,809)
Principal paid on capital debt	(112,458)	(867,686)	-	(980,144)
Interest paid on capital debt	(234,691)	(309,717)	-	(544,408)
Proceeds from sale of assets	-	5,924	-	5,924
Grant revenues	1,840,231	861,280	-	2,701,511
Debt fees	-	1,111,484	-	1,111,484
Net cash used for capital and related financing activities	<u>857,598</u>	<u>(1,020,021)</u>	<u>(56,017)</u>	<u>(218,440)</u>
Cash flows from investing activities:				
Purchase of investments	(406,321)	(1,880,130)	-	(2,286,451)
Sale of investments	405,411	1,878,556	-	2,283,967
Interest on investments	60,635	112,756	2,124	175,515
Net cash used in investing activities	<u>59,725</u>	<u>111,182</u>	<u>2,124</u>	<u>173,031</u>
Net increase (decrease) in cash	(0)	785,589	-	785,589
Cash at beginning of the year	-	719,555	-	719,555
Cash at end of year	<u>\$ (0)</u>	<u>\$ 1,505,144</u>	<u>\$ -</u>	<u>\$ 1,505,144</u>
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (135,377)	\$ (2,741,639)	\$ (485,894)	\$ (3,362,910)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	823,060	2,490,000	596,606	3,909,666
Provision for uncollectible accounts	39,400	(225,242)	-	(185,842)
Change in assets & liabilities:				
(Increase) decrease in receivables	(65,529)	(325,974)	66,833	(324,670)
(Increase) decrease in inventory	-	517	-	517
(Increase) decrease in prepaids	-	-	-	-
Increase (decrease) in accts payable	18,170	103,775	(14,304)	107,641
Increase (decrease) in accrued payroll	-	(4,340)	-	(4,340)
Total adjustments	<u>815,101</u>	<u>2,038,736</u>	<u>649,135</u>	<u>3,502,972</u>
Net cash provided (used) by operating activities	<u>\$ 679,724</u>	<u>\$ (702,903)</u>	<u>\$ 163,241</u>	<u>\$ 140,062</u>

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
AGENCY FUND
JUNE 30, 2012

ASSETS:	Agency Fund
Cash in custody of others	
Taxes levied for State:	
Taxes receivable - State	\$ 481,642
Bay restoration fee	161,830
Other receivables	2
Taxes levied for Special Areas:	
Lonaconing, Town of	\$ 21,344
Midland, Town of	5,888
Westernport, Town of	60,364
Cumberland differential	738
Bel Air Special Tax Area	1,792
Bowling Green Fire Co.	4,236
Bedford Road Fire Co.	5,613
Bowling Green Special Tax Area	3,549
Cresaptown Ambulance	13,168
Cresaptown Civic Imp. Assoc.	3,839
Cresaptown Fire Co.	15,156
Corriganville Light & Imp.	2,244
Ellerslie Special Tax Area	1,376
LaVale Volunteer Fire Dept.	13,733
LaVale Rescue Squad	6,871
LaVale Sanitary District	42,350
McCoole Special Tax Area	737
Moscow Light	616
Mt. Savage Special Tax Area	1,892
Potomac Park Special Tax Area	1,947
Rawlings Fire Co.	4,569
Sub-total special areas	212,022
Due from other funds	195,891
Total Assets	<u>\$ 1,051,387</u>

LIABILITIES:	
Accounts payable	\$ 195,893
A/P Special Areas	212,022
Taxes payable - State	481,642
A/P Bay restoration fee	161,830
Total Liabilities	<u>\$ 1,051,387</u>

NET ASSETS	
Held in trust for pension benefits	

Total Liabilities and Net Assets

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Health Insurance Trust Fund	Fire and Rescue Pension Trust
	Length of Service Award Program Fund	Length of Service Award Program Fund
ASSETS:		
Investments	\$ 1,404,693	\$ 622,406
Accounts receivable	330	
Due from other funds	319,426	
Hospital deposit	213,000	
Total Assets	1,937,449	622,406
LIABILITIES:		
Accounts payable	211,232	
Health claim reserves	716,294	
Other Liabilities	154,401	
Total Liabilities	1,081,927	-
NET ASSETS:		
Held in Trust for benefit payments	\$ 855,522	\$ 622,406

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	Health Insurance Trust Fund	Fire and Rescue Pension Trust
	Length of Service Award Program Fund	Length of Service Award Program Fund
ADDITIONS:		
Contributions:		
Employer contributions	\$ 7,476,132	\$ 600,000
Employee contributions	523,159	
Total contributions	7,999,291	600,000
Other additions:		
Interest	5,450	23,406
Insurance proceeds	-	
Miscellaneous	-	
Total other additions	5,450	23,406
Total additions	8,004,741	623,406
DEDUCTIONS:		
Benefits	7,219,965	
Administrative expenses	833,062	1,000
Total deductions	8,053,027	1,000
Change in net assets	(48,286)	622,406
Net assets - beginning	903,808	
Net assets - ending	\$ 855,522	\$ 622,406

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

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**Notes
to the
Financial Statements**

June 30, 2012

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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies

A. Introduction

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

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

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

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

B. Reporting Entity

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012

Note 1. Summary of Significant Accounting Policies - continued

C. *Government-wide and Fund Financial Statements*

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

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the year-end and a 90-day availability period is used for all other general fund revenues. Other major revenue sources subject to accrual are income taxes, federal and state grants and service charges. All other governmental funds use a 90 day availability period for revenue recognition except for transit operations which uses a 120 day accrual period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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 majority of revenue is derived from operating leases.

The government reports the following major proprietary funds:

The Water Districts Fund accounts for the activities of nineteen 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, 2012

Note 1. Summary of Significant Accounting Policies - continued

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

Additionally, the government reports the following fund types:

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

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

The Fire & Rescue Pension Trust Length of Service Award Program Fund which accounts for activities which provides retirement benefits to fire & rescue volunteers.

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 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, 2012

Note 1. Summary of Significant Accounting Policies - continued

E. Assets, liabilities, and net assets or equity

1. Deposits and investments

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

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

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

2. Receivables and payables

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

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

All trade receivables of the enterprise funds are shown net of an allowance for uncollectibles. The allowance accounts for trade accounts receivable for the water and sewer funds are comprised of 50% of the balance six to nine months of age and 100% of account balances in excess of nine months. The allowance 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, 2012

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 2012 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9820	2.4550
Barton	.9038	2.2595
Cumberland	.8519	2.1297
Frostburg	.8579	2.1447
Lonaconing	.8834	2.2085
Luke	.8799	2.1997
Midland	.9038	2.2595
Westernport	.8854	2.2135

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, 2012

Note 1. Summary of Significant Accounting Policies - continued

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

4. Restricted assets

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

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,000 (\$50,000 for infrastructure assets) and an estimated useful life of two years or more. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies - continued

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

6. Compensated absences

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

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

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

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

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

At June 30, 2012, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 739,376	\$ 3,202,002	\$ 3,941,378
Sanitary Districts	53,214	303,065	356,279
	<hr/> <u>\$ 792,590</u>	<hr/> <u>\$ 3,505,067</u>	<hr/> <u>\$ 4,297,657</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 1. Summary of Significant Accounting Policies - continued

7. Long-term obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For debt acquired after July 1, 2003, bond premiums and discounts, as well as issuance costs, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable will be reported net of the applicable bond premium or discount. All debt acquired after July 1, 2003 has been private placement debt and as a result has not resulted in any premium or discount. Bond issuance costs will be reported as deferred charges and amortized over the term of the related debt.

8. 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. Funds were committed in accordance with Resolution # 87-12 and # 11-16
- 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, 2012

Note 1. Summary of Significant Accounting Policies - continued

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

- 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 \$29,932,464 are as follows:

Bonds payable	\$14,215,926
Notes payable	8,502,021
State loans	3,199,049
Capital leases	74,090
Compensated absences	<u>3,941,378</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$29,932,464</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

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 \$(1,669,406) difference are as follows:

Capital outlay	\$2,362,598
Depreciation expense	<u>(4,032,004)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>(\$1,669,406)</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 -\$ 2,259 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.	\$0
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>(\$2,259)</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, 2012

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

The details of this \$4,583,404 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	4,536,901
Lease payments	<u>57,087</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$4,583,404</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 (\$192,638) difference are as follows:

Compensated absences	(\$173,753)
Accrued interest adjustment, net	<u>(18,885)</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>(\$192,638)</u>

Note 3. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 3. Stewardship, Compliance, and Accountability - continued

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 2012 were increased by \$1.3 million primarily due to using fund balance in the amount of \$304,000 to finance an employee bonus program. Other major budget changes were \$703,000 was used to pay for capital equipment purchases and \$103,000 for various state grants received during the fiscal year.
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, 2012

Note 3. Stewardship, Compliance, and Accountability - continued

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2012, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Transit Fund	\$44,272
Block Grant Fund	12,577
Community Development & Housing Fund	784,123
Drug Task Force Fund	37,486
Gaming Fund	756,699
Public Improvement Bond Fund	250,343

- The Transit Fund excess expenditures over budget were funded by general fund transfer.
- The expenditures over budget in the Block Grant Fund were funded by revenues that were not budgeted.
- 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 general fund transfer.
- 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, 2012, no governmental funds had a deficit fund balance.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2012, 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	\$ 8,705,257	\$ 63,569	\$ 5,966,688	\$ 2,675,000	\$ -
Employee Benefit Trust Fund	1,404,693	-	1,404,693	-	-
Certificates of Deposit	\$10,109,950	\$ 63,569	\$ 7,371,381	\$ 2,675,000	\$ -
Fire & Rescue Pension Trust LOSAP Fund	\$ 622,406	\$ 622,406	\$ -	\$ -	-
Group Annuity Fixed	\$ 622,406	\$ 622,406	\$ -	\$ -	-

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. Allegany County has no policy relating to the credit risk of investments.

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, 2012

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units:

Allegany County Board of Education

Cash deposits – At year-end, the carrying amount of the Board's, not including it's component units, deposits was \$18,211,022 and the bank balances were \$19,136,439. Of the bank balances, \$869,416 was covered by depository insurance; \$18,267,023 was covered by collateral held at various banks in the Board's name.

Investments - As of June 30, 2012, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
	Less than		6-12		More than
	Total	1	1-6	12	
Certificates of Deposit	\$ 27,614,576	\$ 15,042	\$ 11,123,231	\$ 16,065,600	\$ 410,703
	<u>\$ 27,614,576</u>	<u>\$ 15,042</u>	<u>\$ 11,123,231</u>	<u>\$ 16,065,600</u>	<u>\$ 410,703</u>

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2012, the carrying amount of the Library's deposits was \$44,562.

Custodial credit risk for deposits is the risk that in the event of a bank failure the Library's deposits may not be returned of the Library will not recover collateral securities in the possession of an outside party. The Library's policy requires deposits with financial institutions to be fully secured by collateral. The Library's cash balances at financial institutions at June 30, 2012 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2012, the Library had the following investments and maturities:

Investment Type	Investment Maturity					Credit Rating	
	Less than		Over		One Year		
	Total	90 Days	90 Days to One Year	One Year			
U.S. Treasury Bonds	\$ 19,620	\$ -	\$ 19,620	\$ -	\$ -	N/A	
Other Federal Government Obligations	437,049	-	-	-	437,049	N/A	
Investment in MD Local Government Fund Pool	480,664	480,664	-	-	-	N/A	
	<u>\$ 937,333</u>	<u>\$ 480,664</u>	<u>\$ 19,620</u>	<u>\$ 437,049</u>			

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units:

Allegany County Library System (Continued)

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

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

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

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

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$2,224,587. 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, 2012

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 \$ 248,682. 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	806,565	806,565		-
Maryland Local Government				
Investment Pool	7,604,317	7,604,317		-
	<u>\$ 8,613,037</u>	<u>\$ 8,410,882</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, 2012 was \$4,958,373 (before an allowance of \$136,000) of which \$3,267,076 were current year's taxes receivable and the balance of \$1,691,297 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:

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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:

Governmental Activities:	General Fund	RBF Fund	Non-major Governmental Funds	Total
Receivables:				
Interest	\$ 1,409	\$ -	\$ 1,042	\$ 2,451
Income taxes	2,362,341	-	-	2,362,341
Other taxes	503,318	-	11,972	515,290
Current:				
Accrued revenues	817,396	234,182	1,450,185	2,501,763
Loans, notes	-	4,600	-	4,600
Leases, capital	-	-	-	-
Long-term:				
Accrued revenues	-	-	-	-
Loans, notes	-	11,428	435,725	447,153
Leases, capital	-	-	-	-
Total receivables	\$ 3,684,464	\$ 250,210	\$ 1,898,924	\$ 5,833,598

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	\$ 82	\$ 572	\$ -	\$ 654
Accounts, other	20,296	672,907	-	693,203
Accounts, trade	1,016,100	1,350,683	41,047	2,407,830
Less allowance	(137,233)	(232,318)	-	(369,551)
Net accounts, trade	878,867	1,118,365	41,047	2,038,279
Accounts, restricted	-	248,723	-	248,723
Less allowance	-	(8,821)	-	(8,821)
Net accounts, restricted	-	239,902	-	239,902
Loans	-	-	386,135	386,135
Less allowance	-	-	(350,000)	(350,000)
Net loans	-	-	36,135	36,135
Total receivables	\$ 899,245	\$ 2,031,746	\$ 77,182	\$ 3,008,173

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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
2013	\$ -	\$ -	\$ -	\$ 3,180,265
2014	-	-	-	3,101,115
2015	-	-	-	3,109,669
2016	-	-	-	2,985,226
2017	-	-	-	2,777,716
2018-	-	-	-	1,168,524
Totals	\$ -	\$ -	\$ -	\$ 16,322,515

The net book value of buildings with operating leases at June 30, 2012 is \$12,380,467.

Unearned Revenue:

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	\$ 4,126,927
Long term housing loans receivable	435,725
	<u>\$ 4,562,652</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2012:

Entity	Source of funds	Balance June 30, 2012
County Loan Fund loans:		
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	\$ 250,000
YMCA	General Fund	100,000
Paving project	General Fund	5,683
Upper Potomac Industrial Park flood wall loans	General Fund	22,367
County loans		8,085
Allowance for doubtful accounts		(350,000)
Sub-total		\$ 36,135
Allconet II Fund loans:		
TWR loan	General Fund	41,047
Total		
Total		\$ 77,182

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, 2012

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2012 for the primary government was as follows:

Primary Government: Governmental activities:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 21,320,090	\$ -	\$ -	\$ -	\$ 21,320,090
Work in Progress	4,338,091	2,170,764	(429,468)	(3,874,663)	2,204,724
Total capital assets not being depreciated:	<u>25,658,181</u>	<u>2,170,764</u>	<u>(429,468)</u>	<u>(3,874,663)</u>	<u>23,524,814</u>
Capital assets, being depreciated:					
Buildings	57,739,384	2,178,400	-	3,183,344	63,101,128
Infrastructure	47,760,690	8,297	-	-	47,768,987
Furniture & Fixtures	979,203	10,450	-	-	989,653
Equipment	8,528,020	252,724	-	691,319	9,472,063
Vehicles	9,306,669	272,608	(368,690)	-	9,210,587
Heavy Equipment	3,849,720	77,221	(27,438)	-	3,899,503
Other Capital Assets	924,623	-	-	-	924,623
Total capital assets, being depreciated:	<u>129,088,309</u>	<u>2,799,700</u>	<u>(396,128)</u>	<u>3,874,663</u>	<u>135,366,544</u>
Less accumulated depreciation for:					
Buildings	(18,208,643)	(1,929,891)	-	-	(20,138,534)
Infrastructure	(28,524,826)	(731,822)	-	-	(29,256,648)
Furniture & Fixtures	(641,704)	(52,255)	-	-	(693,959)
Equipment	(5,833,923)	(595,008)	-	-	(6,428,931)
Vehicles	(7,085,784)	(573,026)	366,431	-	(7,292,379)
Heavy Equipment	(3,327,138)	(136,270)	27,438	-	(3,435,970)
Other Capital Assets	(512,070)	(13,733)	-	-	(525,803)
Total accumulated depreciation	<u>(64,134,088)</u>	<u>(4,032,005)</u>	<u>393,869</u>	<u>-</u>	<u>(67,772,224)</u>
Total capital assets, being depreciated, net:	<u>64,954,221</u>	<u>(1,232,305)</u>	<u>(2,259)</u>	<u>3,874,663</u>	<u>67,594,320</u>
Governmental activities capital assets, net	<u>\$ 90,612,402</u>	<u>\$ 938,459</u>	<u>\$ (431,727)</u>	<u>\$ -</u>	<u>\$ 91,119,134</u>

Primary Government: Business-type activities:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 192,532	\$ -	\$ -	\$ -	\$ 192,532
Work in Progress	5,811,108	5,225,962	-	(2,495,050)	8,542,020
Total capital assets not being depreciated:	<u>6,003,640</u>	<u>5,225,962</u>	<u>-</u>	<u>(2,495,050)</u>	<u>8,734,552</u>
Capital assets, being depreciated:					
Buildings	228,189	15,147	-	7,975	251,311
Infrastructure	140,672,881	-	-	2,355,963	143,028,844
Furniture & Fixtures	17,681	-	-	-	17,681
Equipment	5,167,116	56,017	-	52,375	5,275,508
Vehicles	1,087,429	28,218	(58,048)	46,992	1,104,591
Heavy Equipment	740,855	3,185	-	31,745	775,785
Other Capital Assets	2,837,063	-	-	-	2,837,063
Total capital assets, being depreciated:	<u>150,751,214</u>	<u>102,567</u>	<u>(58,048)</u>	<u>2,495,050</u>	<u>153,290,783</u>
Less accumulated depreciation for:					
Buildings	(136,776)	(9,193)	-	-	(145,969)
Infrastructure	(43,363,606)	(2,902,648)	-	-	(46,266,254)
Furniture & Fixtures	(15,525)	(616)	-	-	(16,141)
Equipment	(3,994,242)	(679,669)	-	-	(4,673,911)
Vehicles	(766,605)	(124,046)	58,048	-	(832,603)
Heavy Equipment	(446,543)	(66,842)	-	-	(513,385)
Other Capital Assets	(1,270,645)	(126,649)	-	-	(1,397,294)
Total accumulated depreciation	<u>(49,993,942)</u>	<u>(3,909,663)</u>	<u>58,048</u>	<u>-</u>	<u>(53,845,557)</u>
Total capital assets, being depreciated, net:	<u>100,757,272</u>	<u>(3,807,096)</u>	<u>0</u>	<u>2,495,050</u>	<u>99,445,226</u>
Business-type activities capital assets, net	<u>\$ 106,760,912</u>	<u>\$ 1,418,866</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,179,778</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012 as follows:

Governmental activities:	
General government	\$ 490,713
Public safety	1,173,919
Public works	976,790
Health	218,440
Social services	182,202
Recreation, culture and libraries	147,159
Community development and housing	16,145
Economic development	826,636
Total depreciation expense - governmental activities	<u>\$ 4,032,004</u>

Business type activites:	
Water districts	\$ 823,060
Sewer districts	2,490,000
Allconet II	596,606
Total depreciation expense - governmental activities	<u>\$ 3,909,666</u>

Construction Commitments

The County has active construction projects as of June 30, 2012. The projects include industrial park infrastructure and water quality and service improvements. At year end the County's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Burbridge building	\$ 2,530,634	\$ 133,191
Corrigansville Pump Station	962,750	774,017
Mount Savage Rehab	154,364	79,993
Totals	\$ 3,647,748	\$ 987,201

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, 2012

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, 2012 (not including component units), was as follows:

Board of Education Governmental activities:	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,027,394	\$ 40,000		\$ 4,067,394
Work in process	752,837	161,459	(658,006)	256,290
Total capital assets not being depreciated:	<u>4,780,231</u>	<u>201,459</u>	<u>(658,006)</u>	<u>4,323,684</u>
Capital assets, being depreciated:				
Land Improvements	8,132,327	586,618	-	8,718,945
Buildings & Improvements	147,311,644	2,367,556	-	149,679,200
Furniture, Equipment & Vehicles	16,493,452	1,312,570	263,185	18,069,207
Total capital assets, being depreciated:	<u>171,937,423</u>	<u>4,266,744</u>	<u>263,185</u>	<u>176,467,352</u>
Less accumulated depreciation for:				
Land Improvements	(1,163,268)	(422,574)	-	(1,585,842)
Buildings & Improvements	(74,845,306)	(3,998,705)	-	(78,844,011)
Furniture, Equipment & Vehicles	(8,127,758)	(1,806,469)	348,434	(9,585,793)
Total accumulated depreciation	<u>(84,136,332)</u>	<u>(6,227,748)</u>	<u>348,434</u>	<u>(90,015,646)</u>
Total capital assets, being depreciated, net:	<u>87,801,091</u>	<u>(1,961,004)</u>	<u>611,619</u>	<u>86,451,706</u>
Governmental activities capital assets, net	<u>\$92,581,322</u>	<u>\$ (1,759,545)</u>	<u>\$ (46,387)</u>	<u>90,775,390</u>

Board of Education	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Work in process	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	569,321	15,284		584,605
Less accumulated depreciation	(400,453)	(32,294)		(432,747)
Total capital assets, being depreciated, net:	<u>168,868</u>	<u>(17,010)</u>	<u>-</u>	<u>151,858</u>
Business-type activities capital assets, net	<u>\$ 168,868</u>	<u>\$ (17,010)</u>	<u>\$ -</u>	<u>\$ 151,858</u>

Capital asset activity for the Library of Allegany County for the year ended June 30, 2012 was as follows:

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Library	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Non-depreciable assets:				
Construction in Progress	\$ 14,362	\$ -	\$ -	<u>\$ 14,362</u>
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,587,505	\$ 23,447	\$ -	\$ 3,610,952
Furniture & Equipment	722,835	28,699	-	751,534
Vehicles/Bookmobile	145,528	-	-	145,528
Library Books	3,603,337	203,480	(238,290)	3,568,527
Total capital assets, being depreciated:	<u>8,059,205</u>	<u>255,626</u>	<u>(238,290)</u>	<u>8,076,541</u>
Less accumulated depreciation for:				
Buildings & Improvements	(1,200,866)	(71,945)	-	(1,272,811)
Furniture & Equipment	(420,101)	(43,458)	-	(463,559)
Vehicles/Bookmobile	(86,273)	(18,191)	-	(104,464)
Library Books	(3,033,673)	(206,321)	238,290	(3,001,704)
Total accumulated depreciation	<u>(4,740,913)</u>	<u>(339,915)</u>	<u>238,290</u>	<u>(4,842,538)</u>
Total capital assets, being depreciated, net:	<u>\$ 3,318,292</u>	<u>\$ (84,289)</u>	<u>\$ -</u>	<u>\$ 3,234,003</u>
Governmental activities capital assets, net	<u>\$ 3,332,654</u>	<u>\$ (84,289)</u>	<u>\$ -</u>	<u>\$ 3,248,365</u>

Discretely Presented Component Units - continued:

Capital asset activity for Allegany College of Maryland and its component units for the year ended June 30, 2012, were as follows:

Allegany College of Maryland	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 697,465	\$ 1,000,000	\$ -	\$ 1,697,465
Library Collections	101,830	538	-	102,368
Work in Progress	1,058,818	709,228	(1,768,046)	-
Total capital assets not being depreciated:	<u>1,858,113</u>	<u>1,709,766</u>	<u>(1,768,046)</u>	<u>1,799,833</u>
Capital assets, being depreciated:				
Buildings	48,073,637	1,973,152	-	50,046,789
Equipment	7,301,516	551,410	(495,833)	7,357,093
Auxiliary Equipment	208,317	-	-	208,317
Library Books	1,127,434	61,604	(21,890)	1,167,148
Total capital assets, being depreciated:	<u>56,710,904</u>	<u>2,586,166</u>	<u>(517,723)</u>	<u>58,779,347</u>
Less accumulated depreciation :	<u>(24,660,846)</u>	<u>(2,286,890)</u>	<u>514,412</u>	<u>(26,433,324)</u>
Total capital assets, being depreciated, net:	<u>32,050,058</u>	<u>299,276</u>	<u>(3,311)</u>	<u>32,346,023</u>
Business-type activities capital assets, net	<u>\$ 33,908,171</u>	<u>\$ 2,009,042</u>	<u>\$ (1,771,357)</u>	<u>\$ 34,145,856</u>

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Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2012, was as follows:

LaVale Sanitary Commission Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 226,385	\$ -	\$ -	\$ 226,385
Work in Progress	48,767	8,030	(43,767)	13,030
Total capital assets not being depreciated:	<u>275,152</u>	<u>8,030</u>	<u>(43,767)</u>	<u>239,415</u>
Capital assets, being depreciated:				
Buildings	815,510	-	(12,277)	803,233
Infrastructure	21,676,791	1,417,466	(62,833)	23,031,424
Machinery, Vehicles & Equipment,				
Office Furniture and Equipment	1,439,584	102,734	(179,300)	1,363,018
Total capital assets, being depreciated:	<u>23,931,885</u>	<u>1,520,200</u>	<u>(254,410)</u>	<u>25,197,675</u>
Less accumulated depreciation for:	(10,284,657)	(333,137)	-	(10,617,794)
Total capital assets, being depreciated, net:	<u>13,647,228</u>	<u>1,187,063</u>	<u>(254,410)</u>	<u>14,579,881</u>
Business-type activities capital assets, net	<u>\$13,922,380</u>	<u>\$ 1,195,093</u>	<u>\$ (298,177)</u>	<u>\$14,819,296</u>

Note 8. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2012, is as follows:

A. Due to/from other funds

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 5,754,526
Revolving Building Fund	5,169,762	-
Non-major Governmental Funds	2,072,657	1,193,529
Sub-total	<u>7,242,419</u>	<u>6,948,055</u>
Enterprise Funds:		
Water Districts	1,015,414	-
Sanitary Districts	5,973,144	8,586,825
Non-major Enterprise Funds	788,586	-
Sub-total	<u>7,777,144</u>	<u>8,586,825</u>
Judiciary Funds:		
Agency Fund	195,891	-
Health Insurance Trust Fund	319,426	-
Sub-total	<u>515,317</u>	<u>-</u>
TOTALS	\$ 15,534,880	\$ 15,534,880

The interfund balances as of June 30, 2012 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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
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B. Advances and Loans To/From Other Funds

	Advances to Other Funds	Advances from Other Funds
Advances:		
General Fund	\$ 1,200,000	\$ 800,000
Sanitary Districts		400,000
Water Districts		
Loans:		
Loan Fund	380,408	419
Allegany County Sanitary Districts:		17,251
Current portion of long-term debt		
Long-term debt		
Allegany County Water Districts:		18,358
Current portion of long-term debt		
Long-term debt		344,380
	<u>\$ 1,580,408</u>	<u>\$ 1,580,408</u>

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."

C. Transfers

Transfers to other funds for the year ending June 30, 2012 are as follows:

Transferred From:	Amount	Total By Fund
<u>Transferred To:</u>		
From the General Fund to:		
Non-major funds governmental funds	\$ 5,564,208	
Enterprise funds:		
Water Fund	9,296	
Sewer Fund	161,490	\$ 5,734,994
From the Revolving Building Fund To:		
General Fund	45,380	
Water Fund	19,348	
Sewer Fund	7,500	
Non-major funds governmental funds	1,451,078	1,523,306
From the Non-major Governmental Funds to:		
General Fund	159,000	
Other Non-major governmental fund	43,274	202,274
From the Non-major Enterprise Funds to:		
General Fund	30,379	30,379
TOTALS	\$ 7,490,953	\$ 7,490,953

ALLEGANY COUNTY, MARYLAND
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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, 2012 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	358,754	
Allegany College of Maryland	7,425,000	
Library	905,000	\$ 36,928,754
From the Gaming Fund to:		
Board of Education:		
Central office building roof	15,225	
Fort Hill High School roof	76,916	
South Penn addition	446,740	538,881
Total	\$ 37,467,635	\$ 37,467,635

Note 9. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2012 and had no balance payable at year end.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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

Long-term liability activity of the County for the year ended June 30, 2012, was as follows:

Long-term Debt					
Governmental Activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
General Obligation	\$ 17,861,152	\$ -	\$ (3,645,226)	\$ 14,215,926	\$ 3,142,070
Notes	8,895,326	-	(393,305)	8,502,021	249,963
Capital Leases*	131,177	-	(57,087)	74,090	38,010
State Loans	3,697,419	-	(498,370)	3,199,049	527,479
Total	\$ 30,585,074	\$ 0	\$ (4,593,988)	\$ 25,991,086	\$ 3,957,522
* The net book value of leased vehicles at June 30, 2012 is \$ 51,917.					
Business-type activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
Water districts:					
Rural development loans	\$ 5,047,339	\$ 2,589,400	\$ (94,679)	\$ 7,542,060	\$ 135,944
Maryland water quality loans		46,602		46,602	2,405
County loans	380,516	-	(17,779)	362,737	18,357
Total water districts	5,427,855	2,636,002	(112,458)	7,951,399	156,706
Sewer districts:					
Maryland water quality loans	180,841	-	(89,757)	91,084	72,474
Maryland environmental loans	15,840,547	244,494	(976,081)	15,108,960	984,849
Rural development loans	3,237,076	473,000	(45,942)	3,664,134	55,712
Other loans	18,070	-	(400)	17,670	419
Total sewer districts	19,276,534	717,494	(1,112,180)	18,881,848	1,113,454
Total business-type activities:					
Maryland water quality loans	81,222	46,602	(89,757)	137,686	74,879
Maryland environmental loans	16,295,215	244,494	(976,081)	15,108,960	984,849
Rural development loans	8,980,950	3,062,400	(140,621)	11,206,194	191,656
Other loans	380,985	-	(18,179)	380,407	18,776
Total business-type activities	\$ 25,738,372	\$ 3,353,496	\$ (1,224,638)	\$ 26,833,247	\$ 1,270,160
Other Long-term Liabilities					
Governmental Activities					
	Beginning Balance	Current Year Changes	Payments	Ending Balance	Due Within One Year
Compensated Absences	\$ 3,767,625	\$ 345,061	\$ (171,308)	\$ 3,941,378	\$ 739,376
Business-type activities					
Water & sewer districts					
Compensated absences	\$ 371,707	\$ 6,120	\$ (21,548)	\$ 356,279	\$ 53,214

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012 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
2013	\$ 3,142,070	\$ 603,628	\$ 249,963	\$ 360,885	\$ 38,010	\$ 4,401	\$ 527,479	\$ 105,835	\$ 3,957,522	\$ 1,074,749
2014	3,287,032	454,740	260,847	350,001	17,520	2,143	493,551	81,859	4,058,950	888,743
2015	2,009,227	331,565	272,207	338,641	18,560	1,102	390,671	61,893	2,690,665	733,201
2016	2,093,774	235,665	284,063	326,785	-	-	374,924	46,976	2,752,761	609,426
2017	2,175,801	135,320	296,438	314,410	-	-	351,674	32,048	2,823,913	481,778
2018-2022	1,508,022	62,928	1,687,632	1,366,625	-	-	1,035,342	37,611	4,230,996	1,467,164
2023-2027	-	-	2,089,115	965,124	-	-	25,407	236	2,114,522	965,360
2028-2032	-	-	2,583,374	467,827	-	-	-	-	2,583,374	467,827
2033-2037	-	-	778,382	18,270	-	-	-	-	778,382	18,270
2038-2042	-	-	0	0	-	-	-	-	0	0
	\$ 14,215,926	\$ 1,823,846	\$ 8,502,021	\$ 4,508,568	\$ 74,090	\$ 7,646	\$ 3,199,048	\$ 366,458	\$ 25,991,085	\$ 6,706,518

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2012 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2012 are:										
Year Ending June 30,	Farmers Home Admin. Loans		Water Quality/MDE Loans		Other Loans				Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 135,944	\$ 263,104	\$ 2,405	\$ 484	\$ 18,357	\$ 13,129	\$ 156,706	\$ 276,717		
2014	140,957	258,091	1,419	442	18,955	12,530	161,331	271,063		
2015	146,175	252,873	1,433	428	19,574	11,912	167,182	265,213		
2016	151,610	247,438	1,448	413	20,214	11,273	173,272	259,124		
2017	157,272	241,776	1,462	399	20,874	10,612	179,608	252,787		
2018-2022	87,991	1,115,820	7,533	1,773	115,087	42,343	1,002,611	1,159,936		
2023-2027	1,062,172	945,145	7,917	1,388	62,175	24,522	1,132,264	971,055		
2028-2032	1,265,011	707,890	8,321	903	27,782	17,150	1,301,114	725,943		
2033-2037	1,275,720	469,054	8,745	561	34,777	9,855	1,319,242	479,470		
2038-2042	1,035,203	250,311	5,918	129	24,942	2,021	1,066,063	252,461		
2043-2047	707,161	103,739	-	-	0	0	707,161	103,739		
2048-2052	584,844	31,557	-	-	0	0	584,844	31,557		
Totals	\$ 7,542,060	\$ 4,886,798	\$ 46,601	\$ 6,920	\$ 362,737	\$ 155,347	\$ 7,951,398	\$ 5,049,065		

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2012 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
2013	\$ 72,474	\$ 6,777	\$ 984,849	\$ 124,774	\$ 55,712	\$ 142,372	\$ 419	\$ 798	\$ 1,113,454	\$ 274,721
2014	8,267	1,566	975,673	185,699	57,929	140,155	437	779	1,042,306	328,199
2015	8,893	873	987,905	169,468	60,237	137,847	458	759	1,057,493	308,947
2016	1,450	127	1,000,308	161,065	62,641	135,443	479	738	1,064,878	297,373
2017	0	0	1,012,885	148,488	65,145	132,939	501	715	1,078,531	282,142
2018-2022	-	-	5,259,338	547,524	367,079	623,340	2,871	3,208	5,629,288	1,174,072
2023-2027	-	-	4,222,112	217,776	447,292	543,128	3,595	2,484	4,672,999	763,388
2028-2032	-	-	665,890	11,383	545,727	430,885	4,500	1,581	1,216,117	443,849
2033-2037	-	-	-	-	615,276	374,956	4,410	462	619,686	375,418
2038-2042	-	-	-	-	590,119	206,648	-	-	590,119	206,648
2043-2047	-	-	-	-	641,426	71,620	-	-	641,426	71,620
2048-2052	-	-	-	-	155,551	8,253	-	-	155,551	8,253
Totals	\$ 91,084	\$ 9,343	\$ 15,108,960	\$ 1,566,177	\$ 3,664,134	\$ 2,947,586	\$ 17,670	\$ 11,524	\$ 18,881,848	\$ 4,534,630

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

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

Allegany County Primary Government Schedule of Long - Term General Obligation Debt:					
General Obligation Bonds:	Date of	Date of	Interest	June 30,	
	Issue	Maturity	Rate (%)	2012	2011
Public Improvement Bonds:					
Bonds of 1995	11/01/95	11/01/10	4.25-5.10	-	0
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	2,655,000	3,895,000
Bonds of 2001	09/01/01	11/01/16	3.50-4.40	1,875,000	2,835,000
Bonds of 2004	10/26/04	10/01/19	3.50	1,242,000	1,375,000
Bonds of 2006	07/21/06	08/01/16	4.24	1,670,000	1,965,000
Bonds of 2007	06/12/07	06/01/17	5.73	3,451,344	4,033,548
Bonds of 2008	12/16/08	09/01/18	4.36	3,322,582	3,757,603
Notes:					
Farmers Home Admin	1992	2032	5.75	225,974	231,968
RDA High School Loan I	06/28/07	06/28/37	4.125	4,099,832	4,294,255
RDA High School Loan II	02/28/08	2038	4.375	4,176,215	4,369,103
Capital Leases:					
Transit Bus	04/11/06	04/11/13	5.94	74,090	109,969
Bureau of Police vehicles	04/13/09	04/13/11	6.60	-	21,208
State Loans:					
Md Industrial Land Act:					
Superfos Expansion	1991	2017	6.90	281,463	333,407
Blue Cross Bldg	1992	2012	6.80	587,676	661,408
Micro - Integration	1994	2014	5.93	113,675	192,516
Superfos III	1995	2014	5.93	257,017	360,790
MICRF Loans:					
PPG Purchase	01/05/96	2020	5.00	1,260,325	1,395,639
PPG Improvements	2001	2022	4.69	133,057	149,429
MD Historical Trust Loan	2000	2020	1.00	146,000	147,000
Md Environmental Loan	2003	2023	0.89	419,836	457,230
Total Long - Term General Obligation Debt				25,991,086	30,585,073
Compensated Absences				3,941,378	3,767,625
Total long-term liabilities				<u>\$ 29,932,464</u>	<u>\$ 34,352,698</u>

ALLEGANY COUNTY, MARYLAND
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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,		
				2012	2011	
Water Districts Debt:						
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 85,376	\$ 87,747	
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	208,363	214,201	
Eckhart/Clarysville RDA Loan	04/17/11	2051	2.5	216,912	220,202	
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	277,156	282,870	
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	412,621	421,815	
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	194,687	199,023	
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	198,743	203,169	
Grahmton FHA Loan 2001 R-2	2001	2042	4.5	527,668	536,108	
Consol FHA loan	2004	2044	4.5	95,083	96,414	
McCoole FHA Loan	1999	2039	4.5	916,460	934,155	
Barton Industrial Park	2005	2045	4.5	329,275	333,681	
Klondike FHA	2005	2045	4.5	429,233	434,889	
Morantown FHA Loan	2005	2046	4.25	157,791	159,893	
Mexico Farms	1992	2032	5.5	318,236	326,487	
Bowmans Addition RDA Loan	10/01/10	2051	3.75	589,926	596,685	
Bowmans Addition Phase 2 RDA	12/16/11	2052	2.00	619,131		
Bedford Rd/Shades Lane MDE	06/28/12	2052	1.00	46,602		
Cresaptown RDA Loan	06/28/12	2052	2.00	1,500,400		
Cresaptown RDA Loan 2	06/28/12	2052	2.00	465,000		
Sub-total				<u>7,588,663</u>	<u>5,047,339</u>	
Carlos/Shaft Loan	2006	2040	4.5	45,210	46,000	
Missick Road Loan	2006	2040	4.5	71,234	72,477	
Route 51 Loan	2006	2040	4.5	25,140	25,578	
PSC Rate case	2007	2017	4.5	221,153	236,461	
Sub - total				<u>362,737</u>	<u>380,516</u>	
Total debt				<u>7,951,400</u>	<u>5,427,855</u>	
Less: Current maturities of long - term debt				<u>(156,707)</u>	<u>(107,488)</u>	
Total Water Districts long - term debt				<u>\$ 7,794,693</u>	<u>\$ 5,320,367</u>	
Sanitary Districts Debt:						
Maryland Water Quality Loans						
Bowling Green	1984	2014	8.3	\$ 12,982	\$ 16,674	
Cresaptown	1984	1024	8.3	8,085	10,385	
Cresaptown	1986	2015	8.8	5,169	6,214	
Bedford Road	1983	2013	8.2	29,545	57,094	
Georges Creek	1981	2011	6.1	-	21,686	
Georges Creek	1982	2012	6.1	35,303	68,788	
Sub - total				<u>91,084</u>	<u>180,841</u>	
Maryland Department of Environment						
Celanese Treatment Plant	1991	2010	3.705	-	-	
Celanese WWTP Upgrade	06/03	2023	0.40	5,357,584	5,747,664	
Inflow and Infiltration Study I	12/03	2023	0.40	746,266	817,263	
Celanese	2006	2026	0.40	573,530	611,802	
Inflow and Infiltration Study II	2008	2082	1.00	970,381	1,024,474	
George Creek WWTP Upgrade	2009	2029	0.40	7,171,304	7,332,397	
Inflow and Infiltration Study II	2010	2030	1.00	289,895	306,947	
Sub - total				<u>15,108,960</u>	<u>15,840,547</u>	
Farmers Home Administration Loans						
Georges Creek	2007	2047	4.125	478,309	484,311	
Cash Valley Road	1996	2036	4.50	115,363	118,040	
Oldtown Road	1996	2036	4.50	437,512	447,664	
Bowling Green/Cresaptown A	2007	2047	4.125	1,805,493	1,828,145	
Bowling Green/Cresaptown B	2007	2047	4.125	354,456	358,916	
Bedford Road	2012	2052	2.000	473,000		
Sub - total				<u>3,664,133</u>	<u>3,237,076</u>	
Other Loans						
Oldtown	2006	2036	4.5	<u>17,670</u>	<u>18,070</u>	
Sub - total				<u>17,670</u>	<u>18,070</u>	
Total				<u>18,881,847</u>	<u>19,276,534</u>	
Less: Current maturities of long - term debt				<u>(1,113,454)</u>	<u>(1,039,255)</u>	
Total Sanitary Districts Long - term Debt				<u>\$ 17,768,393</u>	<u>\$ 18,237,279</u>	

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012.

Long-term Liabilities - Component Units																																																																																							
Long-term debt activity for the year ended June 30, 2012:																																																																																							
				Allegany College of Maryland																																																																																			
Payable at July 1, 2011				\$ 1,077,460																																																																																			
Amount issued				226,163																																																																																			
Amount retired				(1,079,075)																																																																																			
Payable at June 30, 2012				<u><u>\$ 224,548</u></u>																																																																																			
				LaVale Sanitary Commission																																																																																			
				\$ 3,784,848																																																																																			
				-																																																																																			
				(105,170)																																																																																			
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Annual debt service requirements to maturity:																																																																																							
<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: left; width: 15%;">Fiscal Year</th> <th colspan="3" style="text-align: center;">Allegany College of Maryland (Capital Leases)</th> <th colspan="3" style="text-align: center;">LaVale Sanitary Commission</th> </tr> <tr> <th style="text-align: center;">Principal</th> <th style="text-align: center;">Interest</th> <th style="text-align: center;">Total</th> <th style="text-align: center;">Principal</th> <th style="text-align: center;">Interest</th> <th style="text-align: center;">Total</th> </tr> </thead> <tbody> <tr> <td>2013</td> <td style="text-align: right;">\$ 49,465</td> <td style="text-align: right;">\$ 13,546</td> <td style="text-align: right;">\$ 63,011</td> <td style="text-align: right;">\$ 108,822</td> <td style="text-align: right;">\$ 145,276</td> <td style="text-align: right;">\$ 254,098</td> </tr> <tr> <td>2014</td> <td style="text-align: right;">43,465</td> <td style="text-align: right;">10,496</td> <td style="text-align: right;">53,961</td> <td style="text-align: right;">112,628</td> <td style="text-align: right;">141,470</td> <td style="text-align: right;">254,098</td> </tr> <tr> <td>2015</td> <td style="text-align: right;">43,461</td> <td style="text-align: right;">7,674</td> <td style="text-align: right;">51,135</td> <td style="text-align: right;">116,596</td> <td style="text-align: right;">137,502</td> <td style="text-align: right;">254,098</td> </tr> <tr> <td>2016</td> <td style="text-align: right;">41,727</td> <td style="text-align: right;">4,745</td> <td style="text-align: right;">46,472</td> <td style="text-align: right;">120,732</td> <td style="text-align: right;">133,366</td> <td style="text-align: right;">254,098</td> </tr> <tr> <td>2017</td> <td style="text-align: right;">42,736</td> <td style="text-align: right;">1,851</td> <td style="text-align: right;">44,587</td> <td style="text-align: right;">125,042</td> <td style="text-align: right;">129,056</td> <td style="text-align: right;">254,098</td> </tr> <tr> <td>2018-2022</td> <td style="text-align: right;">3,694</td> <td style="text-align: right;">21</td> <td style="text-align: right;">3,715</td> <td style="text-align: right;">696,549</td> <td style="text-align: right;">573,942</td> <td style="text-align: right;">1,270,491</td> </tr> <tr> <td>2023-2027</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">739,297</td> <td style="text-align: right;">435,637</td> <td style="text-align: right;">1,174,934</td> </tr> <tr> <td>2028-2032</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">884,056</td> <td style="text-align: right;">267,084</td> <td style="text-align: right;">1,151,140</td> </tr> <tr> <td>2033-2037</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">775,956</td> <td style="text-align: right;">72,072</td> <td style="text-align: right;">848,028</td> </tr> <tr> <td></td> <td style="text-align: right;"><u><u>\$ 224,548</u></u></td> <td style="text-align: right;"><u><u>\$ 38,333</u></u></td> <td style="text-align: right;"><u><u>\$ 262,881</u></u></td> <td style="text-align: right;"><u><u>\$ 3,679,678</u></u></td> <td style="text-align: right;"><u><u>\$ 2,035,405</u></u></td> <td style="text-align: right;"><u><u>\$ 5,715,083</u></u></td> </tr> </tbody> </table>					Fiscal Year	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission			Principal	Interest	Total	Principal	Interest	Total	2013	\$ 49,465	\$ 13,546	\$ 63,011	\$ 108,822	\$ 145,276	\$ 254,098	2014	43,465	10,496	53,961	112,628	141,470	254,098	2015	43,461	7,674	51,135	116,596	137,502	254,098	2016	41,727	4,745	46,472	120,732	133,366	254,098	2017	42,736	1,851	44,587	125,042	129,056	254,098	2018-2022	3,694	21	3,715	696,549	573,942	1,270,491	2023-2027	-	-	-	739,297	435,637	1,174,934	2028-2032	-	-	-	884,056	267,084	1,151,140	2033-2037	-	-	-	775,956	72,072	848,028		<u><u>\$ 224,548</u></u>	<u><u>\$ 38,333</u></u>	<u><u>\$ 262,881</u></u>	<u><u>\$ 3,679,678</u></u>	<u><u>\$ 2,035,405</u></u>	<u><u>\$ 5,715,083</u></u>
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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 11. Pension and Retirement Systems

Allegany County Primary Government

Plan Descriptions

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

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

Allegany County has also established 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, 2012, there are 8 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 10.94% 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 11.04% 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, 2012, 2011 and 2010, were \$1,583,172, \$1,654,551 and \$1,522,868 respectively, equal to the required employer contributions for each year.

The defined contribution plan requires the County to contribute 10.94% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$430,682 and the required contribution was \$50,231, 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, 2012

Note 11. Pension and Retirement Systems - continued

Allegany County Component Units

Board of Education-Component Unit

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

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

Members of the contributory pensions are required to make contributions of 5% of earnable compensation. The Board of Education is required to contribute at an actuarially determined rate for individuals in the employee retirement system and the employee contributory pension system. The current rate is 10.94%. 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, 2012, 2011 and 2010 were \$1,513,902, and \$1,428,305, and \$1,121,559, 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, 2012. The Library's contributions for the years ended June 30, 2012, 2011 and 2010 were \$9,996, \$7,692, and \$5,373, 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, 2012, 2011 and 2010 in the amounts of \$120,883, \$128,282, and \$118,186 respectively.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 11. Pension and Retirement Systems - continued

Allegany County Component Units

Allegany College-Component Unit

The College's permanent employees are provided pension benefits through one of several pension plans: Maryland State Teachers' Retirement System, Maryland State Teachers' Pension System, TIAA/CREF Retirement Plan, Maryland State Employees' Retirement System, and the Maryland State Employees' Pension System. All of the plans the College participates in are the same cost sharing multiple-employer defined benefit plans the County participates in, with the exception of TIAA/CREF Retirement Plan which is a separate plan the County is not associated with. The State of Maryland is responsible for funding the employee portion of pension costs for substantially all employees covered by the Teachers' Retirement System, Teachers' Pension System, and the TIAA/CREF Retirement Plan. The State of Maryland's total contributions to these plans for fiscal year 2012 were \$1,553,272.

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, 2012. Allegany College's contributions for the years ended June 30, 2012, 2011 and 2010 were \$118,414, \$116,081, and \$85,101, 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, 2012. LaVale Sanitary's contributions for the years ended June 30, 2012, 2011 and 2010 were \$60,353, \$50,927, and \$73,341, 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, 2012 was \$582,014.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 12. Length of Service Award Program

A. Plan Description

On January 1, 2009, the County adopted the Allegany County Emergency Services Length of Service Awards Program for the Allegany County Emergency Service Organizations members which provide fire, rescue, and ambulance services to the residents of Allegany County. The plan is a single employer, defined benefit pension plan which is open to any volunteer over the age of eighteen, who has completed one year of service. Participants vest after ten years of service and earn a fixed dollar benefit based on years of service. No separate financial report is issued for the plan.

At year end, the program membership consisted of the following:

Eligible Members	664
Retirees and Beneficiaries	0
Total	<u>664</u>

B. Funding Policy

The plan is available to vested volunteer members with no covered payroll. Benefits amortize on a level dollar basis, and are recognized when due and payable in accordance with the terms of the plan. Benefits accrue per month at the rate of \$7 multiplied by years of service, with a maximum benefit of \$105 per month. Since the County fully funds the plan, refunds are not paid. The plan does not provide for post-retirement increases. The contribution rate is determined using an Entry Age Normal-Frozen Initial Liability Cost Method. The actuarial value of the plan assets is equal to the market value of the assets. Present and future assets in the plan are assumed to earn an investment rate of return of 5.0% compounded annually. There is no inflation factor or salary increase factor used since there is no covered payroll.

C. Annual Program Cost

For the current year, the annual cost of \$210,240 exceeded the actual contributions.

Fiscal Year Ending	Annual Program Cost (APC)	Percentage of APC Contributed	Net Program Obligation
June 30, 2010	\$200,000	100%	0
June 30, 2011	\$200,000	100%	0
June 30, 2012	\$210,240	95%	10,240

The program's funding provides for periodic County contributions at actuarially determined rates that are sufficient to accumulate adequate assets to pay benefits when due. At year end the plan

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

had net assets available for benefits totaling \$622,406. The plan additions fund the cost of administering the plan.

D. Funding Status and Funding Progress

As of January 1, 2011, the most recent actuarial valuation date, the plan was funded 127%. The actuarial accrued liability for benefits was \$315,862 resulting in an UAAL of (\$84,138).

The schedule of funding progress, presented as required in supplementary information following the Notes to the Financial Statements, presents multi-year information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial liabilities for benefits.

Note 13. Governmental Fund Balance Classifications

Beginning with fiscal year 2012, 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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Fiscal Year 2012 Fund Balance Classifications					
Fund Balances:			Major Special Revenue Fund		Total
	General Fund	Revolving Building	Other Funds		
Nonspendable					
Long term receivables	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000	
Prepays	453	-	-	-	453
Restricted for:					
Transit bus replacement	129,902	-	-	-	129,902
Housing programs	-	-	200,656	200,656	
Coal Haul Roads	-	-	663,130	663,130	
Drug task Force	-	-	24,012	24,012	
Inmate activities	-	-	298,669	298,669	
Fire Companies	-	-	224,624	224,624	
Computer aided dispatcher	-	-	32,044	32,044	
Stream restoration	-	-	275,926	275,926	
Committed to:					
Fiscal Year 2012 budget	-	-	-	-	
Economic development	-	5,256,080	-	5,256,080	
Fire Companies	-	-	63,898	63,898	
School capital	-	-	138,454	138,454	
Assigned to:					
Election machine replacements	150,000	-	-	-	150,000
Nursing Home retiree					
health insurance	731,313	-	-	-	731,313
Debt retirement	-	-	180,095	180,095	
Technology enhancements	-	-	418,942	418,942	
Highway projects	-	-	1,602,195	1,602,195	
Public safety projects	-	-	200,000	200,000	
Library roof repairs	-	-	93,674	93,674	
County building improvements	-	-	200,644	200,644	
Unassigned:	<u>15,679,397</u>	<u>-</u>	<u>43,002</u>	<u>15,722,399</u>	
	<u>\$ 17,891,065</u>	<u>\$ 5,256,080</u>	<u>\$ 4,659,965</u>	<u>\$ 27,807,110</u>	

Note 14. Postemployment Healthcare Plan

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

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by ACMBT board of trustees. ACBP members under age 65 receiving benefits who

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

were hired prior to July 1, 1997 contribute 6% of the premium and members under the age 65 receiving benefits who were hired after June 30, 1997 contribute 50% of the premium. Plan members over the age of 65 with the standard supplemental coverage make no contributions; plan members over age 65 may elect enhanced coverage for which they pay any additional premium over the cost of the standard supplemental coverage.

The County is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortizes any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current ARC rate is 12.5 percent of annual covered payroll.

Annual OPEB Cost. For fiscal year 2012, the County's annual OPEB cost (expense) of \$1,968,268 for ACBP was less 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 2012 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>
06/30/12	\$1,968,268	100.4%	\$ -
06/30/11	\$1,973,780	102.8%	\$ -
06/30/10	2,050,000	100.0%	-
06/30/09	2,245,000	100.0%	-

Funding 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	1,850,589
Unfunded actuarial accrued liability (UAAL)	<u>\$ 23,155,814</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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

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 (inflation rate) 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 open 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.

Note 15. Risk Management

Liability Insurance - The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which it carries commercial insurance. The County retains no risk for claims up to the maximum amount of the policy except for deductible amounts. During the fiscal year and for the three prior fiscal years, the County did not have any losses exceeding its insurance coverage.

Self-Insured Health Care - Effective January 1, 2009, the County is self-insured for hospitalization and medical benefits provided to its employees within specified limits. The County pays a third party administrator a monthly fixed fee for various claim administrative services on a per enrolled employee basis to administer the plan. The County has 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, 2012. 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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

factors. Changes in the balance of claims payable relating to the funds for fiscal year 2012 are as follows:

Balance at July 1, 2011	\$	648,114
Claims and changes in estimates		68,180
Claim payments		-
Balance at June 30, 2012	\$	<u>716,294</u>

Note 16. Pending Claims and Litigation

The County is the defendant in several lawsuits in which plaintiffs are seeking to recover amounts from the County as a result of alleged damages incurred by those plaintiffs. Although the outcome of these lawsuits and any other potential proceeding, lawsuit or claim that is pending or threatened are not presently determinable, it is the opinion of the County's legal counsel and County management that resolution of these matters will not have a material effect on the financial condition of the County. At this time, there are no known claims or judgments due within one year.

Note 17. Contingent Liabilities

The County participates in a number of state and federally assisted grant programs, principal of which are the U.S. Department of Agriculture, the U.S. Department of Transportation and the U.S. Department of Housing and Urban Developments economic development and housing assistance grant programs. Entitlement to the grant proceeds is generally based on compliance with the terms and conditions of the grant agreements and applicable regulations, including expenditure of the resources for eligible purposes. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended June 30, 2012 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, 2012, such debt includes loans with the U.S. Department of Agriculture of \$3,423,282.

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

Note 18. Significant Event and Subsequent Event

During the current fiscal year, Blue Cross/Blue Shield vacated the building that they were leasing from Allegany County. The lease purchase had a lease receivable balance in the amount of \$ 561,356 at the time that the business vacated. At this time, the building reverted as a building asset for Allegany County.

The building was assessed at \$ 2,178,400 and was recorded as such. The lease receivable was adjusted to \$ 0, thus leaving an amount of \$ 1,617,044 as a contribution (revenue).

The amount of the revenue (\$ 1,617,044) was recorded as a capital contribution for Economic Development on the Statement of Activities due to that fact that the revenue was attributed to a capital asset contribution and its use is not restricted for a particular function.

In September, 2012, the building was sold for \$ 2,500,000. This resulted in a gain on sale of building of approximately \$ 400,000.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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ALLEGANY COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

NON-PENSION POST EMPLOYMENT BENEFITS TRUST (OPEB)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
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.

LENGTH OF SERVICE AWARD PROGRAM TRUST (LOSAP)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2011	400,000	\$315,862	127%	(\$84,138)	N/A	N/A

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
REVENUES						
Taxes:						
Property Taxes:						
Real and personal property	\$ 41,307,399	\$ 41,307,399	\$ 41,696,058	\$ 388,659		
Payments in lieu of taxes:						
Coal companies	240,000	240,000	235,567	(4,433)		
Housing Authorities	33,900	33,900	39,656	5,756		
Interest on Delinquent taxes	850,000	850,000	1,041,947	191,947		
Sub-total	<u>42,431,299</u>	<u>42,431,299</u>	<u>43,013,228</u>	<u>581,929</u>		
Less:						
Prompt payment discounts	174,000	174,000	170,381	3,619		
Deferred revenues	450,000	450,000	454,744	(4,744)		
Industrial exemptions	225,000	225,000	55,697	169,303		
Enterprise zone exemptions	175,000	175,000	151,933	23,067		
Residential development tax credit	25,000	25,000	-	25,000		
Tax increment financing	81,000	81,000	37,816	43,184		
Historic tax credit	95,000	95,000	81,679	13,321		
Real estate tax set-aside	32,000	32,000	-	32,000		
PILOT abatement	11,400	11,400	11,400	-		
Sub-total	<u>1,268,400</u>	<u>1,268,400</u>	<u>963,650</u>	<u>304,750</u>		
Total Net Property Taxes	<u>41,162,899</u>	<u>41,162,899</u>	<u>42,049,578</u>	<u>886,679</u>		
Income Taxes	23,000,000	23,000,000	24,854,127	1,854,127		
Other Local Taxes:						
Hotel/motel tax	620,000	620,000	595,446	(24,554)		
Admissions	150,000	150,000	143,733	(6,267)		
Recordation	1,070,079	1,070,079	1,081,251	11,172		
911 Fees	525,000	525,000	487,625	(37,375)		
Trailer court	70,000	70,000	67,716	(2,284)		
Transfer tax	395,000	395,000	342,354	(52,646)		
Highway users taxes	234,322	234,322	229,448	(4,874)		
Total Local Taxes	<u>3,064,401</u>	<u>3,064,401</u>	<u>2,947,573</u>	<u>(116,828)</u>		
Total Taxes	<u>67,227,300</u>	<u>67,227,300</u>	<u>69,851,278</u>	<u>2,623,978</u>		
Licenses and Permits						
Alcoholic beverage licenses	85,000	85,000	86,019	1,019		
Amusement licenses	6,000	6,000	5,700	(300)		
Traders licenses	96,000	96,000	93,054	(2,946)		
Occupational licenses	1,000	1,000	900	(100)		
Animal licenses	12,000	12,000	3,885	(8,115)		
Building permits	28,000	28,000	25,965	(2,035)		
Marriage licenses	4,800	4,800	4,360	(440)		
Cable franchise fees	350,000	350,000	415,086	65,086		
Sediment control permits	26,000	26,000	24,544	(1,456)		
Total Licenses and Permits	<u>608,800</u>	<u>608,800</u>	<u>659,513</u>	<u>50,713</u>		

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
REVENUES (Continued):						
Intergovernmental:						
Federal Funds:						
Homeland security grant	200,981	200,981	505,035	304,054		
Justice department grant	9,460	9,460	2,388	(7,072)		
Civil defense	65,000	65,000	78,062	13,062		
FEMA grant	-	-	12,023	12,023		
EMT Grant	-	-	-	-		
MTA Transportation planning	86,324	86,324	86,324	-		
Railroad grant	-	-	14,886	14,886		
Health & Human Services Grant	-	-	85,352	85,352		
Food distribution to the needy	15,000	15,000	13,916	(1,084)		
Emergency shelter grant	32,500	32,500	20,302	(12,198)		
ARC Grants	-	-	116,000	116,000		
Masters program	60,897	60,897	42,726	(18,171)		
Miscellaneous federal grants	78,000	78,000	-	(78,000)		
Payments in lieu of property taxes	5,000	5,000	7,557	2,557		
Sub-total Federal funds	<u>553,162</u>	<u>553,162</u>	<u>984,571</u>	<u>431,409</u>		
State Funds:						
Public Health	17,000	17,000	14,777	(2,223)		
Police protection	130,000	130,000	130,595	595		
State 911 grant	1,500	1,500	2,160	660		
State transportation planning	10,791	10,791	10,791	-		
Maryland Department of Environment grant	6,077	6,077	7,843	1,766		
Juvenile services grant	15,130	15,130	14,977	(153)		
Department of Natural Resources	35,000	35,000	37,845	2,845		
Conservation aid salary	-	-	(7,192)	(7,192)		
Program Open Space grant	198,000	198,000	201,403	3,403		
Disparity grant	7,298,505	7,298,505	7,298,505	-		
State Jury Reimbursement	44,000	44,000	56,205	12,205		
Tourism grant	-	56,767	34,373	(22,394)		
Work Crew Supervisor	31,365	31,365	30,647	(718)		
Miscellaneous	165,617	170,154	200,213	30,059		
Sub-total State Funds	<u>7,952,985</u>	<u>8,014,289</u>	<u>8,033,142</u>	<u>18,853</u>		
Other Intergovernmental:						
Other agencies	<u>455,240</u>	<u>501,504</u>	<u>514,765</u>	<u>13,261</u>		
Sub-total Other Intergovernmental:	<u>455,240</u>	<u>501,504</u>	<u>514,765</u>	<u>13,261</u>		
Total Intergovernmental	<u>8,961,387</u>	<u>9,068,955</u>	<u>9,532,478</u>	<u>463,523</u>		

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
<u>REVENUES (Continued)</u>						
Service Charges:						
General government charges:						
State civil process	60,000	60,000	48,273	(11,727)		
Plans & specifications	5,000	5,000	2,405	(2,595)		
Regulation & Maps	4,000	4,000	4,605	605		
Tax sale fees	22,000	22,000	23,320	1,320		
Election filing fees	50	50	50	-		
Security interest filing fee	50	50	35	(15)		
License application fees	8,000	8,000	8,750	750		
Liquor License transfer fee	4,500	4,500	5,575	1,075		
Bay restoration collection fee	5,000	5,000	-	(5,000)		
Health Ins Admin fee	1,100	1,100	966	(134)		
Other general government service charges	-	-	5,500	5,500		
Tourism promotion charges	80,000	80,000	82,244	2,244		
Collection fees-special areas	58,000	58,000	64,332	6,332		
Liquor License Collection fee	3,600	3,600	3,607	7		
Hotel/Motel collection fee	17,000	17,000	20,021	3,021		
Partial payment fee	1,500	1,500	2,174	674		
Engineering fees	65,000	65,000	83,408	18,408		
Miscellaneous general government	-	-	25,000	25,000		
Indirect cost allocation	506,581	506,581	21,218	(485,363)		
Sub-total general government charges	<u>841,381</u>	<u>841,381</u>	<u>401,483</u>	<u>(439,898)</u>		
Public safety charges:						
Police protection charges	10,000	10,000	23,703	13,703		
Fingerprinting fee	200	200	230	30		
Impound fees	3,000	3,000	6,067	3,067		
Jail work release	12,000	12,000	14,860	2,860		
Boarding state prisoners	-	-	43,155	43,155		
Boarding Federal prisoners	25,000	25,000	188,452	163,452		
Community service fee	19,000	19,000	22,835	3,835		
Home detention fee	40,000	40,000	29,075	(10,925)		
Inmate Medical Copay	4,000	4,000	5,019	1,019		
Building Inspection fees	25,000	25,000	10,829	(14,171)		
Ambulance fees	75,000	75,000	102,426	27,426		
Sub-total public safety charges	<u>213,200</u>	<u>213,200</u>	<u>446,651</u>	<u>233,451</u>		
Sanitation and Waste Removal:						
Landfill fees	175,000	175,000	172,810	(2,190)		
Recycling fees	55,000	55,000	47,760	(7,240)		
Recycled material sales	11,000	11,000	27,984	16,984		
Sub-total Sanitation and Waste	<u>241,000</u>	<u>241,000</u>	<u>248,554</u>	<u>7,554</u>		
Health service charges:						
Dog adoption fees	18,000	18,000	2,828	(15,172)		
Sub-total Health service charges	<u>18,000</u>	<u>18,000</u>	<u>2,828</u>	<u>(15,172)</u>		

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
REVENUES (Continued):						
<u>Service Charges (continued):</u>						
Recreation Charges:						
Hotel fee, Rocky gap	300,000	300,000	366,074	66,074		
Sub-total recreation service charges	<u>300,000</u>	<u>300,000</u>	<u>366,074</u>	<u>66,074</u>		
Public service enterprises:						
Upper Potomac River Commission	305,638	305,638	305,638	-		
Road closing fees	450	450	150	(300)		
Sub-total public service charges	<u>306,088</u>	<u>306,088</u>	<u>305,788</u>	<u>(300)</u>		
Total Service Charges	<u>1,919,669</u>	<u>1,919,669</u>	<u>1,771,378</u>	<u>(148,291)</u>		
<u>Fines and Forfeitures:</u>						
Circuit court fines	7,000	7,000	6,249	(751)		
Contraband seizures	3,000	3,000	18,328	15,328		
Dog ordinance fines	4,000	4,000	80	(3,920)		
Liquor violation fines	4,700	4,700	19,510	14,810		
Zoning fines	1,100	1,100	4,256	3,156		
Fines and forfeitures	<u>3,000</u>	<u>3,000</u>	<u>1,100</u>	<u>(1,900)</u>		
Total Fines and Forfeitures	<u>22,800</u>	<u>22,800</u>	<u>49,523</u>	<u>26,723</u>		
<u>Miscellaneous:</u>						
Interest	124,424	124,424	109,812	(14,612)		
Rents and concessions	291,387	291,387	348,274	56,887		
Miscellaneous	<u>41,250</u>	<u>41,250</u>	<u>68,361</u>	<u>27,111</u>		
Total Miscellaneous	<u>457,061</u>	<u>457,061</u>	<u>526,447</u>	<u>69,386</u>		
Total Revenues	<u>79,197,017</u>	<u>79,304,585</u>	<u>82,390,617</u>	<u>3,086,032</u>		

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

EXPENDITURES:	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
General Government:				
Legislative:				
County Commissioners	167,029	167,029	158,961	8,068
County Commissioners Office	122,588	123,557	134,458	(10,901)
Total legislative	289,617	290,586	293,419	(2,833)
Judicial:				
Family Support Services	157,617	162,800	155,780	7,020
Alternative dispute resolution	5,500	5,500	5,019	481
Circuit court masters program	97,870	99,162	97,925	1,237
Circuit court	330,782	334,334	317,673	16,661
Orphans court	61,613	61,613	61,051	562
Family Law Master	59,585	60,231	62,759	(2,528)
State's attorney	1,177,032	1,186,398	1,182,834	3,564
Victim-Witness coordinator	9,460	9,783	4,687	5,096
Law library	15,000	15,000	15,000	-
Grand and petit juries	69,172	69,495	84,972	(15,477)
Total Judicial	1,983,631	2,004,316	1,987,700	16,616
Executive:				
Administrator	227,671	228,963	201,083	27,880
Elections:				
Registration and elections	501,571	503,832	410,644	93,188
Financial Administration:				
Finance Office	806,760	811,281	579,130	232,151
Tax Office	571,128	575,649	305,125	270,524
State Assessment Fee	672,000	672,000	614,945	57,055
Professional services	48,500	48,500	46,958	1,542
Total Financial Administration	2,098,388	2,107,430	1,546,158	561,272
Legal:				
Legal counsel	185,745	187,028	126,731	60,297
Other legal/professional	77,000	77,000	76,923	77
Total legal	262,745	264,028	203,654	60,374
Personnel Administration:				
Human Resources department	321,211	508,690	481,989	26,701
Human resources board of appeals	3,555	3,555	1,849	1,706
Wellness/Employee recognition	11,015	11,015	5,357	5,658
Total personnel administration	335,781	523,260	489,195	34,065
Planning and Zoning:				
Planning and zoning department	409,026	411,933	355,993	55,940
Land use planning	149,921	151,213	123,650	27,563
Total Planning and Zoning	558,947	563,146	479,643	83,503
General Services:				
County Building Maintenance	1,197,811	1,402,500	1,071,030	331,470
Data Processing	221,481	222,773	218,037	4,736
Total general services	1,419,292	1,625,273	1,289,067	336,206
Other general government:				
Liquor control board	110,003	110,972	100,018	10,954
Insurance	324,724	324,724	331,199	(6,475)
Employee benefits	127,000	127,000	59,010	67,990
Post retirement benefits	1,055,000	1,055,000	1,092,159	(37,159)
Total Other General Government	1,616,727	1,617,696	1,582,386	35,310
Total General Government	9,294,370	9,728,530	8,482,949	1,245,581

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

EXPENDITURES: EXPENDITURES (Continued):	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Safety:				
Police:				
Police Department	1,491,354	1,354,476	1,439,933	(85,457)
Sheriffs department	1,051,171	1,060,860	1,033,328	27,532
C3I Unit	13,000	13,000	6,974	6,026
Safe School	48,255	48,901	42,823	6,078
Juvenile review board	138,151	186,030	161,941	24,089
Total Police	2,741,931	2,663,267	2,684,999	(21,732)
Fire and rescue:				
Suppression of forest fires	1,000	1,000	-	1,000
Emergency medical services	593,916	601,667	589,185	12,482
Drug Seizures	-	-	7,744	(7,744)
Length of service award	200,000	200,000	217,780	(17,780)
Volunteer fire companies	1,025,570	1,025,570	1,015,226	10,344
Total Fire	1,820,486	1,828,237	1,829,935	(1,698)
Correction:				
County detention center maintenance	173,145	175,083	174,231	852
County detention center	6,795,461	6,841,643	6,724,635	117,008
Juvenile service grant	15,130	15,453	14,977	476
Alternative sentencing	157,191	158,483	161,569	(3,086)
Home detention grant	137,354	138,646	128,368	10,278
Total Correction	7,278,281	7,329,308	7,203,780	125,528
Other Protection:				
Permits & enforcement	333,057	335,641	321,141	14,500
Emergency Management Agency	263,757	266,341	299,273	(32,932)
Local emergency planning	6,077	6,077	2,543	3,534
Animal control	302,419	337,722	357,872	(20,150)
Animal shelter	66,540	69,447	84,076	(14,629)
911	1,778,035	1,794,829	1,924,775	(129,946)
Hazardous materials operations	93,513	93,513	66,817	26,696
Public safety department	105,703	106,026	72,198	33,828
Domestic preparedness grant	200,981	202,273	446,224	(243,951)
Building Codes	47,090	47,413	33,711	13,702
Code Enforcement	95,124	96,416	102,550	(6,134)
Flood control	39,000	39,000	19,150	19,850
Transportation planning	120,115	121,407	116,905	4,502
Total Other Protection	3,451,411	3,516,105	3,847,235	(331,130)
Total Public Safety	15,292,109	15,336,917	15,565,949	(229,032)
Public Works:				
Public Services:				
Highway department	7,308,114	7,824,452	7,454,668	369,784
Airport	240,000	240,000	240,000	-
Waste collection:				
Solid waste disposal	399,918	401,533	416,988	(15,455)
Solid waste recycling	166,681	167,327	147,592	19,735
UPRC	382,048	382,048	382,048	-
County engineer	971,467	978,895	900,539	78,356
Total Public Works	9,468,228	9,994,255	9,541,835	452,420

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

EXPENDITURES: EXPENDITURES (Continued):	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Health and Hospitals:</u>				
Brook Building	155,000	155,000	113,970	41,030
Willowbrook Office	301,000	301,000	270,376	30,624
Health Department supplemental	32,529	32,529	32,861	(332)
Western Maryland Health Planning	8,101	8,101	8,102	(1)
Total Health and Hospitals	496,630	496,630	425,309	71,321
<u>Social Services:</u>				
Nursing Home costs	353,011	353,011	561,982	(208,971)
Pauper's burials	1,300	1,300	1,300	-
Human Resources Devel. Comm.	707,570	707,570	707,570	-
Emergency shelter grant	32,500	32,500	20,302	12,198
Child abuse coordinator	103,221	103,867	104,043	(176)
Family Crisis Center	88,000	88,000	88,000	-
Food distribution to the needy	15,000	15,000	13,916	1,084
Total Social Services	1,300,602	1,301,248	1,497,113	(195,865)
<u>Education:</u>				
State debt reimbursement	23,761	23,761	23,761	-
Total Education	23,761	23,761	23,761	-
<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	189,513	190,805	249,198	(58,393)
Fairgrounds maintenance	225,541	225,541	194,431	31,110
Highland trail operations	88,504	89,150	92,433	(3,283)
Cumberland Summer Theatre	8,000	8,000	8,000	-
Program Open Space	198,000	198,000	120,515	77,485
Total Recreation and Culture	757,558	759,496	712,577	46,919
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	128,730	128,730	117,343	11,387
Soil conservation services	77,107	77,753	77,747	6
Gypsy moth control	10,000	10,000	6,000	4,000
Total Conservation of Natural Resources	215,837	216,483	201,090	15,393
<u>Community Development & Housing</u>				
Housing Programs	57,081	57,404	66,141	(8,737)
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	65,081	65,404	74,141	(8,737)
<u>Economic Development:</u>				
Department of Economic Development	514,498	518,373	510,146	8,227
Scenic railroad development	155,000	155,000	155,000	-
Tri-County Council	25,000	25,000	25,000	-
Tourism department	538,795	596,531	561,659	34,872
Toll House	3,650	3,650	887	2,763
Thrasher Museum	91,000	91,000	58,187	32,813
Community promotion	10,000	10,000	3,000	7,000
Canal Place Preservation	55,000	55,000	41,595	13,405
Total Economic Development	1,392,943	1,454,554	1,355,474	99,080

(continued)

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
EXPENDITURES (Continued):				
<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	1,206,695	-
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,245,199	1,245,199	1,245,199	-
<u>Miscellaneous:</u>				
Miscellaneous	24,400	24,400	25,839	(1,439)
Total Miscellaneous	24,400	24,400	25,839	(1,439)
<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	358,754	358,754	358,754	-
Total payments to component units	36,928,754	36,928,754	36,928,754	-
Total Expenditures	76,505,472	77,575,631	76,079,990	1,495,641
Excess (deficiency) of revenues over (under) expenditures	2,691,545	1,728,954	6,310,627	4,581,673
OTHER FINANCING SOURCES (USES)				
<u>Unexpended balance - prior years</u>	2,649,697	3,652,012	-	(3,652,012)
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds	45,380	45,380	45,380	-
Transfers from enterprise funds	25,863	25,863	30,379	4,516
Total Transfers In	71,243	71,243	75,759	4,516
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Transit Fund	(485,415)	(501,563)	(517,114)	(15,551)
Housing & Section 8 fund	-	-	-	-
Narcotics Task Force	(12,000)	(12,000)	(11,615)	385
Gaming fund	-	(1,615)	-	1,615
RBF	-	(646)	-	646
Debt service Fund:				
From General government	(4,643,009)	(4,643,009)	(4,322,808)	320,201
From Bureau of Police	(29,962)	(29,962)	(22,671)	7,291
Capital Projects Fund				
Pay-Go Fund	(100,000)	(100,000)	(690,000)	(590,000)
Enterprise funds:				
Water fund	-	-	(9,296)	(9,296)
Sanitary fund	(162,099)	(183,414)	(161,490)	21,924
Total operating transfers to other funds	(5,432,485)	(5,472,209)	(5,734,994)	(262,785)
<u>Sale of capital assets</u>	20,000	20,000	14,541	(5,459)
Total Other Financing Sources and Uses	(2,691,545)	(1,728,954)	(5,644,694)	(3,915,740)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	665,933	\$ 665,933
Fund balance, beginning			17,225,132	
Fund balance, ending			\$ 17,891,065	

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
REVOLVING BUILDING FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
State	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Miscellaneous	3,091,193	3,091,193	3,134,841	43,648
Total Revenues	3,091,193	3,091,193	3,134,841	43,648
EXPENDITURES				
Economic development	5,308,811	5,309,457	1,904,919	3,404,538
Total Expenditures	5,308,811	5,309,457	1,904,919	3,404,538
Excess (deficiency) of revenues over (under) expenditures	(2,217,618)	(2,218,264)	1,229,922	3,448,186
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	3,686,399	3,686,399	-	(3,686,399)
Transfer from other funds	-	646	-	(646)
Transfers to other funds	(1,468,781)	(1,468,781)	(1,523,306)	(54,525)
Proceeds from debt issuance	-	-	-	-
Sale of capital assets	-	-	70,230	70,230
Total Other Financing Sources and Uses	2,217,618	2,218,264	(1,453,076)	(3,671,340)
Net change in fund balances	\$ -	\$ -	(223,154)	\$ (223,154)
Fund balance, beginning			5,479,234	
Fund balance, ending			\$ 5,256,080	

Notes to Required Supplementary Information
June 30, 2012

Budgetary Basis

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

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

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

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

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

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

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

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

Debt Service Fund

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

Capital Projects Funds

The 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, 2012**

	Special Revenue Funds						
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund	Gaming Fund
ASSETS:							
Cash	\$ -	\$ 150	\$ -	\$ -	\$ 43,938	\$ 1,000	\$ -
Cash - restricted	-	-	-	-	-	-	-
Investments	713,344	-	-	-	-	100,000	-
Receivables							
Notes and loans				435,725			
Other	195	220,889	-			27	11,972
Due from other funds			6,370	194,286		26,119	669,306
Inventory	-	64,981	-	-	-	-	-
Prepays	-						
Total Assets	713,539	286,020	6,370	630,011	43,938	127,146	681,278
LIABILITIES:							
Accounts payable		27,355	-	-	-	4,924	475,044
Accrued payroll	-	29,031	-	-	-	576	3,590
Accrued payroll fringe	-	17,221	-	-	-	52	292
Due to other funds	50,409	212,413	-	-	-	-	-
Amounts held in escrow	-	-	-	43,938	97,582	-	-
Unearned revenue	-	-	-	435,725	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Liabilities	50,409	286,020	-	435,725	43,938	103,134	478,926
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	663,130	-	6,370	194,286	-	24,012	-
Committed	-	-	-	-	-	-	202,352
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	663,130	-	6,370	194,286	-	24,012	202,352
Total Liabilities and Fund Balances	\$ 713,539	\$ 286,020	\$ 6,370	\$ 630,011	\$ 43,938	\$ 127,146	\$ 681,278

**ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012**

Special Revenue Funds		Debt Service		Capital Project Funds				Total Nonmajor Governmental Funds
State Fire, Rescue & Public Safety Fund	Total	Debt Service Fund		PAYGO Capital Project Fund	Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds	
\$ -	\$ 1,150	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 1,150
	43,938							43,938
224,624	1,037,968			1,859,417	321,840	2,181,257		3,219,225
	435,725							435,725
8,746	241,829			1,004,812	749	42	1,005,603	1,247,432
311,503	1,207,584	180,095			684,978		684,978	2,072,657
	64,981							64,981
544,873	3,033,175	180,095		1,004,812	2,545,144	321,882	3,871,838	7,085,108
21,580	528,903			45,015	29,689		74,704	603,607
	33,197							33,197
	17,565							17,565
	262,822			916,795		13,912	930,707	1,193,529
	141,520							141,520
	435,725							435,725
21,580	1,419,732			961,810	29,689	13,912	1,005,411	2,425,143
523,293	1,411,091					307,970	307,970	1,719,061
	202,352							202,352
	180,095				2,515,455		2,515,455	2,695,550
				43,002			43,002	43,002
523,293	1,613,443	180,095		43,002	2,515,455	307,970	2,866,427	4,659,965
\$ 544,873	\$ 3,033,175	\$ 180,095		\$ 1,004,812	\$ 2,545,144	\$ 321,882	\$ 3,871,838	\$ 7,085,108

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Special Revenue Funds							
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund	Gaming Fund
REVENUES:							
Other local taxes	\$ 106,005	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 399,638
Intergovernmental:							
Federal	-	800,409	1,235	3,456	754,123	-	-
State	-	352,882	-	-	30,000	-	-
Other	-	-	-	-	-	-	-
Service charges	-	325,624	-	-	-	-	37,700
Fines and forfeitures	-	-	-	-	-	92,367	-
Interest	2,781	-	-	-	-	399	-
Miscellaneous	-	1,389	-	37,400	-	-	-
Total Revenues	108,786	1,480,304	1,235	40,856	784,123	92,766	437,338
EXPENDITURES:							
Current:							
General government	-	-	-	-	-	-	139,147
Public safety	-	-	-	-	-	99,786	78,671
Public works	-	1,955,008	-	-	-	-	-
Highways	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	12,577	784,123	-	-
Economic development	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
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	-	-	-	-	-	-	538,881
Total Expenditures	-	1,955,008	-	12,577	784,123	99,786	756,699
Excess (deficiency) of revenues over (under) expenditures	108,786	(474,704)	1,235	28,279	-	(7,020)	(319,361)
OTHER FINANCING SOURCES (USES):							
Transfers in	-	517,115	-	-	-	11,615	-
Transfers out	(159,000)	(42,411)	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total Other Financing Sources and uses	(159,000)	474,704	-	-	-	11,615	-
Net change in fund balances	(50,214)	-	1,235	28,279	-	4,595	(319,361)
Fund balance, beginning	713,344	\$	5,135	166,007	\$	19,417	521,713
Fund balance, ending	\$ 663,130	\$	6,370	\$ 194,286	\$	24,012	\$ 202,352

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

Special Revenue Funds		Debt Service		Capital Project Funds				
State Fire, Rescue & Public Safety Fund	Total Special Revenue Funds	Debt Service Fund		PAYGO Capital Project Fund	Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$	\$	\$	\$	\$	\$	\$	\$	\$
-	1,559,223	-	1,074,177	-	-	46,363	1,074,177	2,633,400
219,596	602,478	-	-	-	-	46,363	46,363	648,841
-	461,221	-	-	-	-	-	-	461,221
97,897	92,367	-	-	-	-	-	-	92,367
-	889	4,069	-	6,508	1,281	-	7,789	11,858
54,428	93,217	-	-	-	-	-	-	93,217
372,810	3,318,218	-	1,074,177	6,508	47,644	1,128,329	4,446,547	
-	139,147	-	-	-	-	-	-	139,147
365,765	544,222	-	-	-	-	-	-	544,222
-	1,955,008	-	-	-	-	-	-	1,955,008
-	-	-	-	-	-	-	-	-
-	796,700	-	-	-	-	-	-	796,700
-	-	1,250	-	-	-	-	-	1,250
-	-	4,593,988	-	-	-	-	-	4,593,988
-	-	1,271,904	-	-	-	-	-	1,271,904
-	-	-	284,171	-	248,791	-	284,171	284,171
-	-	-	435,921	-	-	684,712	684,712	
-	-	-	204,028	22,214	-	226,242	226,242	
-	-	-	-	-	-	-	-	-
-	-	-	6,326	-	-	6,326	6,326	
-	-	-	-	-	1,552	-	1,552	1,552
-	538,881	-	-	-	-	-	-	538,881
365,765	3,973,958	5,867,142	639,949	312,711	250,343	1,203,003	-	11,044,103
7,045	(655,740)	(5,867,142)	434,228	(306,203)	(202,699)	(74,674)	(6,597,556)	
-	528,730	5,838,968	159,863	690,000	-	849,863	7,217,561	
-	(201,411)	-	-	(863)	-	(863)	(202,274)	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	327,319	5,838,968	159,863	689,137	-	849,000	7,015,287	
7,045	(328,421)	(28,174)	594,091	382,934	(202,699)	774,326	417,731	
516,248	1,941,864	208,269	(551,089)	2,132,521	510,669	2,092,101	4,242,234	
\$ 523,293	\$ 1,613,443	\$ 180,095	\$ 43,002	\$ 2,515,455	\$ 307,970	\$ 2,866,427	\$ 4,659,965	

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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, 2012

ASSETS	Allconet II	Allegany County Loan Fund	Total
Current Assets:			
Cash:	\$ -	\$ -	\$ -
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	41,047	36,135	77,182
Other	- -	- -	- -
Due from other funds	96,175	692,411	788,586
Miscellaneous assets	- -	- -	- -
Total current assets	<u>137,222</u>	<u>728,546</u>	<u>865,768</u>
Non-current Assets:			
Advances to other funds	- -	380,408	380,408
Capital assets subject to depreciation	3,837,625	- -	3,837,625
Accumulated depreciation	(3,514,875)	- -	(3,514,875)
Total noncurrent assets	<u>322,750</u>	<u>380,408</u>	<u>703,158</u>
Total Assets	<u>459,972</u>	<u>1,108,954</u>	<u>1,568,926</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	4,430	- -	4,430
Due to other funds	- -	- -	- -
Miscellaneous liabilities	- -	- -	- -
Total current liabilities	<u>4,430</u>	<u>- -</u>	<u>4,430</u>
Noncurrent Liabilities:			
Long term debt:			
Compensated absences	- -	- -	- -
Total noncurrent liabilities	- -	- -	- -
Total Liabilities	<u>4,430</u>	<u>- -</u>	<u>4,430</u>
NET ASSETS			
Invested in capital assets, net of related debt	322,750	- -	322,750
Unrestricted	132,792	1,108,954	1,241,746
Total Net Assets	<u>\$ 455,542</u>	<u>\$ 1,108,954</u>	<u>\$ 1,564,496</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, 2012

	Allconet II	Allegany County Loan Fund	Total
OPERATING REVENUES:			
Service charges	\$ 255,457	\$ -	\$ 255,457
Miscellaneous	8,625	-	8,625
Total operating Revenues	<u>264,082</u>	<u>-</u>	<u>264,082</u>
OPERATING EXPENSES:			
Office expenses	11,043	-	11,043
Utilities	5,227	-	5,227
Repairs & maintenance	36,640	-	36,640
Professional services	92,823	-	92,823
Materials and supplies	-	-	-
Insurance	7,347	-	7,347
Miscellaneous	-	290	290
Depreciation	<u>596,606</u>	<u>-</u>	<u>596,606</u>
Total operating expenses	<u>749,686</u>	<u>290</u>	<u>749,976</u>
Operating Income (Loss)	<u>(485,604)</u>	<u>(290)</u>	<u>(485,894)</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest income	2,124	-	2,124
Other income (expense)	-	-	-
Total non-operating revenue (expenses)	<u>2,124</u>	<u>-</u>	<u>2,124</u>
Income (Loss) before contributions and transfers	(483,480)	(290)	(483,770)
Transfer in	-	-	-
Transfer out	-	(30,379)	(30,379)
Change in net assets	<u>(483,480)</u>	<u>(30,669)</u>	<u>(514,149)</u>
Total net assets - beginning	939,022	1,139,623	2,078,645
Total net assets - ending	<u>\$ 455,542</u>	<u>\$ 1,108,954</u>	<u>\$ 1,564,496</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Alconet II	Allegany County Loan Fund	Total
<u>Cash flows from operating activities:</u>			
Cash received from customers	\$ 291,621	\$ 30,379	\$ 322,000
Cash payments for goods and services	(167,384)	-	(167,384)
Other operating revenues	8,625	-	8,625
Net cash provided by operating activities	<u>132,862</u>	<u>30,379</u>	<u>163,241</u>
<u>Cash flows from noncapital financing activities:</u>			
Advances from other funds	223,402	12,219	235,621
Advances to other funds	(302,371)	(12,219)	(314,590)
Transfers from other funds	-	-	-
Transfers to other funds	-	(30,379)	(30,379)
Net cash provided by noncapital financing activities	<u>(78,969)</u>	<u>(30,379)</u>	<u>(109,348)</u>
<u>Cash flows from capital and related financing activities:</u>			
Acquisition and construction of capital assets	(56,017)	-	(56,017)
Proceeds from sale of assets	-	-	-
Net cash used for capital and related financing activities	<u>(56,017)</u>	<u>-</u>	<u>(56,017)</u>
<u>Cash flows from investing activities:</u>			
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest on investments	2,124	-	2,124
Net cash used in investing activities	<u>2,124</u>	<u>-</u>	<u>2,124</u>
Net increase (decrease) in cash	0	-	0
Cash at beginning of the year	-	-	-
Cash at end of year	<u>\$ 0</u>	<u>\$ -</u>	<u>\$ 0</u>
<u>Reconciliation of operating income to net cash provided by operating activities:</u>			
Operating income (loss)	<u>\$ (485,604)</u>	<u>\$ (290)</u>	<u>\$ (485,894)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	596,606	-	596,606
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	36,164	30,669	66,833
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in acc'ts payable	(14,304)	-	(14,304)
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	<u>618,466</u>	<u>30,669</u>	<u>649,135</u>
Net cash provided by operating activities	<u>\$ 132,862</u>	<u>\$ 30,379</u>	<u>\$ 163,241</u>

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

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

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ALLEGANY COUNTY, MARYLAND
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
Expenditures:				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 1,250	\$ 23,750
Debt Service:				
Principal payments on :				
General obligation debt	4,239,754	4,239,754	4,095,618	144,136
State loans	501,863	501,863	498,370	3,493
Total principal payments	<u>4,741,617</u>	<u>4,741,617</u>	<u>4,593,988</u>	<u>147,629</u>
Interest payments on:				
General obligation debt	1,213,868	1,213,868	1,142,737	71,131
State loans	131,450	131,450	129,167	2,283
Total interest payments	<u>1,345,318</u>	<u>1,345,318</u>	<u>1,271,904</u>	<u>73,414</u>
Total Expenditures	<u>6,111,935</u>	<u>6,111,935</u>	<u>5,867,142</u>	<u>244,793</u>
Deficiency of revenues under expenditures	<u>(6,111,935)</u>	<u>(6,111,935)</u>	<u>(5,867,142)</u>	<u>(244,793)</u>
Other Financing Sources and (Uses):				
Unexpended fund balance	-	-	-	-
Transfers from other funds:				
From the General Fund	4,672,971	4,672,971	4,345,479	(327,492)
From the Transit Fund	42,411	42,411	42,411	-
From the Revolving Building Fund	1,396,553	1,396,553	1,451,078	54,525
Total Other Financing Sources and Uses	<u>6,111,935</u>	<u>6,111,935</u>	<u>5,838,968</u>	<u>(272,967)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(28,174)</u>	<u>\$ (28,174)</u>
Fund balance, beginning			<u>208,269</u>	
Fund balance, ending			<u>\$ 180,095</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, 2012

	Coal Haul Roads Fund				Transit Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ (3,995)	\$ -	\$ -	\$ -	\$ -
Other local taxes	110,000	110,000	106,005	(3,995)	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	792,360	792,360	800,409	8,049
State	-	-	-	-	353,948	353,948	352,882	(1,066)
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	299,426	299,426	325,624	26,198
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	5,000	5,000	2,781	(2,219)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	1,389	1,389
Total Revenues	<u>115,000</u>	<u>115,000</u>	<u>108,786</u>	<u>(6,214)</u>	<u>1,445,734</u>	<u>1,445,734</u>	<u>1,480,304</u>	<u>34,570</u>
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	115,000	115,000	-	(115,000)	1,894,588	1,910,736	1,955,008	(44,272)
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	<u>115,000</u>	<u>115,000</u>	<u>-</u>	<u>(115,000)</u>	<u>1,894,588</u>	<u>1,910,736</u>	<u>1,955,008</u>	<u>(44,272)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	108,786	(121,214)	(448,854)	(465,002)	(474,704)	(9,702)
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	-	-	-	-	5,850	5,850	-	(5,850)
Transfer from other funds	-	-	-	-	485,415	501,563	517,115	15,552
Transfers to other funds	-	-	(159,000)	(159,000)	(42,411)	(42,411)	(42,411)	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	(159,000)	(159,000)	448,854	465,002	474,704	9,702
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(50,214)</u>	<u>\$ (280,214)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning			713,344					
Fund balance, ending			<u>\$ 663,130</u>				<u>\$ -</u>	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

Community Development Block Grant Fund				Block Grant Program Income Fund				
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Intergovernmental:								
Federal	- - -	- - -	1,235	1,235	- - -	- - -	3,456	3,456
State	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Other	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Service charges	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Fines and forfeitures	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Interest	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Miscellaneous	- - -	- - -	- - -	- - -	- - -	- - -	37,400	37,400
Total Revenues	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>1,235</u>	<u>1,235</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>40,856</u>	<u>40,856</u>
EXPENDITURES:								
General government	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Public safety	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Public works	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Health & hospitals	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Highway	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Social Services	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Community Development and Housing	- - -	- - -	- - -	- - -	- - -	- - -	12,577	(12,577)
Economic development	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Miscellaneous	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Payments to Component Units	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Total Expenditures	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>12,577</u>	<u>(12,577)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>1,235</u>	<u>1,235</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>28,279</u>	<u>28,279</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Transfer from other funds	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Transfers to other funds	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Debt issued	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Sale of capital assets	- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
Total Other Financing Sources and Uses	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>	<u>—</u> <u>—</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>1,235</u>	<u>\$ 1,235</u>	<u>\$ -</u>	<u>\$ -</u>	<u>28,279</u>	<u>\$ 28,279</u>
Fund balance, beginning			\$ 135				\$ 166,007	
Fund balance, ending			<u>\$ 6,370</u>				<u>\$ 194,286</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, 2012

	Community Development & Housing Fund				Drug Task Force Fund				Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	
REVENUES:									
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other local taxes	-	-	-	-	-	-	-	-	
Intergovernmental:									
Federal	-	-	754,123	754,123	-	-	-	-	
State	-	-	30,000	30,000	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
Service charges	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	50,300	50,300	92,367	42,067	
Interest	-	-	-	-	-	-	399	399	
Miscellaneous	-	-	-	-	-	-	-	-	
Total Revenues	<u> </u>	<u> </u>	<u>784,123</u>	<u>784,123</u>	<u>50,300</u>	<u>50,300</u>	<u>92,766</u>	<u>42,466</u>	
EXPENDITURES:									
General government	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	62,300	62,300	99,786	(37,486)	
Public works	-	-	-	-	-	-	-	-	
Health & hospitals	-	-	-	-	-	-	-	-	
Highway	-	-	-	-	-	-	-	-	
Social Services	-	-	-	-	-	-	-	-	
Community Development and Housing	-	-	784,123	(784,123)	-	-	-	-	
Economic development	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	
Payments to Component Units	-	-	-	-	-	-	-	-	
Total Expenditures	<u> </u>	<u> </u>	<u>784,123</u>	<u>(784,123)</u>	<u>62,300</u>	<u>62,300</u>	<u>99,786</u>	<u>(37,486)</u>	
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(12,000)	(12,000)	(7,020)	4,980	
OTHER FINANCING SOURCES AND (USES):									
Unexpended balance - prior	-	-	-	-	-	-	-	-	
Transfer from other funds	-	-	-	-	12,000	12,000	11,615	(385)	
Transfers to other funds	-	-	-	-	-	-	-	-	
Debt issued	-	-	-	-	-	-	-	-	
Sale of capital assets	-	-	-	-	-	-	-	-	
Total Other Financing Sources and Uses	<u> </u>	<u> </u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>12,000</u>	<u>11,615</u>	<u>(385)</u>	
Net change in fund balances	<u> </u>	<u> </u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>4,595</u>	<u>\$ 4,595</u>	
Fund balance, beginning							19,417		
Fund balance, ending							<u>\$ 24,012</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, 2012

	Gaming Fund				Revolving Building Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	351,001	351,001	399,638	48,637				
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	35,000	35,000	37,700	2,700				
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-				
Miscellaneous	-	-	-	-	3,091,193	3,091,193	3,134,841	43,648
Total Revenues	386,001	386,001	437,338	51,337	3,091,193	3,091,193	3,134,841	43,648
EXPENDITURES:								
General government	148,086	149,701	139,147	10,554	-	-	-	-
Public safety	59,479	59,479	78,671	(19,192)				
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-				
Economic development	-	-	-	-	5,308,811	5,309,457	1,904,919	3,404,538
Miscellaneous	-	-	-	-				
Payments to Component Units	178,436	178,436	538,881	(360,445)				
Total Expenditures	386,001	387,616	756,699	(369,083)	5,308,811	5,309,457	1,904,919	3,404,538
Excess (deficiency) of revenues over (under) expenditures	-	(1,615)	(319,361)	(317,746)	(2,217,618)	(2,218,264)	1,229,922	3,448,186
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior year	-	-	-	-	3,686,399	3,686,399	-	(3,686,399)
Transfer from other funds	-	1,615	-	(1,615)	-	646	-	(646)
Transfers to other funds	-	-	-	-	(1,468,781)	(1,468,781)	(1,523,306)	(54,525)
Debt issued	-	-	-	-				-
Sale of capital assets	-	-	-	-			70,230	70,230
Total Other Financing Sources and Uses	-	1,615	-	(1,615)	2,217,618	2,218,264	(1,453,076)	(3,671,340)
Net change in fund balances	\$ -	\$ -	(319,361)	\$ (319,361)	\$ -	\$ -	(223,154)	\$ (223,154)
Fund balance, beginning			521,713				5,479,234	
Fund balance, ending			\$ 202,352				\$ 5,256,080	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012

Fire, Rescue & Public Safety Fund					Total Special Revenue Funds				
REVENUES:	Original	Final	Variance With	Positive	Original	Final	Variance With	Positive	Variance With
	Budget	Budget				Budget			
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ 461,001	\$ 461,001	\$ 505,643	\$ 44,642	
Other local taxes	-	-	-	-	792,360	792,360	1,559,223	766,863	
Intergovernmental:					803,896	803,896	602,478	(201,418)	
Federal	-	-	-	-	-	-	-	-	
State	449,948	449,948	219,596	(230,352)	429,426	429,426	461,221	31,795	
Other	-	-	-	-	50,300	50,300	92,367	42,067	
Service charges	95,000	95,000	97,897	2,897	6,200	6,200	4,069	(2,131)	
Fines and forfeitures	-	-	-	-	3,155,613	3,155,613	3,228,058	72,445	
Interest	1,200	1,200	889	(311)	-	-	-	-	
Miscellaneous	64,420	64,420	54,428	(9,992)	-	-	-	-	
Total Revenues	<u>610,568</u>	<u>610,568</u>	<u>372,810</u>	<u>(237,758)</u>	<u>5,698,796</u>	<u>5,698,796</u>	<u>6,453,059</u>	<u>754,263</u>	
 EXPENDITURES:									
General government	-	-	-	-	148,086	149,701	139,147	(10,554)	
Public safety	622,568	622,568	365,765	256,803	744,347	744,347	544,222	(200,125)	
Public works	-	-	-	-	2,009,588	2,025,736	1,955,008	(70,728)	
Health & hospitals	-	-	-	-	-	-	-	-	
Highway	-	-	-	-	-	-	-	-	
Social Services	-	-	-	-	-	-	-	-	
Community Development and Housing	-	-	-	-	-	-	796,700	796,700	
Economic development	-	-	-	-	5,308,811	5,309,457	1,904,919	(3,404,538)	
Miscellaneous	-	-	-	-	-	-	-	-	
Payments to Component Units	-	-	-	-	178,436	178,436	538,881	360,445	
Total Expenditures	<u>622,568</u>	<u>622,568</u>	<u>365,765</u>	<u>256,803</u>	<u>8,389,268</u>	<u>8,407,677</u>	<u>5,878,877</u>	<u>(2,528,800)</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(12,000)</u>	<u>(12,000)</u>	<u>7,045</u>	<u>19,045</u>	<u>(2,690,472)</u>	<u>(2,708,881)</u>	<u>574,182</u>	<u>(1,774,537)</u>	
 OTHER FINANCING SOURCES AND (USES):									
Unexpended balance - prior year	12,000	12,000	-	(12,000)	3,704,249	3,704,249	-	-	(3,704,249)
Transfer from other funds	-	-	-	-	497,415	515,824	528,730	12,906	
Transfers to other funds	-	-	-	-	(1,511,192)	(1,511,192)	(1,724,717)	(213,525)	
Debt issued	-	-	-	-	-	-	-	-	
Sale of capital assets	-	-	-	-	-	-	70,230	70,230	
Total Other Financing Sources and Uses	<u>12,000</u>	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>	<u>2,690,472</u>	<u>2,708,881</u>	<u>(1,125,757)</u>	<u>(3,834,638)</u>	
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>7,045</u>	<u>\$ 7,045</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (551,575)</u>	<u>\$ (5,609,175)</u>	
Fund balance, beginning			516,248				7,421,098		
Fund balance, ending			<u>\$ 523,293</u>				<u>\$ 6,869,523</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, 2012**

**ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2012**

Public Improvement Bonds Capital Projects Fund				Total All Capital Projects			
Original Budget	Final Budget	Actual	Variance With Final Budget	Original Budget	Final Budget	Actual	Variance With Final Budget
			Positive (Negative)				Positive (Negative)
\$	\$	\$	\$	\$	\$	\$	\$
-	-	46,363	46,363	3,732,900	3,732,900	1,074,177	(2,658,723)
-	-	-	-	540,000	540,000	46,363	(493,637)
-	-	-	-	-	-	-	-
-	-	1,281	1,281	-	-	7,789	7,789
-	-	47,644	47,644	4,272,900	4,272,900	1,128,329	(3,144,571)
-	-	-	-	-	-	-	-
-	-	248,791	(248,791)	31,000	31,000	-	31,000
-	-	-	-	409,000	409,000	684,710	(275,710)
-	-	-	-	5,043,000	5,043,000	488,201	4,554,799
-	-	-	-	-	-	-	-
-	-	-	-	824,000	824,000	22,214	801,786
-	-	-	-	-	-	6,326	(6,326)
-	-	-	-	-	-	-	-
-	-	1,552	(1,552)	-	-	1,552	(1,552)
-	-	250,343	(250,343)	6,307,000	6,307,000	1,203,003	5,103,997
-	-	-	-	-	-	-	-
-	-	(202,699)	(202,699)	(2,034,100)	(2,034,100)	(74,674)	1,959,426
-	-	-	-	989,800	989,800	-	(989,800)
-	-	-	-	100,000	100,000	849,863	749,863
-	-	-	-	-	-	(863)	(863)
-	-	-	-	944,300	944,300	-	(944,300)
-	-	-	-	-	-	-	-
-	-	-	-	2,034,100	2,034,100	849,000	(1,185,100)
\$	\$	(202,699)	\$ (202,699)	\$ -	\$ -	774,326	\$ 774,326
		510,669				2,092,101	
		\$ 307,970				\$ 2,866,427	

CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2012

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

	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	-	-	-	-
AC Auto Tech Building	4086	500,000	-	-	-	-	-
Flood buyouts	4087	10,797	-	-	-	-	-
Detention Center HVAC	408A	435,000	433,692	-	-	-	-
Orleans Road Bridge	408B	6,939,000	-	-	-	-	69,893
Potomac Hollow Road Bridge	408P	795,000	-	-	-	-	-
Takoma Drainage	408T	375,000	-	-	-	-	-
Brady Run Phase II	4091	10,000	292,086	-	-	-	-
Flood Gate, Savage Dam	409S	3,715,000	3,265,061	401,372	-	355,848	-
Potomac River Water	409T	70,000	15,000	-	-	-	-
Flood Mitigation, PDM Scattered	409X	211,247	158,247	-	-	-	-
Highland Trail	410X	10,006,000	3,224,644	5,829,521	6,772	-	215,706
			8,184,820	6,230,893	6,772	355,848	285,599
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	-	-	-	-	-
Library Repairs	421F	100,000	-	-	-	-	-
County bldg improvements	4181	106,681	-	110,435	-	16,392	113,189
			-	-	-	-	310,462
Public Improvement Bonds Capital Project Fund							
Computer aided dispatcher	432B	702,000	-	21,363	-	-	-
Bond Interest	432Z	15,444	-	-	-	-	20,879
Library - LaVale parking lot	4322	34,000	-	-	-	-	-
Braddock Run Restoration	4323	800,000	82,500	500,000	-	-	500
Jennings Run Restoration	4324	800,000	-	500,000	-	-	-
AC Geothermal Project	4327	327,000	-	-	-	-	-
Courthouse roof	4239	342,000	-	-	-	-	-
			82,500	1,021,363	-	-	21,379
Total Capital Project Funds			\$ 8,267,320	\$ 7,362,691	\$ 6,772	\$ 372,240	\$ 617,440

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2012

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
-	23,395	145,248	168,467	-	168,467	(23,219)	(38,467)
-	863	675,100	675,100	-	675,100	-	-
-	500,000	500,000	439,197	-	439,197	60,803	60,803
-	11,591	11,591	378	-	378	11,213	10,419
-	433,692	435,919	-	-	435,919	(2,227)	(919)
-	69,893	314,927	-	-	314,927	(245,034)	6,624,073
-	159,000	159,000	19,575	-	19,575	139,425	775,425
-	-	103	-	-	103	(103)	374,897
-	94,527	386,613	387,328	-	387,328	(715)	132,672
-	220,000	4,242,281	4,079,612	-	4,079,612	162,669	(364,612)
-	123,360	138,360	118,773	-	118,773	19,587	(48,773)
-	53,000	211,247	209,738	794	210,532	715	715
-	296,679	9,573,322	9,653,434	-	9,653,434	(80,112)	952,566
-	1,482,415	16,546,347	16,502,551	794	16,503,345	43,002	8,478,799
-	365,039	365,039	153,111	5,725	158,836	206,203	191,164
-	5,546,608	5,546,608	3,278,028	797,853	4,075,881	1,470,727	505,727
-	711,187	954,435	853,145	-	853,145	101,290	646,855
-	805,309	805,309	747,870	-	747,870	57,439	57,439
-	400,000	400,000	-	200,000	200,000	200,000	-
-	206,624	271,084	271,084	-	271,084	-	-
-	716,731	733,123	704,173	-	704,173	28,950	28,950
-	416,000	416,000	445,672	-	445,672	(29,672)	(29,672)
-	50,000	50,000	19,100	-	19,100	30,900	5,900
-	200,000	200,000	44,700	-	44,700	155,300	155,300
-	100,000	100,000	6,326	-	6,326	93,674	93,674
-	125,000	238,189	37,545	-	37,545	200,644	69,136
-	9,642,498	10,079,787	6,560,754	1,003,578	7,564,332	2,515,455	1,724,473
702,000	-	723,363	691,319	-	691,319	32,044	10,681
-	-	20,879	20,449	-	20,449	430	(5,005)
33,588	-	33,588	33,588	-	33,588	-	412
300,000	-	883,000	677,508	-	677,508	205,492	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)
1,912,388	92,000	3,129,630	2,821,660	-	2,821,660	307,970	198,784
\$ 1,912,388	\$ 11,216,913	\$ 29,755,764	\$ 25,884,965	\$ 1,004,372	\$ 26,889,337	\$ 2,866,427	\$ 10,402,056

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CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2012

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, 2012

	Detention Center HVAC (408A)	Orleans Rd Bridge (408B)	Potomac Hollow Rd Bridge (408P)	Takoma Drainage (408T)	New Hope Road (4083)	Cash Valley Road (4084)
REVENUES:						
Intergovernmental:						
Federal:						
Department of Energy	\$ 433,692	\$ -	\$ -	\$ -	\$ -	\$ -
EPA						
State:						
Department of environment	-	-	-	-	-	-
Service charges	-	-	-	-	-	-
Miscellaneous:						
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	433,692	-	-	-	-	-
EXPENDITURES:						
Public Safety	435,919	-	-	-	-	-
Public Works		27,604	19,575	103	8,297	-
Education	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Total Expenditures	435,919	27,604	19,575	103	8,297	-
OTHER FINANCING SOURCES and (USES):						
Transfers-in from:						
General Fund	-	-	-	-	23,395	863
Coal Haul Roads	-	-	159,000	-	-	-
Debt issued	-	-	-	-	-	-
Total Other Financing						
Sources and Uses	-	-	159,000	-	23,395	863
Net change in fund balances	(2,227)	(27,604)	139,425	(103)	15,098	863
Fund Balance, beginning	-	(217,430)	-	-	(38,317)	(863)
Fund Balance, Ending	\$ (2,227)	\$ (245,034)	\$ 139,425	\$ (103)	\$ (23,219)	\$ -

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, 2012

AC Auto Tech Bldg (4086)	Flood Buyout (4087)	UPRC Flood Gate (409S)	Potomac River Water Study (409T)	Health Dept Relocation (409N)	Dry Run (409L)	Flood Mitigation PDM Sites (409X)	Highland Trail (410X)	Fund Total
\$ -	\$ -	\$ -	\$ 640,485	\$ -	\$ -	\$ -	\$ -	\$ 433,692 640,485
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	640,485	-	-	-	-	1,074,177
-	-	-	-	-	-	-	-	-
-	378	147,964	109	-	-	-	-	435,919 204,030
-	-	-	-	-	-	-	-	-
-	378	147,964	109	-	-	-	-	639,949
-	794	-	-	(23,395)	-	(794)	-	863
-	-	-	-	-	-	-	-	159,000
-	-	-	-	-	-	-	-	-
-	794	-	-	(23,395)	-	(794)	-	159,863
-	416	492,521	(109)	(23,395)	-	(794)	-	594,091
60,803	10,797	(329,852)	19,696	23,395	(715)	1,509	(80,112)	(551,089)
\$ 60,803	\$ 11,213	\$ 162,669	\$ 19,587	\$ -	\$ (715)	\$ 715	\$ (80,112)	\$ 43,002

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, 2012

	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)
REVENUES:						
Intergovernmental:						
Federal grants:						
RDA grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State grants:						
Maryland highway grant	-	-	-	-	-	-
Maryland environmental grant	-	-	-	-	-	-
Miscellaneous state grants	-	-	-	-	-	-
Other Agency	-	-	-	-	-	-
Miscellaneous:						
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES:						
General Government	17,849	-	-	226,503	-	5,992
Public safety	-	-	-	-	-	-
Public works	-	11,537	550	-	-	-
Recreation & culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	17,849	11,537	550	226,503	-	5,992
OTHER FINANCING SOURCES and (USES):						
Transfers-in from:						
General fund	-	465,000	-	-	-	-
General Fund, internal transfers	-	-	-	-	-	-
Transfers -out to:						
Capital Projects Fund	-	(863)	-	-	-	-
Debt proceeds, capital lease	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	464,137	-	-	-	-
Net change in fund balances	(17,849)	452,600	(550)	(226,503)	-	(5,992)
Fund Balance, beginning	224,052	1,018,127	101,840	283,942	200,000	5,992
Fund Balance, Ending	\$ 206,203	\$ 1,470,727	\$ 101,290	\$ 57,439	\$ 200,000	\$ -

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, 2012

Road Improvements (4203)	Bridge Street Bridge (4207)	Drainage Improvements (4208)	Fiber Infrastructure (421A)	Library (421F)	County Building Improvements (4181)	Total PAYGO Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	6,508	6,508
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,508</u>	<u>6,508</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,327		4,800			33,827	284,171
-	-	-	-	-	-	-
5,327		4,800		6,326	22,214	6,326
<u>5,327</u>	<u>-</u>	<u>4,800</u>	<u>-</u>	<u>6,326</u>	<u>33,827</u>	<u>312,711</u>
-	-	-	-	100,000	125,000	690,000
-	-	-	-	-	-	-
-	-	-	-	-	-	(863)
-	-	-	-	-	-	-
-	-	-	-	100,000	125,000	689,137
(5,327)	-	(4,800)	-	93,674	97,681	382,934
<u>34,277</u>	<u>(29,672)</u>	<u>35,700</u>	<u>155,300</u>	<u>\$ 93,674</u>	<u>102,963</u>	<u>2,132,521</u>
<u><u>\$ 28,950</u></u>	<u><u>\$ (29,672)</u></u>	<u><u>\$ 30,900</u></u>	<u><u>\$ 155,300</u></u>	<u><u>\$ 93,674</u></u>	<u><u>\$ 200,644</u></u>	<u><u>\$ 2,515,455</u></u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PUBLIC IMPROVEMENT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2012

	2008 Public Improvement Bond						Total 2008 Public Improvement Bond
	Computer Aided Dispatcher (432B)	Bond Interest (432Z)	Braddock Run Restoration (4323)	Jennings Run Restoration (4324)	Court House Roof (4329)		
REVENUES:							
Intergovernmental:							
State grants:							
MD Emergency Management	\$ 21,363	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,363
MD Dept of Environment			25,000				25,000
Miscellaneous:							
Interest	-	1,281	-	-	-	-	1,281
Miscellaneous:	-	-	-	-	-	-	-
Total Revenues	21,363	1,281	25,000	-	-	-	47,644
EXPENDITURES:							
General government	-	-	-	-	-	-	-
Public safety	248,791	-	-	-	-	-	248,791
Miscellaneous	-	1,552	-	-	-	-	1,552
Total Expenditures	248,791	1,552	-	-	-	-	250,343
OTHER FINANCING SOURCES and (USES):							
Debt issued	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-
Net change in fund balances	(227,428)	(271)	25,000	-	-	-	(202,699)
Fund Balance, beginning	259,472	701	180,492	143,353	(73,349)	510,669	
Fund Balance, Ending	\$ 32,044	\$ 430	\$ 205,492	\$ 143,353	\$ (73,349)	\$ 307,970	

**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, 2012

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F	Bowman's Addition 501G	Cresapto 501H
OPERATING REVENUES:	5011	501A	501B	501C	501D	501E	501F	501G	501H
Service charges	\$ 21,758	\$ 137,211	\$ 35,471	\$ 10,149	\$ 884,312	\$ 55,378	\$ 416,370	\$ 114,264	\$ 622,344
Miscellaneous	-	16	4	-	11	1	52	18	27
Total Operating Revenues	21,758	137,227	35,475	10,149	884,323	55,379	416,422	114,282	622,611
OPERATING EXPENSES:									
Salaries	-	15,413	4,146	-	10,455	721	48,942	16,765	47,04
Fringe benefits	-	8,720	2,346	-	5,916	408	27,691	9,485	26,620
Office expenses	-	1	232	-	1	347	3	1	3
Utilities	-	58,541	17,802	15,009	721,551	23,895	283,172	57,870	472,17
Repairs and maintenance	-	1,061	1,966	1,969	445	5,546	38,876	1,233	15,49
Contractual	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	89	205	50
Materials and supplies	-	482	129	-	3,421	408	4,303	2,156	2,06
Insurance	-	-	-	-	-	-	-	-	-
Indirect cost	-	5,245	1,613	2,433	29,942	1,014	16,630	4,794	21,886
Miscellaneous	-	-	-	-	-	-	-	-	-
Depreciation	-	39,486	18,186	44,422	53,001	-	38,927	68,003	8,67
Total Operating Expenses	-	128,949	46,420	63,833	824,732	32,339	458,633	160,512	594,456
Operating Income (Loss)	21,758	8,278	(10,945)	(53,684)	59,591	23,040	(42,211)	(46,230)	28,15
NON-OPERATING REVENUE (EXPENSES):									
Interest income	266	1,189	441	-	2,051	-	10,945	3,450	3,12
Interest expense	(7,192)	(23,980)	(4,321)	(14,976)	(17,805)	-	-	(29,801)	(21)
Total Non-operating Revenue (Expenses)	(6,926)	(22,791)	(3,880)	(14,976)	(15,754)	-	10,945	(26,351)	2,90
Income Before Contributions and Transfers	14,832	(14,513)	(14,825)	(68,660)	43,837	23,040	(31,266)	(72,581)	31,063
Capital Contributions:									
Federal grants	-	-	-	-	-	-	-	886,837	627,18
State grants	-	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-
Transfers in:									
General fund	-	-	-	9,296	-	-	-	-	-
Revolving Building Fund	-	-	-	19,348	-	-	-	-	-
Change in Net Assets	\$ 14,832	\$ (14,513)	\$ (14,825)	\$ (40,016)	\$ 43,837	\$ 23,040	\$ (31,266)	\$ 814,256	\$ 658,24

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, 2012

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
\$ 127	\$ 10,557	\$ 176,661	\$ 163,839	\$ 351,425	\$ 281,339	\$ 7,892	\$ 59,873	\$ 115,172	\$ 182,075	\$ 3,646,217
620	603	21	22	46	33	1	7	15	22	1,762
<u>747</u>	<u>11,160</u>	<u>176,682</u>	<u>163,861</u>	<u>351,471</u>	<u>281,372</u>	<u>7,893</u>	<u>59,880</u>	<u>115,187</u>	<u>182,097</u>	<u>3,647,979</u>
-	2,444	19,379	20,821	43,895	31,276	991	6,219	14,241	21,181	303,938
-	1,508	10,964	11,780	24,835	17,696	561	3,519	8,057	11,984	172,090
-	-	1	1,188	3	2	-	-	1	349	2,132
1,265	6,832	55,444	40,875	147,046	88,188	3,177	37,180	51,341	98,808	2,180,166
1,326	10	76	2,032	10,339	55,004	4	1,916	56	83	137,433
-	-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	500	-	-	-	-	1,294
26	78	640	648	7,517	1,357	29	193	444	660	24,556
-	-	-	-	158	158	-	-	-	-	316
223	2	6,459	7,603	11,966	11,825	314	2,686	4,646	9,090	138,371
-	-	-	-	-	-	-	-	-	-	-
-	990	73,783	97,673	139,158	88,247	2,330	28,569	34,537	87,076	823,060
<u>2,840</u>	<u>11,864</u>	<u>166,746</u>	<u>182,620</u>	<u>384,917</u>	<u>294,253</u>	<u>7,406</u>	<u>80,282</u>	<u>113,323</u>	<u>229,231</u>	<u>3,783,356</u>
<u>(2,093)</u>	<u>(704)</u>	<u>9,936</u>	<u>(18,759)</u>	<u>(33,446)</u>	<u>(12,881)</u>	<u>487</u>	<u>(20,402)</u>	<u>1,864</u>	<u>(47,134)</u>	<u>(135,377)</u>
-	10	3,113	5,221	10,189	8,932	81	1,432	4,896	5,169	60,505
-	(15)	(17,435)	(41,784)	-	(23,356)	-	-	(19,403)	(35,225)	(235,508)
-	(5)	(14,322)	(36,563)	10,189	(14,424)	81	1,432	(14,507)	(30,056)	(175,003)
(2,093)	(709)	(4,386)	(55,322)	(23,257)	(27,305)	568	(18,970)	(12,643)	(77,190)	(310,380)
-	-	-	-	-	-	-	-	-	-	1,514,019
-	326,212	-	-	-	-	-	-	-	-	326,212
-	-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-	9,296
-	-	-	-	-	-	-	-	-	-	19,348
<u>(2,093)</u>	<u>\$ 325,503</u>	<u>\$ (4,386)</u>	<u>\$ (55,322)</u>	<u>\$ (23,257)</u>	<u>\$ (27,305)</u>	<u>\$ 568</u>	<u>\$ (18,970)</u>	<u>\$ (12,643)</u>	<u>\$ (77,190)</u>	<u>\$ 1,558,495</u>
Total net assets - beginning										22,057,207
Total net assets - ending										\$ 23,615,702

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

June 30, 2012

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
ASSETS							
Current Assets:							
Cash:							
Cash	\$ 1,419,922	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted				85,222			
Investments	203,363	65,613	44,491		63,569		
Receivables:							
Accounts (net)	3,391	93,796	78,828	209,704	129,871	96,927	17,745
Taxes - restricted	-	24,595	19,395	2,756	16,940	6,813	1,166
Accounts (net) - restricted		-	-			5,175	-
Other	657,996	10	7		477	-	
Due from other funds	746,064	-	826,652		-	-	
Inventory	65,801	-	-		-	-	
Total current assets	<u>3,096,537</u>	<u>184,014</u>	<u>969,373</u>	<u>297,682</u>	<u>210,857</u>	<u>108,915</u>	<u>18,911</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	4,451,982	-	-	-	-	-	
Capital assets subject to depreciation	3,485,978	4,828,368	4,100,180	5,070,257	5,000,814	6,147,952	2,289,639
Less: Accumulated depreciation	(2,378,101)	(2,343,902)	(1,813,722)	(2,847,545)	(3,430,736)	(4,232,364)	(1,373,327)
Total noncurrent assets	<u>5,564,859</u>	<u>2,485,466</u>	<u>2,291,458</u>	<u>2,223,212</u>	<u>1,571,078</u>	<u>1,917,088</u>	<u>916,312</u>
Total Assets	<u>8,661,396</u>	<u>2,669,480</u>	<u>3,260,831</u>	<u>2,520,894</u>	<u>1,781,935</u>	<u>2,026,003</u>	<u>935,223</u>
LIABILITIES							
Current liabilities:							
Accounts payable	727,948	384	38,701	56,855	22,766	13,666	3,801
Accrued wages payable	39,863	-	-	-	-	-	
Accrued payroll fringe benefits	18,814	-	-	-	-	-	
Accrued interest payable	10,211	2,000	2,079	-	398	-	
Current portion of long term debt							
Bonds & loans	142,568	18,684	17,183	-	37,347	-	
Other loans	-	-	-	-	-	-	
Compensated absences	53,214	-	-	-	-	-	
Due to other funds	4,436,122	18,538	-	1,057,917	255,568	945,994	716,927
Accrued health claims	-	-	-	-	-	-	
Miscellaneous liabilities	97,002	-	-	62,340	-	-	
Total current liabilities	<u>5,525,742</u>	<u>39,606</u>	<u>57,963</u>	<u>1,177,112</u>	<u>316,079</u>	<u>959,660</u>	<u>720,728</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	800,000	-
Long term debt:							
Bonds & loans	1,863,974	1,117,472	1,032,848	-	465,197	-	
Other loans	-	-	-	-	-	-	
Compensated absences	303,065	-	-	-	-	-	
Total noncurrent liabilities	<u>2,167,039</u>	<u>1,117,472</u>	<u>1,032,848</u>	<u>-</u>	<u>465,197</u>	<u>800,000</u>	<u>-</u>
Total Liabilities	<u>7,692,781</u>	<u>1,157,078</u>	<u>1,090,811</u>	<u>1,177,112</u>	<u>781,276</u>	<u>1,759,660</u>	<u>720,728</u>
NET ASSETS							
Invested in capital assets, net of related debt	3,558,317	1,349,310	1,241,427	2,223,212	1,068,534	1,917,088	916,312
Restricted for debt service	-	24,595	19,395	2,756	16,940	11,988	1,166
Unrestricted	(2,589,702)	138,497	909,198	(882,186)	(84,815)	(1,662,733)	(702,983)
Total Net Assets	<u>\$ 968,615</u>	<u>\$ 1,512,402</u>	<u>\$ 2,170,020</u>	<u>\$ 1,343,782</u>	<u>\$ 1,000,659</u>	<u>\$ 266,343</u>	<u>\$ 214,495</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2012

	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
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
	-	-	-	-	-	-	-	-	-	1,419,922
	-	-	-	-	-	-	-	-	-	85,222
	-	-	171,944	-	-	-	-	-	-	548,980
5,304	10,837	319,649	12,645	32,405	73,906	6,800	25,580	977	1,118,365	
171	2,236	70,813	119	-	1,215	1,773	2,199	-	150,191	
1,386	1,354	81,796	-	-	-	-	-	-	89,711	
-	-	27	-	2,513	12,449	-	-	-	673,479	
-	-	1,918,922	486,201	799,214	1,120,706	-	75,385	-	5,973,144	
-	-	-	-	-	-	-	-	-	65,801	
6,861	14,427	2,563,151	498,965	834,132	1,208,276	8,573	103,164	977	10,124,815	
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282	
-	-	73,804	-	-	-	-	-	-	4,525,786	
892,947	1,230,023	49,662,913	561,728	21,700,802	2,051,939	813,331	2,816,920	2,430,653	113,084,444	
(532,288)	(712,263)	(13,179,747)	(333,603)	(4,276,137)	(813,047)	(325,332)	(1,054,400)	(297,654)	(39,944,168)	
361,159	520,760	36,603,252	228,125	17,424,665	1,241,392	487,999	1,763,520	2,132,999	77,733,344	
368,020	535,187	39,166,403	727,090	18,258,797	2,449,668	496,572	1,866,684	2,133,976	87,858,159	
-	4,164	20,535	3	58,393	27,196	-	448	1,655	976,515	
1,065	-	3,534	-	6,823	-	-	-	-	51,285	
473	-	1,849	-	3,593	-	-	-	-	24,729	
-	-	25,661	-	22,278	-	796	3,021	-	66,444	
-	-	451,605	-	432,232	-	2,799	10,617	-	1,113,035	
-	-	-	-	-	-	-	419	-	419	
-	-	-	-	-	-	-	-	-	53,214	
277,285	382,573	-	-	-	-	36,132	-	459,769	8,586,825	
-	-	-	-	-	-	-	-	-	0	
-	-	-	-	28,184	-	-	-	-	187,526	
278,823	386,737	503,184	3	551,503	27,196	39,727	14,505	461,424	11,059,992	
-	-	-	-	-	-	-	-	-	800,000	
-	-	7,233,311	-	5,498,882	-	112,564	426,894	-	17,751,142	
-	-	-	-	-	-	-	17,251	-	17,251	
-	-	-	-	-	-	-	-	-	303,065	
-	-	7,233,311	-	5,498,882	-	112,564	444,145	-	18,871,458	
278,823	386,737	7,736,495	3	6,050,385	27,196	152,291	458,650	461,424	29,931,450	
361,159	520,760	28,918,336	228,125	11,493,551	1,241,392	372,636	1,308,339	2,132,999	58,851,497	
1,557	3,590	152,609	119	-	1,215	1,773	2,199	-	239,902	
(273,519)	(375,900)	2,358,963	498,843	714,861	1,179,865	(30,128)	97,496	(460,447)	(1,164,690)	
\$ 89,197	\$ 148,450	\$ 31,429,908	\$ 727,087	\$ 12,208,412	\$ 2,422,472	\$ 344,281	\$ 1,408,034	\$ 1,672,552	\$ 57,926,709	

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, 2012

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
OPERATING REVENUES:							
Service charges	\$ 11,602	\$ 382,471	\$ 355,962	\$ 1,096,790	\$ 451,228	\$ 360,676	\$ 64,883
Miscellaneous	34	944	809	2,894	1,445	1,122	213
Total Operating Revenues	11,636	383,415	356,771	1,099,684	452,673	361,798	65,096
OPERATING EXPENSES:							
Wages and salaries	1,893	53,449	45,877	163,951	81,840	63,543	12,078
Employee benefits	1,071	30,240	25,957	92,761	46,304	35,952	6,833
Office expenses	227	6,630	5,437	20,250	9,811	8,106	1,432
Utilities	189	16,976	16,630	39,394	14,123	12,101	6,383
Repairs and maintenance	370	17,962	58,597	35,059	22,833	18,182	3,955
Contractual services	119	3,318	2,843	10,172	5,078	3,944	749
Water/Sewage treatment costs	3	246,276	188,925	646,139	486,582	267,752	80,343
Professional fees	30	1,047	726	2,596	1,296	1,007	192
Materials and supplies	1,035	29,387	25,573	95,509	46,407	34,740	9,930
Insurance	386	10,791	9,248	33,084	16,518	16,534	2,436
Indirect cost	974	27,243	23,346	83,524	41,701	32,387	6,149
Miscellaneous	11	662	2,367	955	3,978	3,870	70
Depreciation	3,395	117,955	102,995	168,774	135,464	153,385	52,991
Total Operating Expenses	9,703	561,936	508,521	1,392,168	911,935	651,503	183,541
Operating Income (Loss)	1,933	(178,521)	(151,750)	(292,484)	(459,262)	(289,705)	(118,445)
NON-OPERATING REVENUE (EXPENSES):							
Real and personal property taxes	-	215,003	184,324	30,309	136,827	51,174	4,393
Interest & Penalties, taxes	-	7,306	5,155	775	3,404	2,004	546
Discounts, taxes	-	(1,029)	(871)	(157)	(700)	(260)	(17)
Enterprise/industrial exemptions	-	-	-	282	-	-	-
Collection fees	-	(5,047)	(4,238)	(699)	(3,050)	(1,203)	(129)
Front footage assessments	-	-	-	-	-	15,587	(176)
Interest income	175	4,058	6,128	3,207	16,219	12,749	1,859
Interest income, debt service	-	221	154	-	-	512	186
Interest expense	(22,909)	(48,064)	(44,480)	-	(4,495)	-	-
Allocated debt service revenue	165,340	(14,846)	(12,725)	(45,514)	(22,732)	(17,646)	(3,347)
Gain (Loss) on disposal of assets	19	530	454	1,625	812	630	120
Total Nonoperating revenue (expenses)	142,625	158,132	133,901	(10,172)	126,285	63,547	3,435
Income Before Contributions and Transfers	144,558	(20,389)	(17,849)	(302,656)	(332,977)	(226,158)	(115,010)
Capital Contributions:							
Federal	-	-	-	-	272,030	310,646	-
State	-	-	-	268,927	-	-	-
Other	-	-	-	18,027	-	-	-
Transfers in:							
General Fund	225	6,293	5,393	19,294	9,633	7,482	1,420
Revolving Building Fund	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-
Change in Net Assets	144,783	(14,096)	(12,456)	3,592	(51,314)	91,970	(113,590)
Net assets - beginning	823,832	1,526,498	2,182,476	1,340,190	1,051,973	174,373	328,085
Net assets - ending	\$ 968,615	\$ 1,512,402	\$ 2,170,020	\$ 1,343,782	\$ 1,000,659	\$ 266,343	\$ 214,495

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, 2012

Oldtown	Flintstone	Georges Creek	Franklin/ Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
522	523	524	525	526	527	528	529	530	5,411,747
\$ 15,912	\$ 33,720	\$ 952,969	\$ 40,793	\$ 1,108,810	\$ 413,917	\$ 22,362	\$ 95,527	\$ 4,125	
46	78	2,147	143	-	273	81	316	-	10,545
15,958	33,798	955,116	40,936	1,108,810	414,190	22,443	95,843	4,125	5,422,292
2,614	4,417	121,588	8,111	157,854	15,413	4,596	17,937	17,538	772,699
1,479	2,499	68,792	4,589	76,181	8,720	2,601	10,148	9,857	423,984
312	2,593	14,695	964	3,348	1,836	546	2,127	170	78,484
3,329	2,056	17,889	121	212,475	13,524	46	6,676	12,528	374,440
1,623	9,566	30,472	2,469	102,167	19,254	888	7,199	12,280	342,876
163	274	10,416	504	-	960	285	1,112	-	39,938
43,261	65,366	441,833	6,107	-	175,748	19,351	4,939	-	2,672,625
42	70	2,126	129	14,930	245	73	284	880	25,673
1,426	2,646	66,188	4,405	131,393	10,745	2,494	14,239	5,763	481,880
2,345	2,707	39,724	1,640	-	3,123	929	3,617	-	143,082
1,339	2,252	61,973	4,140	-	7,884	2,344	9,131	-	304,387
15	27	1,449	48	192	90	27	103	-	13,864
20,555	33,570	1,046,552	14,497	446,436	46,206	22,189	76,085	48,951	2,490,000
78,503	128,043	1,923,697	47,724	1,144,976	303,748	56,369	153,597	107,967	8,163,931
(62,545)	(94,245)	(968,581)	(6,788)	(36,166)	110,442	(33,926)	(57,754)	(103,842)	(2,741,639)
1,468	10,902	308,069	1,609	-	10,051	12,333	21,431	-	987,893
6	1,266	14,285	68	-	316	581	794	-	36,506
(10)	(50)	(1,555)	(14)	-	(44)	(53)	(94)	-	(4,854)
-	-	-	-	-	-	-	-	-	282
(32)	(309)	(7,473)	(39)	-	(230)	(292)	(511)	-	(23,252)
1,359	3,646	83,477	-	-	-	-	-	-	103,893
604	1,455	31,752	679	31,816	449	431	990	-	112,571
73	148	3,159	-	-	-	-	-	-	4,453
-	-	(119,665)	-	(56,212)	-	(5,263)	(20,777)	-	(321,865)
(729)	(1,226)	(33,784)	(2,253)	-	(4,291)	(1,276)	(4,971)	-	-
26	44	1,206	81	-	153	46	178	-	5,924
2,765	15,876	279,471	131	(24,396)	6,404	6,507	(2,960)	-	901,551
(59,780)	(78,369)	(689,109)	(6,657)	(60,562)	116,846	(27,419)	(60,714)	(103,842)	(1,840,087)
-	-	-	-	-	-	-	-	-	582,676
-	-	(162,016)	-	-	-	-	-	-	106,911
-	-	-	-	-	-	-	-	-	18,027
309	520	14,316	956	43,784	1,821	541	2,109	47,391	161,487
-	-	-	-	-	-	-	-	7,500	7,500
-	-	-	-	-	-	-	-	-	-
(59,471)	(77,849)	(836,809)	(5,701)	(16,778)	118,667	(26,878)	(58,605)	(48,951)	(963,486)
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
\$ 89,197	\$ 148,450	\$ 31,429,908	\$ 727,087	\$ 12,208,412	\$ 2,422,472	\$ 344,281	\$ 1,408,034	\$ 1,672,552	\$ 57,926,709

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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, 2012

ASSETS:	Balance			Balance
	July 1, 2011	Additions	Deductions	June 30, 2012
Taxes levied for State:				
Taxes receivable - State	\$ 455,175	\$ 4,116,289	\$ 4,089,822	\$ 481,642
Bay restoration fee	348,189	425,535	611,894	161,830
Other receivables	2	9,931	9,931	2
Taxes levied for Special Areas:				
Lonaconing, Town of	19,068	124,463	122,187	21,344
Midland, Town of	6,236	36,160	36,508	5,888
Westernport, Town of	57,943	373,472	371,051	60,364
Cumberland differential	962	-	224	738
Bel Air Special Tax Area	1,730	33,069	33,007	1,792
Bowling Green Fire Co.	4,218	35,254	35,236	4,236
Bedford Road Fire Co.	4,476	43,432	42,295	5,613
Bowling Green Special Tax Area	3,018	27,732	27,201	3,549
Cresaptown Ambulance	16,489	141,189	144,510	13,168
Cresaptown Civic Imp. Assoc.	3,549	31,929	31,639	3,839
Cresaptown Fire Co.	21,817	186,002	192,663	15,156
Corriganville Light & Imp.	2,383	18,907	19,046	2,244
Ellerslie Special Tax Area	1,459	11,853	11,936	1,376
LaVale Volunteer Fire Dept.	14,928	173,555	174,750	13,733
LaVale Rescue Squad	7,466	86,778	87,373	6,871
LaVale Sanitary District	44,983	591,916	594,549	42,350
McCoole Special Tax Area	1,002	4,192	4,457	737
Moscow Light	637	3,580	3,601	616
Mt. Savage Special Tax Area	1,900	10,323	10,331	1,892
Potomac Park Special Tax Area	2,237	16,956	17,246	1,947
Rawlings Fire Co.	4,009	41,668	41,108	4,569
Sub-total special areas	<u>220,510</u>	<u>1,992,430</u>	<u>2,000,918</u>	<u>212,022</u>
Due from other funds	<u>164,670</u>	<u>7,071,740</u>	<u>7,040,519</u>	<u>195,891</u>
Total Assets	<u>\$ 1,188,546</u>	<u>\$ 13,615,925</u>	<u>\$ 13,753,084</u>	<u>\$ 1,051,387</u>
LIABILITIES:				
Accounts payable	\$ 164,672	\$ 702,420	\$ 671,199	\$ 195,893
A/P Special Areas	220,510	1,987,350	1,995,839	212,022
Taxes payable - State	455,175	4,132,412	4,105,945	481,642
A/P Bay restoration fee	348,189	404,615	590,974	161,830
Total Liabilities	<u>\$ 1,188,546</u>	<u>\$ 7,226,797</u>	<u>\$ 7,363,957</u>	<u>\$ 1,051,387</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, 2012 and 2011

ASSETS	Primary Government			
	At June 30, 2012		Net Book Value	June 30, 2011
	Cost	Accumulated Depreciation		
Land	\$ 21,320,090	\$ -	\$ 21,320,090	\$ 21,320,090
Construction in progress	2,204,724	-	2,204,724	4,338,091
Buildings	63,101,126	20,138,534	42,962,592	39,530,741
Infrastructure	47,768,987	29,256,648	18,512,339	19,235,864
Furniture & fixtures	989,653	693,958	295,695	337,499
Machinery & equipment	9,472,063	6,428,931	3,043,132	2,694,097
Vehicles	9,210,587	7,292,378	1,918,209	2,220,885
Heavy equipment	3,899,503	3,435,970	463,533	522,582
Other capital assets	924,623	525,803	398,820	412,553
Total Assets	\$ 158,891,356	\$ 67,772,222	\$ 91,119,134	\$ 90,612,402
FUND EQUITY				
Investment in general capital assets acquired before July 1, 1993 - source unidentified			\$ 8,419,883	\$ 8,600,398
Investment in construction in progress			2,204,724	4,338,091
Investment in general capital assets by source:				
General Fund:				
General revenues			8,549,357	8,250,049
Federal grants			3,285,612	3,051,528
State grants			2,863,999	2,863,999
Miscellaneous revenues			739,643	739,643
Debt proceeds			1,106,155	1,148,899
Special Revenue Funds:				
General revenues			47,229,631	42,396,254
Federal grants			7,411,501	7,404,509
State grants			8,008,234	8,008,234
Miscellaneous revenues			194,574	194,574
Debt proceeds			8,926,043	8,926,043
Capital Project Funds:				
General revenues			15,319,488	15,316,766
Federal grants			9,419,951	8,986,259
State grants			21,868,272	21,846,909
Miscellaneous revenues			1,082,823	1,082,822
Debt proceeds			10,889,879	10,219,923
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(67,772,222)	(64,134,089)
Total Fund Equity			\$ 91,119,134	\$ 90,612,402

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2012

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	\$ 155,078	\$ 1,610,383	\$ 381,235	\$ 197,388	\$ 472,141	\$ 10,014,847	\$ (5,607,834)	\$ 4,407,013
Public Safety	2,045,433	18,643,438	1,743,304	330,345	6,816,832	1,543,282	162,511	148,814	31,433,959	(10,673,054)	20,760,905
Public Works	1,449,166	1,492,971	40,149,991	298,253	801,606	5,965,213	3,930,081	1,583,769	55,671,050	(38,478,330)	17,192,720
Health	575,119	6,553,202	-	-	-	-	4,121	-	7,132,442	(1,114,524)	6,017,918
Social Services	116	3,250	24,331	193,522	89,080	1,157,993	13,000	-	1,481,292	(787,156)	694,136
Recreation & Culture	583,119	2,620,688	214,288	8,295	6,528	39,246	430,696	-	3,902,860	(1,325,030)	2,577,830
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(680,366)	956,667
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	(354,292)	178,161
Economic Development	14,394,877	26,780,813	5,597,297	-	95,949	98,317	86,329	-	47,053,582	(8,719,798)	38,333,784
Total General Capital Assets	\$ 21,320,090	\$ 63,101,126	\$ 47,768,987	\$ 989,653	\$ 9,472,063	\$ 9,210,587	\$ 4,824,126	\$ 2,204,724	\$ 158,891,356	\$ (67,772,222)	\$ 91,119,134

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Function	General Capital Assets June 30, 2011	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Total Cost	Accumulated Depreciation June 30, 2011	Less Current Year Depreciation	Add Depreciation on Disposals	General Capital Assets June 30, 2012
General Government	\$ 9,730,377	\$ -	\$ -	\$ 284,470	\$ (122,635)	\$ 10,014,847	\$ (5,117,121)	\$ (490,713)	\$ -	\$ 4,407,013
Public Safety	30,428,852	-	-	1,127,742	(273,493)	31,433,959	(9,619,511)	(1,173,919)	120,376	20,760,905
Public Works	55,771,627	-	-	172,916	(429,468)	55,671,050	(37,775,033)	(976,790)	273,493	17,192,720
Health	7,561,910	-	-	-	-	7,132,442	(896,084)	(218,440)	-	6,017,918
Social Services	1,474,300	-	-	6,992	-	1,481,292	(604,954)	(182,202)	-	694,136
Recreation & Culture	3,902,860	-	-	-	-	3,902,860	(1,221,046)	(103,984)	-	2,577,830
Libraries	1,637,033	-	-	-	-	1,637,033	(637,191)	(43,175)	-	956,667
Natural Resources	31,838	-	-	-	-	31,838	(31,838)	-	-	-
Urban Development & Housing	532,453	-	-	-	-	532,453	(338,147)	(16,145)	-	178,161
Economic Development	43,675,240	-	-	3,378,342	-	47,053,582	(7,893,163)	(826,635)	-	38,333,784
Total General Capital Assets	\$ 154,746,490	\$ -	\$ -	\$ 4,970,462	\$ (825,596)	\$ 158,891,356	\$ (64,134,088)	\$ (4,032,003)	\$ 393,869	\$ 91,119,134

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STATISTICAL SECTION

Statistical Section

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

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Financial Trends These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
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Revenue Capacity These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax	
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Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
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Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	
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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 Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets, net of related debt	\$ 49,601,139	\$ 53,978,694	\$ 60,161,453	\$ 66,160,686	\$ 70,105,110	\$ 76,516,700	\$ 78,593,428	\$ 79,922,549	\$ 81,231,372	\$ 82,834,048
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	1,921,413
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	9,060,676
Total governmental activities net assets	\$ 39,552,089	\$ 50,905,961	\$ 59,054,376	\$ 71,486,540	\$ 78,513,162	\$ 76,110,173	\$ 80,643,616	\$ 86,703,571	\$ 88,726,459	\$ 93,816,137
Business-type activities										
Invested in capital assets, net of related debt	\$ 51,533,344	\$ 56,841,888	\$ 59,474,528	\$ 67,030,468	\$ 62,978,258	\$ 64,244,563	\$ 76,553,963	\$ 80,104,054	\$ 82,056,523	\$ 81,346,531
Restricted	185,808	159,657	172,797	167,898	170,832	175,654	184,204	198,240	246,463	239,902
Unrestricted	5,398,109	1,439,367	1,552,398	(1,694,100)	878,952	(20,398)	(3,714,137)	(307,597)	723,061	1,520,472
Total business-type activities net assets	\$ 57,117,261	\$ 58,440,912	\$ 61,199,723	\$ 65,504,266	\$ 64,028,042	\$ 64,399,819	\$ 73,024,030	\$ 79,994,697	\$ 83,026,047	\$ 83,106,905
Primary Government										
Invested in capital assets, net of related debt	\$ 101,134,483	\$ 110,820,582	\$ 119,635,981	\$ 133,191,154	\$ 133,083,368	\$ 140,761,263	\$ 155,147,391	\$ 160,026,603	\$ 163,287,895	\$ 164,180,579
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	2,161,315
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	10,581,148
Total primary government net assets	\$ 96,669,350	\$ 109,346,873	\$ 120,254,099	\$ 136,990,806	\$ 142,541,204	\$ 140,509,992	\$ 153,667,646	\$ 166,698,268	\$ 171,752,506	\$ 176,923,042

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

Expenses	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:										
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	9,275,767
Payment to data processing	255,757	284,767	279,661	294,847	311,568	328,464	350,334	348,334	348,334	358,754
Public Safety	10,729,932	10,878,035	13,320,579	14,571,046	13,998,396	15,612,059	16,626,793	k	18,650,183	17,290,112
Public Works	10,320,589	9,277,395	9,691,963	11,176,350	11,368,688	12,280,040	12,000,493	15,378,566	13,596,902	12,565,697
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	2,279,912
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	1,682,412
Education:	106,438	51,733	796,573	a	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	g	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	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	868,620
Payment to public library system	769,000	781,000	794,000	835,000	875,000	905,000	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	201,107
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	884,528
Economic Development	2,865,480	2,412,668	3,487,397	2,487,755	3,083,041	4,113,586	2,407,460	i	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	1,290,789
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	\$ 86,307,652
Business-type activities:										
Water	1,446,660	1,483,542	1,448,043	1,751,458	1,798,200	2,977,733	h	3,272,629	3,699,321	4,184,704
Sewer	5,845,841	5,796,718	6,398,687	7,137,019	7,900,344	7,249,045	h	7,220,779	7,251,103	7,914,948
Nursing Home	8,174,160	8,620,622	9,550,145	b	9,657,283	10,292,274	10,425,903	11,034,410	- p	-
Other Funds	-	-	-	487,108	446,058	578,996	597,356	613,458	716,643	749,976
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	13,254,637
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	\$ 99,562,289
Program Revenues										
Governmental activities:										
Charges For services:										
Public safety	\$ 1,279,568	\$ 1,903,640	\$ 2,210,969	\$ 2,585,073	\$ 2,385,029	\$ 2,230,875	\$ 2,193,379	1,854,301	1,503,049	1,394,969
Public works	858,844	915,434	834,819	850,935	957,924	940,444	874,542	1,002,656	842,854	931,374
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	3,458,473
Other activities	478,640	597,748	626,097	935,592	783,227	898,153	819,558	756,974	781,680	779,869
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	4,123,606
Capital grants and contributions	5,783,782	5,704,736	10,626,139	c	4,861,929	5,205,639	6,009,919	2,193,383	m	6,597,432
Total governmental activities program revenues	15,318,745	16,671,959	22,804,574	17,869,466	17,075,223	17,299,839	14,169,469	18,888,622	11,288,223	13,458,659
Business-type activities:										
Charges For services:										
Water	1,059,355	1,107,522	1,152,636	1,379,464	1,313,974	2,530,078	2,809,168	3,385,635	3,792,949	3,646,217
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	5,411,747
Nursing Home	8,027,848	8,690,049	8,464,807	9,030,901	9,455,148	9,922,523	10,900,432	- p	-	-
Other Funds	157,703	128,362	163,815	53,667	13,448	439,381	l	62,018	124,134	271,440
Operating grants and contributions										
Capital grants and contributions	2,054,418	3,816,273	d	3,320,783	3,560,637	803,391	3,290,107	10,872,588	n	7,412,463
Total business-type activities program revenues	15,821,815	18,356,687	18,243,982	19,513,011	17,257,506	20,835,305	29,479,725	15,929,609	13,874,881	11,861,266
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	\$ 25,319,925

(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)

Net (Expense)/Revenue	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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)	\$ (72,848,993)
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	(1,393,371)
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>	<u>\$ (74,242,364)</u>
General Revenues And Other Changes In Net Assets										
Governmental Activities:										
Taxes										
Property taxes	\$ 25,545,098	\$ 26,865,528	\$ 27,060,585	\$ 29,094,141	\$ 30,141,707	\$ 32,492,011	\$ 34,266,623	39,552,052	41,236,282	41,271,372
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	24,657,767
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	2,965,592
Licenses	411,923	426,638	410,720	308,405	323,025	332,774	342,819	353,375	355,176	415,086
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	7,359,609
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	1,163,443
Gain/(loss) on sale/retirement of capital assets	45,381	(396,544)	(112,531)	2,876,383	707,145	-	-	-	243,845	81,820
Miscellaneous	555,409	421,048	505,188	393,305	392,063	1,288,442	1,259,689	573,688	591,353	191,234
Transfers	882,228	1,776,087	551,293	96,895	(430,187)	(315,004)	(88,631)	3,158,822	(208,709)	(167,252)
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>	<u>\$ 77,938,671</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	996,575
Investment earnings	71,022	92,621	159,528	181,098	196,246	202,249	179,171	183,601	183,350	175,200
Miscellaneous	8,202	8,676	49,342	78,326	192,372	116,816	110,495	108,761	166,208	5,924
Gain/(loss) on sale/retirement of capital assets	-	-	-	-	-	(685,462)	-	-	-	-
Transfers	(882,228)	(1,776,087)	(551,293)	(96,895)	430,187	315,004	88,631	4,589,787	p	129,278
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>\$ (3,158,822)</u>	t	<u>167,252</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>	<u>\$ 79,412,900</u>
Change In Net Assets										
Governmental activities	\$ 2,740,062	\$ 11,353,872	f	\$ 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>
										<u>\$ 5,170,536</u>

Note: Expenses include indirect cost allocation.

(Continued)

Allegany County, Maryland
Changes In Net Assets, Last Ten Fiscal Years
(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)
- x Increase largely due to contribution related to donation of building
- x Decrease due to grant related projects being completed and projects financed more with loans

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Nonspendable									1,202,021	1,200,453
Restricted									110,787	129,902
Committed									2,649,697	-
Assigned									1,868,295	881,313
Unassigned									11,394,352	15,679,397
Reserved	\$ 2,300,641	\$ 2,709,317	\$ 3,302,308	\$ 3,588,015	\$ 3,825,655	\$ 3,907,309	\$ 3,916,618	1,210,859		
Unreserved	8,274,597	9,990,236	9,399,968	10,361,286	11,875,991	11,892,393	11,862,655	15,761,591		
Total General Fund	\$ 10,575,238	\$ 12,699,553	\$ 12,702,276	\$ 13,947,301	\$ 15,501,646	\$ 15,799,702	\$ 15,779,273	\$ 16,972,450	\$ 17,225,132	\$ 17,891,065
All Other Governmental Funds										
Restricted									1,217,476	1,719,061
Committed									6,714,291	5,458,432
Assigned									2,340,790	2,695,550
Unassigned									(551,089)	43,002
Reserved	\$ 418,165	\$ 100,856	\$ 1,294,529	\$ 424,349	\$ 10,240,090	\$ 3,778,869	\$ 703,075	1,209,131		
Unreserved, reported in:										
Special revenue funds	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	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	1,275,000	1,150,000	1,175,000	1,517,200	1,687,810	1,654,049	613,929	315,232		
Total all other governmental funds	\$ 6,322,316	\$ 7,272,455	\$ 6,792,482	\$ 9,430,144	\$ 19,928,092	\$ 12,471,143	\$ 12,631,971	\$ 12,736,141	\$ 9,721,468	\$ 9,916,045

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

Revenues	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Property taxes	\$ 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	\$ 42,049,578
Income taxes	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	24,854,127
Highway user taxes	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	229,448
Other local taxes	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	3,223,768
Licenses and permits	580,355	606,228	583,575	586,286	616,222	621,136	611,328	609,877	613,729	659,513
Intergovernmental:										
Federal	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	3,617,971
State	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	8,681,983
Other	135,025	269,579	495,599	561,733	399,757	328,351	354,708	362,352	515,474	514,765
Service charges	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	2,232,599
Fines and forfeitures	147,986	2,560	91,420	79,618	109,022	71,133	98,463	114,372	74,177	141,890
Interest	343,052	194,563	402,229	752,182	948,856	1,215,979	440,827	247,564	162,578	121,670
Miscellaneous	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	3,644,693
Total revenues	\$ 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	\$ 89,972,005
Expenditures										
General government	\$ 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	8,622,096
Public safety	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	16,110,171
Public works	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	11,496,843
Health and Hospitals	297,275	314,944	365,730	547,635	668,436	639,555	477,204	479,537	460,030	425,309
Social Services	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	1,497,113
Education	106,438	7,125	6,487	6,788	296,339	33,511	28,261	25,261	24,511	23,761
Recreation, culture and libraries	400,679	416,091	525,238	557,173	785,391	785,287	818,848	555,124	863,290	712,577
Conservation of natural resources	236,697	223,675	254,764	222,849	286,942	321,258	505,126	286,273	353,689	201,090
Community Development and Housing	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	870,841
Economic development	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	3,260,393
Miscellaneous	18,775	18,721	13,991	17,671	25,749	28,742	27,755	20,869	114,855	27,089
Appropriation to other governments	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	1,245,199
Capital Outlay	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	1,741,884
Debt Service:										
Interest	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	1,271,904
Principal	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	4,593,988
Payments to Component Units	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	36,928,754
Total expenditures	\$ 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	\$ 89,029,012
Excess of revenues over (under) Expenditures	\$ (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)	\$ 942,993
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 63,710	\$ 588,607	\$ 2,258,256	\$ 149,483	\$ 14,141,516	\$ 5,237,697	4,663,719	63,719		
Proceeds from refunding	-	-	-	-	-	-	-	-		
Payments to escrow agent	-	-	-	-	-	-	-	-		
Transfers in	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	7,293,320
Transfers from component units	65,050	-	390,603	-	-	-	-	-	-	-
Transfers out	(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)	(7,460,574)
Sale of capital assets	416,000	18,674	298,110	4,552,930	358,874	2,330,993	102,838	217,528	369,452	84,771
Total Other Financing Sources (Uses)	\$ 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	\$ (82,483)
Net Change in fund balances	\$ (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)	\$ 860,510
Debt service as a percentage of noncapital expenditures	8.2%	8.3%	7.2%	7.6%	6.7%	7.0%	7.2%	7.6%	7.3%	6.7%

REVENUE CAPACITY

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

Fiscal Year	Real Property		Real Property Total Direct Tax Rate	Personal Property		Corporate Personal Property		Totals		Personal & Corporate Personal Total Direct Tax Rate
	Market Value	Assessed Value		Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	
2003	2,158,322,043	2,158,322,043	1.0143	10,417,090	10,417,090	360,582,630	360,582,630	2,529,321,763	2,529,321,763	2.5358
2004	2,223,185,344	2,223,185,344	1.0340	11,255,730	11,255,730	334,611,519	334,611,519	2,569,052,593	2,569,052,593	2.5850
2005	2,346,218,412	2,346,218,412	1.0401	10,253,280	10,253,280	351,375,290	351,375,290	2,707,846,982	2,707,846,982	2.6003
2006	2,439,119,223	2,439,119,223	1.0445	9,047,760	9,047,760	344,568,390	344,568,390	2,792,735,373	2,792,735,373	2.6113
2007	2,542,803,943	2,542,803,943	1.0233	8,701,450	8,701,450	358,861,080	358,861,080	2,910,366,473	2,910,366,473	2.5583
2008	2,762,960,350	2,762,960,350	1.0275	9,994,750	9,994,750	329,523,214	329,523,214	3,102,478,314	3,102,478,314	2.5688
2009	3,014,146,982	3,014,146,982	1.0249	6,519,060	6,519,060	320,952,870	320,952,870	3,341,618,912	3,341,618,912	2.5623
2010	3,141,346,303	3,141,346,303	1.0191	6,100,480	6,100,480	424,375,697	424,375,697	3,571,822,480	3,571,822,480	2.5478
2011	3,360,795,103	3,360,795,103	1.0305	6,596,150	6,596,150	347,045,160	347,045,160	3,714,436,413	3,714,436,413	2.5763
2012	3,547,448,518	3,547,448,518	0.9997	5,747,720	5,747,720	353,272,590	353,272,590	3,906,468,828	3,906,468,828	2.4993

Source: Allegany County Finance Office & Allegany 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

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Municipal Direct Tax Rates (1.2)										
Barton	0.1709	0.1699	0.1835	0.1981	0.2156	0.2220	0.2220	0.2220	0.2220	0.2260
Cumberland	0.9654	0.9654	0.9654	0.9654	0.9479	0.9479	0.9479	0.9479	0.8720	0.8720
Frostburg	0.5665	0.5500	0.5500	0.5540	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000
Lonconing	0.3400	0.3700	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Luke	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5000	0.3500	0.3500	0.2400
Midland	0.2800	0.2800	0.2800	0.2800	0.2708	0.2800	0.2800	0.2800	0.2800	0.2800
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
Allegany County Direct Tax Rates (1.3)										
Barton	0.9038	0.9475	0.9545	0.9552	0.9551	0.9494	0.9727	0.9724	0.9721	0.9520
Cumberland	0.8519	0.8999	0.9016	0.9074	0.9090	0.9087	0.9309	0.9248	1.0000	0.9838
Frostburg	0.8579	0.9065	0.9086	0.9107	0.9136	0.9111	0.9366	0.9305	0.9312	0.9128
Lonconing	0.8834	0.9328	0.9305	0.9336	0.9333	0.9283	0.9548	0.9517	0.9535	0.9334
Luke	0.8799	0.9289	0.9266	0.9304	0.9302	0.9227	0.9516	0.9484	0.9498	0.9299
Midland	0.9038	0.9475	0.9545	0.9552	0.9551	0.9474	0.9727	0.9724	0.9721	0.9520
Westernport	0.8854	0.9328	0.9305	0.9336	0.9333	0.9263	0.9548	0.9517	0.9535	0.9344
Unincorporated	0.9820	0.9829	0.9829	0.9829	0.9829	0.9829	1.0007	1.0007	1.0000	0.9838
Special Taxing Areas (1.4)										
Sanitary Districts										
Bedford Road	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Bowling Green	0.2500	0.2900	0.2900	0.2530	0.2530	0.2530	0.2530	0.2530	0.1580	0.1480
Braddock Run	0.0070	0.0070	0.0070	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
Cresaptown	0.2500	0.2900	0.2900	0.3000	0.3000	0.3000	0.3000	0.3000	0.1600	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	0.1860	0.2200	0.2200	0.2200	0.2200	0.2440	0.2440	0.2440
McCoole	0.0310	0.0700	0.0700	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.1500	0.1700	0.1700	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0190	0.0190	0.0190	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0330	0.0800	0.0800	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
George's Creek	0.2100	0.4700	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Mexico Farms	0.0510	0.0600	0.0600	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840
Oldtown Road	0.0770	0.0770	0.0770	0.2400	0.2400	0.2400	0.2400	0.2600	0.2600	0.2600
Other Special Districts										
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	0.0650	0.0320	0.0320	0.0320	0.0320	0.0400
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	0.0500	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	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	0.0450	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0800	0.0800	0.0800	0.0800	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Total County Direct Rate (1.5)	0.9997	1.0305	1.0191	1.0249	1.0275	1.0233	1.0445	1.0401	1.0340	1.0143

Notes:

(1) All tax rates are per \$ 100 of assessed value

(2) Municipal tax rates are presented for informative purpose 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 the protection, street lighting and other civil 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.

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

Taxpayer	2012			2003			Percentage of County Taxable Assessed Value
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank		
AES WR Limited Partnership	\$ 75,140,027	1	1.90%	\$ 166,722,012	1		6.59%
New Page (Mead/Westvaco)	62,921,022	2	1.59%	70,498,022	2		2.79%
Trans-Allegheny Interstate	46,922,230	3	1.19%				
Potomac Edison Co	44,209,560	4	1.12%	55,021,636	3		2.18%
LaVale Associates	32,556,800	5	0.82%	31,380,260	5		1.24%
CSX Transportation	31,613,397	6	0.80%	15,015,760	7		0.59%
Columbia Gas of Maryland	24,450,160	7	0.62%	15,790,566	6		0.62%
Verizon-Maryland (Bell Atlantic)	24,225,970	8	0.61%	43,015,206	4		1.70%
Hunter Douglas Northeast, Inc.	16,045,060	9	0.41%				
Allegany Coal-Land	14,853,762	10	0.38%				
Level 3 Communications				6,854,950	8		0.27%
Charter Communications				6,246,850	9		0.25%
General Electric Credit Corp				4,906,240	10		0.19%
Total	\$ 372,937,988		9.43%	\$ 415,451,502			16.43%

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
2003	20,190,074	18,729,500	92.77%	(21,237)	1,439,338	20,168,837	20,168,838	100.00%
2004	21,239,040	19,838,116	93.40%	(23,385)	1,377,420	21,215,655	21,215,536	100.00%
2005	22,263,407	20,665,094	92.82%	(50,087)	1,548,005	22,213,320	22,213,099	100.00%
2006	23,311,852	21,684,064	93.08%	(23,499)	1,593,798	23,268,353	23,287,862	100.00%
2007	24,152,184	22,574,066	93.47%	(36,746)	1,540,205	24,115,418	24,114,271	100.00%
2008	26,296,828	24,418,173	92.86%	(52,585)	1,823,195	26,244,243	26,241,368	99.99%
2009	28,732,488	26,710,075	92.96%	(50,111)	1,951,507	28,682,377	28,661,582	99.93%
2010	31,122,925	28,546,101	91.72%	(28,060)	2,509,583	31,094,865	31,055,684	99.87%
2011	32,868,341	30,352,908	92.35%	(20,376)	1,301,499	32,847,965	31,654,407	96.37%
2012	33,037,418	30,557,037	92.49%			33,037,418	30,557,037	92.49%

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
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)	17,281	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	207,698	98.16%
2007	208,932	186,388	89.20%	(7,244)	9,289	201,888	195,857	97.01%
2008	240,950	143,066	59.38%	(69,162)	19,136	171,788	162,202	94.42%
2009	156,136	131,719	84.36%	(762)	10,623	155,374	142,342	91.61%
2010	145,616	119,211	81.87%	(4,848)	9,975	140,768	129,186	91.77%
2011	157,764	119,985	76.05%	(10,141)	8,188	147,623	128,173	86.82%
2012	134,221	117,375	87.45%			134,221	117,375	87.45%

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
2003	9,282,992	9,163,854	98.72%	(34,301)	82,490	9,248,891	9,248,344	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	8,407,844	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%	(16,650)	52,378	8,193,616	8,147,301	99.43%
2008	7,921,091	7,814,936	98.88%	272,369	328,284	8,193,460	8,143,219	99.39%
2009	7,710,088	7,559,542	98.05%	1,242,703	1,336,792	8,952,791	8,896,334	99.37%
2010	9,076,556	8,244,551	90.83%	(93,238)	680,748	8,983,318	8,925,299	99.35%
2011	8,147,312	7,948,859	97.56%	(78,173)	70,030	8,069,139	8,018,889	99.38%
2012	8,147,310	7,377,481	90.55%			8,147,310	7,377,461	90.55%

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
2003	29,722,371	28,089,561	94.51%	(88,886)	1,536,797	29,633,485	29,626,358	99.98%
2004	30,411,557	28,845,547	94.85%	(344,032)	1,209,114	30,067,525	30,054,861	99.96%
2005	31,014,892	29,290,720	94.44%	(178,340)	1,531,077	30,838,552	30,821,797	99.95%
2006	31,942,125	30,171,550	94.46%	(68,754)	1,685,888	31,873,371	31,857,438	99.95%
2007	32,571,362	30,855,357	94.73%	(60,641)	1,601,872	32,510,721	32,457,229	99.84%
2008	34,458,868	32,376,175	93.96%	150,622	2,170,814	34,609,491	34,546,789	99.82%
2009	36,598,711	34,401,336	94.00%	1,191,830	3,298,922	37,790,541	37,700,258	99.78%
2010	40,345,097	36,909,863	91.49%	(126,146)	3,200,306	40,218,951	40,110,169	99.73%
2011	41,173,417	38,421,752	93.32%	(108,690)	1,379,717	41,064,727	39,801,469	96.92%
2012	41,318,949	38,051,873	92.09%	-	-	41,318,949	38,051,873	92.09%

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				
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	2.60%	790	
2011	17,861,152	8,895,326	131,177	3,697,419	380,516	5,047,339	-	18,070	15,840,547	3,237,076	-	55,108,622	2.30%	734	
2012	14,215,926	8,502,021	74,090	3,199,049	362,737	7,588,062	-	17,670	15,108,960	3,664,134	-	52,732,649	2.10%	706	

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

Source: Allegany County Finance Office and Bureau Of Economic Analysis

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

General Obligation Debt Outstanding

Fiscal Year	General Obligation Bonds	Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Debt Per Capita
2003	31,580,000	2,529,321,763	1.25%	73,867	427.53
2004	27,945,000	2,569,052,593	1.09%	73,999	377.64
2005	26,596,000	2,707,846,982	0.98%	73,639	361.17
2006	22,944,000	2,792,735,373	0.82%	72,613	315.98
2007	28,532,000	2,910,366,473	0.98%	72,603	392.99
2008	24,949,597	3,102,478,314	0.80%	72,658	343.38
2009	25,787,011	3,341,618,912	0.77%	72,532	355.53
2010	21,920,544	3,571,822,480	0.61%	75,101	291.88
2011	17,861,152	3,714,436,413	0.48%	75,059	237.96
2012	14,215,926	3,906,468,828	0.36%	74,692	190.33

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Population	73,867	73,999	73,639	72,613	72,603	72,658	72,532	75,101	75,059	74,692
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	70,588	70,720	70,360	69,334	69,324	69,379	69,253	71,822	71,780	71,413
Debt Per Capita	585	585	585	585	585	585	585	585	585	585
Debt Limit	41,293,980	41,371,200	41,160,600	40,560,390	40,554,540	40,586,715	40,513,005	42,015,870	41,991,300	41,776,605
Total Net Debt applicable to limit	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	25,991,086
Legal Debit Margin	1,063,536	4,773,753	6,310,528	10,277,099	342,817	29,790	21,026	6,347,966	11,406,226	15,785,519
Total net debt applicable to the limit as a percentage of debt limit	97.4%	88.5%	84.7%	74.7%	99.2%	99.9%	99.9%	84.9%	72.8%	62.2%

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
2012	6,663,036	5,697,183	965,853	1,112,180	321,865	1,434,045	0.67
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	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

WATER DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2012	3,708,484	2,960,296	748,188	112,458	235,508	347,966	2.15
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	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

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

Year	Population	Personal Income In 000s	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2003	73,867	1,701,416	23,034	10,128	6.30%
2004	73,999	1,785,371	24,127	9,926	6.40%
2005	73,639	1,884,432	25,590	9,840	6.50%
2006	72,613	1,897,150	26,127	9,715	5.59%
2007	72,603	1,974,017	27,189	9,526	5.20%
2008	72,658	2,204,237	30,337	9,221	5.80%
2009	72,532	2,310,845	31,860	9,157	8.90%
2010	75,101	2,292,903	30,531	9,152	8.93%
2011	75,059	2,352,416	31,341	9,022	8.88%
2012	74,692	2,453,991	32,855	8,913	8.02%

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

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

Employer	2012			2003			Percentage Of Total County Employment
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment	
Western Maryland Health Systems	2,290	1	6.67%	2,388	1	7.27%	
ATK Tactical Systems	1,396	2	4.06%				
Allegany County Board Of Education	1,346	3	3.92%	1,240	3	3.77%	
Frostburg State University	922	4	2.68%	962	5	2.93%	
CSX Transportation	900	5	2.62%	1,000	4		
New Page Corporation (Westvaco)	870	6	2.53%	1,360	2	4.14%	
Hunter Douglas	580	7	1.69%	504	8		
Allegany College	559	8	1.63%	454	10		
North Branch Correctional Institution	557	9	1.62%				
Western Correctional Institution	552	10	1.61%	620	6	1.89%	
Allegany County Government				500	9	1.52%	
CyberRep				525	7		
Total	9,972		29.03%	9,553		21.52%	

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 Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Government										
Commissioners & Staff	7.0	7.0	7.0	7.0	8.0	8.0	8.0	8.0	7	6
Judicial	28.5	26.5	27.3	27.3	28.0	28.6	28.6	29.1	28.1	27.9
Finance	9.3	9.3	9.3	9.6	9.6	9.6	9.6	9.6	9.3	9.0
Tax Office	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.7	7.7	7.7
Maintenance	16.1	15.5	16.5	16.1	16.4	16.2	15.7	15.7	14.7	15
Other	33.3	35.8	28.7	32.1	38.6	40.8	43.7	42.6	39.7	38.3
Public Safety										
Sheriff/Bureau of Police	27.0	24.0	27.9	31.6	33.2	29.4	28.3	32.4	34.4	34.4
Detention Center	78.5	79.8	84.8	85.3	85.0	85.5	86.0	85.4	84	85.8
911	17.2	19.3	21.0	25.0	24.6	25.2	26.2	25.9	25.9	25.9
Other	5.1	1.1	13.9	13.1	13.4	21.9	23.5	31.3	32.3	31.1
Public Works										
Roads division	76.3	76.3	74.5	74.5	74.5	75.7	75.7	74.7	74.4	68.4
Engineering	18.3	18.2	16.7	15.4	16.5	16.3	16.3	14.5	13.5	12
Solid Waste	5.5	5.4	5.4	5.4	5.3	5.3	5.3	5.3	5.3	4.3
Transit	27.1	27.1	27.1	29.6	32.7	33.0	31.9	30.2	29	27.9
Health and Hospitals	3.3	3.3	3.3	3.3	2.3	2.0	2.0	2.0	2	2.0
Social Services	6.0	7.0	7.0	1.0	1.0	1.0	1.0	1.0	1	1.0
Recreation, culture, libraries, tourism	1.0	5.0	2.0	2.0	2.0	2.0	2.0	2.0	1.4	1.4
Conservation of natural resources	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2	1.0
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	7.7
Sanitary	23.5	23.5	23.0	24.0	25.0	25.0	26.0	31.8	33.8	34.0
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	440.8

Source: Allegany County Finance Office-Budget

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

Function/Program	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
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	38,529
Number of building permits issued	421	479	469	424	460	410	372	312	328	325
Public Safety										
Total Number of arrests	1,430	1,505	1,341	1,246	608	1,060	1,491	1,608	1,285	1,593
Total Number of traffic stops	1,157	199	613	1,527	1,153	1,167	1,840	1,640	1,579	1,782
Average number of inmates	176	180	180	172	179	203	168	157	170	150
Number of Volunteer Fire Stations	23	23	23	23	23	23	23	23	23	22
Public Works										
Miles of roads maintained	544	544	544	544	544	544	544	544	544	544
Street resurfacing (miles)	56	47	35	23	31	30	30	Not Available	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	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	381,238
Transit passengers	88,650	99,441	94,813	119,027	138,131	179,555	189,004	189,708	187,522	219,995
Community Development and Housing										
Number of families' rent subsidized	253	274	253	262	267	190	198	** N/A	** N/A	** N/A
Low-Income Housing loans issued	42	32	43	36	43	21	35	7	** N/A	** 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	9,500
Nursing Home										
Total Number of Beds Available, Annually	55,845	55,998	55,845	55,845	55,845	55,998	55,845	0	0	0
Number of Beds Occupied Annually	49,660	51,427	48,701	47,422	48,400	47,512	48,692	0	0	0
Occupancy Rate, Annual	89%	92%	87%	85%	86%	85%	87%	0	0	0
Gaming										
Games Sold	N/A	39,935 *	50,870	49,901	48,800	43,056	36,206	35,357	33,395	32,701
Operators Licensed	N/A	79 *	94	100	79	83	85	92	88	100
Inspections Conducted	N/A	1,200 *	1,180	1,035	965	972	921	860	672	851

* 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 Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government										
Number of major buildings maintained	10	10	10	10	11	11	11	11	11	11
Public Safety										
Number of police stations	1	1	1	1	1	1	2	4	4	4
Number of patrol vehicles	12	13	20	20	20	20	29	34	38	36
Public Works										
Miles of roads maintained	544	544	544	544	544	544	544	544	544	544
Average number of highway vehicles	140	140	140	140	140	140	140	140	140	140
Number of Garages-Roads Dept	4	4	4	4	4	5	5	5	5	5
Number of operating transit buses	9	9	9	10	10	11	14	21	22	22
Economic Development										
Number of Industrial parks	8	8	8	8	8	8	8	8	8	8
Number of Buildings leases	14	14	14	14	15	12	10	13	13	13
Sanitary										
Sanitary/Water (miles)	175	175	175	175	175	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6	6	6	6	6	6
Nursing Home										
Number of buildings maintained	1	1	1	1	1	1	1	0	0	0

Source: Various County Departments