

Allegany County, Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended on June 30, 2013



Allegany County Board of County Commissioners

Michael W. McKay, President

Creade V. Brodie, Jr., Commissioner

William R. Valentine, Commissioner

David A. Eberly, County Administrator

ALLEGANY COUNTY, MARYLAND

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE FISCAL YEAR
JULY 1, 2012 - JUNE 30, 2013**

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



ALLEGANY COUNTY, MARYLAND

Finance Office

701 Kelly Road, Suite 205, Cumberland, Maryland 21502

(301) 777-5916 FAX (301) 777-2072

finance@allconet.org www.gov.allconet.org

BOARD OF COMMISSIONERS

Michael W. McKay, *President*

Creade V. Brodie, Jr.

William R. Valentine

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

November 26, 2013

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, 2013, including the report of our independent Certified Public Accountants is presented herewith. This report has been prepared by the Allegany County Finance Department in accordance with Article 19 of the Annotated Code of the State of Maryland and with Part I, Chapter 26, Article 26-3 of the Allegany County code. This report is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The County's financial statements have been audited by Turnbull, Hoover & Kahl, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Allegany County for the fiscal year ended June 30, 2013, 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, 2013, 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 Public Works, the Director of Finance, the Director of Economic and Community Development, and the County Engineer. It is based on the need for having certain capital projects undertaken and the availability of financial resources. Each project is identified with estimated costs and estimated sources of funding. All funding requests are then applied to a debt affordability model to ascertain if the proposed debt is within the County's self-imposed debt guidelines.

Adoption of Budget

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

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Allegany County operates.

Local economy: Allegany County currently enjoys a favorable economic environment and local indicators point to continued stability. The unemployment rate has increased from 8.3% at June 30, 2012 to 8.6% at June 30, 2013. The region has diverse manufacturing and industrial base of paper manufacturing, rail transportation and the manufacturing of window coverings. A varied service provider base gives the area relative stability of the unemployment rate. Major service providers include health services, government, education, and call centers.

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

Allegany County has a total labor force of 36,496. 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 2013 the County borrowed \$5.2 million for water and sewer projects; \$3,477,898 for the Mount Savage Water project, Braddock Run Sewer Project \$127,230, Bedford Road Sewer Project, \$755,816 and \$ 854,478 for Jennings Run

Sewer project.

Also, during FY 13, the county refunded debt and the new debt outstanding is \$ 14,040,000. As a result of the refunding, the County decreased its total debt service requirement by \$ 1,120,244.

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 2015, which will replace what is currently the oldest active high school building in the State of Maryland.

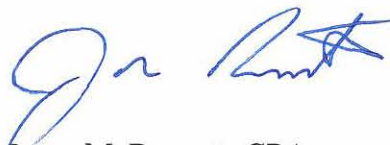
Awards and Acknowledgements

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, 2012. This was the twenty-first 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 Pamela S Smith, CPA, Assistant Director of Finance, and the entire staff of the Finance Office for their cooperation, dedication, and professionalism in the preparation of this report. In conclusion, I want to acknowledge the efforts of the many County employees that support the accounting function.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "J. M. Bennett", is positioned above the printed name.

Jason M. Bennett, CPA
Director of Finance



Government Finance Officers Association

**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, 2012

Executive Director/CEO

Allegany County, Maryland
Summary of Certain Officials
June 30, 2013

Board of Commissioners

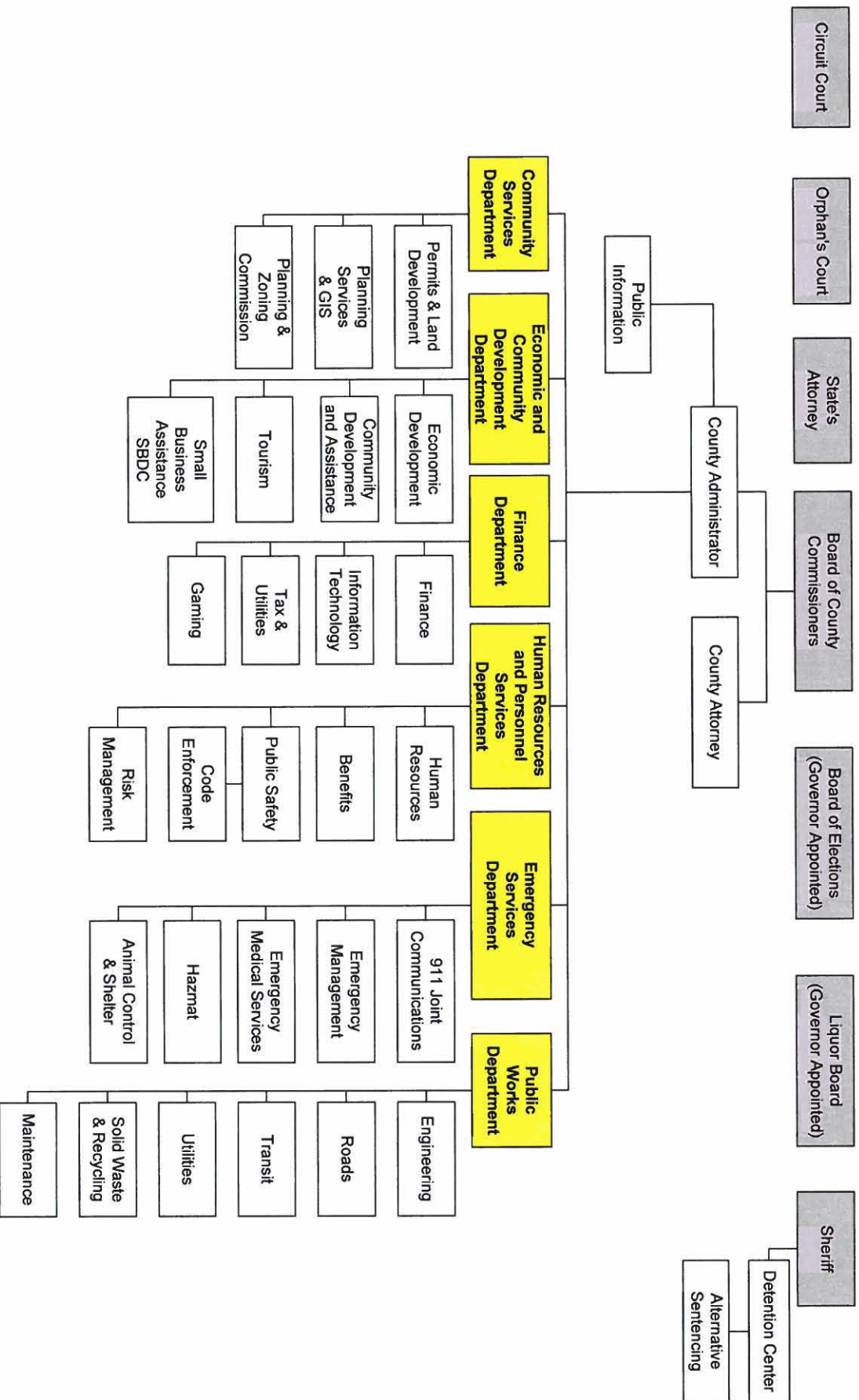
Michael W. McKay, President
Creade V. Brodie Jr., Commissioner
William R. Valentine, Commissioner

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 & Community 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 2013



FINANCIAL SECTION

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



217 Glenn Street, Suite 200
Cumberland, Maryland 21502
Phone: 301.759.3270
www.thkcpas.com

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

INDEPENDENT AUDITORS' 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, 2013, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 represent 72 percent, 71 percent, and 77 percent, respectively, of the assets, net position, 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 solely on the reports 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-1 through B-10, the schedule of funding progress for other post-employment benefits on page D-3, and the budgetary comparison information on pages D-4 through D-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Allegany County, Maryland's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2013, 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* in considering Allegany County, Maryland's internal control over financial reporting and compliance.

 Turnbull, Hoover; Kahl, P.E.

Cumberland, Maryland
November 26, 2013

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, 2013. 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 \$184.5 million (*net position*). Of this amount, \$161.2 million is net investment in capital assets and \$3.3 million is restricted for specific purposes (restricted net position). The County's total unrestricted net position is \$20 million. This total unrestricted net position amount includes \$18.2 million from governmental activities, and unrestricted net position balance from business-type activities of \$1.8 million.
- The government's total net position increased by \$7.6 million or 4.3%. The governmental net position increased \$6 million (or 6.4%). Business-type net assets increased by \$ 1.6 million (or 2%) during the year.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$34.1 million, an increase of \$ 6.3 million in comparison with the prior year. The increase was due largely to all departments either staying within budget or under budget. Approximately 52.5% of the ending fund balance, \$17.9 million, *is available for spending* at the government's discretion (*unassigned fund balance*), \$1.2 million is nonspendable, \$3.2 million is restricted, \$8.9 million is committed to certain programs and \$2.9 million is assigned to specific programs.
- Allegany County's governmental activity outstanding debt decreased by \$2.6 million (or 2%) during the current fiscal year. The County issued refinancing general obligation debt during the 2013 fiscal year. The County's business-type debt increased by \$4 million (or 15%) 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 position* presents information of all of Allegany County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 of 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 C23-64 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.

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

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 \$184.5 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net position (\$161.2 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 POSITION						
	Governmental Activities		Business-type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Assets:						
Current and other assets	\$ 46,377,027	\$ 36,391,203	\$ 5,466,067	\$ 4,521,780	\$ 51,843,094	\$ 40,912,983
Capital assets	86,784,521	91,119,134	113,382,159	108,179,776	200,166,680	199,298,910
Total assets	<u>133,161,548</u>	<u>127,510,337</u>	<u>118,848,226</u>	<u>112,701,556</u>	<u>252,009,774</u>	<u>240,211,893</u>
Liabilities:						
Current and other liabilities	11,302,349	9,658,634	3,497,213	2,890,131	14,799,562	12,548,765
Long-term liabilities outstanding	22,007,100	24,035,566	30,675,739	26,704,520	52,682,839	50,740,086
Total liabilities	<u>33,309,449</u>	<u>33,694,200</u>	<u>34,172,952</u>	<u>29,594,651</u>	<u>67,482,401</u>	<u>63,288,851</u>
Net position:						
Net investment in capital assets	78,548,257	82,834,048	82,603,601	81,346,531	161,151,858	164,180,579
Restricted	3,083,383	1,921,413	288,615	239,902	3,371,998	2,161,315
Unrestricted	18,220,459	9,060,676	1,783,058	1,520,472	20,003,517	10,581,148
Total net position	<u>\$ 99,852,099</u>	<u>\$ 93,816,137</u>	<u>\$ 84,675,274</u>	<u>\$ 83,106,905</u>	<u>\$ 184,527,373</u>	<u>\$ 176,923,042</u>

An additional portion of Allegany County's net position (1.8%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net position* balance of \$20

million. The *unrestricted net position* balance for the governmental activities was \$18.2 million and the business-type activities have a balance of \$1.8 million.

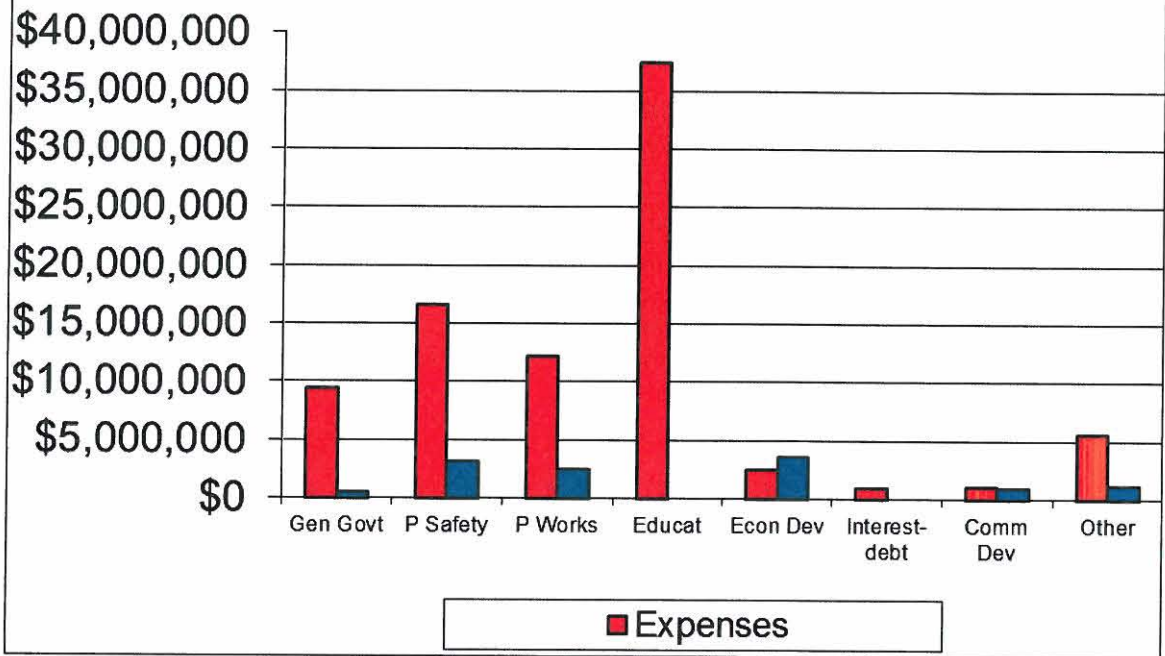
During the current fiscal year, the government's net position increased by \$7.6 million. Revenues increased by approximately \$ 2.1 million to \$106.8 million while expenses decreased by \$400,000 from the prior year to \$99.2 million.

ALLEGANY COUNTY'S CHANGES IN NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	FY 2013	FY 2012	FY 2013	FY 2012	FY 2013	FY 2012
Revenues:						
Program revenues:						
Charges for services	\$ 6,402,096	\$ 6,564,685	\$ 9,413,649	\$ 9,313,421	\$ 15,815,745	\$ 15,878,106
Operating grants and contributions	5,100,079	4,123,606	-	-	5,100,079	4,123,606
Capital grants and contributions	368,323	2,770,368	3,908,635	2,547,845	4,276,958	5,318,213
General revenues:						
Property taxes	40,882,732	41,271,372	986,573	996,575	41,869,305	42,267,947
Income taxes	24,460,225	24,657,767	-	-	24,460,225	24,657,767
Other local taxes	4,011,282	2,965,592	-	-	4,011,282	2,965,592
Franchise taxes	415,158	415,086	-	-	415,158	415,086
Grants and contributions not restricted to specific programs	8,940,541	7,359,609	-	-	8,940,541	7,359,609
Unrestricted fees	-	-	-	-	-	-
Unrestricted investment earnings	868,087	1,163,443	309,448	175,200	1,177,535	1,338,643
Gain on sale/retirement of capital assets	387,597	81,820	-	5,924	387,597	87,744
Miscellaneous	208,120	191,234	103,661	129,278	311,781	320,512
Total revenues	92,044,240	91,564,582	14,721,966	13,168,243	106,766,206	104,732,825
Expenses:						
General government	9,087,290	9,275,767	-	-	9,087,290	9,275,767
Payment to data processing	358,754	358,754	-	-	358,754	358,754
Public safety	16,640,877	16,887,997	-	-	16,640,877	16,887,997
Public works	12,250,869	12,565,697	-	-	12,250,869	12,565,697
Health	1,966,200	2,279,912	-	-	1,966,200	2,279,912
Social services	1,553,615	1,682,412	-	-	1,553,615	1,682,412
Education	640,888	562,642	-	-	640,888	562,642
Payment to public school system	29,391,958	28,240,000	-	-	29,391,958	28,240,000
Payment to community college	7,425,000	7,425,000	-	-	7,425,000	7,425,000
Recreation, culture & libraries	884,822	868,620	-	-	884,822	868,620
Payment to public library system	905,000	905,000	-	-	905,000	905,000
Conservation of natural resources	240,204	201,107	-	-	240,204	201,107
Community development & housing	1,033,325	884,528	-	-	1,033,325	884,528
Economic development	2,548,509	2,879,427	-	-	2,548,509	2,879,427
Interest on long-term debt	987,503	1,290,789	-	-	987,503	1,290,789
Water	-	-	4,270,963	4,018,864	4,270,963	4,018,864
Sewer	-	-	8,622,450	8,485,797	8,622,450	8,485,797
Nursing Home	-	-	-	-	-	-
Other proprietary funds	-	-	353,648	749,976	353,648	749,976
Total expenses	85,914,814	86,307,652	13,247,061	13,254,637	99,161,875	99,562,289
Increase in net position before transfers	6,129,426	5,256,930	1,474,905	(86,394)	7,604,331	5,170,536
Transfers	(93,464)	(167,252)	93,464	167,252	-	-
Increase (decrease) in net position	6,035,962	5,089,678	1,568,369	80,858	7,604,331	5,170,536
Net position, beginning	93,816,137	88,726,459	83,106,905	83,026,047	176,923,042	171,752,506
Net position, ending	\$ 99,852,099	\$ 93,816,137	\$ 84,675,274	\$ 83,106,905	\$ 184,527,373	\$ 176,923,042

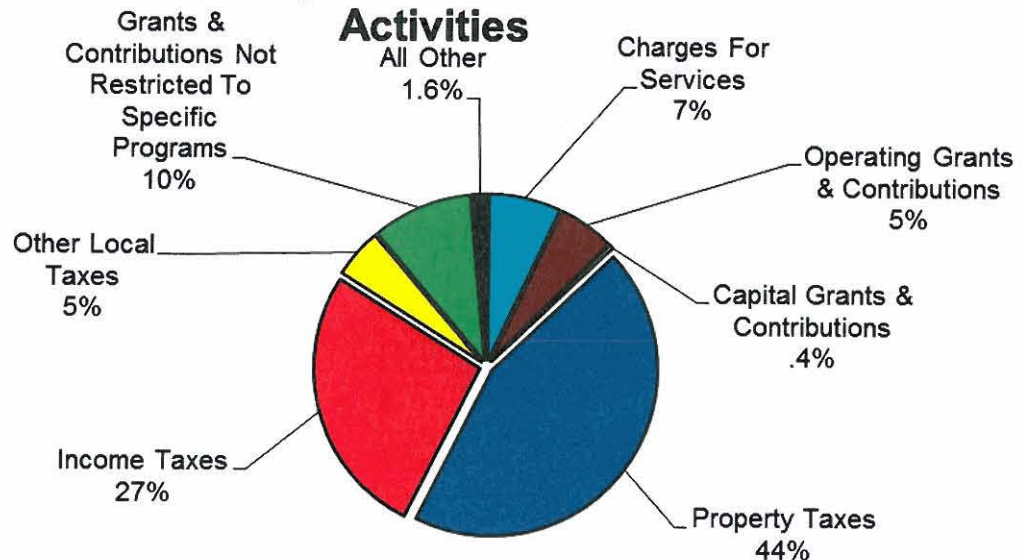
Governmental activities. Governmental activities increased Allegany County's net assets by \$6 million. Total revenues increased \$ 480,000 (or .5%) and expenses decreased \$ 400,000 (or .5%). Key elements of the changes in governmental net assets are as follows:

- A continuing decline in personnel costs and overall department costs.
- Other taxes increased \$ 1.1 million largely due to increase in recordation taxes resulting in increase in sales of local properties.
- Gain on sale in the amount of \$ 387,597 largely due to sale of RBF building.
- Increase in grants in the amount of \$ 1.6 million largely due to \$ 1.9 million increase in state disparity grant that was received in order to help defray the costs of the required increase in appropriation to the Board of Education.

Expenses and Program Revenues - Governmental Activities



Revenues By Source - Governmental Activities

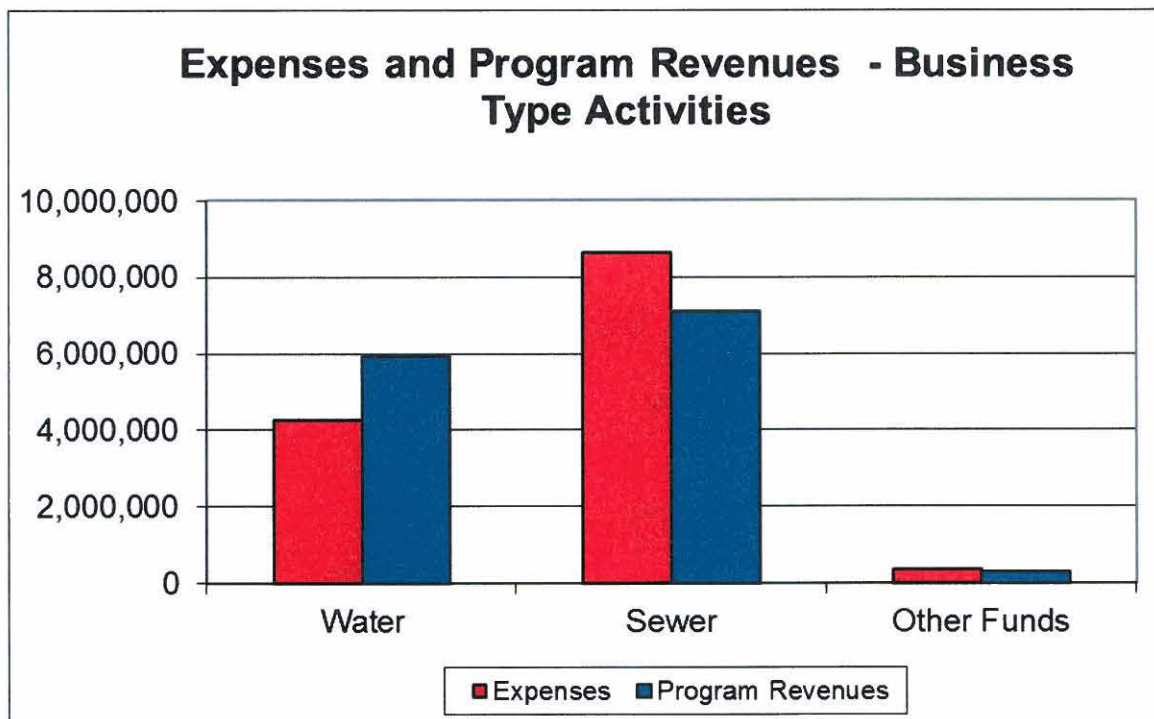


The decrease in governmental expenses of \$ 400,000 (or .5%) was the result of the following:

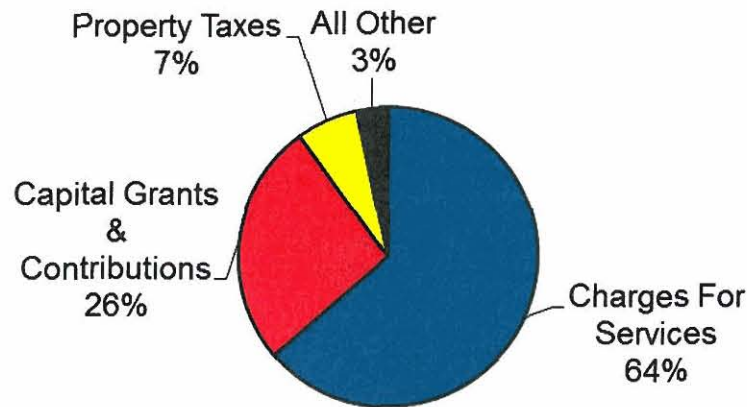
- Decrease in personnel throughout all county departments.

Business-type activities. The net position of the County's business-type activities increased by \$ 1.6 million after transfers. Key elements of the increase were:

- Total business-type service charges and related interest income increased approximately \$ 235,000. Capital grants increased \$ 1.4 million due to new major water/sewer projects.
- Overall expenditures remained relatively the same. Water and sewer costs combined increased \$ 400,000 due to increase in treatment costs and repairs and maintenance. At the same time, expenditures in other business type activities decreased \$ 400,000 due to major assets reaching full depreciation in FY 12 and therefore, depreciation expense dropped \$ 400,000 during the current fiscal year.



Revenues By Source - Business Type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The focus of Allegany County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Allegany County's financing requirements. In particular, *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 \$34.1 million, an increase of \$ 6.3 million in comparison with the prior year. Approximately 52.5 percent of this total amount (\$17.9 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 - \$3.2 million.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's Board of Commissioners. - \$ 8.9 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 - \$2.9 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 \$17.9 million, out of a total fund balance of \$19.7 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 23.3 percent of total general fund expenditures, while total fund balance represents 25.7 percent of that same amount.

Key factors in the \$ 6.3 million increase in the governmental fund balances are:

The fund balance of Allegany County's general fund increased \$1.8 million; which was the result of:

- Transfers out decreased \$ 1.7 million largely due to the \$ 1.2 million dollar decrease in transfer to debt service fund which was a result of the debt refinancing.
- Overall revenues saw a small increase.
- Expenditures for operating departments of the County saw small increases or, in most cases, realized a decrease in the amounts spent from the previous year. The Board of Commissioners had made a request for all County departments to voluntarily reduce their costs which many were able to achieve. The overall increase of expenditures in the amount of \$ 640,000 was due in part to the state mandated increase in the County's allocation to the Board of Education in the amount of \$ 1.2 million.

The Revolving Building Fund, another major fund, reported an increase in fund balance of \$3.6 million. Revenues increased slightly (\$256,665 or 8%) due to increase in rent lease payments. Major increase in revenue was due to sale of a building in the amount of \$ 2.5 million. Expenditures decreased drastically from 2012 to 2013 in the amount of \$ 1.5 million. 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 \$ 854,643. Most of the increase, \$ 1.2 million was net loan proceeds that are being held in a sinking fund to pay off remaining debt that was refinanced. The gaming special revenue fund's fund balance fell \$169,841 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 position at year end and the change in net position during the current year are highlighted below:

	Water Districts	Sanitary Districts	Other Enterprise Funds	Totals
Net position:				
Net investment in capital assets	\$ 23,827,687	\$ 58,608,461	\$ 167,453	\$ 82,603,601
Restricted for debt service	-	288,615	-	288,615
Unrestricted	1,610,878	(1,125,317)	1,297,497	1,783,058
Total net position	<u>\$ 25,438,565</u>	<u>\$ 57,771,759</u>	<u>\$ 1,464,950</u>	<u>\$ 84,675,274</u>
Change in net position during the year, increase (decrease)	<u>\$ 1,822,863</u>	<u>\$ (154,950)</u>	<u>\$ (99,546)</u>	<u>\$ 1,568,367</u>

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

General Fund Budgetary Highlights

During the year, the original budget increased \$ 850,400 (includes other sources and uses) to a revised total of \$81.6 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- Budget was increased during the year in order to account for \$550,000 transferred to pay-go.
- The public safety budgets increased \$218,000 for grant awards.

Revenues exceeded budgetary estimates by \$920,750 and actual expenditures were less than budgetary estimates by \$534,615.

- Income taxes exceeded the budget by \$429,000. The County's income tax collections continue to defy state and national trends with gains. Also, recordation taxes increased \$ 446,100.
- Grants in the General Fund were \$665,000 above the estimated budget due to an increase in homeland security grant and program open space grant.
- General government expenditures had a favorable variance of \$ 534,615. The larger favorable variances were: financial administration - \$446,000. Almost all operating departments finished well within budget and overall personnel cuts were made.

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, 2013 was \$200.2 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 .4 percent (a 4.8 percent decrease for governmental activities and a 4.8 percent increase for business-type activities).

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

- Design and construction on the Mount Savage Water Distribution Water Project with a total cost incurred of nearly \$ 5 million during the fiscal year.
- Design and construction began on Rawlings Water project, with a cost of \$.8 million during the fiscal year
- Major design and construction began on Braddock Run sewer system during the fiscal year at a cost of \$1.1 million and work on Corriganville Pump Station was completed with a cost of \$ 810,000 during the fiscal year.
- Sale of RBF building, with an adjusted cost basis of \$ 2.1 million, was the major reason governmental assets decreased.

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 \$54.2 million. Governmental activities debt consists of \$21 million in general obligation bonds and \$2.4 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$30.8 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	
	2013	2012	2013	2012	2013	2012
General obligation	\$ 20,948,078	\$ 14,215,926	\$ -	\$ -	\$ 20,948,078	\$ 14,215,926
Notes	219,629	8,502,021	-	-	219,629	8,502,021
Capital leases	36,080	74,090	-	-	36,080	74,090
State loans	2,203,357	3,199,049	14,654,179	15,246,646	16,857,536	18,445,695
Federal loans	-	-	15,762,745	11,206,194	15,762,745	11,206,194
Other loans	-	-	361,631	380,407	361,631	380,407
Total	\$ 23,407,144	\$ 25,991,086	\$ 30,778,555	\$ 26,833,247	\$ 54,185,699	\$ 52,824,333

Allegany County issued refinancing general obligation debt in the amount of \$ 14.2 million and retired \$16.8 million in total during the current fiscal year as debt outstanding fell 10 percent. No new debt was issued during the year for governmental activities.

Revenue debt in the amount of \$ 1.4 million was incurred for the sewer districts for the Jennings Run and Braddock Road sewer projects. New debt for the water districts included \$ 3.5 million the Mount Savage Water. Business type debt retired during the year was \$1.3 million.

In March, 2013, Allegany County's rating from Moody's upgraded from "A1" rating to "Aa3". In March of 2013 of 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-54 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for June 2013 for Allegany County was 8.6 percent, which was an increase from a 8.3 percent rate for June 2012.

All of these factors were considered in preparing Allegany County's budget for the 2014 fiscal year.

During the current fiscal year, spendable fund balance in the general fund increased to \$17.9 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 2014 fiscal year

The sewer and water district minimum service charges were increased for the 2014 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.

**GOVERNMENT WIDE
FINANCIAL
STATEMENTS**

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2013

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library	LaVale Sanitary Commission
ASSETS:							
Current Assets:							
Cash	\$ 25,853,972	\$ 770,226	\$ 26,624,198	\$ 15,423,760	\$ 10,210,836	\$ 133,959	\$ 2,210,737
Investments	6,943,084	471,378	7,414,462	18,020,500	202,155	847,359	-
Property taxes receivable	5,982,527	-	5,982,527	-	-	-	-
Receivables:							
Accounts	-	2,255,532	2,255,532	6,092,848	381,887	6,946	246,311
Other	5,839,794	1,042,263	6,882,057	7,600	1,205,687	-	148,900
Internal balances	(464,583)	464,583	-	-	-	-	-
Inventory	73,817	71,551	145,368	208,967	379,044	-	243,545
Prepaid expenses	1,255	-	1,255	-	631,253	2,263	17,744
Deferred charges	427,509	-	427,509	-	-	-	-
Miscellaneous	46,106	-	46,106	-	-	-	-
Restricted Assets:							
Cash	49,366	101,919	151,285	-	880,423	-	279,443
Investments	1,624,180	-	1,624,180	-	10,935,265	-	-
Taxes - receivable	-	182,564	182,564	-	-	-	-
Receivables	-	106,051	106,051	-	-	-	-
Total current assets	46,377,027	5,466,067	51,843,094	39,753,675	24,826,550	990,527	3,146,680
Non-current Assets:							
Long term Investment, Market	-	-	-	90,876	-	-	-
Land	21,320,090	192,532	21,512,622	4,208,336	1,697,465	-	234,830
Work In Progress	1,689,024	14,183,618	15,872,642	1,775,245	-	-	16,001
Other non-depreciable assets	-	-	-	125,108	172,819	-	1,038,714
Capital assets subject to depreciation/amortization	135,304,796	156,290,497	291,595,293	179,159,968	59,099,521	8,193,717	25,295,142
Accumulated depreciation	(71,529,389)	(57,284,488)	(128,813,877)	(96,086,925)	(28,530,624)	(5,058,143)	(11,221,818)
Total non-current assets	86,784,521	113,382,159	200,166,680	89,272,608	32,439,181	3,135,574	15,362,869
Total Assets	133,161,548	118,848,226	252,009,774	129,026,283	57,265,731	4,126,101	18,509,549
LIABILITIES:							
Current Liabilities:							
Accounts payable	2,074,036	1,681,293	3,755,329	8,126,836	642,578	72,701	362,906
Accrued wages payable	589,002	51,901	640,903	4,002,414	654,269	47,720	-
Accrued fringe benefits payable	283,196	23,571	306,767	-	194,384	-	-
Accrued interest	165,827	117,383	283,210	-	-	-	22,634
Current portion of long-term debt:							
Bonds and loans	3,866,792	1,230,573	5,097,365	-	162,956	-	89,692
Capital leases	17,520	-	17,520	-	43,465	-	-
Compensated absences	818,617	71,738	890,355	145,909	118,978	-	-
Due to Agency Fund	494,080	-	494,080	-	-	-	-
Due to Trust Fund	1,299,916	-	1,299,916	-	-	-	-
Unearned Revenue	468,972	-	468,972	2,704,994	470,594	-	-
Accrued health claims	-	-	-	5,776,803	475,396	-	-
Miscellaneous liabilities	1,224,391	320,754	1,545,145	1,858,216	344,379	-	44,233
Total current liabilities	11,302,349	3,497,213	14,799,562	22,615,172	3,106,999	120,421	519,465
Non-current liabilities:							
Cash advance due general fund	(1,200,000)	1,200,000	-	-	-	-	-
Bonds and loans	19,504,272	29,186,354	48,690,626	-	2,521,164	-	3,458,227
Capital leases	18,560	-	18,560	-	131,618	-	-
Premium on Bond Payable	486,468	-	486,468	-	-	-	-
Termination benefits	-	-	-	-	320,676	38,137	-
Compensated absences	3,197,800	289,385	3,487,185	2,438,770	-	55,321	-
Total non-current liabilities	22,007,100	30,675,739	52,682,839	2,438,770	2,973,458	93,458	3,458,227
Total Liabilities	33,309,449	34,172,952	67,482,401	25,053,942	6,080,457	213,879	3,977,692
NET POSITION							
Net investment in Capital Assets	78,548,257	82,603,601	161,151,858	89,056,624	29,631,206	3,135,574	10,776,236
Restricted for:							
Public safety	555,558	-	555,558	-	-	-	-
Highways	753,201	-	753,201	-	-	-	-
Education	32,511	-	32,511	-	-	-	-
Community development & housing	263,722	-	263,722	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital projects	46,121	-	46,121	5,475,415	-	-	-
Other purposes	1,432,270	288,615	1,720,885	333,769	12,296,023	554,637	688,084
Unrestricted	18,220,459	1,783,058	20,003,517	9,106,533	9,258,045	222,011	3,067,537
Total Net Position	\$ 99,852,099	\$ 84,675,274	\$ 184,527,373	\$ 103,972,341	\$ 51,185,274	\$ 3,912,222	\$ 14,531,857

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, 2013

Functions/Programs	Expenses		Expenses		Program Revenues	
	Before Indirect Expense Allocation	Indirect Expense Allocation	After Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government::						
Governmental activities:						
General government:	\$ 9,597,120	\$ (509,830)	\$ 9,087,290	\$ 374,462	\$ 278,285	\$ 230,856
Payment to data processing	358,754	-	358,754	-	-	-
Public safety	16,640,877	-	16,640,877	1,263,372	1,902,612	-
Public works	12,187,247	63,622	12,250,869	952,807	1,483,712	42,315
Health	1,966,200	-	1,966,200	-	13,085	-
Social services	1,553,615	-	1,553,615	40,209	47,360	-
Education:	640,888	-	640,888	-	-	-
Payment to public school system	29,391,958	-	29,391,958	-	-	-
Payment to community college	7,425,000	-	7,425,000	-	-	-
Recreation, culture & libraries:	884,822	-	884,822	293,301	353,399	-
Payment to public library system	905,000	-	905,000	-	-	-
Conservation of natural resources	240,204	-	240,204	30,035	9,668	-
Community development and housing	1,033,325	-	1,033,325	1,753	978,559	-
Economic development	2,548,509	-	2,548,509	3,446,157	33,399	95,152
Interest on long term debt	987,503	-	987,503	-	-	-
Total governmental activities	<u>86,361,022</u>	<u>(446,208)</u>	<u>85,914,814</u>	<u>6,402,096</u>	<u>5,100,079</u>	<u>368,323</u>
Business-type activities:						
Water	4,140,578	130,385	4,270,963	3,688,155	-	2,249,083
Sewer	8,306,627	315,823	8,622,450	5,444,477	-	1,659,552
Other funds	353,648	-	353,648	281,017	-	-
Total business-type activities	<u>12,800,853</u>	<u>446,208</u>	<u>13,247,061</u>	<u>9,413,649</u>	<u>-</u>	<u>3,908,635</u>
Total primary government	<u>\$ 99,161,875</u>	<u>\$ -</u>	<u>\$ 99,161,875</u>	<u>\$ 15,815,745</u>	<u>\$ 5,100,079</u>	<u>\$ 4,276,958</u>
Component units:						
Board of Education			\$ 127,934,890	\$ 1,633,570	\$ 13,836,634	\$ 1,635,245
Allegany College of Md.			36,256,984	10,867,646	17,159,291	5,547
County Library			2,053,748	77,005	98,064	-
LaVale Sanitary Commission			4,606,645	3,347,357	-	-
Total component units			<u>\$ 170,852,267</u>	<u>\$ 15,925,578</u>	<u>\$ 31,093,989</u>	<u>\$ 1,640,792</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 position
 Net position - beginning,
 Net position - 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, 2013

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Board of Education	Allegany College of MD	County Library	LaVale Sanitary Commission
\$ (8,203,687)	\$ -	\$ (8,203,687)	\$ -	\$ -	\$ -	\$ -
(358,754)	-	(358,754)	-	-	-	-
(13,474,893)	-	(13,474,893)	-	-	-	-
(9,772,035)	-	(9,772,035)	-	-	-	-
(1,953,115)	-	(1,953,115)	-	-	-	-
(1,466,046)	-	(1,466,046)	-	-	-	-
(640,888)	-	(640,888)	-	-	-	-
(29,391,958)	-	(29,391,958)	-	-	-	-
(7,425,000)	-	(7,425,000)	-	-	-	-
(238,122)	-	(238,122)	-	-	-	-
(905,000)	-	(905,000)	-	-	-	-
(200,501)	-	(200,501)	-	-	-	-
(53,013)	-	(53,013)	-	-	-	-
1,026,199	-	1,026,199	-	-	-	-
(987,503)	-	(987,503)	-	-	-	-
(74,044,316)	-	(74,044,316)	-	-	-	-
-	1,666,275	1,666,275	-	-	-	-
-	(1,518,421)	(1,518,421)	-	-	-	-
-	(72,631)	(72,631)	-	-	-	-
-	75,223	75,223	-	-	-	-
(74,044,316)	75,223	(73,969,093)	-	-	-	-
-	-	-	(110,829,441)	-	-	-
-	-	-	-	(8,224,500)	-	-
-	-	-	-	-	(1,878,679)	-
-	-	-	-	-	-	(1,259,288)
-	-	-	(110,829,441)	(8,224,500)	(1,878,679)	(1,259,288)
40,882,732	986,573	41,869,305	-	-	-	304,938
24,460,225	-	24,460,225	-	-	-	491,708
4,011,282	-	4,011,282	-	-	-	-
-	-	-	29,728,150	7,425,000	905,000	-
415,158	-	415,158	-	-	-	-
8,940,541	-	8,940,541	74,543,490	-	802,742	25,000
868,087	309,448	1,177,535	126,839	648,225	10,119	3,685
387,597	-	387,597	8,850	249,944	-	-
208,120	103,661	311,781	1,353,709	-	6,920	1,238
(93,464)	93,464	-	-	-	-	-
80,080,278	1,493,146	81,573,424	105,761,038	8,323,169	1,724,781	826,569
6,035,962	1,568,369	7,604,331	(5,068,403)	98,669	(153,898)	(432,719)
93,816,137	83,106,905	176,923,042	109,040,744	51,086,605	4,066,120	14,964,576
\$ 99,852,099	\$ 84,675,274	\$ 184,527,373	\$ 103,972,341	\$ 51,185,274	\$ 3,912,222	\$ 14,531,857

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, 2013

ASSETS:	General Fund	Revolving Building Fund	Other Governmental Funds	Total
Cash	\$ 25,852,822	\$ -	\$ 1,150	\$ 25,853,972
Cash -restricted	-	-	49,366	49,366
Investments	3,883,689	-	3,059,395	6,943,084
Investments-Restricted	-	-	1,624,180	1,624,180
Property tax receivable	6,115,527	-	-	6,115,527
Receivables				
Notes and loans	-	-	376,507	376,507
Other receivables	3,721,585	208,650	590,756	4,520,991
Due from other funds	-	8,762,014	2,183,388	10,945,402
Advances to other funds	1,200,000	-	-	1,200,000
Inventory	-	-	73,817	73,817
Prepays	1,255	-	-	1,255
Miscellaneous assets	46,106	-	-	46,106
Total Assets	\$ 40,820,984	\$ 8,970,664	\$ 7,958,559	\$ 57,750,207
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts payable	\$ 1,249,727	\$ 97,195	\$ 727,114	\$ 2,074,036
Accrued payroll	554,976	947	33,079	589,002
Accrued payroll fringe	265,484	831	16,881	283,196
Due to other funds	12,523,619	-	680,381	13,204,000
Amounts held in escrow	884,681	-	168,981	1,053,662
Unavailable Revenue	5,474,484	-	817,515	6,291,999
Miscellaneous liabilities	168,229	2,500	-	170,729
Total Liabilities	21,121,200	101,473	2,443,951	23,666,624
Fund Balances:				
Nonspendable	1,201,255	-	-	1,201,255
Restricted	148,863	-	3,050,872	3,199,735
Committed	-	8,869,191	32,511	8,901,702
Assigned	447,970	-	2,442,285	2,890,255
Unassigned	17,901,696	-	(11,060)	17,890,636
Total Fund Balances	19,699,784	8,869,191	5,514,608	34,083,583
Total Liabilities and Fund Balances	\$ 40,820,984	\$ 8,970,664	\$ 7,958,559	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	86,784,521
Other long -term assets are not available to pay current -period expenditures and are deferred in the funds.	1,236,805
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(27,423,561)
Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds.	5,170,751

Net position of governmental activities \$ 99,852,099

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, 2013

	General Fund	Revolving Building Fund	Other Governmental Funds	Total
REVENUES:				
Taxes:				
Property taxes	\$ 40,302,290	\$ -	\$ -	\$ 40,302,290
Income taxes	24,249,252	-	-	24,249,252
Other local taxes	4,085,281	-	426,766	4,512,047
Licenses and permits	664,287	-	-	664,287
Intergovernmental:				
Federal	919,088	-	2,072,032	2,991,120
State	9,858,196	30,750	1,020,633	10,909,579
Other	547,001	-	(9,447)	537,554
Service charges	1,284,293	-	473,942	1,758,235
Fines and forfeitures	47,142	-	48,977	96,119
Interest	119,829	-	6,693	126,522
Miscellaneous	437,965	3,360,756	103,504	3,902,225
Total Revenues	<u>82,514,624</u>	<u>3,391,506</u>	<u>4,143,100</u>	<u>90,049,230</u>
EXPENDITURES:				
Current:				
General government	8,303,612	-	132,790	8,436,402
Public safety	15,648,870	-	496,102	16,144,972
Public works	9,171,239	-	1,947,508	11,118,747
Health and Hospitals	438,291	-	-	438,291
Social Services	1,378,693	-	-	1,378,693
Education	29,754	-	-	29,754
Recreation, culture and libraries	736,413	-	-	736,413
Conservation of natural resources	239,976	-	-	239,976
Community Development and Housing	38,000	-	980,262	1,018,262
Economic development	1,273,429	416,937	-	1,690,366
Miscellaneous	33,553	-	1,250	34,803
Appropriation to other governments	1,347,973	-	-	1,347,973
Payments to component units	38,080,712	-	-	38,080,712
Debt Service:				
Principal	-	-	16,833,941	16,833,941
Interest	-	-	1,083,631	1,083,631
Capital Outlay:				
General government	-	-	705,391	705,391
Public safety	-	-	50,335	50,335
Public works	-	-	953,811	953,811
Education	-	-	274,942	274,942
Recreation, culture and libraries	-	-	-	-
Economic development	-	-	-	-
Miscellaneous	-	-	-	-
Payments to component units	-	-	336,192	336,192
Total Expenditures	<u>76,720,515</u>	<u>416,937</u>	<u>23,796,155</u>	<u>100,933,607</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,794,109</u>	<u>2,974,569</u>	<u>(19,653,055)</u>	<u>(10,884,377)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	28,905	-	5,849,056	5,877,961
Transfers out	(4,042,145)	(1,851,458)	(77,825)	(5,971,428)
Debt issued-Refunding Bonds	-	-	14,736,467	14,736,467
Capital leases	-	-	-	-
Sale of capital assets	27,850	2,490,000	-	2,517,850
Total Other Financing Sources and uses	<u>(3,985,390)</u>	<u>638,542</u>	<u>20,507,698</u>	<u>17,160,850</u>
Net change in fund balances	1,808,719	3,613,111	854,643	6,276,473
Fund balance, beginning	17,891,065	5,256,080	4,659,965	27,807,110
Fund balance, ending	<u>\$ 19,699,784</u>	<u>\$ 8,869,191</u>	<u>\$ 5,514,608</u>	<u>\$ 34,083,583</u>

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

ALLEGANY COUNTY, MARYLAND
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

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)	\$ 6,276,473
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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	\$ 1,721,256	
Depreciation	(3,925,092)	(2,203,836)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.	(2,130,782)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,607,945
--	-----------

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	\$ (14,736,467)	
Lease proceeds	-	
Effect of bond issuance costs	367,599	
Payment of principal	16,833,941	2,465,073

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.	21,089
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Change in net position of governmental activities (pages C6-C7)	\$ 6,035,962
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The notes to the financial statements are an integral part of this statement.

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
June 30, 2013

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
ASSETS				
Current Assets:				
Cash:				
Cash	\$ -	\$ 770,226	\$ -	\$ 770,226
Cash - restricted	-	101,919	-	101,919
Investments	203,666	267,712	-	471,378
Receivables:				
Accounts (net)	1,016,988	1,235,201	3,344	2,255,533
Taxes - restricted	-	182,564	-	182,564
Accounts (net) - restricted	-	106,051	-	106,051
Other	29,600	948,371	64,291	1,042,262
Due from other funds	971,770	6,423,952	894,664	8,290,386
Prepaid expenses	-	-	-	-
Inventory	-	71,551	-	71,551
Total current assets	<u>2,222,024</u>	<u>10,107,547</u>	<u>962,299</u>	<u>13,291,870</u>
Non-current Assets:				
Other receivables	-	-	361,631	361,631
Land	125,250	67,282	-	192,532
Construction in Progress	7,024,589	7,159,029	-	14,183,618
Capital assets subject to depreciation	39,221,775	113,231,097	3,837,625	156,290,497
Accumulated depreciation	(11,271,287)	(42,343,029)	(3,670,172)	(57,284,488)
Total noncurrent assets	<u>35,100,327</u>	<u>78,114,379</u>	<u>529,084</u>	<u>113,743,790</u>
Total Assets	<u>37,322,351</u>	<u>88,221,926</u>	<u>1,491,383</u>	<u>127,035,660</u>
LIABILITIES				
Current Liabilities:				
Accounts payable	170,307	1,484,553	26,433	1,681,293
Accrued payroll	-	51,901	-	51,901
Accrued payroll fringe	-	23,571	-	23,571
Accrued interest	40,839	76,544	-	117,383
Current portion of long-term debt				
Revenue debt:				
Bonds and loans	144,934	1,085,639	-	1,230,573
Other loans	18,956	438	-	19,394
Compensated absences	-	71,738	-	71,738
Due to other funds	-	7,825,803	-	7,825,803
Miscellaneous liabilities	-	320,754	-	320,754
Total current liabilities	<u>375,036</u>	<u>10,940,941</u>	<u>26,433</u>	<u>11,342,410</u>
Noncurrent Liabilities:				
Cash advance due to General Fund	400,000	800,000	-	1,200,000
Long term debt:				
Revenue debt:				
Bonds and loans	10,783,326	18,403,028	-	29,186,354
Other loans	325,424	16,813	-	342,237
Compensated absences	-	289,385	-	289,385
Total noncurrent liabilities	<u>11,508,750</u>	<u>19,509,226</u>	<u>-</u>	<u>31,017,976</u>
Total Liabilities	<u>11,883,786</u>	<u>30,450,167</u>	<u>26,433</u>	<u>42,360,386</u>
NET POSITION				
Net investment in capital assets	23,827,687	58,608,461	167,453	82,603,601
Restricted for debt service	-	288,615	-	288,615
Unrestricted	1,610,878	(1,125,317)	1,297,497	1,783,058
Total Net Position	<u>\$ 25,438,565</u>	<u>\$ 57,771,759</u>	<u>\$ 1,464,950</u>	<u>\$ 84,675,274</u>

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
OPERATING REVENUES:				
Service charges	\$ 3,686,415	\$ 5,444,477	\$ 281,017	\$ 9,411,909
Miscellaneous	1,740	-	-	1,740
Total Operating Revenues	<u>3,688,155</u>	<u>5,444,477</u>	<u>281,017</u>	<u>9,413,649</u>
OPERATING EXPENSES:				
Salaries	299,928	782,666	-	1,082,594
Employee benefits	160,402	415,377	-	575,779
Office expenses	-	91,737	11,331	103,068
Utilities	2,195,309	346,862	7,912	2,550,083
Repairs & maintenance	268,583	481,376	30,808	780,767
Contractual services	2,363	22,131	-	24,494
Treatment costs	-	2,721,473	-	2,721,473
Professional services	786	21,764	143,009	165,559
Materials and supplies	36,780	433,662	-	470,442
Insurance	316	151,183	5,292	156,791
Indirect cost	130,385	315,822	-	446,207
Miscellaneous	524	9,427	-	9,951
Depreciation	884,771	2,476,392	155,296	3,516,459
Total operating expenses	<u>3,980,147</u>	<u>8,269,872</u>	<u>353,648</u>	<u>12,603,667</u>
Operating Income (Loss)	<u>(291,992)</u>	<u>(2,825,395)</u>	<u>(72,631)</u>	<u>(3,190,018)</u>
NON-OPERATING REVENUE (EXPENSES):				
Real and personal property taxes	-	988,281	-	988,281
Interest & penalties on taxes	-	25,165	-	25,165
Discounts on taxes	-	(4,911)	-	(4,911)
Enterprise/industrial exemptions	-	-	-	-
Collection fees	-	(21,962)	-	(21,962)
Front footage assessments	-	101,207	-	101,207
Interest income	131,496	175,962	1,990	309,448
Interest income, debt service	-	2,452	-	2,452
Interest expense	(290,816)	(352,578)	-	(643,394)
Gain (Loss) on sale of capital assets	-	-	-	-
Total non-operating revenue (expenses)	<u>(159,320)</u>	<u>913,616</u>	<u>1,990</u>	<u>756,286</u>
Income (Loss) before contributions and transfers	<u>(451,312)</u>	<u>(1,911,779)</u>	<u>(70,641)</u>	<u>(2,433,732)</u>
Capital contributions:				
Federal grants	1,605,225	335,783	-	1,941,008
State grants	643,858	1,323,769	-	1,967,627
Other	-	-	-	-
Transfers:				
Transfers in	25,092	97,277	-	122,369
Transfers out	-	-	(28,905)	(28,905)
Change in net position	<u>1,822,863</u>	<u>(154,950)</u>	<u>(99,546)</u>	<u>1,568,367</u>
Total net position - beginning	<u>23,615,702</u>	<u>57,926,709</u>	<u>1,564,496</u>	<u>83,106,907</u>
Total net position - ending	<u>\$ 25,438,565</u>	<u>\$ 57,771,759</u>	<u>\$ 1,464,950</u>	<u>\$ 84,675,274</u>

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

**ALLEGANY COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013**

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
Cash flows from operating activities:				
Cash received from customers	\$ 3,832,651	\$ 5,052,749	\$ 309,341	\$ 9,194,741
Cash payments for goods and services	(2,990,343)	(3,959,928)	(176,349)	(7,126,620)
Cash payments to employees for services	(460,330)	(1,193,741)	-	(1,654,071)
Other operating revenues	-	-	-	-
Net cash provided (used) by operating activities	381,978	(100,920)	132,992	414,050
Cash flows from noncapital financing activities:				
Advances from other funds	5,542,853	41,517,254	216,495	47,276,602
Advances to other funds	(5,499,226)	(42,729,081)	(322,573)	(48,550,880)
Transfers from other funds	25,092	97,277	-	122,369
Transfers to other funds	-	-	(28,905)	(28,905)
Net cash provided (used) by noncapital financing activities	68,719	(1,114,550)	(134,983)	(1,180,814)
Cash flows from capital and related financing activities:				
Proceeds from capital debt	3,479,897	1,741,708	-	5,221,605
Acquisition and construction of capital assets	(5,861,416)	(2,857,418)	-	(8,718,834)
Principal paid on capital debt	(158,655)	(1,117,642)	-	(1,276,297)
Interest paid on capital debt	(290,816)	(342,478)	-	(633,294)
Proceeds from sale of assets	-	-	-	-
Grant revenues	2,249,083	1,659,552	-	3,908,635
Debt fees	-	1,041,519	-	1,041,519
Net cash used for capital and related financing activities	(581,907)	125,241	-	(456,666)
Cash flows from investing activities:				
Purchase of investments	(203,666)	(267,712)	-	(471,378)
Sale of investments	203,363	548,980	-	752,343
Interest on investments	131,513	175,962	1,991	309,466
Net cash used in investing activities	131,210	457,230	1,991	590,431
Net increase (decrease) in cash	-	(632,999)	-	(632,999)
Cash at beginning of the year	-	1,505,144	-	1,505,144
Cash at end of year	\$ -	\$ 872,145	\$ -	\$ 872,145
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (291,992)	\$ (2,825,395)	\$ (72,631)	\$ (3,190,018)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	884,771	2,476,392	155,296	3,516,459
Provision for uncollectible accounts	(1,023)	(30,435)	-	(31,458)
Change in assets & liabilities:				
(Increase) decrease in receivables	(146,320)	(470,846)	28,324	(588,842)
(Increase) decrease in inventory	-	(5,750)	-	(5,750)
(Increase) decrease in prepaids	-	-	-	-
Increase (decrease) in acc'ts payable	(63,458)	755,656	22,003	714,201
Increase (decrease) in accrued payroll	-	(542)	-	(542)
Total adjustments	673,970	2,724,475	205,623	3,604,068
Net cash provided (used) by operating activities	\$ 381,978	\$ (100,920)	\$ 132,992	\$ 414,050

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AGENCY FUND
JUNE 30, 2013

ASSETS:		Agency Fund
Cash in custody of others		
Taxes levied for State:		
Taxes receivable - State	\$ 625,247	
Bay restoration fee		321,109
Other receivables		2
Taxes levied for Special Areas:		
Lonaconing, Town of	\$ 26,054	
Midland, Town of	7,071	
Westernport, Town of	85,149	
Cumberland differential	738	
Bel Air Special Tax Area	2,377	
Bowling Green Fire Co.	5,251	
Bedford Road Fire Co.	8,260	
Bowling Green Special Tax Area	4,390	
Cresaptown Ambulance	15,946	
Cresaptown Civic Imp. Assoc.	5,135	
Cresaptown Fire Co.	17,750	
Corriganville Light & Imp.	2,371	
Ellerslie Special Tax Area	1,881	
LaVale Volunteer Fire Dept.	19,270	
LaVale Rescue Squad	9,635	
LaVale Sanitary District	40,609	
McCoole Special Tax Area	1,297	
Moscow Light	909	
Mt. Savage Special Tax Area	2,451	
Potomac Park Special Tax Area	2,651	
Rawlings Fire Co.	5,591	
Sub-total special areas		264,786
Due from other funds		494,099
Total Assets		<u><u>\$ 1,705,247</u></u>
LIABILITIES:		
Accounts payable	\$ 494,104	
A/P Special Areas	264,787	
Taxes payable - State	321,109	
A/P Bay restoration fee	625,247	
Total Liabilities		<u><u>\$ 1,705,247</u></u>

NET POSITION

Held in trust for pension benefits

Total Liabilities and Net Position

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Health Insurance Trust Fund	Fire and Rescue Pension Trust Length of Service Award Program Fund
ASSETS:		
Investments-Certificate of Deposit	\$ 1,404,693	\$ 861,114
Accounts receivable	248	
Due from other funds	1,299,916	
Hospital deposit	224,600	
Total Assets	2,929,457	861,114
LIABILITIES:		
Accounts payable	209,879	
Health claim reserves	573,252	
Other Liabilities	111,554	
Total Liabilities	894,685	-
NET POSITION:		
Held in Trust for benefit payments	\$ 2,034,772	\$ 861,114

ALLEGANY COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Health Insurance Trust Fund	Fire and Rescue Pension Trust Length of Service Award Program Fund
ADDITIONS:		
Contributions:		
Employer contributions	\$ 7,419,844	\$ 210,240
Employee contributions	606,955	
Total contributions	8,026,799	210,240
Other additions:		
Interest	2,438	29,809
Insurance proceeds	-	-
Miscellaneous	-	-
Total other additions	2,438	29,809
Total additions	8,029,237	240,049
DEDUCTIONS:		
Benefits	6,019,823	1,341
Administrative expenses	830,164	
Total deductions	6,849,987	1,341
Change in net position	1,179,250	238,708
Net position - beginning	855,522	622,406
Net position - ending	\$ 2,034,772	\$ 861,114

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

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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013

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, 2013

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 position and the statement of changes in net position) 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, 2013

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 twenty 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, 2013

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, 2013

Note 1. Summary of Significant Accounting Policies - continued

E. *Assets, liabilities, and net position 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, 2013

Note 1. Summary of Significant Accounting Policies - continued

E. Assets, liabilities, and net position 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 2013 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9810	2.4525
Barton	.8892	2.2230
Cumberland	.8371	2.0927
Frostburg	.8436	2.1090
Lonaconing	.8655	2.1637
Luke	.8620	2.1550
Midland	.8892	2.2230
Westernport	.8702	2.1755

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, 2013

Note 1. Summary of Significant Accounting Policies - continued

E. *Assets, liabilities, and net position 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.

Sinking fund investment is classified as a restricted investment due to the fact that the investment is to be used for future debt repayment.

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, 2013

Note 1. Summary of Significant Accounting Policies - continued

E. *Assets, liabilities, and net positions 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, 2013, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 818,617	\$ 3,197,800	\$ 4,016,417
Sanitary Districts	71,738	289,385	361,123
	<u>\$ 890,355</u>	<u>\$ 3,487,185</u>	<u>\$ 4,377,540</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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 position. 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. All debt acquired from July 1, 2003 through February, 2013 has been private placement debt and as a result has not resulted in any premium or discount. During March, 2013, refunding debt was acquired. 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 Position:

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

- Net investment in capital assets – 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 position – 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 position – all other net assets that do not meet the definition of “restricted” or “net investment in capital assets”.

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, 2013

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 position and in government fund statements, amounts reported as restricted fund balances in governmental funds may be different from amounts reported as restricted net position in the statements of net position.

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.

12. Impact of Recently Issued Accounting Principles:

In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources and net position in a statement of financial position and related disclosures. GASB 63 requires that certain defined transactions, such as service concession arrangements and derivative instruments, that do not qualify for treatment as either assets or liabilities, be accounted for and reported as either deferred outflows of resources or deferred inflows of resources. Also the statement of net assets is renamed as the statement of net position and includes four components, assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB 63 has been adopted for FY 2013, however, the County had no deferred inflows or outflows to report.

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 position.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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

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 \$27,423,561 are as follows:

Bonds payable	\$20,948,078
Notes payable	219,629
State loans	2,203,357
Capital leases	36,080
Compensated absences	<u>4,016,417</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$27,423,561</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$(2,203,836) difference are as follows:

Capital outlay	\$1,721,256
Depreciation expense	<u>(3,925,092)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>(\$2,203,836)</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 (\$ 2,130,782) differences are as follows:

In the statement of activities, only the *gain* 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 position differs from the change in fund balance by the cost of the capital assets sold. (2,130,782)

Net adjustment to decrease *net changes in fund balances—total governmental funds* to arrive at *changes in net position of governmental activities*. (\$2,130,782)

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.”

The details of this \$2,465,073 difference are as follows:

Debt issued or incurred:	
Debt proceeds	(\$14,736,467)
Leases	0
Bond issue costs, net of amortization	367,599
Principal repayments:	
General obligation debt	16,795,931
Lease payments	<u>38,010</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$2,465,073</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 \$ 21,089 difference are as follows:

Compensated absences	(\$75,039)
Accrued interest adjustment, net	<u>96,128</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$21,089</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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 3. Stewardship, Compliance, and Accountability - continued

Budget-to-actual comparisons for the non-major governmental funds, though not required, are presented as supplementary information. Budget-to-actual comparisons are not required for component units and the enterprise funds and are not presented.

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

1. Prior to January 15, the County Administrator submits recommended budget guidelines to the Board of Commissioners for their approval.
2. After receiving approval of the budget guidelines, the County Administrator and the Director of Finance meet with the various departments and agencies to explain and distribute the guidelines.
3. The County Administrator and the Director of Finance compile all budget requests; after making departmental and agency review of the requests, a recommended budget is presented to the Board of County Commissioners for review and approval.
4. A public hearing is held to obtain public input and opinion of a preliminary budget.
5. Under Local Code Home Rule, the property tax rate must be set by June 30, and by that time, the budget is publicly adopted by the County Commissioners.
6. During the year supplemental appropriations shall be made by public approval of the Board of Commissioners. Supplemental appropriations in the governmental funds for fiscal year 2013 were increased by \$ 850,400 primarily due to using savings from debt refinancing to transfer money to the pay-go fund (\$ 550,000). The other major budget change was \$218,293 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.

B.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2013, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 3. Stewardship, Compliance, and Accountability - continued

Fund	Excess
Block Grant Fund	\$ 1,703
Community Development & Housing Fund	978,559
Debt service Fund	12,701,352
Gaming Fund	124,530
Public Improvement Bond Fund	651,082
Pay Go Fund	689,194

- 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 Debt Service Fund excess expenditures over budget were funded with current bond proceeds.
- The Gaming Fund excess expenditures over budget were funded by unexpended fund balance.
- The Public Improvement Bond Fund expenditures over budget were funded with current bond proceeds and unexpended bond proceeds.
- The Pay-Go fund excess expenditures over budget was funded with unexpended fund balance and revenues that were not budgeted.

C. Deficit Fund Equity

At June 30, 2013, one governmental fund, the Capital Improvements Project Fund, had a deficit fund balance in the amount of (\$ 11,060).

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2013, the County had the following investments and maturities:

		Investment Maturity in Months			
Investment Type	Fair Value	Less Than 1	1-6	6-12	Greater than 12
Statement of Net Position					
Certificates of Deposit	\$ 7,414,462	\$ 64,047	\$ 7,350,415	\$ -	\$ -
U.S. Treasury Obligations	1,624,180	14,281	28,069	27,903	1,553,927
Total Stmt of Net Position	<u>\$ 9,038,642</u>	<u>\$ 78,328</u>	<u>\$ 7,378,484</u>	<u>\$ 27,903</u>	<u>\$1,553,927</u>
Employee Benefit					
Trust-Cert of Deposit	<u>\$ 1,404,693</u>	<u>\$ -</u>	<u>\$ 1,404,693</u>	<u>\$ -</u>	<u>\$ -</u>
Fire & Rescue Pension					
Trust LOSAP Fund	<u>\$ 861,114</u>	<u>\$ 861,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
Group Annuity Fixed	<u>\$ 861,114</u>	<u>\$ 861,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

In Note 4. Deposits and Investments-continued

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 mostly of nonparticipating contracts (nonnegotiable certificates of deposit) with maturities of less than one year. The only other type of investment is U.S. Treasury obligations held by the debt service sinking fund.

Allegany County Discretely Presented Component Units:

Allegany County Board of Education

Cash deposits – At year-end, the carrying amount of the Board's, not including its component units, deposits was \$16,618,440 and the bank balances were \$17,505,895. Of the bank balances, \$855,016 was covered by depository insurance; \$16,650,879 was covered by collateral held at various banks in the Board's name.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 4. Deposits and Investments-continued

Investments - As of June 30, 2013, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
	Total	Less than 1	1-6	6-12	More than 12
Certificates of Deposit	\$ 22,578,548	\$ -	\$ 13,269,651	\$ 9,226,856	\$ 82,041
	<u>\$ 22,578,548</u>	<u>\$ -</u>	<u>\$ 13,269,651</u>	<u>\$ 9,226,856</u>	<u>\$ 82,041</u>

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2013, the carrying amount of the Library's deposits was \$133,959.

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, 2013 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2013, the Library had the following investments and maturities:

Investment Type	Investment Maturity				Credit Rating
	Total	Less than 90 Days	90 Days to One Year	Over One Year	
U.S. Treasury Bonds	\$ 19,776	\$ -		\$ 19,776	N/A
Other Federal Government Obligations	418,900	-	-	418,900	N/A
Investment in MD Local Government Fund Pool	408,683	408,683	-	-	N/A
	<u>\$ 847,359</u>	<u>\$ 408,683</u>	<u>\$ -</u>	<u>\$ 438,676</u>	

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 4. Deposits and Investments - continued

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 \$2,883,765. 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 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 \$ 978,664.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 4. Deposits and Investments - continued

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	501,598	501,598	-
Maryland Local Government			
Investment Pool	8,615,206	8,615,206	-
	<u>\$ 9,318,959</u>	<u>\$ 9,116,804</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, 2013 was \$6,115,527 (before an allowance of \$133,000) of which \$3,559,932 were current year's taxes receivable and the balance of \$2,555,595 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 Position as of the year end for the County's individual governmental major funds, non-major funds and in the aggregate, consist of the following:

Governmental Activities:	General Fund	RBF Fund	Non-major Governmental Funds	Total
Receivables:				
Interest	\$ 37,154	\$ -	\$ 199	\$ 37,353
Income taxes	2,679,692	-	-	2,679,692
Other taxes	646,054	-	14,430	660,484
Current:				
Accrued revenues	1,289,549	208,651	576,124	2,074,324
Loans, notes	-	4,600	-	4,600
Leases, capital	-	-	-	-
Long-term:				
Accrued revenues	-	-	-	-
Loans, notes	-	6,834	376,507	383,341
Leases, capital	-	-	-	-
Total receivables	\$ 4,652,449	\$ 220,085	\$ 967,260	\$ 5,839,794

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 6. Other Receivables-continued

Receivables as reported in the Statement of Net Position 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	\$ 371	\$ -	\$ 453
Accounts, other	29,518	948,001	38,285	1,015,804
Accounts, trade	1,153,198	1,491,714	3,344	2,648,256
Less allowance	(136,210)	(256,514)	-	(392,724)
Net accounts, trade	1,016,988	1,235,200	3,344	2,255,532
Accounts, restricted	-	304,304	-	304,304
Less allowance	-	(15,689)	-	(15,689)
Net accounts, restricted	-	288,615	-	288,615
Loans	-	-	376,006	376,006
Less allowance	-	-	(350,000)	(350,000)
Net loans	-	-	26,006	26,006
Total receivables	\$ 1,046,588	\$ 2,472,187	\$ 67,635	\$ 3,586,410

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
2014	\$ -	\$ -	\$ -	\$ 3,197,450
2015	-	-	-	3,176,144
2016	-	-	-	2,994,366
2017	-	-	-	2,901,932
2018	-	-	-	1,123,352
2019-	-	-	-	885,728
Totals	\$ -	\$ -	\$ -	\$ 14,278,972

The net book value of buildings with operating leases at June 30, 2013 is \$14,540,135.

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 6. Other Receivables-continued

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	\$ 5,446,520
Unearned grant revenue	\$ 468,972
Long term housing loans receivable	376,507
	<u>\$ 6,291,999</u>

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2013:

Entity	Source of funds	Balance June 30, 2013
County Loan Fund loans:		
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	\$ 250,000
YMCA	General Fund	100,000
Paving project	General Fund	422
Upper Potomac Industrial Park flood wall loan	General Fund	20,618
County loans		4,967
Allowance for doubtful accounts		(350,000)
Sub-total		\$ 26,007
Alconet II Fund loans:		
TWR loan	General Fund	38,284
Total		<u>\$ 64,291</u>

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2013 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	2,204,724	897,398	-	(1,413,098)	1,689,024
Total capital assets not being depreciated	23,524,814	897,398	-	(1,413,098)	23,009,114
Capital assets, being depreciated:					
Buildings	63,101,128	156,532	(2,178,400)	-	61,079,260
Infrastructure	47,768,987	51,460	-	852,594	48,673,041
Furniture & Fixtures	989,653	24,579	-	14,501	1,028,733
Equipment	9,472,063	420,290	(8,595)	-	9,883,758
Vehicles	9,210,587	157,653	(64,814)	389,016	9,692,442
Heavy Equipment	3,899,503	13,347	(46,898)	156,987	4,022,939
Other Capital Assets	924,623	-	-	-	924,623
Total capital assets, being depreciated:	135,366,544	823,861	(2,298,707)	1,413,098	135,304,796
Less accumulated depreciation for:					
Buildings	(20,138,534)	(1,850,361)	54,460	-	(21,934,435)
Infrastructure	(29,256,648)	(728,633)	-	-	(29,985,281)
Furniture & Fixtures	(693,959)	(48,404)	-	-	(742,363)
Equipment	(6,428,931)	(621,723)	8,595	-	(7,042,059)
Vehicles	(7,292,379)	(549,528)	63,847	-	(7,778,060)
Heavy Equipment	(3,435,970)	(114,230)	41,023	-	(3,509,177)
Other Capital Assets	(525,803)	(12,211)	-	-	(538,014)
Total accumulated depreciation	(67,772,224)	(3,925,090)	167,925	-	(71,529,389)
Total capital assets, being depreciated, net	67,594,320	(3,101,229)	(2,130,782)	1,413,098	63,775,407
Governmental activities capital assets, net	\$ 91,119,134	\$ (2,203,831)	\$ (2,130,782)	\$ -	\$ 86,784,521

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	8,542,020	8,533,994	-	(2,892,396)	14,183,618
Total capital assets not being depreciated	8,734,552	8,533,994	-	(2,892,396)	14,376,150
Capital assets, being depreciated:					
Buildings	251,311	-	-	5,035	256,346
Infrastructure	143,028,844	77,258	-	2,769,759	145,875,861
Furniture & Fixtures	17,681	-	-	-	17,681
Equipment	5,275,508	70,301	-	78,268	5,424,077
Vehicles	1,104,591	37,286	(77,527)	39,334	1,103,684
Heavy Equipment	775,785	-	-	-	775,785
Other Capital Assets	2,837,063	-	-	-	2,837,063
Total capital assets, being depreciated:	153,290,783	184,845	(77,527)	2,892,396	156,290,497
Less accumulated depreciation for:					
Buildings	(145,969)	(8,902)	-	-	(154,871)
Infrastructure	(46,266,254)	(2,953,875)	-	-	(49,220,129)
Furniture & Fixtures	(16,141)	(615)	-	-	(16,756)
Equipment	(4,673,911)	(249,788)	-	-	(4,923,699)
Vehicles	(832,603)	(108,763)	77,527	-	(863,839)
Heavy Equipment	(513,385)	(67,865)	-	-	(581,250)
Other Capital Assets	(1,397,294)	(126,650)	-	-	(1,523,944)
Total accumulated depreciation	(53,845,557)	(3,516,458)	77,527	-	(57,284,488)
Total capital assets, being depreciated, net	99,445,226	(3,331,613)	0	2,892,396	99,006,009
Business-type activities capital assets, net	\$ 108,179,778	\$ 5,202,381	\$ -	\$ -	\$ 113,382,159

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 as follows:

<u>Governmental activities:</u>	
General government	\$ 319,036
Public safety	1,238,595
Public works	965,627
Health	218,440
Social services	170,318
Recreation, culture and libraries	146,354
Community development and housing	15,063
Economic development	851,657
Total depreciation expense - governmental activities	<u>\$ 3,925,090</u>
<u>Business type activities:</u>	
Water districts	\$ 884,771
Sewer districts	2,476,392
Allconet II	155,296
Total depreciation expense - governmental activities	<u>\$ 3,516,459</u>

Construction Commitments

The County has active construction projects as of June 30, 2013. The projects include industrial park infrastructure and water quality and service improvements. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Burbridge building	\$ 2,638,825	\$ 25,000
Corrigansville Pump Station	851,400	111,350
Rawlings Water Transmission Line	675,791	880,313
Jennings Run Sanitary Rehab	179,971	1,176,648
Mount Savage Water Tank	2,178,297	489,678
Mount Savage Water Distribution	2,312,054	3,466,916
Totals	<u>\$ 8,836,338</u>	<u>\$ 6,149,905</u>

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 (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	\$ 4,067,394	\$ 140,942		\$ 4,208,336
Work in process	256,290	1,676,708	(157,753)	1,775,245
Total capital assets not being depreciated:	4,323,684	1,817,650	(157,753)	5,983,581
Capital assets, being depreciated:				
Land Improvements	8,757,718	294,221	-	9,051,939
Buildings & Improvements	150,013,882	1,232,610	-	151,246,492
Furniture, Equipment & Vehicles	17,695,752	810,006	(228,826)	18,276,932
Total capital assets, being depreciated:	176,467,352	2,336,837	(228,826)	178,575,363
Less accumulated depreciation for:				
Land Improvements	(1,585,842)	(451,595)	-	(2,037,437)
Buildings & Improvements	(78,844,011)	(3,941,092)	-	(82,785,103)
Furniture, Equipment & Vehicles	(9,585,793)	(1,583,407)	368,621	(10,800,579)
Total accumulated depreciation	(90,015,646)	(5,976,094)	368,621	(95,623,119)
Total capital assets, being depreciated, net:	86,451,706	(3,639,257)	139,795	82,952,244
Governmental activities capital assets, net	\$90,775,390	\$ (1,821,607)	\$ (17,958)	88,935,825

Board of Education Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Work in process	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	584,605	-		584,605
Less accumulated depreciation	(432,747)	(31,059)		(463,806)
Total capital assets, being depreciated, net:	151,858	(31,059)	-	120,799
Business-type activities capital assets, net	\$ 151,858	\$ (31,059)	\$ -	\$ 120,799

Capital asset activity for the Library of Allegany County for the year ended June 30, 2013 was as follows:

Library Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable assets:				
Construction in Progress	\$ 14,362	\$ 21,940	\$ -	\$ 36,302
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,610,952	\$ 9,520	\$ -	\$ 3,620,472
Furniture & Equipment	751,534	10,295	-	761,829
Vehicles/Bookmobile	145,528	-	(15,515)	130,013
Library Books	3,568,527	208,237	(131,663)	3,645,101
Total capital assets, being depreciated:	8,076,541	228,052	(147,178)	8,157,415
Less accumulated depreciation for:				
Buildings & Improvements	(1,272,812)	(72,330)	-	(1,345,142)
Furniture & Equipment	(463,559)	(44,516)		(508,075)
Vehicles/Bookmobile	(104,464)	(17,221)	14,222	(107,463)
Library Books	(3,001,703)	(227,423)	131,663	(3,097,463)
Total accumulated depreciation	(4,842,538)	(361,490)	145,885	(5,058,143)
Total capital assets, being depreciated, net:	\$ 3,234,003	\$ (133,438)	\$ (1,293)	\$ 3,099,272
Governmental activities capital assets, net	\$ 3,248,365	\$ (111,498)	\$ (1,293)	\$ 3,135,574

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 7. Capital Assets - continued

Discretely Presented Component Units - continued:

Capital asset activity for Allegany College of Maryland and its component units for the year ended June 30, 2013, were as follows:

Allegany College of Maryland Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,697,465	\$ -	\$ -	\$ 1,697,465
Library Collections	102,368	5,547	-	107,915
Work in Progress	-	64,904	-	64,904
Total capital assets not being depreciated:	1,799,833	70,451	-	1,870,284
Capital assets, being depreciated:				
Buildings	50,046,789	144,944	-	50,191,733
Equipment	7,357,093	232,930	(90,014)	7,500,009
Auxiliary Equipment	208,317	11,072	-	219,389
Library Books	1,167,148	56,400	(35,158)	1,188,390
Total capital assets, being depreciated:	58,779,347	445,346	(125,172)	59,099,521
Less accumulated depreciation :	(26,433,324)	(2,222,472)	125,172	(28,530,624)
Total capital assets, being depreciated, net:	32,346,023	(1,777,126)	0	30,568,897
Business-type activities capital assets, net	\$34,145,856	\$ (1,706,675)	\$ -	\$32,439,181

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2013, was as follows:

LaVale Sanitary Commission Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 226,385	\$ 8,445	\$ -	\$ 234,830
Work in Progress	13,030	16,001	(13,030)	16,001
Total capital assets not being depreciated:	239,415	24,446	(13,030)	250,831
Capital assets, being depreciated:				
Buildings	803,233	-	-	803,233
Infrastructure	23,031,424	36,008	-	23,067,432
Machinery, Vehicles & Equipment, Office Furniture and Equipment	1,363,018	61,459	-	1,424,477
Total capital assets, being depreciated:	25,197,675	97,467	-	25,295,142
Less accumulated depreciation for:	(10,617,794)	(604,024)	-	(11,221,818)
Total capital assets, being depreciated, net:	14,579,881	(506,557)	0	14,073,324
Business-type activities capital assets, net	\$14,819,296	\$ (482,111)	\$ (13,030)	\$14,324,155

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 8. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2013, is as follows:

A. Due to/from other funds

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 12,523,619
Revolving Building Fund	8,762,014	-
Non-major Governmental Funds	2,183,388	680,381
Sub-total	10,945,402	13,204,000
Enterprise Funds:		
Water Districts	971,770	-
Sanitary Districts	6,423,952	7,825,803
Non-major Enterprise Funds	894,664	-
Sub-total	8,290,386	7,825,803
Fiduciary Funds:		
Agency Fund	494,099	-
Health Insurance Trust Fund	1,299,916	-
Sub-total	1,794,015	-
TOTALS	\$ 21,029,803	\$ 21,029,803

The interfund balances as of June 30, 2013 are the result of a centralized cash receipt and disbursement function. This results in funds having a deficiency or excess of cash depending on the timing of the receipt of revenues or other sources and/or the payment of expenditures (or expenses) or other uses of cash.

B. Advances and Loans To/From Other Funds

	Advances to Other Funds	Advances from Other Funds
Advances:		
General Fund	\$ 1,200,000	
Sanitary Districts		\$ 800,000
Water Districts		400,000
Loans:		
Loan Fund	361,631	
Allegany County Sanitary Districts:		
Current portion of long-term debt		438
Long-term debt		16,813
Allegany County Water Districts:		
Current portion of long-term debt		18,956
Long-term debt		325,424
	<u>\$ 1,561,631</u>	<u>\$ 1,561,631</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 8. Interfund Receivables, Payables, and Transfers (continued)

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, 2013 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Non-major funds governmental funds	\$ 3,946,623	
Enterprise funds:		
Water Fund	5,744	
Sewer Fund	89,776	\$ 4,042,143
From the Revolving Building Fund To:		
General Fund	0	
Water Fund	19,348	
Sewer Fund	7,500	
Non-major funds governmental funds	1,824,610	1,851,458
From the Non-major Governmental Funds to:		
General Fund	-	
Other Non-major governmental fund	77,825	77,825
From the Non-major Enterprise Funds to:		
General Fund	28,905	28,905
TOTALS	\$ 6,000,331	\$ 6,000,331

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, 2013 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 29,391,958	
Board of Education, Data Processing	358,754	
Allegany College of Maryland	7,425,000	
Library	905,000	\$ 38,080,712
From the Gaming Fund to:		
Board of Education:		
Central office building roof	208,267	
Fort Hill High School roof	124,072	
Westmar & Mt Savage Roof	3,853	336,192
Total	\$ 38,416,904	\$ 38,416,904

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 9. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2013 and had no balance payable at year end.

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

Long-term liability activity of the County for the year ended June 30, 2013, was as follows:

Long-term Debt					
Governmental Activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
General Obligation	\$ 14,215,926	\$ 14,240,000	\$ (7,507,848)	\$ 20,948,078	\$ 3,416,195
Notes	8,502,021	-	(8,282,392)	219,629	6,714
Capital Leases*	74,090	-	(38,010)	36,080	17,519
State Loans	3,199,049	-	(995,692)	2,203,357	443,884
Total	\$ 25,991,086	\$ 14,240,000	\$ (16,823,942)	\$ 23,407,144	\$ 3,884,312
* The net book value of leased vehicles at June 30, 2013 is \$ 21,876.					
Business-type activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
Water districts:					
Rural development loans	\$ 7,542,060	\$ 3,387,917	\$ (135,945)	\$ 10,794,032	\$ 140,957
Maryland water quality loans	46,602	91,980	(4,353)	134,229	3,977
County loans	362,737	-	(18,357)	344,380	18,956
Total water districts	7,951,399	3,479,897	(158,655)	11,272,641	163,890
Sewer districts:					
Maryland water quality loans	91,084	377,230	(72,476)	395,838	43,545
Maryland environmental loans	15,108,960	-	(984,848)	14,124,112	975,673
Rural development loans	3,664,134	1,364,478	(59,899)	4,968,713	66,423
Other loans	17,670	-	(419)	17,251	438
Total sewer districts	18,881,848	1,741,708	(1,117,642)	19,505,914	1,086,079
Total business-type activities:					
Maryland water quality loans	137,686	469,210	(76,829)	530,067	47,522
Maryland environmental loans	15,108,960	-	(984,848)	14,124,112	975,673
Rural development loans	11,206,194	4,752,395	(195,844)	15,762,745	207,380
Other loans	380,407	-	(18,776)	361,631	19,394
Total business-type activities	\$ 26,833,247	\$ 5,221,605	\$ (1,276,297)	\$ 30,778,555	\$ 1,249,969
Other Long-term Liabilities					
Governmental Activities					
	Beginning Balance	Current Year Changes	Payments	Ending Balance	Due Within One Year
Compensated Absences	\$ 3,941,378	\$ 303,248	\$ (228,209)	\$ 4,016,417	\$ 818,617
Business-type activities					
Water & sewer districts					
Compensated absences	\$ 356,279	\$ 20,998	\$ (16,154)	\$ 361,123	\$ 71,738

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013 are as follows:

Year Ending	General Obligation Bonds		Notes		Capital Leases		State Loans		Totals	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,416,195	\$ 583,565	\$ 6,714	\$ 12,533	\$ 17,519	\$ 2,143	\$ 443,884	\$ 55,225	\$ 3,884,312	\$ 653,466
2015	2,611,096	495,591	7,106	12,142	18,560	1,102	300,349	35,360	2,937,111	544,195
2016	3,191,213	428,165	7,520	11,727	-	-	278,305	26,740	3,477,038	466,632
2017	3,266,551	328,066	7,959	11,289	-	-	248,319	18,548	3,522,829	357,903
2018	1,393,114	225,253	8,423	10,824	-	-	217,697	13,844	1,619,234	249,921
2019-2023	4,269,908	822,126	50,085	46,154	-	-	714,803	17,365	5,034,796	885,645
2024-2028	2,800,000	187,038	66,498	29,741	-	-	-	-	2,866,498	216,779
2029-2033	-	-	65,320	8,632	-	-	-	-	65,320	8,632
2034-2038	-	-	0	0	-	-	-	-	0	0
2039-2043	-	-	0	0	-	-	-	-	0	0
	<u>\$ 20,948,077</u>	<u>\$ 3,069,804</u>	<u>\$ 219,625</u>	<u>\$ 143,042</u>	<u>\$ 36,079</u>	<u>\$ 3,245</u>	<u>\$ 2,203,357</u>	<u>\$ 167,082</u>	<u>\$ 23,407,138</u>	<u>\$ 3,383,173</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2013 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2013 are:

Year Ending	Farmers Home Admin. Loans		Water Quality/MDE Loans		Other Loans		Totals	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 140,957	\$ 305,534	\$ 3,977	\$ 1,647	\$ 18,956	\$ 12,530	\$ 163,890	\$ 319,711
2015	161,597	333,325	4,028	1,598	19,574	11,912	185,199	346,835
2016	214,027	310,711	4,076	1,548	20,214	11,273	238,317	323,532
2017	220,869	303,868	4,126	1,498	20,874	10,612	245,869	315,978
2018	227,972	296,766	4,176	1,447	21,557	9,929	253,705	308,142
2019-2023	1,256,302	1,367,955	21,667	6,452	118,063	38,567	1,396,032	1,412,974
2024-2028	1,479,951	1,143,734	27,811	5,086	41,911	22,286	1,549,673	1,171,106
2029-2033	1,686,634	801,442	24,560	3,629	29,056	15,873	1,740,250	820,944
2034-2038	1,759,640	597,392	21,221	2,078	36,373	8,257	1,817,234	607,727
2039-2043	1,444,617	346,090	18,587	513	17,802	977	1,481,006	347,580
2044-2048	1,215,282	174,401	-	-	0	0	1,215,282	174,401
2049-2053	986,184	46,328	-	-	0	0	986,184	46,328
Totals	<u>\$ 10,794,032</u>	<u>\$ 6,027,546</u>	<u>\$ 134,229</u>	<u>\$ 25,496</u>	<u>\$ 344,380</u>	<u>\$ 142,216</u>	<u>\$ 11,272,641</u>	<u>\$ 6,195,258</u>

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2013 are:

Year Ending	Water Quality Loans		Md. Environmental Loans		Farmers Home Admin. Loans		Other Loans		Totals	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 43,545	\$ 6,687	\$ 975,673	\$ 185,700	\$ 66,423	\$ 162,085	\$ 438	\$ 779	\$ 1,086,079	\$ 355,251
2015	43,169	5,529	987,905	169,468	72,758	167,858	458	758	1,104,290	343,613
2016	36,185	4,324	1,000,308	161,065	87,086	160,984	479	737	1,124,058	327,110
2017	35,201	3,731	1,012,885	148,488	90,063	158,007	501	715	1,138,650	310,941
2018	35,673	3,259	1,025,637	135,735	93,154	154,916	524	693	1,154,988	294,603
2019-2023	75,634	11,548	5,247,454	481,033	516,419	723,931	3,004	3,078	5,842,511	1,219,590
2024-2028	68,328	6,856	3,794,982	159,038	613,553	626,819	3,761	2,321	4,480,624	795,034
2029-2033	58,103	2,051	79,268	877	731,008	495,536	4,708	1,396	873,087	499,860
2034-2038	-	-	-	-	780,991	371,228	3,378	273	784,369	371,501
2039-2043	-	-	-	-	810,941	238,449	-	-	810,941	238,449
2044-2048	-	-	-	-	816,206	90,080	-	-	816,206	90,080
2049-2053	-	-	-	-	290,111	16,012	-	-	290,111	16,012
Totals	<u>\$ 395,838</u>	<u>\$ 43,985</u>	<u>\$ 14,124,112</u>	<u>\$ 1,441,404</u>	<u>\$ 4,968,713</u>	<u>\$ 3,365,905</u>	<u>\$ 17,251</u>	<u>\$ 10,750</u>	<u>\$ 19,505,914</u>	<u>\$ 4,862,044</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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

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

Allegany County Primary Government Schedule of Long - Term General Obligation Debt:					
General Obligation Bonds:	Date of	Date of	Interest	June 30,	
Public Improvement Bonds:	Issue	Maturity	Rate (%)	2013	2012
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	1,360,000	2,655,000
Bonds of 2001	09/01/01	11/01/16	3.50-4.40	0	1,875,000
Bonds of 2004	10/26/04	10/01/19	3.50	1,105,000	1,242,000
Bonds of 2006	07/21/06	08/01/16	4.24	1,365,000	1,670,000
Bonds of 2007	06/12/07	06/01/17	5.73	0	3,451,344
Bonds of 2008	12/16/08	09/01/18	4.36	2,878,078	3,322,582
Bonds of 2013-Nontax	03/11/13	03/11/27	2.11	9,640,000	0
Bonds of 2013-Taxable	03/11/13	03/11/17	1.48	4,600,000	0
Notes:					
Farmers Home Admin	1992	2032	5.75	219,629	225,974
RDA High School Loan	06/28/07	06/28/37	4.125	0	4,099,832
RDA High School Loan	02/28/08	2038	4.375	0	4,176,215
Capital Leases:					
Transit Bus	04/11/06	04/11/13	5.94	36,080	74,090
Bureau of Police vehick	04/13/09	04/13/11	6.60	-	-
State Loans:					
Md Industrial Land Act:					
Superfos Expansion	1991	2017	6.90	225,862	281,463
Blue Cross Bldg	1992	2012	6.80	0	587,676
Micro - Integration	1994	2014	5.93	30,053	113,675
Superfos III	1995	2014	5.93	146,953	257,017
MICRF Loans:					
PPG Purchase	01/05/96	2020	5.00	1,157,053	1,260,325
PPG Improvements	2001	2022	4.69	116,355	133,057
MD Historical Trust Loan	2000	2020	1.00	145,000	146,000
Md Environmental Loan	2003	2023	0.89	382,081	419,836
Total Long - Term General Obligation Debt				23,407,144	25,991,086
Compensated Absences				4,016,417	3,941,378
Total long-term liabilities				\$ 27,423,561	\$ 29,932,464

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Schedule of Business-type Debt

Water Districts Debt:	Date of	Date of	Interest	June 30,	
	Issue	Maturity	Rate (%)	2013	2012
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 82,881	\$ 85,376
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	202,265	208,363
Eckhart/Clarysville RDA Loan	04/17/11	2051	2.5	213,539	216,912
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	271,180	277,156
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	403,124	412,621
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	190,208	194,687
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	194,171	198,743
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	518,841	527,668
Consol FHA loan	2004	2044	4.5	93,690	95,083
McCoole FHA Loan	1999	2039	4.5	897,947	916,460
Barton Industrial Park	2005	2045	4.5	324,668	329,275
Klondike FHA	2005	2045	4.5	423,318	429,233
Morantown FHA Loan	2005	2046	4.25	155,599	157,791
Mexico Farms	1992	2032	5.5	309,521	318,236
Bowmans Addition RDA Loan	10/01/10	2051	3.75	582,910	589,926
Bowmans Addition Phase 2 RDA	12/16/11	2052	2.00	609,266	619,131
Bedford Rd/Shades Lane MDE	06/28/12	2052	1.00	44,248	46,602
Cresaptown RDA Loan	06/28/12	2052	2.00	1,475,657	1,500,400
Cresaptown RDA Loan 2	06/28/12	2052	2.00	457,330	465,000
Mt Savage-FHA Loan	06/30/13	2053	2.00	3,387,917	
Mt Savage-MDE Loan	10/31/12	2042	1.00	89,981	
Sub-total				10,928,261	7,588,663
Carlos/Shaft Loan	2006	2040	4.5	44,385	45,210
Missick Road Loan	2006	2040	4.5	69,934	71,234
Route 51 Loan	2006	2040	4.5	24,681	25,140
PSC Rate case	2007	2017	4.5	205,380	221,153
Sub - total				344,380	362,737
Total debt				11,272,641	7,951,400
Less: Current maturities of long - term debt				(163,890)	(156,707)
Total Water Districts long - term debt				\$ 11,108,751	\$ 7,794,693
Sanitary Districts Debt:					
Maryland Water Quality Loans					
Bowling Green	1984	2014	8.3	\$ 8,982	\$ 12,982
Cresaptown	1984	2014	8.3	5,594	8,085
Cresaptown	1986	2015	8.8	4,032	5,169
Bedford Road	1983	2013	8.2	0	29,545
Georges Creek	1982	2012	6.1	-	35,303
Bedford Road	2013	2032	1.4	250,000	-
Braddock Run	2013	2019	1.0	127,230	-
Sub - total				395,838	91,084
Maryland Department of Environment					
Celanese Treatment Plant	1991	2010	3.705	-	-
Celanese WWTP Upgrade	06/03	2023	0.40	4,963,970	5,357,584
Inflow and Infiltration Study I	12/03	2023	0.40	674,627	746,266
Celanese	2006	2026	0.40	534,913	573,530
Inflow and Infiltration Study II	2008	2028	1.00	916,504	970,381
George Creek WWTP Upgrade	2009	2029	0.40	6,761,256	7,171,304
Inflow and Infiltration Study II	2010	2030	1.00	272,842	289,895
Sub - total				14,124,112	15,108,960
Farmers Home Administration Loans					
Georges Creek	2007	2047	4.125	472,055	478,309
Cash Valley Road	1996	2036	4.50	112,564	115,363
Oldtown Road	1996	2036	4.50	426,894	437,512
Bowling Green/Cresaptown A	2007	2047	4.125	1,781,891	1,805,493
Bowling Green/Cresaptown B	2007	2047	4.125	349,818	354,456
Bedford Road	2012	2052	2.000	465,197	473,000
Bedford Road	2013	2052	2.000	505,816	-
Jennings Run	2013	2052	2.000	854,478	-
Sub - total				4,968,713	3,664,133
Oldtown	2006	2036	4.5	17,251	17,670
Sub - total				17,251	17,670
Total				19,505,914	18,881,847
Less: Current maturities of long - term debt				(1,086,079)	(1,113,454)
Total Sanitary Districts Long - term Debt				\$ 18,419,835	\$ 17,768,393

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 10. Long-Term Debt - continued

Defeased Debt:

On March 27, 2013, the County issued two public improvement bonds, one taxable and one non-taxable, in the amount that met the definition of a current debt defeasance.

The non-taxable public improvement bond was issued for \$ 9,650,000 with an interest rate at 2.82% to refinance 2 FHA loans and two public improvement bonds with interest rates ranging from 3.5% to 4.5%. A sinking fund was established in the amount of \$ 1.6 million in order to complete the refunding.

The taxable public improvement bond was issued for \$ 4 600,000 with an interest rate at 1.48% to refinance two public improvement bond with interest rate at 5.73%.

As a result of the current refunding, the County will decrease its total debt service requirement by \$ 1,120,244, which results in an economic gain (the difference between the present value of the debt service payments on the old and the new debt) of \$ 1,168,506, or 7% of the principal amount being refunded.

As part of the refunding, a sinking fund investment was established in order to pay certain future debt payments. The County will continue to make originally scheduled debt payments for the short term and then the sinking fund investment will pay off the rest of the debt. This process does not qualify as an in-substance defeasance. Therefore, the debt has remained on the financial statements at its principal balance as of June 30, 2013 in the amount of \$ 2,470,000.

A premium on the bond issuance resulted from the refunding in the amount of \$ 486,468. This amount is reflected on the Statement of Net Position. Premium will be amortized over the life of the refunded bonds.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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, 2013.

Long-term Liabilities - Component Units						
Long-term debt activity for the year ended June 30, 2013:						
	Allegany College of Maryland			LaVale Sanitary Commission		
Payable at July 1, 2012	\$ 224,548			\$ 3,679,678		
Amount issued	-			-		
Amount retired	(49,465)			(131,759)		
Payable at June 30, 2013	<u>\$ 175,083</u>			<u>\$ 3,547,919</u>		
Annual debt service requirements to maturity:						
Fiscal Year	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission		
	Principal	Interest	Total	Principal	Interest	Total
2014	\$ 43,465	\$ 10,496	\$ 53,961	\$ 89,692	\$ 140,536	\$ 230,228
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	3,694	21	3,715	129,539	124,562	254,101
2019-2023	-	-	-	722,062	548,447	1,270,509
2024-2028	-	-	-	746,423	404,717	1,151,140
2029-2033	-	-	-	922,261	228,879	1,151,140
2034-2038	-	-	-	575,572	42,224	617,796
	<u>\$ 175,083</u>	<u>\$ 24,787</u>	<u>\$ 199,870</u>	<u>\$ 3,547,919</u>	<u>\$ 1,889,289</u>	<u>\$ 5,437,208</u>

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, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 11. Pension and Retirement Systems-continued

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, 2013, there are 7 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 12.88% of covered payroll. Employees belonging to the pension system must contribute seven percent of their base salary and seven 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 9.11% 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, 2013, 2012 and 2011, were \$ 1,313,060, \$1,583,172, and \$1,654,551 respectively, equal to the required employer contributions for each year.

The defined contribution plan requires the County to contribute 8.99% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$371,914 and the required contribution was \$33,700, 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 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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 11. Pension and Retirement Systems-continued

Members of the contributory pensions are required to make contributions of 7% 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 8.99%. 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, 2013, 2012 and 2011 were \$2,886,886, and \$1,695,690, and \$1,428,305, 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, 2013. The Library's contributions for the years ended June 30, 2013, 2012 and 2011 were \$11,656, \$9,996 and \$7,692, 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, 2013, 2012 and 2011 in the amounts of \$119,239, \$120,883, and \$128,282 respectively.

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 2013 were \$1,528,695.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 11. Pension and Retirement Systems - continued

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, 2013. Allegany College's contributions for the years ended June 30, 2013, 2012 and 2011 were \$85,704, \$118,414 and \$116,081, 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, 2013. LaVale Sanitary's contributions for the years ended June 30, 2013, 2012 and 2011 were \$ 26,299, \$60,353, and \$ 50,927, 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; the balance at June 30, 2013 was \$ 580,859.

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 654 eligible members and no retirees.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 12. Length of Service Award Program-continued

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 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

Fiscal Year Ending	Annual Program Cost (APC)	Percentage of APC Contributed	Net Program Obligation
June 30, 2009	\$200,000	100%	0
June 30, 2010	\$200,000	100%	0
June 30, 2011	\$199,000	100%	0
June 30, 2012	\$210,240	100%	0
June 30, 2013	\$235,805	100%	0

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 had net assets available for benefits totaling \$861,114.

D. Funding Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was funded 119%. The actuarial accrued liability for benefits was \$520,526 resulting in an UAAL of (\$96,969).

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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.

Fiscal Year 2013 Fund Balance Classifications				
Fund Balances:	General Fund	Major Special Revenue Fund		Total
		Revolving Building	Other Funds	
Nonspendable				
Long term receivables	\$ 1,200,000	\$ -	\$ -	\$ 1,200,000
Prepays	1,255	-	-	1,255
Restricted for:				
Transit bus replacement	148,863	-	-	148,863
Housing programs	-	-	263,722	263,722
Coal Haul Roads	-	-	753,201	753,201
Drug task Force	-	-	21,596	21,596
Inmate activities	-	-	292,996	292,996
Fire Companies	-	-	240,966	240,966
Debt retirement	-	-	1,432,270	1,432,270
Stream restoration,other	-	-	46,121	46,121
Committed to:				
Economic development	-	8,869,191	-	8,869,191
Fire Companies	-	-	-	-
School capital	-	-	32,511	32,511
Assigned to:				
Election machine replacements	150,000	-	-	150,000
Nursing Home retiree health insurance	297,970	-	-	297,970
Debt retirement	-	-	-	-
Technology enhancements	-	-	376,327	376,327
Highway projects	-	-	1,028,640	1,028,640
Public safety projects	-	-	200,000	200,000
Library roof repairs	-	-	93,674	93,674
County building improvements	-	-	743,644	743,644
Unassigned:	17,901,696	-	(11,060)	17,890,636
	<u>\$ 19,699,784</u>	<u>\$ 8,869,191</u>	<u>\$ 5,514,608</u>	<u>\$ 34,083,583</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

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 were hired prior to July 1, 1997 contribute 8% 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 current ARC rate is 13.94 percent of annual covered payroll.

Annual OPEB Cost and Net OPEB Obligation. The County's annual Other Post Employment Benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal costs each year to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table show the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the county's net OPEB obligation to the retiree health plan:

Annual Required Contribution (ARC)	\$ 1,960,982
Interest on Net OPEB Obligation	(46,858)
Adjustment to ARC	40,223
Annual OPEB cost (expense)	1,954,347
Contribution Towards OPEB Cost	(1,954,419)
Increase (Decrease) in Net OPEB Obligation (asset)	(72)
Net OPEB Obligation (Asset)-Beginning of the year	(669,401)
Net OPEB Obligation (Asset)-End of the year	\$ (669,473)

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 14. Postemployment Healthcare Plan-continued

For fiscal year 2013, the County's annual OPEB cost (expense) of \$1,954,347 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 2013 and the preceding fiscal year are as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/13	1,954,347	100.0%	\$ (669,473)
06/30/12	1,968,268	100.4%	\$ (669,401)
06/30/11	1,973,780	102.8%	\$ (661,843)
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, 2012 (the date of the latest actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 24,377,567
Actuarial value of plan assets	2,304,271
Unfunded actuarial accrued liability (UAAL)	<u>\$ 22,073,296</u>
Funded ratio (actuarial value of plan assets/AAL)	9.45%
Covered payroll (active plan members)	\$ 14,024,592
UAAL as a percentage of covered payroll	157.40%

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 14. Postemployment Healthcare Plan-continued

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The inflation rate was assumed to be constant at 3% per year. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 3 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 an open basis. The remaining amortization period at July 1, 2012, was twenty-six 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 \$200,000 per year and aggregate annual participant claims in excess of \$6,338,301.

Third party administrators estimated the non-discounted claims liability reported in the funds at June 30, 2013. It is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Because actual claims liabilities depend on such complex factors as inflation, change in legal doctrines and damage awards, the process used in computing claims liabilities does not necessary result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

Note 15. Risk Management-continued

Changes in the balance of claims payable relating to the funds for fiscal year 2013 are as follows:

Balance at July 1, 2012	\$	716,294
Claims and changes in estimates		(143,042)
Claim payments		<u>-</u>
Balance at June 30, 2013	\$	<u>573,252</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, 2013 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, 2013, such debt includes loans with the U.S. Department of Agriculture of \$3,337,304.

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.

**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%
July 1, 2012	2,304,271	24,377,567	9.5%	22,073,296	14,024,592	157.4%

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
January 1, 2012	617,495	520,526	119.0%	(96,969)	N/A	N/A

Schedule of Employer Contributions:

Year Ended June 30	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
2011	599,000	599,000	100%
2012	210,240	210,240	100%
2013	235,805	235,805	100%

*Note: First contribution was made during FY 2011

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 40,825,674	\$ 40,825,674	\$ 41,166,089	\$ 340,415
Payments in lieu of taxes:				
Coal companies	260,000	260,000	197,282	(62,718)
Housing Authorities	35,000	35,000	39,270	4,270
Rocky Gap			32,329	32,329
Interest on Delinquent taxes	950,000	950,000	742,999	(207,001)
Sub-total	<u>42,070,674</u>	<u>42,070,674</u>	<u>42,177,969</u>	<u>107,295</u>
Less:				
Prompt payment discounts	185,000	185,000	179,582	5,418
Deferred revenues	500,000	500,000	1,387,216	(887,216)
Industrial exemptions	150,000	150,000	-	150,000
Enterprise zone exemptions	175,000	175,000	189,163	(14,163)
Residential development tax credit	25,000	25,000	6,295	18,705
Tax increment financing	75,000	75,000	37,470	37,530
Historic tax credit	95,000	95,000	64,553	30,447
Real estate tax set-aside	32,000	32,000	-	32,000
PILOT abatement	11,400	11,400	11,400	-
Sub-total	<u>1,248,400</u>	<u>1,248,400</u>	<u>1,875,679</u>	<u>(627,279)</u>
Total Net Property Taxes	<u>40,822,274</u>	<u>40,822,274</u>	<u>40,302,290</u>	<u>(519,984)</u>
Income Taxes	23,820,000	23,820,000	24,249,252	429,252
Other Local Taxes:				
Hotel/motel tax	925,000	925,000	787,579	(137,421)
Admissions	200,000	200,000	250,167	50,167
Recordation	975,000	1,057,107	1,692,145	635,038
911 Fees	525,000	525,000	500,767	(24,233)
Trailer court	67,000	67,000	65,852	(1,148)
Transfer tax	350,000	350,000	300,696	(49,304)
Highway users taxes	424,342	424,342	424,914	572
Rocky Gap slots revenue			63,161	63,161
Total Local Taxes	<u>3,466,342</u>	<u>3,548,449</u>	<u>4,085,281</u>	<u>536,832</u>
Total Taxes	<u>68,108,616</u>	<u>68,190,723</u>	<u>68,636,823</u>	<u>446,100</u>
Licenses and Permits				
Alcoholic beverage licenses	84,500	84,500	96,805	12,305
Amusement licenses	5,000	5,000	2,508	(2,492)
Traders licenses	94,000	94,000	92,143	(1,857)
Occupational licenses	800	800	700	(100)
Animal licenses	12,000	12,000	1,366	(10,634)
Building permits	28,000	28,000	20,643	(7,357)
Marriage licenses	4,500	4,500	4,930	430
Cable franchise fees	350,000	350,000	415,157	65,157
Sediment control permits	24,000	24,000	30,035	6,035
Total Licenses and Permits	<u>602,800</u>	<u>602,800</u>	<u>664,287</u>	<u>61,487</u>

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (Continued):				
<u>Intergovernmental:</u>				
Federal Funds:				
Homeland security grant	219,879	219,879	533,904	314,025
Civil defense	65,000	65,000	77,665	12,665
FEMA grant	10,000	10,000	93,207	83,207
MTA Transportation planning	87,958	87,958	85,271	(2,687)
Railroad grant	19,848	19,848	-	(19,848)
Food distribution to the needy	12,300	12,300	8,686	(3,614)
Emergency shelter grant	-	38,674	38,674	-
Masters program	59,890	59,890	74,244	14,354
Payments in lieu of property taxes	7,000	7,000	7,437	437
Sub-total Federal funds	<u>481,875</u>	<u>520,549</u>	<u>919,088</u>	<u>398,539</u>
State Funds:				
Public Health	17,000	17,000	13,085	(3,915)
Police protection	130,000	130,000	130,595	595
State 911 grant	1,500	1,500	4,096	2,596
State transportation planning	10,995	10,995	8,780	(2,215)
Maryland Department of Environment grant	7,843	7,843	1,400	(6,443)
Juvenile services grant	15,130	15,130	14,875	(255)
Department of Natural Resources	35,000	35,000	18,194	(16,806)
Conservation aid salary	13,452	13,452	9,668	(3,784)
Program Open Space grant	170,000	170,000	353,399	183,399
Disparity grant	8,930,611	8,930,611	8,930,611	-
State Jury Reimbursement	44,000	44,000	47,415	3,415
Tourism grant	-	-	33,399	33,399
Work Crew Supervisor	30,647	30,647	33,355	2,708
Miscellaneous	163,112	176,612	259,324	82,712
Sub-total State Funds	<u>9,569,290</u>	<u>9,582,790</u>	<u>9,858,196</u>	<u>275,406</u>
Other Intergovernmental:				
Other agencies	389,862	555,981	547,001	(8,980)
Sub-total Other Intergovernmental:	<u>389,862</u>	<u>555,981</u>	<u>547,001</u>	<u>(8,980)</u>
Total Intergovernmental	<u>10,441,027</u>	<u>10,659,320</u>	<u>11,324,285</u>	<u>664,965</u>

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

REVENUES (Continued)	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Service Charges:</u>				
General government charges:				
State civil process	70,000	70,000	47,965	(22,035)
Plans & specifications	5,000	5,000	2,514	(2,486)
Regulation & Maps	2,000	2,000	3,415	1,415
Tax sale fees	22,000	22,000	1,857	(20,143)
Election filing fees	-	-	575	575
Security interest filing fee	-	-	80	80
License application fees	8,000	8,000	8,800	800
Liquor License transfer fee	4,522	4,522	2,540	(1,982)
Bay restoration collection fee	5,000	5,000	-	(5,000)
Health Ins Admin fee	1,100	1,100	1,115	15
Other general government service charges	2,750	2,750	5,500	2,750
Tourism promotion charges	80,000	80,000	64,814	(15,186)
Collection fees-special areas	60,000	60,000	54,493	(5,507)
Liquor License Collection fee	3,600	3,600	4,074	474
Hotel/Motel collection fee	17,500	17,500	20,939	3,439
Partial payment fee	1,500	1,500	2,242	742
Engineering fees	65,000	65,000	68,636	3,636
Miscellaneous general government	18,478	18,478		(18,478)
Indirect cost allocation	523,266	523,266	23,068	(500,198)
Sub-total general government charges	889,716	889,716	312,627	(577,089)
Public safety charges:				
Police protection charges	12,500	12,500	24,087	11,587
Fingerprinting fee	200	200	125	(75)
Impound fees			8,482	8,482
Jail work release	12,000	12,000	12,392	392
Boarding state prisoners	10,000	10,000	60,975	50,975
Boarding Federal prisoners	25,000	25,000	55,217	30,217
Community service fee	22,000	22,000	21,111	(889)
Home detention fee	35,000	35,000	31,386	(3,614)
Inmate Medical Copay	4,000	4,000	5,328	1,328
Building Inspection fees	25,000	25,000	7,562	(17,438)
Ambulance fees	80,000	80,000	133,332	53,332
Sub-total public safety charges	225,700	225,700	359,997	134,297
Sanitation and Waste Removal:				
Landfill fees	175,000	175,000	173,118	(1,882)
Recycling fees	50,000	50,000	72,848	22,848
Recycled material sales	11,000	11,000	27,562	16,562
Sub-total Sanitation and Waste	236,000	236,000	273,528	37,528
Health service charges:				
Dog adoption fees	18,000	18,000	725	(17,275)
Sub-total Health service charges	18,000	18,000	725	(17,275)

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued):				
<u>Service Charges (continued):</u>				
Recreation Charges:				
Hotel fee, Rocky gap			34,224	34,224
Sub-total recreation service charges	-	-	34,224	34,224
Public service enterprises:				
Upper Potomac River Commission	303,192	303,192	303,192	-
Road closing fees	300	300	-	(300)
Sub-total public service charges	303,492	303,492	303,192	(300)
Total Service Charges	1,672,908	1,672,908	1,284,293	(388,615)
<u>Fines and Forfeitures:</u>				
Circuit court fines	7,000	7,000	4,911	(2,089)
Contraband seizures	-	-	12,373	12,373
Dog ordinance fines	4,000	4,000	470	(3,530)
Liquor violation fines	11,875	11,875	13,750	1,875
Zoning fines	5,400	5,400	5,401	1
Fines and forfeitures	2,500	2,500	10,237	7,737
Total Fines and Forfeitures	30,775	30,775	47,142	16,367
<u>Miscellaneous:</u>				
Interest	120,740	120,740	119,829	(911)
Rents and concessions	289,458	289,458	308,442	18,984
Miscellaneous	27,150	27,150	129,523	102,373
Total Miscellaneous	437,348	437,348	557,794	120,446
Total Revenues	81,293,474	81,593,874	82,514,624	920,750

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

EXPENDITURES:	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>General Government:</u>				
Legislative:				
County Commissioners	167,184	167,184	179,026	(11,842)
County Commissioners Office	-	-	-	-
Total legislative	167,184	167,184	179,026	(11,842)
Judicial:				
Family Support Services	157,617	157,617	137,352	20,265
Alternative dispute resolution	5,495	5,495	5,000	495
Circuit court masters program	96,252	96,915	94,015	2,900
Circuit court	323,714	337,214	323,536	13,678
Orphans court	62,597	62,597	60,422	2,175
Family Law Master	65,446	65,446	64,585	861
State's attorney	1,151,144	1,188,109	1,209,737	(21,628)
Victim-Witness coordinator	-	-	-	-
Law library	45,000	45,000	15,000	30,000
Grand and petit juries	68,671	68,671	70,285	(1,614)
Total Judicial	1,975,936	2,027,064	1,979,932	47,132
Executive:				
Administrator	293,966	296,944	256,592	40,352
Elections:				
Registration and elections	543,566	544,700	408,951	135,749
Financial Administration:				
Finance Office	682,871	697,780	591,000	106,780
Tax Office	576,569	580,575	300,526	280,049
State Assessment Fee	672,000	672,000	611,315	60,685
Professional services	51,000	51,000	52,244	(1,244)
Total Financial Administration	1,982,440	2,001,355	1,555,085	446,270
Legal:				
Legal counsel	187,973	187,973	159,409	28,564
Other legal/professional	92,000	92,000	45,218	46,782
Total legal	279,973	279,973	204,627	75,346
Personnel Administration:				
Human Resources department	502,254	505,781	448,105	57,676
Human resources board of appeals	3,551	3,551	2,403	1,148
Wellness/Employee recognition	11,013	11,013	4,051	6,962
Total personnel administration	516,818	520,345	454,559	65,786
Planning and Zoning:				
Planning and zoning department	279,906	279,906	221,933	57,973
Land use planning	87,244	87,244	72,523	14,721
Total Planning and Zoning	367,150	367,150	294,456	72,694
General Services:				
County Building Maintenance	1,130,613	1,132,809	1,099,494	33,315
Data Processing	229,314	230,733	212,177	18,556
Total general services	1,359,927	1,363,542	1,311,671	51,871
Other general government:				
Liquor control board	107,215	107,911	105,233	2,678
Insurance	324,500	324,500	366,486	(41,986)
Employee benefits	152,929	152,929	75,559	77,370
Post retirement benefits	1,074,377	1,074,377	1,111,435	(37,058)
Total Other General Government	1,659,021	1,659,717	1,658,713	1,004
Total General Government	9,145,981	9,227,974	8,303,612	924,362

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Public Safety:</u>				
Police:				
Police Department	1,326,246	1,346,567	1,344,538	2,029
Sheriffs department	1,022,848	1,053,088	1,055,934	(2,846)
C3I Unit	13,000	13,000	18,017	(5,017)
Safe School	-	48,255	42,023	6,232
Juvenile review board	47,132	47,132	45,467	1,665
Truancy Prevention	71,196	71,196	70,230	966
Coalition Out of School	-	43,664	44,072	(408)
Total Police	2,480,422	2,622,902	2,620,281	2,621
Fire and rescue:				
Emergency medical services	586,591	586,591	589,116	(2,525)
Drug Seizures	-	-	33,430	(33,430)
Length of service award	200,000	200,000	249,663	(49,663)
Volunteer fire companies	1,031,016	1,031,016	986,710	44,306
Total Fire	1,817,607	1,817,607	1,858,919	(41,312)
Correction:				
County detention center maintenance	171,897	171,897	156,474	15,423
County detention center	6,632,721	6,643,947	6,552,276	91,671
Juvenile service grant	15,130	15,130	14,875	255
Alternative sentencing	160,563	160,563	160,590	(27)
Home detention grant	136,272	137,050	128,563	8,487
Total Correction	7,116,583	7,128,587	7,012,778	115,809
Other Protection:				
Permits & enforcement	319,372	320,555	308,517	12,038
Emergency Management Agency	228,653	230,292	208,618	21,674
Local emergency planning	7,843	7,843	1,863	5,980
Animal control	257,062	257,062	298,758	(41,696)
Animal shelter	48,962	48,962	73,922	(24,960)
911	1,941,420	1,943,349	2,112,410	(169,061)
Hazardous materials operations	69,513	69,513	64,987	4,526
Public safety department	129,573	131,074	134,827	(3,753)
Domestic preparedness grant	219,879	219,879	708,506	(488,627)
Building Codes	46,847	46,847	33,908	12,939
Code Enforcement	115,853	115,853	115,653	200
Flood control	4,000	4,000	112	3,888
Transportation planning	121,953	122,595	94,811	27,784
Total Other Protection	3,510,930	3,517,824	4,156,892	(639,068)
Total Public Safety	14,925,542	15,086,920	15,648,870	(561,950)
<u>Public Works:</u>				
Public Services:				
Highway department	7,196,548	7,198,047	7,155,023	43,024
Airport	240,000	240,000	240,000	-
Waste collection:				
Solid waste disposal	445,255	395,255	375,316	19,939
Solid waste recycling	164,576	164,576	161,628	2,948
UPRC	378,990	378,990	363,528	15,462
County engineer	957,823	962,313	875,744	86,569
Total Public Works	9,383,192	9,339,181	9,171,239	167,942

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Health and Hospitals:</u>				
Brook Building	150,000	150,000	108,589	41,411
Willowbrook Office	291,000	291,000	273,742	17,258
Health Department supplemental	32,149	32,149	32,454	(305)
Western Maryland Health Planning	8,101	8,101	8,506	(405)
Prescribed Medication			15,000	(15,000)
Total Health and Hospitals	481,250	481,250	438,291	42,959
<u>Social Services:</u>				
Nursing Home costs	350,647	350,647	433,342	(82,695)
Pauper's burials	1,300	1,300	-	1,300
Human Resources Devel. Comm.	707,570	707,570	707,570	-
Emergency shelter grant	-	-	38,674	-
Child abuse coordinator	102,421	102,421	102,421	-
Family Crisis Center	88,000	88,000	88,000	-
Food distribution to the needy	12,300	12,300	8,686	3,614
Total Social Services	1,262,238	1,300,912	1,378,693	(77,781)
<u>Education:</u>				
State debt reimbursement	29,754	29,754	29,754	-
Total Education	29,754	29,754	29,754	-
<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	393,406	393,406	380,972	12,434
Fairgrounds maintenance	-	-	9,818	(9,818)
Highland trail operations	88,504	88,504	97,192	(8,688)
Cumberland Summer Theatre	8,000	8,000	8,000	-
Program Open Space	170,000	170,000	192,431	(22,431)
Total Recreation and Culture	707,910	707,910	736,413	(28,503)
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	128,730	128,730	128,272	458
Soil conservation services	105,708	105,708	105,704	4
Gypsy moth control	10,000	10,000	6,000	4,000
Total Conservation of Natural Resources	244,438	244,438	239,976	4,462
<u>Community Development & Housing</u>				
Housing Programs	50,000	50,000	30,000	20,000
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	58,000	58,000	38,000	20,000
<u>Economic Development:</u>				
Department of Economic Development	458,188	464,130	466,834	(2,704)
Scenic railroad development	155,000	155,000	155,000	-
Tri-County Council	40,000	40,000	40,000	-
Tourism department	522,574	522,574	539,768	(17,194)
Toll House	2,650	2,650	674	1,976
Thrasher Museum	15,000	15,000	11,253	3,747
Community promotion	9,000	9,000	4,900	4,100
Canal Place Preservation	55,000	55,000	55,000	-
Total Economic Development	1,257,412	1,263,354	1,273,429	(10,075)

(continued)

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,309,469	1,309,469	1,309,469	-
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,347,973	1,347,973	1,347,973	-
<u>Miscellaneous:</u>				
Miscellaneous	86,750	86,750	33,553	53,197
Total Miscellaneous	86,750	86,750	33,553	53,197
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	29,391,956	29,391,956	29,391,958	2
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	38,080,710	38,080,710	38,080,712	2
Total Expenditures	77,011,150	77,255,126	76,720,515	534,615
Excess (deficiency) of revenues over (under) expenditures	4,282,324	4,338,748	5,794,109	1,455,365
OTHER FINANCING SOURCES (USES)				
<u>Unexpended balance - prior years</u>	-	-	-	-
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds	45,380	45,380	-	(45,380)
Transfers from enterprise funds	27,918	27,918	28,905	987
Total Transfers In	73,298	73,298	28,905	(44,393)
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Transit Fund	(393,333)	(393,972)	(336,955)	57,017
Housing & Section 8 fund	-	-	-	-
Narcotics Task Force	(12,000)	(12,000)	(5,563)	6,437
Gaming fund	-	-	-	-
RBF	-	(510)	-	510
Debt service Fund:				
From General government	(3,778,505)	(3,278,505)	(2,954,106)	324,399
From Bureau of Police	-	-	-	-
Capital Projects Fund				
Pay-Go Fund	(100,000)	(650,000)	(650,000)	-
Enterprise funds:				
Water fund	-	(5,275)	(5,744)	(469)
Sanitary fund	(91,784)	(91,784)	(89,777)	2,007
Total operating transfers to other funds	(4,375,622)	(4,432,046)	(4,042,145)	389,901
<u>Sale of capital assets</u>	20,000	20,000	27,850	7,850
Total Other Financing Sources and Uses	(4,282,324)	(4,338,748)	(3,985,390)	353,358
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	1,808,719	\$ 1,808,723
Fund balance, beginning			17,891,065	
Fund balance, ending			\$ 19,699,784	

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
REVOLVING BUILDING FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES:				
Intergovernmental:				
State	\$ -	\$ -	\$ 30,750	\$ 30,750
Interest	-	-	-	-
Miscellaneous	3,268,326	3,268,326	3,360,756	92,430
Total Revenues	<u>3,268,326</u>	<u>3,268,326</u>	<u>3,391,506</u>	<u>123,180</u>
EXPENDITURES				
Economic development	6,801,886	6,802,396	416,937	6,385,459
Total Expenditures	<u>6,801,886</u>	<u>6,802,396</u>	<u>416,937</u>	<u>6,385,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,533,560)</u>	<u>(3,534,070)</u>	<u>2,974,569</u>	<u>6,508,639</u>
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	4,930,114	4,930,114	-	(4,930,114)
Transfer from other funds	-	510	-	(510)
Transfers to other funds	(1,396,554)	(1,396,554)	(1,851,458)	(454,904)
Proceeds from debt issuance	-	-	-	-
Sale of capital assets	-	-	2,490,000	2,490,000
Total Other Financing Sources and Uses	<u>3,533,560</u>	<u>3,534,070</u>	<u>638,542</u>	<u>(2,895,528)</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>-</u>	3,613,111	\$ <u>3,613,111</u>
Fund balance, beginning			5,256,080	
Fund balance, ending			<u>\$ 8,869,191</u>	

**Notes to Required Supplementary Information
June 30, 2013**

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, 2013

	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	\$ -	\$ -	\$ -	\$ 1,000	\$ -
Cash - restricted	-	-	-	-	49,366	-	-
Investments	663,130	-	-	-	-	100,000	-
Investments-Restricted	-	-	-	-	-	-	-
Receivables	-	-	-	-	-	-	-
Notes and loans	-	-	-	376,507	-	-	-
Other	35	498,577	-	-	-	57	14,430
Due from other funds	90,036	-	7,718	256,004	-	42,019	358,484
Inventory	-	73,817	-	-	-	-	-
Prepays	-	-	-	-	-	-	-
Total Assets	<u>753,201</u>	<u>572,544</u>	<u>7,718</u>	<u>632,511</u>	<u>49,366</u>	<u>143,076</u>	<u>372,914</u>
LIABILITIES:							
Accounts payable	-	40,722	-	-	-	1,865	336,522
Accrued payroll	-	29,490	-	-	-	-	3,589
Accrued payroll fringe	-	16,589	-	-	-	-	292
Due to other funds	-	485,743	-	-	-	-	-
Amounts held in escrow	-	-	-	-	49,366	119,615	-
Unavailable Revenue	-	-	-	376,507	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>572,544</u>	<u>-</u>	<u>376,507</u>	<u>49,366</u>	<u>121,480</u>	<u>340,403</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	753,201	-	7,718	256,004	-	21,596	-
Committed	-	-	-	-	-	-	32,511
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>753,201</u>	<u>-</u>	<u>7,718</u>	<u>256,004</u>	<u>-</u>	<u>21,596</u>	<u>32,511</u>
Total Liabilities and Fund Balances	<u>\$ 753,201</u>	<u>\$ 572,544</u>	<u>\$ 7,718</u>	<u>\$ 632,511</u>	<u>\$ 49,366</u>	<u>\$ 143,076</u>	<u>\$ 372,914</u>

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

Special Revenue Funds		Debt Service	Capital Project Funds				Total Nonmajor Governmental Funds
State Fire, Rescue & Public Safety Fund	Total	Debt Service Fund	Capital Project Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds	
\$ -	\$ 1,150	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,150
-	49,366	-	-	-	-	-	49,366
245,497	1,008,627	-	-	1,728,927	321,841	2,050,768	3,059,395
-	-	1,624,180	-	-	-	-	1,624,180
-	376,507	-	-	-	-	-	376,507
12,155	525,254	-	65,402	92	8	65,502	590,756
287,351	1,041,612	-	389,127	752,649	-	1,141,776	2,183,388
-	73,817	-	-	-	-	-	73,817
-	-	-	-	-	-	-	-
<u>545,003</u>	<u>3,076,333</u>	<u>1,624,180</u>	<u>454,529</u>	<u>2,481,668</u>	<u>321,849</u>	<u>3,258,046</u>	<u>7,958,559</u>
11,041	390,150	-	24,581	39,383	273,000	336,964	727,114
-	33,079	-	-	-	-	-	33,079
-	16,881	-	-	-	-	-	16,881
-	485,743	191,910	-	-	2,728	2,728	680,381
-	168,981	-	-	-	-	-	168,981
-	376,507	-	441,008	-	-	441,008	817,515
-	-	-	-	-	-	-	-
<u>11,041</u>	<u>1,471,341</u>	<u>191,910</u>	<u>465,589</u>	<u>39,383</u>	<u>275,728</u>	<u>780,700</u>	<u>2,443,951</u>
-	-	-	-	-	-	-	-
533,962	1,572,481	1,432,270	-	-	46,121	46,121	3,050,872
-	32,511	-	-	-	-	-	32,511
-	-	-	-	2,442,285	-	2,442,285	2,442,285
-	-	-	(11,060)	-	-	(11,060)	(11,060)
<u>533,962</u>	<u>1,604,992</u>	<u>1,432,270</u>	<u>(11,060)</u>	<u>2,442,285</u>	<u>46,121</u>	<u>2,477,346</u>	<u>5,514,608</u>
<u>\$ 545,003</u>	<u>\$ 3,076,333</u>	<u>\$ 1,624,180</u>	<u>\$ 454,529</u>	<u>\$ 2,481,668</u>	<u>\$ 321,849</u>	<u>\$ 3,258,046</u>	<u>\$ 7,958,559</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	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	\$ 88,777	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 337,989
Intergovernmental:							
Federal	-	878,535	1,348	3,753	938,559	-	-
State	-	430,062	-	-	40,000	-	-
Other	-	-	-	-	-	-	-
Service charges	-	345,246	-	-	-	-	35,700
Fines and forfeitures	-	-	-	-	-	48,977	-
Interest	1,294	-	-	-	-	203	-
Miscellaneous	-	105	-	59,668	-	-	-
Total Revenues	<u>90,071</u>	<u>1,653,948</u>	<u>1,348</u>	<u>63,421</u>	<u>978,559</u>	<u>49,180</u>	<u>373,689</u>
EXPENDITURES:							
Current:							
General government	-	-	-	-	-	-	132,790
Public safety	-	-	-	-	-	57,159	74,548
Public works	-	1,947,508	-	-	-	-	-
Highways	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	1,703	978,559	-	-
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	-	-	-	-	-	-	336,192
Total Expenditures	<u>-</u>	<u>1,947,508</u>	<u>-</u>	<u>1,703</u>	<u>978,559</u>	<u>57,159</u>	<u>543,530</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,071</u>	<u>(293,560)</u>	<u>1,348</u>	<u>61,718</u>	<u>-</u>	<u>(7,979)</u>	<u>(169,841)</u>
OTHER FINANCING SOURCES (USES):							
Transfers in	-	336,954	-	-	-	5,563	-
Transfers out	-	(43,394)	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-
Total Other Financing Sources and uses	<u>-</u>	<u>293,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,563</u>	<u>-</u>
Net change in fund balances	90,071	-	1,348	61,718	-	(2,416)	(169,841)
Fund balance, beginning,	663,130	-	6,370	194,286	-	24,012	202,352
Fund balance, ending	<u>\$ 753,201</u>	<u>\$ -</u>	<u>\$ 7,718</u>	<u>\$ 256,004</u>	<u>\$ -</u>	<u>\$ 21,596</u>	<u>\$ 32,511</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

Special Revenue Funds		Debt Service	Capital Project Funds				Total Nonmajor Governmental Funds
State Fire, Rescue & Public Safety Fund	Total Special Revenue Funds	Debt Service Fund	Capital Project Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds	
\$ -	\$ 426,766	\$ -		\$ -	\$ -	\$ -	\$ 426,766
-	1,822,195	-		249,837	-	249,837	2,072,032
237,988	708,050	-	312,583	-	-	312,583	1,020,633
-	-	-	(9,447)	-	-	(9,447)	(9,447)
92,996	473,942	-	-	-	-	-	473,942
-	48,977	-	-	-	-	-	48,977
349	1,846	-	-	3,192	1,655	4,847	6,693
43,731	103,504	-	-	-	-	-	103,504
<u>375,064</u>	<u>3,585,280</u>	<u>-</u>	<u>303,136</u>	<u>253,029</u>	<u>1,655</u>	<u>557,820</u>	<u>4,143,100</u>
-	132,790	-	-	-	-	-	132,790
364,395	496,102	-	-	-	-	-	496,102
-	1,947,508	-	-	-	-	-	1,947,508
-	-	-	-	-	-	-	-
-	980,262	-	-	-	-	-	980,262
-	-	-	-	-	-	-	-
-	-	1,250	-	-	-	-	1,250
-	-	16,833,941	-	-	-	-	16,833,941
-	-	1,083,631	-	-	-	-	1,083,631
-	-	-	-	327,309	378,082	705,391	705,391
-	-	-	-	50,335	-	50,335	50,335
-	-	-	367,261	586,550	-	953,811	953,811
-	-	-	1,942	-	273,000	274,942	274,942
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	336,192	-	-	-	-	-	336,192
<u>364,395</u>	<u>3,892,854</u>	<u>17,918,822</u>	<u>369,203</u>	<u>964,194</u>	<u>651,082</u>	<u>1,984,479</u>	<u>23,796,155</u>
10,669	(307,574)	(17,918,822)	(66,067)	(711,165)	(649,427)	(1,426,659)	(19,653,055)
-	342,517	4,822,108	23,218	661,213	-	684,431	5,849,056
-	(43,394)	-	(11,213)	(23,218)	-	(34,431)	(77,825)
-	-	14,348,889	-	-	387,578	387,578	14,736,467
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	299,123	19,170,997	12,005	637,995	387,578	1,037,578	20,507,698
10,669	(8,451)	1,252,175	(54,062)	(73,170)	(261,849)	(389,081)	854,643
523,293	1,613,443	180,095	43,002	2,515,455	307,970	2,866,427	4,659,965
<u>\$ 533,962</u>	<u>\$ 1,604,992</u>	<u>\$ 1,432,270</u>	<u>\$ (11,060)</u>	<u>\$ 2,442,285</u>	<u>\$ 46,121</u>	<u>\$ 2,477,346</u>	<u>\$ 5,514,608</u>

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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds

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

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

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

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
June 30, 2013

	Allconet II	Allegany County Loan Fund	Total
ASSETS			
Current Assets:			
Cash:			
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	3,344		3,344
Other	38,284	26,007	64,291
Due from other funds	202,253	692,411	894,664
Miscellaneous assets	-	-	-
Total current assets	<u>243,881</u>	<u>718,418</u>	<u>962,299</u>
Non-current Assets:			
Advances to other funds	-	361,631	361,631
Capital assets subject to depreciation	3,837,625	-	3,837,625
Accumulated depreciation	<u>(3,670,172)</u>	<u>-</u>	<u>(3,670,172)</u>
Total noncurrent assets	<u>167,453</u>	<u>361,631</u>	<u>529,084</u>
Total Assets	<u>411,334</u>	<u>1,080,049</u>	<u>1,491,383</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	26,433	-	26,433
Due to other funds	-	-	-
Miscellaneous liabilities	-	-	-
Total current liabilities	<u>26,433</u>	<u>-</u>	<u>26,433</u>
Noncurrent Liabilities:			
Long term debt:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>26,433</u>	<u>-</u>	<u>26,433</u>
NET POSITION			
Net investment in capital assets	167,453	-	167,453
Unrestricted	217,448	1,080,049	1,297,497
Total Net Position	<u>\$ 384,901</u>	<u>\$ 1,080,049</u>	<u>\$ 1,464,950</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Allconet II	Allegany County Loan Fund	Total
OPERATING REVENUES:			
Service charges	\$ 281,017	\$ -	\$ 281,017
Miscellaneous		-	-
Total operating Revenues	281,017	-	281,017
OPERATING EXPENSES:			
Office expenses	11,331	-	11,331
Utilities	7,912	-	7,912
Repairs & maintenance	30,808	-	30,808
Professional services	143,009	-	143,009
Materials and supplies	-	-	-
Insurance	5,292	-	5,292
Miscellaneous	-	-	-
Depreciation	155,296	-	155,296
Total operating expenses	353,648	-	353,648
Operating Income (Loss)	(72,631)	-	(72,631)
NON-OPERATING REVENUE (EXPENSES):			
Interest income	1,990	-	1,990
Other income (expense)	-	-	-
Total non-operating revenue (expenses)	1,990	-	1,990
Income (Loss) before contributions and transfers	(70,641)	-	(70,641)
Transfer in	-	-	-
Transfer out	-	(28,905)	(28,905)
Change in net position	(70,641)	(28,905)	(99,546)
Total net position - beginning	455,542	1,108,954	1,564,496
Total net position - ending	\$ 384,901	\$ 1,080,049	\$ 1,464,950

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Allconet II	Allegany County Loan Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 280,436	\$ 28,905	\$ 309,341
Cash payments for goods and services	(176,349)		(176,349)
Other operating revenues	-	-	-
Net cash provided by operating activities	104,087	28,905	132,992
Cash flows from noncapital financing activities:			
Advances from other funds	204,953	11,542	216,495
Advances to other funds	(311,031)	(11,542)	(322,573)
Transfers from other funds	-	-	-
Transfers to other funds	-	(28,905)	(28,905)
Net cash provided by noncapital financing activities	(106,078)	(28,905)	(134,983)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	-	-
Proceeds from sale of assets	-	-	-
Net cash used for capital and related financing activities	-	-	-
Cash flows from investing activities:			
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest on investments	1,991	-	1,991
Net cash used in investing activities	1,991	-	1,991
Net increase (decrease) in cash	-	-	-
Cash at beginning of the year	-	-	-
Cash at end of year	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (72,631)	\$ -	\$ (72,631)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	155,296	-	155,296
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	(581)	28,905	28,324
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in acc'ts payable	22,003	-	22,003
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	176,718	28,905	205,623
Net cash provided by operating activities	\$ 104,087	\$ 28,905	\$ 132,992

**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, 2013**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<u>Expenditures:</u>				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 1,250	\$ 23,750
Debt Service:				
Principal payments on :				
General obligation debt	3,590,174	3,590,174	15,838,249	(12,248,075)
State loans	525,166	525,166	995,692	(470,526)
Total principal payments	<u>4,115,340</u>	<u>4,115,340</u>	<u>16,833,941</u>	<u>(12,718,601)</u>
Interest payments on:				
General obligation debt	968,980	968,980	1,010,026	(41,046)
State loans	108,150	108,150	73,605	34,545
Total interest payments	<u>1,077,130</u>	<u>1,077,130</u>	<u>1,083,631</u>	<u>(6,501)</u>
Total Expenditures	<u>5,217,470</u>	<u>5,217,470</u>	<u>17,918,822</u>	<u>(12,701,352)</u>
Deficiency of revenues under expenditures	<u>(5,217,470)</u>	<u>(5,217,470)</u>	<u>(17,918,822)</u>	<u>12,701,352</u>
<u>Other Financing Sources and (Uses):</u>				
Bond Proceeds	-	-	14,348,889	14,348,889
Transfers from other funds:				
From the General Fund	3,778,505	3,778,505	2,954,105	(824,400)
From the Transit Fund	42,411	42,411	43,393	982
From the Revolving Building Fund	1,396,554	1,396,554	1,824,610	428,056
Total Other Financing Sources and Uses	<u>5,217,470</u>	<u>5,217,470</u>	<u>19,170,997</u>	<u>13,953,527</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	1,252,175	<u>\$ 1,252,175</u>
Fund balance, beginning			<u>180,095</u>	
Fund balance, ending			<u>\$ 1,432,270</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, 2013

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	110,000	110,000	88,777	(21,223)	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	1,011,384	1,011,384	878,535	(132,849)
State	-	-	-	-	381,778	381,778	430,062	48,284
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	366,250	366,250	345,246	(21,004)
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	5,000	5,000	1,294	(3,706)	-	-	-	-
Miscellaneous	-	-	-	-	-	-	105	105
Total Revenues	<u>115,000</u>	<u>115,000</u>	<u>90,071</u>	<u>(24,929)</u>	<u>1,759,412</u>	<u>1,759,412</u>	<u>1,653,948</u>	<u>(105,464)</u>
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	115,000	115,000	-	(115,000)	2,110,334	2,110,973	1,947,508	163,465
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>2,110,334</u>	<u>2,110,973</u>	<u>1,947,508</u>	<u>163,465</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	90,071	(139,929)	(350,922)	(351,561)	(293,560)	58,001
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	393,333	393,972	336,954	(57,018)
Transfers to other funds	-	-	-	-	(42,411)	(42,411)	(43,394)	(983)
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	350,922	351,561	293,560	(58,001)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>90,071</u>	<u>\$ (139,929)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning,			663,130				-	
Fund balance, ending			<u>\$ 753,201</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, 2013

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	-	-	1,348	1,348	-	-	3,753	3,753
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	59,668	59,668
Total Revenues	-	-	1,348	1,348	-	-	63,421	63,421
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	1,703	(1,703)
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	1,703	(1,703)
Excess (deficiency) of revenues over (under) expenditures	-	-	1,348	1,348	-	-	61,718	61,718
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	-	-	-	-	-	-	-	-
Net change in fund balances	\$ -	\$ -	1,348	\$ 1,348	\$ -	\$ -	61,718	\$ 61,718
Fund balance, beginning,			6,370				194,286	
Fund balance, ending			\$ 7,718				\$ 256,004	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Community Development & Housing Fund				Drug Task Force 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	-	-	938,559	938,559	-	-	-	-
State	-	-	40,000	40,000	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	50,300	50,300	48,977	(1,323)
Interest	-	-	-	-	-	-	203	203
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	-	978,559	978,559	50,300	50,300	49,180	(1,120)
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	62,300	62,300	57,159	5,141
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	978,559	(978,559)	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Uni	-	-	-	-	-	-	-	-
Total Expenditures	-	-	978,559	(978,559)	62,300	62,300	57,159	5,141
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	(12,000)	(12,000)	(7,979)	4,021
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	12,000	12,000	5,563	(6,437)
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	12,000	12,000	5,563	(6,437)
Net change in fund balances	\$ -	\$ -	-	\$ -	\$ -	\$ -	(2,416)	\$ (2,416)
Fund balance, beginning			-				24,012	
Fund balance, ending			\$ -				\$ 21,596	

(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, 2013

	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	384,000	384,000	337,989	(46,011)	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	30,750	30,750
Other	-	-	-	-	-	-	-	-
Service charges	35,000	35,000	35,700	700	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	3,268,326	3,268,326	3,360,756	92,430
Total Revenues	<u>419,000</u>	<u>419,000</u>	<u>373,689</u>	<u>(45,311)</u>	<u>3,268,326</u>	<u>3,268,326</u>	<u>3,391,506</u>	<u>123,180</u>
EXPENDITURES:								
General government	143,285	143,285	132,790	10,495	-	-	-	-
Public safety	68,929	68,929	74,548	(5,619)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	6,801,886	6,802,396	416,937	6,385,459
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Uni	206,786	206,786	336,192	(129,406)	-	-	-	-
Total Expenditures	<u>419,000</u>	<u>419,000</u>	<u>543,530</u>	<u>(124,530)</u>	<u>6,801,886</u>	<u>6,802,396</u>	<u>416,937</u>	<u>6,385,459</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(169,841)	(169,841)	(3,533,560)	(3,534,070)	2,974,569	6,508,639
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	-	-	-	-	4,930,114	4,930,114	-	(4,930,114)
Transfer from other funds	-	-	-	-	-	510	-	(510)
Transfers to other funds	-	-	-	-	(1,396,554)	(1,396,554)	(1,851,458)	(454,904)
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	2,490,000	2,490,000
Total Other Financing Sources and Uses	-	-	-	-	<u>3,533,560</u>	<u>3,534,070</u>	<u>638,542</u>	<u>(2,895,528)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(169,841)</u>	<u>\$ (169,841)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,613,111</u>	<u>\$ 3,613,111</u>
Fund balance, beginning,			202,352				5,256,080	
Fund balance, ending			<u>\$ 32,511</u>				<u>\$ 8,869,191</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, 2013

	Fire, Rescue & Public Safety Fund				Total Special Revenue Funds			
	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	-	-	-	-	494,000	494,000	426,766	(67,234)
Intergovernmental:								
Federal	-	-	-	-	1,011,384	1,011,384	1,822,195	810,811
State	219,596	219,596	237,988	18,392	601,374	601,374	738,800	137,426
Other	-	-	-	-	-	-	-	-
Service charges	95,000	95,000	92,996	(2,004)	496,250	496,250	473,942	(22,308)
Fines and forfeitures	-	-	-	-	50,300	50,300	48,977	(1,323)
Interest	900	900	349	(551)	5,900	5,900	1,846	(4,054)
Miscellaneous	53,000	53,000	43,731	(9,269)	3,321,326	3,321,326	3,464,260	142,934
Total Revenues	<u>368,496</u>	<u>368,496</u>	<u>375,064</u>	<u>6,568</u>	<u>5,980,534</u>	<u>5,980,534</u>	<u>6,976,786</u>	<u>996,252</u>
EXPENDITURES:								
General government	-	-	-	-	143,285	143,285	132,790	(10,495)
Public safety	596,092	596,092	364,395	231,697	727,321	727,321	496,102	(231,219)
Public works	-	-	-	-	2,225,334	2,225,973	1,947,508	(278,465)
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	980,262	980,262
Economic development	-	-	-	-	6,801,886	6,802,396	416,937	(6,385,459)
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Uni	-	-	-	-	206,786	206,786	336,192	129,406
Total Expenditures	<u>596,092</u>	<u>596,092</u>	<u>364,395</u>	<u>231,697</u>	<u>10,104,612</u>	<u>10,105,761</u>	<u>4,309,791</u>	<u>(5,795,970)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(227,596)</u>	<u>(227,596)</u>	<u>10,669</u>	<u>238,265</u>	<u>(4,124,078)</u>	<u>(4,125,227)</u>	<u>2,666,995</u>	<u>(4,799,718)</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	227,596	227,596	-	(227,596)	5,157,710	5,157,710	-	(5,157,710)
Transfer from other funds	-	-	-	-	405,333	406,482	342,517	(63,965)
Transfers to other funds	-	-	-	-	(1,438,965)	(1,438,965)	(1,894,852)	(455,887)
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	2,490,000	2,490,000
Total Other Financing Sources and Uses	<u>227,596</u>	<u>227,596</u>	<u>-</u>	<u>(227,596)</u>	<u>4,124,078</u>	<u>4,125,227</u>	<u>937,665</u>	<u>(3,187,562)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>10,669</u>	<u>\$ 10,669</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,604,660</u>	<u>\$ (7,987,280)</u>
Fund balance, beginning,			<u>523,293</u>				<u>6,869,523</u>	
Fund balance, ending			<u>\$ 533,962</u>				<u>\$ 10,474,183</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, 2013

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Intergovernmental								
Federal grants				\$ -			\$ 249,837	\$ 249,837
State grants			312,583	312,583			-	-
Other	86,300	86,300	-	(86,300)	-	-	-	-
Service charges				-	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	-	-	3,192	3,192
Miscellaneous	-	-	(9,447)	(9,447)	-	-	-	-
Total Revenues	86,300	86,300	303,136	216,836	-	-	253,029	253,029
EXPENDITURES:								
General Government			-	-	225,000	225,000	327,309	(102,309)
Public Safety			-	-	-	-	50,335	(50,335)
Public Works	332,400	332,400	367,261	(34,861)	50,000	50,000	586,550	(536,550)
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	96,000	96,000	1,942	94,058	-	-	-	-
Recreation, Culture & Libraries	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-
Total Expenditures	428,400	428,400	369,203	59,197	275,000	275,000	964,194	(689,194)
Excess (deficiency) of revenues over (under) expenditures	(342,100)	(342,100)	(66,067)	276,033	(275,000)	(275,000)	(711,165)	(436,165)
OTHER FINANCING SOURCES AND USES:								
Unexpended fund balance	342,100	342,100	-	(342,100)	175,000	175,000	-	(175,000)
Transfers In:								
From other funds	-	-	23,218	23,218	100,000	650,000	661,213	11,213
Transfers Out:								
To other funds	-	-	(11,213)	(11,213)	-	-	(23,218)	(23,218)
Debt issued	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Uses	342,100	342,100	12,005	(330,095)	275,000	825,000	637,995	(187,005)
Net change in fund balances	\$ -	\$ -	(54,062)	\$ (54,062)	\$ -	\$ 550,000	(73,170)	\$ (623,170)
Fund balance, beginning			43,002				2,515,455	
Fund balance, ending			<u>(11,060)</u>				<u>\$ 2,442,285</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, 2013

Public Improvement Bonds Capital Projects Fund				Total All Capital Projects			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,837	\$ 249,837
-	-	-	-	-	-	312,583	312,583
-	-	-	-	86,300	86,300	-	(86,300)
-	-	-	-	-	-	-	-
-	-	1,655	1,655	-	-	4,847	4,847
-	-	-	-	-	-	(9,447)	(9,447)
-	-	1,655	1,655	86,300	86,300	557,820	471,520
-	-	378,082	(378,082)	225,000	225,000	705,391	(480,391)
-	-	-	-	-	-	50,335	(50,335)
-	-	-	-	382,400	382,400	953,811	(571,411)
-	-	-	-	-	-	-	-
-	-	273,000	(273,000)	96,000	96,000	274,942	(178,942)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	651,082	(651,082)	703,400	703,400	1,984,479	(1,281,079)
-	-	(649,427)	(649,427)	(617,100)	(617,100)	(1,426,659)	(809,559)
-	-	-	-	517,100	517,100	-	(517,100)
-	-	-	-	100,000	650,000	684,431	34,431
-	-	-	-	-	-	(34,431)	(34,431)
-	-	387,578	387,578	-	-	387,578	387,578
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	387,578	387,578	617,100	1,167,100	1,037,578	(129,522)
\$ -	\$ -	(261,849)	\$ (261,849)	\$ -	\$ 550,000	(389,081)	\$ (939,081)
		307,970				2,866,427	
		\$ 46,121				\$ 2,477,346	

CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2013

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

	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
Allegany High School	408H	11,200,000	-	-	-	-	-
Potomac Hollow Road Bridge	408P	795,000	-	-	-	-	-
Takoma Drainage	408T	375,000	-	217,431	-	-	-
Tree Planting Grant	408U	125,000	-	95,152	-	-	-
Emergency Watershed	408V	50,000	-	-	-	-	-
Dry Run Phase II	409L	520,000	292,086	-	-	-	-
Flood Gate, Savage Dam	409S	3,715,000	3,265,061	401,372	-	346,401	-
Potomac River Water	409T	70,000	15,000	-	-	-	-
Flood Mitigation, PDM Scattered	409X	211,247	158,247	-	-	-	-
Highland Trail	410X	10,606,000	3,224,644	5,829,521	6,772	-	215,706
			8,184,820	6,543,476	6,772	346,401	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	230,856	-	-	-	-
Disaster Emergency Capital	420V	200,000	-	-	-	-	-
Animal Shelter Quarantine Addn	420X	271,084	-	-	-	-	64,460
Caretaker House	420Y	50,000	-	-	-	-	-
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	-	-	-	-	-
Sheriff Building	421H	800,000	-	-	-	-	-
County bldg improvements	4181	106,681	18,981	-	-	-	116,381
			249,837	110,435	-	16,392	313,654
Public Improvement Bonds Capital Project Fund							
Computer aided dispatcher	432B	702,000	-	21,363	-	-	-
BQE Central Office Roof	432D	273,000	-	-	-	-	-
Bond Interest	432Z	15,444	-	-	-	-	21,438
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	-	-	-	-	-
2013 PIB Closing Costs	4331	-	-	-	-	-	-
2013 Taxable Bond Closing Costs	4333	-	-	-	-	-	-
2013 PIB Bond Interest	433Y	-	-	-	-	-	-
Courthouse roof	4239	342,000	-	-	-	-	-
			82,500	1,021,363	-	-	21,938
Total Capital Project Funds			\$ 8,517,157	\$ 7,675,274	\$ 6,772	\$ 362,793	\$ 621,191

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2013

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
-	46,613	168,466	168,467	-	168,467	(1)	(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	11,213	11,591	-	(794)
-	-	433,692	435,919	-	435,919	(2,227)	(919)
-	-	69,893	317,369	-	317,369	(247,476)	6,621,631
-	-	-	1,941	-	1,941	(1,941)	11,198,059
-	159,000	159,000	47,622	-	47,622	111,378	747,378
-	-	217,431	238,984	-	238,984	(21,553)	136,016
-	-	95,152	97,767	-	97,767	(2,615)	27,233
-	-	-	125	-	125	(125)	49,875
-	94,527	386,613	387,328	-	387,328	(715)	132,672
-	220,000	4,232,834	4,079,612	-	4,079,612	153,222	(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
-	1,505,633	16,872,701	16,871,754	12,007	16,883,761	(11,060)	19,473,383
-	365,039	365,039	153,111	5,725	158,836	206,203	191,164
-	5,546,608	5,546,608	3,805,244	821,071	4,626,315	920,293	(44,707)
-	722,400	965,648	853,145	-	853,145	112,503	646,855
-	805,309	1,036,165	1,021,341	-	1,021,341	14,824	(216,032)
-	400,000	400,000	-	200,000	200,000	200,000	-
-	206,624	271,084	271,084	-	271,084	-	-
-	50,000	50,000	-	-	-	50,000	50,000
-	741,731	758,123	752,192	-	752,192	5,931	(19,069)
-	416,000	416,000	445,672	-	445,672	(29,672)	(29,672)
-	50,000	50,000	30,415	-	30,415	19,585	(5,415)
-	200,000	200,000	44,700	-	44,700	155,300	155,300
-	100,000	100,000	6,326	-	6,326	93,674	93,674
-	500,000	500,000	50,336	-	50,336	449,664	749,664
-	200,000	335,362	91,382	-	91,382	243,980	15,299
-	10,303,711	10,994,029	7,524,948	1,026,796	8,551,744	2,442,285	1,587,061
702,000	-	723,363	691,319	-	691,319	32,044	10,681
-	-	-	273,000	-	273,000	(273,000)	-
-	-	21,438	20,449	-	20,449	989	(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
226,935	-	226,935	225,456	-	225,456	1,479	(225,456)
56,017	-	56,017	48,000	-	48,000	8,017	(48,000)
-	1,096	1,096	-	-	-	1,096	-
250,000	92,000	342,000	415,349	-	415,349	(73,349)	(73,349)
2,195,340	93,096	3,414,237	3,368,116	-	3,368,116	46,121	(74,672)
\$ 2,195,340	\$ 11,902,440	\$ 31,280,967	\$ 27,764,818	\$ 1,038,803	\$ 28,803,621	\$ 2,477,346	\$ 20,985,772

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CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2013

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, 2013

	Detention Center HVAC (408A)	Orleans Rd Bridge (408B)	Potomac Hollow Rd Bridge (408P)	Takoma Drainage (408T)	New Hope Road (4083)	Allegany High School (408H)	AC Auto Tech Bldg (4086)
REVENUES:							
Intergovernmental:							
Federal:							
Department of Energy	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EPA							
State:							
Dept of Natural Resources							
Dept of Environment	-	-	-	217,431	-	-	-
Service charges	-	-	-	-	-	-	-
Miscellaneous:							
Interest	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
Total Revenues	-	-	-	217,431	-	-	-
EXPENDITURES:							
Public Safety	-	-	-	-	-	-	-
Public Works		2,442	28,047	238,881	-		-
Education	-	-	-	-		1,941	-
Economic Development	-	-	-	-	-	-	-
Total Expenditures	-	2,442	28,047	238,881	-	1,941	-
OTHER FINANCING SOURCES and (USES):							
Transfers-in from:							
General Fund	-	-	-	-	-	-	-
Pay-Go Fund	-	-	-	-	23,218	-	-
Transfer Out	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	23,218	-	-
Net change in fund balances	-	(2,442)	(28,047)	(21,450)	23,218	(1,941)	-
Fund Balance, beginning	(2,227)	(245,034)	139,425	(103)	(23,219)	-	60,803
Fund Balance, Ending	<u>\$ (2,227)</u>	<u>\$ (247,476)</u>	<u>\$ 111,378</u>	<u>\$ (21,553)</u>	<u>\$ (1)</u>	<u>\$ (1,941)</u>	<u>\$ 60,803</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2013

Flood Buyout (4087)	Emergency Watershed (408V)	UPRC Flood Gate (409S)	Potomac River Water Study (409T)	Tree Planting Grant (408U)	Dry Run (409L)	Flood Mitigation PDM Sites (409X)	Highland Trail (410X)	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	95,152	-	-	-	95,152
-	-	-	-	-	-	-	-	217,431
-	-	-	-	-	-	-	-	-
-	-	(9,447)	-	-	-	-	-	(9,447)
-	-	(9,447)	-	95,152	-	-	-	303,136
-	-	-	-	-	-	-	-	-
-	125	-	-	97,767	-	-	-	367,262
-	-	-	-	-	-	-	-	1,941
-	-	-	-	-	-	-	-	-
-	125	-	-	97,767	-	-	-	369,203
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	23,218
(11,213)	-	-	-	-	-	-	-	(11,213)
(11,213)	-	-	-	-	-	-	-	12,005
(11,213)	(125)	(9,447)	-	(2,615)	-	-	-	(54,062)
11,213	-	162,669	19,587	-	(715)	715	(80,112)	43,002
\$ -	\$ (125)	\$ 153,222	\$ 19,587	\$ (2,615)	\$ (715)	\$ 715	\$ (80,112)	\$ (11,060)

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, 2013

	Computer Network (418I)	Roads Paving Program (418R)	LaVale Storm Drains (420O)	Gen Ledger Software Upgrades (420S)	Public Safety Emergency Capital (420V)	Caretaker House (420Y)
REVENUES:						
Intergovernmental:						
Federal grants:						
RDA grant	\$ -	\$ -	\$ -	\$ 230,856	\$ -	\$ -
Homeland Security						
State grants:						
Maryland highway grant	-	-	-	-	-	-
Maryland environmental grant	-	-	-	-	-	-
Miscellaneous state grants						
Other Agency	-	-	-	-	-	-
Miscellaneous:						
Interest	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,856</u>	<u>-</u>	<u>-</u>
EXPENDITURES:						
General Government		-	-	273,471	-	-
Public safety	-	-	-	-	-	-
Public works	-	527,216	-	-	-	-
Recreation & culture	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>527,216</u>	<u>-</u>	<u>273,471</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES and (USES):						
Transfers-in from:						
General fund	-		11,213	-	-	50,000
General Fund, internal transfers	-	-	-	-	-	-
Transfers -out to:						
Capital Projects Fund	-	(23,218)	-	-	-	-
Debt proceeds, capital lease	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(23,218)</u>	<u>11,213</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Net change in fund balances	-	(550,434)	11,213	(42,615)	-	50,000
Fund Balance, beginning	206,203	1,470,727	101,290	57,439	200,000	-
Fund Balance, Ending	<u>\$ 206,203</u>	<u>\$ 920,293</u>	<u>\$ 112,503</u>	<u>\$ 14,824</u>	<u>\$ 200,000</u>	<u>\$ 50,000</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2013

Road Improvements (4203)	Bridge Street Bridge (4207)	Drainage Improvements (4208)	Fiber Infrastructure (421A)	Library (421F)	Sheriff Bldg (421H)	County Building Improvements (4181)	Total PAYGO Capital Projects Fund
\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 230,856
						\$ 18,981	18,981
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	-	-	-	-		-	-
-	-	-	-	-		3,192	3,192
-	-	-	-	-	-	-	-
-	-	-	-	-	-	22,173	253,029
-	-	-	-	-	-	53,837	327,308
-	-	-	-	-	50,336	-	50,336
48,019	-	11,315	-	-	-	-	586,550
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
48,019	-	11,315	-	-	50,336	53,837	964,194
25,000	-	-	-	-	500,000	75,000	661,213
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(23,218)
-	-	-	-	-	-	-	-
25,000	-	-	-	-	500,000	75,000	637,995
(23,019)	-	(11,315)	-	-	449,664	43,336	(73,170)
28,950	(29,672)	30,900	155,300	93,674	-	200,644	2,515,455
\$ 5,931	\$ (29,672)	\$ 19,585	\$ 155,300	\$ 93,674	\$ 449,664	\$ 243,980	\$ 2,442,285

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, 2013

	2008 Public Improvement Bond							2013 PIB			Totals
	Computer Aided Dispatcher (432B)	Bond Interest (432Z)	Braddock Run Restoration (4323)	Jennings Run Restoration (4324)	BOE Central Office Roof (432D)	Court House Roof (4329)	Total 2008 Public Improvement Bond	Bond Closing Costs (4331)	Taxable Bond Closing Costs (4333)	Bond Interest (433Y)	PIB Fund
REVENUES:											
Intergovernmental:											
State grants:											
MD Emergency Mgmt	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -				\$ -
MD Dept of Environment											-
Miscellaneous:											-
Interest	-	559	-	-		-	559			1,096	1,655
Miscellaneous:	-	-	-	-	-	-	-				-
Total Revenues	-	559	-	-	-	-	559	-	-	1,096	1,655
EXPENDITURES:											
General government	-	-	-	-	-		-	330,082	48,000		378,082
Education	-	-	-	-	273,000	-	273,000			-	273,000
Miscellaneous	-	-	-	-	-	-	-				-
Total Expenditures	-	-	-	-	273,000	-	273,000	330,082	48,000	-	651,082
OTHER FINANCING SOURCES and (USES):											
Bond Proceeds	-	-	-	-	-	-	-	331,561	56,017	-	387,578
Total Other Financing											
Sources and Uses	-	-	-	-	-	-	-	331,561	56,017	-	387,578
Net change in fund balances	-	559	-	-	(273,000)	-	(272,441)	1,479	8,017	1,096	(261,849)
Fund Balance, beginning	32,044	430	205,492	143,353	-	(73,349)	307,970	-	-	-	307,970
Fund Balance, Ending	\$ 32,044	\$ 989	\$ 205,492	\$ 143,353	\$ (273,000)	\$ (73,349)	\$ 35,529	\$ 1,479	\$ 8,017	\$ 1,096	\$ 46,121

**ENTERPRISE FUNDS
COMBINING SCHEDULES**

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

**SANITARY DISTRICTS
COMBINING SCHEDULE
OF NET POSITION**

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

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2013

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F	Bowman's Addition 501G	Cresaptown 501H
OPERATING REVENUES:									
Service charges	\$ 22,537	\$ 136,730	\$ 35,108	\$ 12,531	\$ 849,950	\$ 50,044	\$ 409,258	\$ 146,479	\$ 619,511
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Operating Revenues	<u>22,537</u>	<u>136,730</u>	<u>35,108</u>	<u>12,531</u>	<u>849,950</u>	<u>50,044</u>	<u>409,258</u>	<u>146,479</u>	<u>619,511</u>
OPERATING EXPENSES:									
Salaries	-	15,695	4,173	-	10,524	726	49,626	15,150	47,176
Fringe benefits	-	8,394	2,232	-	5,628	388	26,540	8,102	25,229
Office expenses	-	-	-	-	-	-	-	-	-
Utilities	-	54,738	17,454	13,814	652,761	22,033	264,332	73,090	521,489
Repairs and maintenance	-	27,762	602	1,904	26,722	8,251	50,785	826	12,489
Contractual	-	-	-	-	-	-	-	-	-
Professional fees	-	-	-	-	-	-	-	-	286
Materials and supplies	-	1,601	424	-	1,072	650	9,391	1,775	5,145
Insurance	-	-	-	-	-	-	-	-	-
Indirect cost	-	4,974	1,649	2,557	27,343	1,050	14,918	6,186	19,330
Miscellaneous	-	28	7	-	18	1	87	26	83
Depreciation	-	39,486	18,186	44,422	53,001	-	38,927	72,632	42,885
Total Operating Expenses	<u>-</u>	<u>152,678</u>	<u>44,727</u>	<u>62,697</u>	<u>777,069</u>	<u>33,099</u>	<u>454,606</u>	<u>177,787</u>	<u>674,112</u>
Operating Income (Loss)	<u>22,537</u>	<u>(15,948)</u>	<u>(9,619)</u>	<u>(50,166)</u>	<u>72,881</u>	<u>16,945</u>	<u>(45,348)</u>	<u>(31,308)</u>	<u>(54,601)</u>
NON-OPERATING REVENUE (EXPENSES):									
Interest income	116	6,021	1,539	-	4,156	247	20,390	6,841	19,664
Interest expense	(6,726)	(23,525)	(4,248)	(14,733)	(17,290)	-	-	(35,799)	(39,128)
Total Non-operating Revenue (Expenses)	<u>(6,610)</u>	<u>(17,504)</u>	<u>(2,709)</u>	<u>(14,733)</u>	<u>(13,134)</u>	<u>247</u>	<u>20,390</u>	<u>(28,958)</u>	<u>(19,464)</u>
Income Before Contributions and Transfers	15,927	(33,452)	(12,328)	(64,899)	59,747	17,192	(24,958)	(60,266)	(74,065)
Capital Contributions:									
Federal grants	-	-	-	-	-	-	-	248,798	48,354
State grants	-	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-
Transfers in:									
General fund	-	-	-	5,744	-	-	-	-	-
Revolving Building Fund	-	-	-	19,348	-	-	-	-	-
Change in Net Position	<u>\$ 15,927</u>	<u>\$ (33,452)</u>	<u>\$ (12,328)</u>	<u>\$ (39,807)</u>	<u>\$ 59,747</u>	<u>\$ 17,192</u>	<u>\$ (24,958)</u>	<u>188,533</u>	<u>\$ (25,711)</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2013

Mt. Savage 501J	Bedford Road 501K	Rawlings Water 501L	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
\$ 637	\$ 26,124	\$ 820	186,821	\$ 170,537	\$ 353,201	\$ 281,789	\$ 7,900	\$ 65,670	\$ 118,538	\$ 193,049	\$ 3,686,415
920		820									1,740
<u>1,557</u>	<u>26,124</u>	<u>820</u>	<u>186,821</u>	<u>170,537</u>	<u>353,201</u>	<u>281,789</u>	<u>7,900</u>	<u>65,670</u>	<u>118,538</u>	<u>193,049</u>	<u>3,688,155</u>
-	2,448		19,505	19,778	42,005	30,574	997	6,260	13,971	21,320	299,928
-	1,310		10,431	10,577	22,464	16,351	534	3,348	7,472	11,402	160,402
-	-	-	-	-	-	-	-	-	-	-	-
792	14,700		56,639	46,076	152,514	92,632	3,229	55,778	60,728	92,510	2,195,309
324	136		27,992	25,365	17,153	62,494	427	842	1,266	3,243	268,583
-	-	-	-	-	2,363	-	-	-	-	-	2,363
-	-	-	-	-	-	500	-	-	-	-	786
-	253		2,218	2,140	4,281	3,445	98	689	1,424	2,174	36,780
-	-	-	-	-	158	158	-	-	-	-	316
93	387		5,990	7,295	12,521	10,327	241	2,610	4,317	8,597	130,385
-	4	-	34	35	74	53	2	11	24	37	524
-	11,881		73,783	97,669	151,140	88,247	2,330	28,569	34,537	87,076	884,771
<u>1,209</u>	<u>31,119</u>	<u>-</u>	<u>196,592</u>	<u>208,935</u>	<u>404,673</u>	<u>304,781</u>	<u>7,858</u>	<u>98,107</u>	<u>123,739</u>	<u>226,359</u>	<u>3,980,147</u>
348	(4,995)	820	(9,771)	(38,398)	(51,472)	(22,992)	42	(32,437)	(5,201)	(33,310)	(291,992)
-	961		9,085	9,390	18,366	15,139	374	2,715	6,444	10,048	131,496
<u>(14,263)</u>	<u>(862)</u>	<u>-</u>	<u>(17,033)</u>	<u>(40,847)</u>	<u>-</u>	<u>(22,832)</u>	<u>-</u>	<u>-</u>	<u>(18,995)</u>	<u>(34,535)</u>	<u>(290,816)</u>
<u>(14,263)</u>	<u>99</u>	<u>-</u>	<u>(7,948)</u>	<u>(31,457)</u>	<u>18,366</u>	<u>(7,693)</u>	<u>374</u>	<u>2,715</u>	<u>(12,551)</u>	<u>(24,487)</u>	<u>(159,320)</u>
(13,915)	(4,896)	820	(17,719)	(69,855)	(33,106)	(30,685)	416	(29,722)	(17,752)	(57,797)	(451,312)
607,846	-	700,227	-	-	-	-	-	-	-	-	1,605,225
500,000	143,858		-	-	-	-	-	-	-	-	643,858
-	-	-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-	-	5,744
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,348</u>
<u>\$ 1,093,931</u>	<u>\$ 138,962</u>	<u>\$ 701,047</u>	<u>(17,719)</u>	<u>\$ (69,855)</u>	<u>\$ (33,106)</u>	<u>\$ (30,685)</u>	<u>\$ 416</u>	<u>\$ (29,722)</u>	<u>\$ (17,752)</u>	<u>\$ (57,797)</u>	<u>1,822,863</u>
Total net position - beginning											23,615,702
Total net position - ending											<u>\$ 25,438,565</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2013

	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	\$ 770,226	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	101,919	-	-	-
Investments	203,666	-	-	-	64,046	-	-
Receivables:							
Accounts (net)	10,696	144,696	83,316	223,250	129,214	114,265	19,799
Taxes - restricted	-	30,059	25,228	3,798	23,831	9,313	1,316
Accounts (net) - restricted	89,311	-	-	-	-	1,816	-
Other	929,472	-	-	-	-	-	-
Due from other funds	-	74,501	881,798	-	534,459	-	-
Inventory	71,551	-	-	-	-	-	-
Total current assets	<u>2,074,922</u>	<u>249,256</u>	<u>990,342</u>	<u>328,967</u>	<u>751,550</u>	<u>125,394</u>	<u>21,115</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	7,085,225	-	-	-	-	-	-
Capital assets subject to depreciation	3,469,779	4,828,368	4,100,180	5,070,257	5,086,408	6,147,952	2,289,639
Less: Accumulated depreciation	<u>(2,511,385)</u>	<u>(2,439,830)</u>	<u>(1,898,230)</u>	<u>(2,949,623)</u>	<u>(3,543,726)</u>	<u>(4,360,628)</u>	<u>(1,421,448)</u>
Total noncurrent assets	<u>8,048,619</u>	<u>2,389,538</u>	<u>2,206,950</u>	<u>2,121,134</u>	<u>1,543,682</u>	<u>1,788,824</u>	<u>868,191</u>
Total Assets	<u>10,123,541</u>	<u>2,638,794</u>	<u>3,197,292</u>	<u>2,450,101</u>	<u>2,295,232</u>	<u>1,914,218</u>	<u>889,306</u>
LIABILITIES							
Current liabilities:							
Accounts payable	1,286,744	885	889	60,178	14,092	39,145	5,203
Accrued wages payable	40,786	-	-	-	-	-	-
Accrued payroll fringe benefits	17,829	-	-	-	-	-	-
Accrued interest payable	9,727	1,748	1,814	670	1,848	4,665	-
Current portion of long term debt							
Bonds & loans	144,055	19,631	18,057	23,437	28,295	-	-
Other loans	-	-	-	-	-	-	-
Compensated absences	71,738	-	-	-	-	-	-
Due to other funds	5,221,499	-	-	443,467	-	56,176	781,592
Accrued health claims	-	-	-	-	-	-	-
Miscellaneous liabilities	215,639	-	-	76,931	-	-	-
Total current liabilities	<u>7,008,017</u>	<u>22,264</u>	<u>20,760</u>	<u>604,683</u>	<u>44,235</u>	<u>99,986</u>	<u>786,795</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	800,000	-
Long term debt:							
Bonds & loans	1,719,918	1,097,842	1,014,791	103,793	1,192,718	854,478	-
Other loans	-	-	-	-	-	-	-
Compensated absences	289,385	-	-	-	-	-	-
Total noncurrent liabilities	<u>2,009,303</u>	<u>1,097,842</u>	<u>1,014,791</u>	<u>103,793</u>	<u>1,192,718</u>	<u>1,654,478</u>	<u>-</u>
Total Liabilities	<u>9,017,320</u>	<u>1,120,106</u>	<u>1,035,551</u>	<u>708,476</u>	<u>1,236,953</u>	<u>1,754,464</u>	<u>786,795</u>
NET POSITION							
Net investment in capital assets	6,184,646	1,272,065	1,174,102	1,993,904	322,669	934,346	868,191
Restricted for debt service	89,311	30,059	25,228	3,798	23,831	11,129	1,316
Unrestricted	<u>(5,167,736)</u>	<u>216,564</u>	<u>962,411</u>	<u>(256,077)</u>	<u>711,779</u>	<u>(785,721)</u>	<u>(766,996)</u>
Total Net Position	<u>\$ 1,106,221</u>	<u>\$ 1,518,688</u>	<u>\$ 2,161,741</u>	<u>\$ 1,741,625</u>	<u>\$ 1,058,279</u>	<u>\$ 159,754</u>	<u>\$ 102,511</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2013

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	770,226
-	-	-	-	-	-	-	-	-	101,919
-	-	-	-	-	-	-	-	-	267,712
5,578	12,278	357,643	10,976	30,421	60,582	7,236	25,251	-	1,235,201
230	2,330	80,202	184	-	1,538	2,578	1,957	-	182,564
152	1,350	13,422	-	-	-	-	-	-	106,051
-	-	3,008	-	-	15,891	-	-	-	948,371
-	-	2,305,437	492,870	745,235	1,296,403	-	93,249	-	6,423,952
-	-	-	-	-	-	-	-	-	71,551
<u>5,960</u>	<u>15,958</u>	<u>2,759,712</u>	<u>504,030</u>	<u>775,656</u>	<u>1,374,414</u>	<u>9,814</u>	<u>120,457</u>	<u>-</u>	<u>10,107,547</u>
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282
-	-	73,804	-	-	-	-	-	-	7,159,029
892,947	1,279,023	49,677,042	561,728	21,714,931	2,051,939	813,331	2,816,920	2,430,653	113,231,097
<u>(551,782)</u>	<u>(745,748)</u>	<u>(14,181,585)</u>	<u>(344,822)</u>	<u>(4,725,686)</u>	<u>(853,011)</u>	<u>(345,665)</u>	<u>(1,123,256)</u>	<u>(346,604)</u>	<u>(42,343,029)</u>
<u>341,665</u>	<u>536,275</u>	<u>35,615,543</u>	<u>216,906</u>	<u>16,989,245</u>	<u>1,201,428</u>	<u>467,666</u>	<u>1,694,664</u>	<u>2,084,049</u>	<u>78,114,379</u>
<u>347,625</u>	<u>552,233</u>	<u>38,375,255</u>	<u>720,936</u>	<u>17,764,901</u>	<u>2,575,842</u>	<u>477,480</u>	<u>1,815,121</u>	<u>2,084,049</u>	<u>88,221,926</u>
645	7,214	27,097	3	14,447	26,683	-	283	1,045	1,484,553
-	-	4,581	-	6,534	-	-	-	-	51,901
-	-	2,261	-	3,481	-	-	-	-	23,571
-	-	28,421	-	23,927	-	777	2,947	-	76,544
-	-	401,986	-	436,148	-	2,927	11,103	-	1,085,639
-	-	-	-	-	-	-	438	-	438
-	-	-	-	-	-	-	-	-	71,738
336,052	464,381	-	-	-	-	55,417	-	467,219	7,825,803
-	-	-	-	-	-	-	-	-	0
-	-	-	-	28,184	-	-	-	-	320,754
<u>336,697</u>	<u>471,595</u>	<u>464,346</u>	<u>3</u>	<u>512,721</u>	<u>26,683</u>	<u>59,121</u>	<u>14,771</u>	<u>468,264</u>	<u>10,940,941</u>
-	-	-	-	-	-	-	-	-	800,000
-	-	6,831,326	-	5,062,734	-	109,637	415,791	-	18,403,028
-	-	-	-	-	-	-	16,813	-	16,813
-	-	-	-	-	-	-	-	-	289,385
<u>-</u>	<u>-</u>	<u>6,831,326</u>	<u>-</u>	<u>5,062,734</u>	<u>-</u>	<u>109,637</u>	<u>432,604</u>	<u>-</u>	<u>19,509,226</u>
<u>336,697</u>	<u>471,595</u>	<u>7,295,672</u>	<u>3</u>	<u>5,575,455</u>	<u>26,683</u>	<u>168,758</u>	<u>447,375</u>	<u>468,264</u>	<u>30,450,167</u>
341,665	536,275	28,382,231	216,906	11,490,363	1,201,428	355,102	1,250,519	2,084,049	58,608,461
382	3,680	93,624	184	-	1,538	2,578	1,957	-	288,615
<u>(331,119)</u>	<u>(459,317)</u>	<u>2,603,728</u>	<u>503,843</u>	<u>699,083</u>	<u>1,346,193</u>	<u>(48,958)</u>	<u>115,270</u>	<u>(468,264)</u>	<u>(1,125,317)</u>
<u>\$ 10,928</u>	<u>\$ 80,638</u>	<u>\$ 31,079,583</u>	<u>\$ 720,933</u>	<u>\$ 12,189,446</u>	<u>\$ 2,549,159</u>	<u>\$ 308,722</u>	<u>\$ 1,367,746</u>	<u>\$ 1,615,785</u>	<u>\$ 57,771,759</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2013

	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	\$ 11,700	\$ 376,420	\$ 340,838	\$ 1,166,408	\$ 483,820	\$ 368,536	\$ 67,813
Miscellaneous							
Total Operating Revenues	<u>11,700</u>	<u>376,420</u>	<u>340,838</u>	<u>1,166,408</u>	<u>483,820</u>	<u>368,536</u>	<u>67,813</u>
OPERATING EXPENSES:							
Wages and salaries	1,820	55,794	45,997	166,387	83,102	64,504	12,066
Employee benefits	1,018	29,838	24,599	88,983	44,443	34,496	6,453
Office expenses	273	7,987	6,944	23,806	11,848	9,200	1,722
Utilities	624	19,326	11,733	45,623	12,819	13,941	4,641
Repairs and maintenance	7,573	27,427	64,142	83,549	70,957	17,582	9,325
Contractual services	5	2,040	1,680	6,069	3,039	2,360	441
Water/Sewage treatment costs	-	192,288	172,863	869,011	260,009	412,415	81,477
Professional fees	38	1,106	1,165	3,290	3,355	1,594	239
Materials and supplies	962	28,542	22,862	86,841	44,946	33,043	7,450
Insurance	470	13,209	10,880	39,295	19,676	19,095	2,860
Indirect cost	1,011	29,024	23,908	86,346	43,236	33,572	6,285
Miscellaneous	9	341	1,677	1,062	2,285	2,503	73
Depreciation	3,289	115,059	100,268	158,997	141,491	150,394	52,266
Total Operating Expenses	<u>17,092</u>	<u>521,981</u>	<u>488,718</u>	<u>1,659,259</u>	<u>741,206</u>	<u>794,699</u>	<u>185,298</u>
Operating Income (Loss)	<u>(5,392)</u>	<u>(145,561)</u>	<u>(147,880)</u>	<u>(492,851)</u>	<u>(257,386)</u>	<u>(426,163)</u>	<u>(117,485)</u>
NON-OPERATING REVENUE (EXPENSES):							
Real and personal property taxes	-	203,312	186,808	30,472	136,430	52,583	4,507
Interest & Penalties, taxes	-	4,026	3,603	492	2,721	1,149	264
Discounts, taxes	-	(1,037)	(857)	(166)	(716)	(262)	(17)
Enterprise/industrial exemptions	-	-	-	-	-	-	-
Collection fees	-	(4,519)	(4,133)	(668)	(2,959)	(1,146)	(103)
Front footage assessments	-	-	-	-	-	17,340	438
Interest income	429	12,016	9,990	31,203	22,223	17,343	3,590
Interest income, debt service	-	86	60	-	-	318	98
Interest expense	(21,336)	(46,933)	(43,420)	(670)	(18,385)	(4,665)	-
Allocated debt service revenue	163,905	(15,104)	(12,450)	(44,969)	(22,509)	(17,480)	(3,276)
Gain (Loss) on disposal of assets	-	-	-	-	-	-	-
Total Nonoperating revenue (expenses)	<u>142,998</u>	<u>151,847</u>	<u>139,601</u>	<u>15,694</u>	<u>116,805</u>	<u>65,180</u>	<u>5,501</u>
Income Before Contributions and Transfers	137,606	6,286	(8,279)	(477,157)	(140,581)	(360,983)	(111,984)
Capital Contributions:							
Federal	-	-	-	-	198,201	96,919	-
State	-	-	-	875,000	-	157,475	-
Other	-	-	-	-	-	-	-
Transfers in:							
General Fund	-	-	-	-	-	-	-
Revolving Building Fund	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-
Change in Net Position	<u>137,606</u>	<u>6,286</u>	<u>(8,279)</u>	<u>397,843</u>	<u>57,620</u>	<u>(106,589)</u>	<u>(111,984)</u>
Net position - beginning	968,615	1,512,402	2,170,020	1,343,782	1,000,659	266,343	214,495
Net position - ending	<u>\$ 1,106,221</u>	<u>\$ 1,518,688</u>	<u>\$ 2,161,741</u>	<u>\$ 1,741,625</u>	<u>\$ 1,058,279</u>	<u>\$ 159,754</u>	<u>\$ 102,511</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2013

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
\$ 17,434	\$ 34,383	\$ 936,633	\$ 35,617	\$ 1,052,676	\$ 417,179	\$ 24,294	\$ 108,292	\$ 2,434	\$ 5,444,477
				-	-			-	0
<u>17,434</u>	<u>34,383</u>	<u>936,633</u>	<u>35,617</u>	<u>1,052,676</u>	<u>417,179</u>	<u>24,294</u>	<u>108,292</u>	<u>2,434</u>	<u>5,444,477</u>
2,631	4,445	123,112	8,074	157,981	16,421	4,717	18,144	17,471	782,666
1,407	2,377	65,839	4,318	81,036	8,782	2,523	9,703	9,562	415,377
391	640	17,570	1,160	4,538	2,345	675	2,588	50	91,737
7,410	15,141	24,745	303	160,874	13,213	255	7,665	8,549	346,862
1,705	19,120	32,069	1,621	116,958	8,584	943	7,996	11,825	481,376
97	164	4,501	297	-	602	173	663	-	22,131
59,680	44,582	404,030	2,777	-	180,601	30,138	2,683	8,919	2,721,473
52	89	2,439	161	6,591	326	94	360	865	21,764
1,395	2,264	61,395	4,038	111,585	10,479	2,345	9,013	6,502	433,662
632	2,878	29,134	1,926	-	3,895	1,121	6,112	-	151,183
1,389	2,337	64,017	4,232	-	8,559	2,463	9,443	-	315,822
16	24	744	51	400	97	39	106	-	9,427
<u>20,410</u>	<u>35,027</u>	<u>1,044,038</u>	<u>14,009</u>	<u>449,550</u>	<u>45,606</u>	<u>21,957</u>	<u>75,080</u>	<u>48,951</u>	<u>2,476,392</u>
<u>97,215</u>	<u>129,088</u>	<u>1,873,633</u>	<u>42,967</u>	<u>1,089,513</u>	<u>299,510</u>	<u>67,443</u>	<u>149,556</u>	<u>112,694</u>	<u>8,269,872</u>
<u>(79,781)</u>	<u>(94,705)</u>	<u>(937,000)</u>	<u>(7,350)</u>	<u>(36,837)</u>	<u>117,669</u>	<u>(43,149)</u>	<u>(41,264)</u>	<u>(110,260)</u>	<u>(2,825,395)</u>
966	11,264	315,209	1,676	-	10,207	12,737	22,110	-	988,281
10	385	11,269	9	-	204	417	616	-	25,165
(5)	(59)	(1,572)	(14)	-	(50)	(48)	(108)	-	(4,911)
-	-	-	-	-	-	-	-	-	0
(21)	(259)	(7,102)	(36)	-	(226)	(276)	(514)	-	(21,962)
592	3,527	79,310	-	-	-	-	-	-	101,207
646	1,593	37,273	1,756	29,373	3,339	1,163	4,025	-	175,962
44	91	1,755	-	-	-	-	-	-	2,452
-	-	(136,523)	-	(55,286)	-	(5,125)	(20,235)	-	(352,578)
(720)	(1,212)	(33,338)	(2,195)	-	(4,456)	(1,278)	(4,918)	-	-
				-				-	-
<u>1,512</u>	<u>15,330</u>	<u>266,281</u>	<u>1,196</u>	<u>(25,913)</u>	<u>9,018</u>	<u>7,590</u>	<u>976</u>	<u>-</u>	<u>913,616</u>
<u>(78,269)</u>	<u>(79,375)</u>	<u>(670,719)</u>	<u>(6,154)</u>	<u>(62,750)</u>	<u>126,687</u>	<u>(35,559)</u>	<u>(40,288)</u>	<u>(110,260)</u>	<u>(1,911,779)</u>
-	11,563	29,100	-	-	-	-	-	-	335,783
-	-	291,294	-	-	-	-	-	-	1,323,769
-	-	-	-	-	-	-	-	-	0
				43,784				45,993	89,777
-	-	-	-	-	-	-	-	7,500	7,500
-	-	-	-	-	-	-	-	-	-
<u>(78,269)</u>	<u>(67,812)</u>	<u>(350,325)</u>	<u>(6,154)</u>	<u>(18,966)</u>	<u>126,687</u>	<u>(35,559)</u>	<u>(40,288)</u>	<u>(56,767)</u>	<u>(154,950)</u>
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
<u>\$ 10,928</u>	<u>\$ 80,638</u>	<u>\$ 31,079,583</u>	<u>\$ 720,933</u>	<u>\$ 12,189,446</u>	<u>\$ 2,549,159</u>	<u>\$ 308,722</u>	<u>\$ 1,367,746</u>	<u>\$ 1,615,785</u>	<u>\$ 57,771,759</u>

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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, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
ASSETS:				
Taxes levied for State:				
Taxes receivable - State	\$ 481,642	\$ 4,074,889	\$ 3,931,284	\$ 625,247
Bay restoration fee	161,830	676,275	516,996	321,109
Other receivables	2	-	-	2
Taxes levied for Special Areas:				
Lonaconing, Town of	21,344	123,445	118,735	26,054
Midland, Town of	5,888	37,603	36,420	7,071
Westernport, Town of	60,364	381,435	356,651	85,148
Cumberland differential	738	-	-	738
Bel Air Special Tax Area	1,792	33,685	33,098	2,379
Bowling Green Fire Co.	4,236	33,382	32,367	5,251
Bedford Road Fire Co.	5,613	43,985	41,337	8,261
Bowling Green Special Tax Area	3,549	26,254	25,413	4,390
Cresaptown Ambulance	13,168	141,211	138,433	15,946
Cresaptown Civic Imp. Assoc.	3,839	32,335	31,039	5,135
Cresaptown Fire Co.	15,156	187,973	185,379	17,750
Corriganville Light & Imp.	2,244	19,495	19,368	2,371
Ellerslie Special Tax Area	1,376	9,109	8,604	1,881
LaVale Volunteer Fire Dept.	13,733	175,880	170,343	19,270
LaVale Rescue Squad	6,870	87,940	85,175	9,635
LaVale Sanitary District	42,351	309,497	311,239	40,609
McCoole Special Tax Area	736	4,328	3,767	1,297
Moscow Light	616	3,695	3,402	909
Mt. Savage Special Tax Area	1,892	10,641	10,082	2,451
Potomac Park Special Tax Area	1,948	16,067	15,364	2,651
Rawlings Fire Co.	4,570	42,273	41,252	5,591
Sub-total special areas	<u>212,023</u>	<u>1,720,233</u>	<u>1,667,468</u>	<u>264,787</u>
Due from other funds	<u>194,138</u>	<u>6,806,510</u>	<u>6,506,549</u>	<u>494,099</u>
Total Assets	<u>\$ 1,049,635</u>	<u>\$ 13,277,907</u>	<u>\$ 12,622,297</u>	<u>\$ 1,705,247</u>
LIABILITIES:				
Accounts payable	\$ 194,141	\$ 455,656	\$ 155,693	\$ 494,104
A/P Special Areas	212,021	1,720,235	1,667,469	264,787
Taxes payable - State	161,830	676,275	516,996	625,247
A/P Bay restoration fee	481,642	4,074,889	3,931,284	321,109
Total Liabilities	<u>\$ 1,049,634</u>	<u>\$ 6,927,055</u>	<u>\$ 6,271,442</u>	<u>\$ 1,705,247</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, 2013 and 2012

ASSETS	Primary Government			
	At June 30, 2013			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2012
Land	\$ 21,320,090	\$ -	\$ 21,320,090	\$ 21,320,090
Construction in progress	1,689,024	-	1,689,024	2,204,724
Buildings	61,079,260	21,934,437	39,144,823	42,962,592
Infrastructure	48,673,041	29,985,282	18,687,759	18,512,339
Furniture & fixtures	1,028,733	742,362	286,371	295,695
Machinery & equipment	9,883,758	7,042,060	2,841,698	3,043,132
Vehicles	9,692,442	7,778,059	1,914,383	1,918,209
Heavy equipment	4,022,938	3,509,177	513,761	463,533
Other capital assets	924,624	538,012	386,612	398,820
Total Assets	<u>\$ 158,313,910</u>	<u>\$ 71,529,389</u>	<u>\$ 86,784,521</u>	<u>\$ 91,119,134</u>
FUND EQUITY				
Investment in general capital assets acquired before July 1, 1993 - source unidentified			\$ 8,414,008	\$ 8,419,883
Investment in construction in progress			1,689,024	2,204,724
Investment in general capital assets by source:				
General Fund:				
General revenues			9,604,088	8,549,357
Federal grants			3,772,896	3,285,612
State grants			2,863,999	2,863,999
Miscellaneous revenues			739,643	739,643
Debt proceeds			1,106,155	1,106,155
Special Revenue Funds:				
General revenues			45,055,478	47,229,631
Federal grants			7,458,518	7,411,501
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			15,697,054	15,319,488
Federal grants			9,439,893	9,419,951
State grants			22,009,139	21,868,272
Miscellaneous revenues			1,082,823	1,082,823
Debt proceeds			10,889,879	10,889,879
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(71,538,514)	(67,772,222)
Total Fund Equity			<u>\$ 86,784,521</u>	<u>\$ 91,119,134</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2013

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Capital Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 2,209,623	\$ 4,949,224	\$ 39,776	\$ 186,623	\$ 1,612,521	\$ 381,235	\$ 216,176	\$ 489,331	\$ 10,084,509	\$ (5,926,870)	\$ 4,157,639
Public Safety	2,045,433	18,799,969	2,647,358	330,345	7,182,527	1,675,578	175,857	199,150	33,056,217	(11,878,666)	21,177,551
Public Works	1,449,166	1,492,971	40,149,991	305,788	845,468	6,314,772	4,021,383	1,000,543	55,580,082	(39,363,476)	16,216,606
Health	575,119	6,553,202	-	-	-	-	4,121	-	7,132,442	(1,332,964)	5,799,478
Social Services	116	3,250	24,331	193,522	89,080	1,157,993	13,000	-	1,481,292	(957,474)	523,818
Recreation & Culture	583,119	2,620,688	214,288	8,295	6,528	39,246	430,696	-	3,902,860	(1,428,209)	2,474,651
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(723,541)	913,492
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	(369,355)	163,098
Economic Development	14,394,877	24,602,415	5,597,297	-	95,949	98,317	86,329	-	44,875,184	(9,516,996)	35,358,188
Total General Capital Assets	\$ 21,320,090	\$ 61,079,260	\$ 48,673,041	\$ 1,028,733	\$ 9,883,758	\$ 9,692,442	\$ 4,947,562	\$ 1,689,024	\$ 158,313,910	\$ (71,529,389)	\$ 86,784,521

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Function	General Capital Assets June 30, 2012	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Total Cost	Accumulated Depreciation June 30, 2012	Less Current Year Depreciation	Add Depreciation on Disposals	General Capital Assets June 30, 2013
General Government	\$ 10,014,847	\$ -	\$ -	\$ 69,662	\$ -	\$ 10,084,509	\$ (5,607,834)	\$ (319,036)	\$ -	\$ 4,157,639
Public Safety	31,433,959	-	-	1,656,210	(33,952)	33,056,217	(10,673,054)	(1,238,597)	32,985	21,177,551
Public Works	55,671,050	-	-	1,375,197	(1,466,165)	55,580,082	(38,478,330)	(965,627)	80,481	16,216,606
Health	7,132,442	-	-	-	-	7,132,442	(1,114,524)	(218,440)	-	5,799,478
Social Services	1,481,292	-	-	-	-	1,481,292	(787,156)	(170,318)	-	523,818
Recreation & Culture	3,902,860	-	-	-	-	3,902,860	(1,325,030)	(103,179)	-	2,474,651
Libraries	1,637,033	-	-	-	-	1,637,033	(680,366)	(43,175)	-	913,492
Natural Resources	31,838	-	-	-	-	31,838	(31,838)	-	-	-
Urban Development & Housing	532,453	-	-	-	-	532,453	(354,292)	(15,063)	-	163,098
Economic Development	47,053,582	-	-	-	(2,178,398)	44,875,184	(8,719,798)	(851,658)	54,460	35,358,188
Total General Capital Assets	\$ 158,891,356	\$ -	\$ -	\$ 3,101,069	\$ (3,678,515)	\$ 158,313,910	\$ (67,772,222)	\$ (3,925,093)	\$ 167,926	\$ 86,784,521

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STATISTICAL SECTION

Statistical Section

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

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Net Position by Component, Last Ten Fiscal Years.....	F-5
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Changes in Fund Balances, Governmental Funds, Last Ten Years.....	F-10
Revenue Capacity	
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax	
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years.....	F-13
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Principal Property Tax Payers.....	F-15
Property Tax Levies and Collections.....	F-16
Debt Capacity	
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future	
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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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Principal Employers, Current Year and Nine Years Ago.....	F-26
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	
Full-time Equivalents County Government Employees by Function/Program, Last Ten Fiscal Ye	F-29
Operating Indicators by Function/Program, Last Ten Fiscal Years	F-30
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years.....	F-31

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

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FINANCIAL TRENDS

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net Investment in										
Capital Assets	\$ 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	78,548,257
Restricted	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	3,083,383
Unrestricted	(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	18,220,459
Total governmental activities net position	<u>\$ 50,905,961</u>	<u>\$ 59,054,376</u>	<u>\$ 71,486,540</u>	<u>\$ 78,513,162</u>	<u>\$ 76,110,173</u>	<u>\$ 80,643,616</u>	<u>\$ 86,703,571</u>	<u>\$ 88,726,459</u>	<u>\$ 93,816,137</u>	<u>\$ 99,852,099</u>
Business-type activities										
Net Investment in										
Capital Assets	\$ 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	82,603,601
Restricted	159,657	172,797	167,898	170,832	175,654	184,204	198,240	246,463	239,902	288,615
Unrestricted	1,439,367	1,552,398	(1,694,100)	878,952	(20,398)	(3,714,137)	(307,597)	723,061	1,520,472	1,783,058
Total business-type activities net position	<u>\$ 58,440,912</u>	<u>\$ 61,199,723</u>	<u>\$ 65,504,266</u>	<u>\$ 64,028,042</u>	<u>\$ 64,399,819</u>	<u>\$ 73,024,030</u>	<u>\$ 79,994,697</u>	<u>\$ 83,026,047</u>	<u>\$ 83,106,905</u>	<u>\$ 84,675,274</u>
Primary Government										
Net Investment in										
Capital Assets	\$ 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	\$ 161,151,858
Restricted	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	3,371,998
Unrestricted	(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	20,003,517
Total primary government net position	<u>\$ 109,346,873</u>	<u>\$ 120,254,099</u>	<u>\$ 136,990,806</u>	<u>\$ 142,541,204</u>	<u>\$ 140,509,992</u>	<u>\$ 153,667,646</u>	<u>\$ 166,698,268</u>	<u>\$ 171,752,506</u>	<u>\$ 176,923,042</u>	<u>\$ 184,527,373</u>

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

Expenses	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities:									
General Government:	\$ 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	264,767	279,661	294,847	311,568	328,464	350,334	348,334	348,334	358,754
Public Safety	10,878,035	13,320,579	14,571,046	13,998,396	15,612,059	16,626,793	18,650,183	17,290,112	16,887,997
Public Works	9,277,395	9,691,963	11,176,350	11,366,688	12,280,040	12,000,493	15,378,566	13,596,902	12,565,697
Health	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	3,372,943	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:	51,733	796,573	709,684	437,620	1,274,899	317,766	207,903	417,181	562,642
Payment to public school system	27,503,531	27,638,498	27,262,735	29,699,591	36,171,292	28,883,694	28,518,587	29,005,829	28,240,000
Payments to community college	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:	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	781,000	794,000	835,000	875,000	905,000	905,000	905,000	905,000	905,000
Conservation of natural resources	232,345	264,776	230,040	293,066	327,747	506,897	289,487	309,166	201,107
Community development & housing	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	2,412,668	3,487,397	2,487,755	3,083,041	4,113,586	2,407,460	2,296,740	3,099,936	2,879,427
Interest on long term debt	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	<u>\$ 72,096,636</u>	<u>\$ 77,605,361</u>	<u>\$ 77,986,575</u>	<u>\$ 82,095,092</u>	<u>\$ 96,341,380</u>	<u>\$ 87,185,250</u>	<u>\$ 90,972,159</u>	<u>\$ 87,612,179</u>	<u>\$ 86,307,652</u>
Business-type activities:									
Water	1,483,542	1,448,043	1,751,458	1,798,200	2,977,733	3,272,629	3,699,321	4,184,704	4,018,864
Sewer	5,796,718	6,398,687	7,137,019	7,900,344	7,249,045	7,220,779	7,251,103	7,914,948	8,485,797
Nursing Home	8,620,622	9,550,145	9,657,283	10,292,274	10,425,903	11,034,410	-	-	-
Other Funds	-	-	487,108	446,058	578,996	597,356	613,458	716,643	749,976
Total business-type activities expenses	<u>15,900,882</u>	<u>17,396,875</u>	<u>19,032,868</u>	<u>20,436,876</u>	<u>21,231,677</u>	<u>22,125,174</u>	<u>11,563,882</u>	<u>12,816,295</u>	<u>13,254,637</u>
Total primary government expenses	<u>\$ 87,997,518</u>	<u>\$ 95,002,236</u>	<u>\$ 97,019,443</u>	<u>\$ 102,531,968</u>	<u>\$ 117,573,057</u>	<u>\$ 109,310,424</u>	<u>\$ 102,536,041</u>	<u>#####</u>	<u>\$ 99,562,289</u>
Program Revenues									
Governmental activities:									
Charges For services:									
Public safety	\$ 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	915,434	834,819	850,935	957,924	940,444	874,542	1,002,656	842,854	931,374
Economic development	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	597,748	626,097	935,592	783,227	898,153	819,558	756,974	781,680	779,869
Operating grants and contributions	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	5,704,736	10,626,139	4,861,929	5,205,639	6,009,919	2,193,383	6,597,432	480,667	2,770,368
Total governmental activities program revenues	<u>16,671,959</u>	<u>22,804,574</u>	<u>17,869,466</u>	<u>17,075,223</u>	<u>17,299,839</u>	<u>14,169,469</u>	<u>18,888,622</u>	<u>11,286,223</u>	<u>13,458,659</u>
Business-type activities:									
Charges For services:									
Water	1,107,522	1,152,638	1,379,464	1,313,974	2,530,078	2,809,168	3,385,635	3,792,949	3,646,217
Sanitary	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	8,690,049	8,464,607	9,030,901	9,455,148	9,922,523	10,900,432	-	-	-
Other Funds	128,362	163,815	53,667	13,448	439,381	62,018	124,134	271,440	255,457
Operating grants and contributions	-	-	-	-	-	-	-	-	-
Capital grants and contributions	3,816,273	3,320,783	3,560,637	803,391	3,290,107	10,872,588	7,412,463	4,545,246	2,547,845
Total business-type activities program revenues	<u>18,356,687</u>	<u>18,243,982</u>	<u>19,513,011</u>	<u>17,257,506</u>	<u>20,835,305</u>	<u>29,479,725</u>	<u>15,929,609</u>	<u>13,874,881</u>	<u>11,861,266</u>
Total primary government program revenues	<u>\$ 35,028,646</u>	<u>\$ 41,048,556</u>	<u>\$ 37,382,477</u>	<u>\$ 34,332,729</u>	<u>\$ 38,135,144</u>	<u>\$ 43,649,194</u>	<u>\$ 34,818,231</u>	<u>\$ 25,161,104</u>	<u>\$ 25,319,925</u>

(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 Position, Last Ten Fiscal Years (a)
(accrual basis of accounting)

Net (Expense)/Revenue	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities	\$ (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	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>\$ (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 Position									
Governmental Activities:									
Taxes									
Property taxes	\$ 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	21,538,150	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	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	426,638	410,720	308,405	323,025	332,774	342,819	353,375	355,176	415,086
Unrestricted grants	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	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	(396,544)	(112,531)	2,876,383	707,145	-	-	-	243,845	81,820
Miscellaneous	421,048	505,188	393,305	392,063	1,288,442	1,259,689	573,688	591,353	191,234
Transfers	1,776,087	551,293	96,895	(430,187)	(315,004)	(88,631)	3,158,822	(208,709)	(167,252)
Special item	1,360,990	-	-	-	-	-	-	-	-
Total governmental activities	<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	\$ 542,636	\$ 684,529	\$ 732,367	\$ 884,340	\$ 819,542	\$ 891,363	901,613	1,414,497	996,575
Investment earnings	92,621	159,528	181,098	196,246	202,249	179,171	183,601	183,350	175,200
Miscellaneous	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)	-	4,569,787	-	129,278
Transfers	(1,776,087)	(551,293)	(96,895)	430,187	315,004	88,631	(3,158,822)	208,709	167,252
Total business-type activities	<u>\$ (1,132,154)</u>	<u>\$ 342,106</u>	<u>\$ 894,896</u>	<u>\$ 1,703,145</u>	<u>\$ 768,149</u>	<u>\$ 1,269,660</u>	<u>\$ 2,604,940</u>	<u>\$ 1,972,764</u>	<u>\$ 1,474,229</u>
Total primary government	<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 Position									
Governmental activities	\$ 11,353,872	\$ 9,519,270	\$ 12,565,314	\$ 7,472,735	\$ (2,402,989)	\$ 4,533,443	\$ 6,059,955	\$ 2,022,888	\$ 5,089,678
Business-type activities	1,323,651	1,189,213	1,375,039	(1,476,225)	371,777	8,624,211	6,970,667	3,031,350	80,858
Total primary government	<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 Position, 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 Amercian Recovery & Reinvestment Act Grants that were received in 2010
- v Decrease largely due to a large construction project being completed (Georges Creek Wastewater Plant)
- w Increase largely due to contribution related to dontation of buidling
- x Decrease due to grant related projects being completed and projects financed more with loans
- y Decrease due to donation of building in FY 2012 in the amount of \$ 1.6 million and no such donation in FY 13
- z Increase due to increase in federal and state funding for the Mount Savage Water/Sewer project

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Nonspendable								1,202,021	1,200,453	1,201,255
Restricted								110,767	129,902	148,863
Committed								2,649,697	-	-
Assigned								1,868,295	881,313	447,970
Unassigned								11,394,352	15,679,397	17,901,696
Reserved	\$ 2,709,317	\$ 3,302,308	\$ 3,586,015	\$ 3,825,655	\$ 3,907,309	\$ 3,916,618	1,210,859			
Unreserved	9,990,236	9,399,968	10,361,286	11,675,991	11,892,393	11,862,655	15,761,591			
Total General Fund	<u>\$ 12,699,553</u>	<u>\$ 12,702,276</u>	<u>\$ 13,947,301</u>	<u>\$ 15,501,646</u>	<u>\$ 15,799,702</u>	<u>\$ 15,779,273</u>	<u>\$ 16,972,450</u>	<u>\$ 17,225,132</u>	<u>\$ 17,891,065</u>	<u>\$ 19,699,784</u>
All Other Governmental Funds										
Restricted								1,217,476	1,719,061	3,050,872
Committed								6,714,291	5,458,432	8,901,702
Assigned								2,340,790	2,695,550	2,442,285
Unassigned								(551,089)	43,002	(11,060)
Reserved	\$ 100,856	\$ 1,294,529	\$ 424,349	\$ 10,240,090	\$ 3,778,869	\$ 703,075	1,209,131			
Unreserved, reported in:										
Special revenue funds	3,793,401	5,102,167	5,001,124	5,182,529	5,890,017	7,231,010	8,196,602			
Capital project funds	2,228,198	1,220,786	2,487,471	2,817,863	1,148,208	4,083,957	3,015,176			
Debt service funds	1,150,000	1,175,000	1,517,200	1,687,610	1,654,049	613,929	315,232			
Total all other governmental funds	<u>\$ 7,272,455</u>	<u>\$ 8,792,482</u>	<u>\$ 9,430,144</u>	<u>\$ 19,928,092</u>	<u>\$ 12,471,143</u>	<u>\$ 12,631,971</u>	<u>\$ 12,736,141</u>	<u>\$ 9,721,468</u>	<u>\$ 9,916,045</u>	<u>\$ 14,383,799</u>

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

Revenues	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Property taxes	\$ 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	40,302,290
Income taxes	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	24,249,252
Highway user taxes	3,360,759	3,688,177	4,813,872	4,823,654	4,643,174	4,023,284	227,622	317,590	229,448	424,914
Other local taxes	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	4,087,133
Licenses and permits	606,228	583,575	586,286	616,222	621,136	611,328	609,877	613,729	659,513	664,287
Intergovernmental:										
Federal	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	2,991,120
State	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	10,909,579
Other	269,579	495,599	561,733	399,757	328,351	354,708	362,352	515,474	514,765	537,554
Service charges	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	1,758,235
Fines and forfeitures	2,560	91,420	79,618	109,022	71,133	98,463	114,372	74,177	141,890	96,119
Interest	194,563	402,229	752,182	948,856	1,215,979	440,827	247,564	162,578	121,670	126,522
Miscellaneous	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	3,902,225
Total revenues	\$ 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	\$ 90,049,230
Expenditures										
General government	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	8,436,402
Public safety	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	16,144,972
Public works	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	11,118,747
Health and Hospitals	314,944	365,730	547,635	668,436	639,555	477,204	479,537	460,030	425,309	438,291
Social Services	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	1,378,693
Education	7,125	6,487	6,788	296,339	33,511	28,261	25,261	24,511	23,761	29,754
Recreation, culture and libraries	416,091	525,238	557,173	785,391	785,287	818,848	555,124	863,290	712,577	736,413
Conservation of natural resources	223,675	254,764	222,849	286,942	321,258	505,126	286,273	353,689	201,090	239,976
Community Development and Housing	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	1,018,262
Economic development	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	1,690,366
Miscellaneous	18,721	13,991	17,671	25,749	28,742	27,755	20,869	114,855	27,089	34,803
Appropriation to other governments	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	1,347,973
Capital Outlay	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	2,320,671
Debt Service:										
Interest	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	1,083,631
Principal	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	16,833,941
Payments to Component Units	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	38,080,712
Total expenditures	\$ 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	\$ 100,933,607
Excess of revenues over (under)										
Expenditures	\$ 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	\$ (10,884,377)
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 588,607	\$ 2,258,256	\$ 149,483	\$ 14,141,516	\$ 5,237,697	4,663,719	63,719			
Proceeds from refinancing	-	-	-	-	-	-	-	-	-	14,736,467
Payments to escrow agent	-	-	-	-	-	-	-	-	-	-
Transfers in	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	5,877,961
Transfers from component units	-	390,603	-	-	-	-	-	-	-	-
Transfers out	(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)	(5,971,428)
Sale of capital assets	18,674	298,110	4,552,930	358,874	2,330,993	102,838	217,528	369,452	84,771	2,517,850
Total Other Financing	\$ 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)	\$ 17,160,850
Net Change in fund balances	\$ 3,074,454	\$ 995,071	\$ 2,015,839	\$ 12,234,341	\$ (7,158,893)	\$ 140,399	\$ 1,297,347	\$ (2,761,991)	\$ 860,510	\$ 6,276,473
Debt service as a percentage of noncapital expenditures	8.3%	7.2%	7.6%	6.7%	7.0%	7.2%	7.6%	7.3%	6.7%	18.2%

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	
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
2013	3,532,084,432	3,532,084,432	0.9877	5,694,540	5,694,540	346,092,240	346,092,240	3,883,871,212	3,883,871,212	2.4693

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

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>Municipal Direct Tax Rates (1.2)</u>										
Barton	0.1662	0.1709	0.1699	0.1835	0.1981	0.2156	0.2220	0.2220	0.2220	0.2220
Cumberland	0.9654	0.9654	0.9654	0.9654	0.9654	0.9479	0.9479	0.9479	0.9479	0.8720
Frostburg	0.5665	0.5665	0.5500	0.5500	0.5540	0.5500	0.5500	0.5500	0.5500	0.5500
Lonaconing	0.3400	0.3400	0.3700	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Luke	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5000	0.3500	0.3500
Midland	0.2800	0.2800	0.2800	0.2800	0.2800	0.2708	0.2800	0.2800	0.2800	0.2800
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
<u>Allegany County Direct Tax Rates (1.3)</u>										
Barton	0.8892	0.9038	0.9475	0.9545	0.9552	0.9551	0.9494	0.9727	0.9724	0.9721
Cumberland	0.8371	0.8519	0.8999	0.9016	0.9074	0.9090	0.9087	0.9309	0.9248	1.0000
Frostburg	0.8436	0.8579	0.9065	0.9086	0.9107	0.9136	0.9111	0.9366	0.9305	0.9312
Lonaconing	0.8655	0.8834	0.9328	0.9305	0.9336	0.9333	0.9283	0.9548	0.9517	0.9535
Luke	0.8620	0.8799	0.9289	0.9266	0.9304	0.9302	0.9227	0.9516	0.9484	0.9498
Midland	0.8892	0.9038	0.9475	0.9545	0.9552	0.9551	0.9474	0.9727	0.9724	0.9721
Westernport	0.8702	0.8854	0.9328	0.9305	0.9336	0.9333	0.9263	0.9548	0.9517	0.9535
Unincorporated	0.9810	0.9820	0.9829	0.9829	0.9829	0.9829	0.9829	1.0007	1.0007	1.0000
<u>Special Taxing Areas (1.4)</u>										
<u>Sanitary Districts</u>										
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	0.2500	0.2900	0.2900	0.2530	0.2530	0.2530	0.2530	0.2530	0.1580
Braddock Run	0.0070	0.0070	0.0070	0.0070	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
Cresaptown	0.2500	0.2500	0.2900	0.2900	0.3000	0.3000	0.3000	0.3000	0.3000	0.1600
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	0.1860	0.2200	0.2200	0.2200	0.2200	0.2440	0.2440
McCoole	0.0310	0.0310	0.0700	0.0700	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.1500	0.1500	0.1700	0.1700	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0190	0.0190	0.0190	0.0190	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0330	0.0330	0.0800	0.0800	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960
George's Creek	0.2100	0.2100	0.4700	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Mexico Farms	0.0510	0.0510	0.0600	0.0600	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840
Oldtown Road	0.0770	0.0770	0.0770	0.0770	0.2400	0.2400	0.2400	0.2400	0.2600	0.2600
<u>Other Special Districts</u>										
Bedford Road Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bel Air Special Tax Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bowling Green and Roberts Place	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0320	0.0320	0.0320	0.0320
Bowling Green Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Corriganville Light & Imp Assoc.	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Cresaptown Ambulance Taxing Area	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280
Cresaptown Civic Improvement Assoc	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
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	0.0300	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Sanitary Commission	0.0530	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	0.0450	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600	0.0600	0.0600	0.0600	0.0600
Total County Direct Rate (1.5)	0.9877	0.9997	1.0305	1.0191	1.0249	1.0275	1.0233	1.0445	1.0401	1.0340

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	2013			2004		
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value
AES WR Limited Partnership	\$ 73,349,230	1	1.87%	\$ 155,312,130	1	6.05%
New Page (Mead/Westvaco)	62,673,358	2	1.60%	81,549,644	2	3.17%
Potomac Edison Co	44,209,560	3	1.13%	48,626,060	3	1.89%
Trans-Allegheny Interstate Line	42,065,730	4	1.07%	-		0.00%
CSX Transportation	35,080,553	5	0.89%	17,860,572	6	0.70%
LaVale Associates	32,799,220	6	0.84%	29,107,760	5	1.13%
Columbia Gas of Maryland	25,276,770	7	0.64%	16,909,672	7	0.66%
Verizon-Maryland (Bell Atlantic)	23,332,410	8	0.59%	36,839,970	4	1.43%
Hunter Douglas Northeast, Inc.	16,045,370	9	0.41%	8,439,940	8	
Allegany Coal-Land	14,846,308	10	0.38%			
Level 3 Communications				4,449,490	10	0.17%
Charter Communications				4,497,240	9	0.18%
Total	\$ 369,678,509		9.41%	\$ 403,592,478		15.38%

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
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	21,694,064	93.06%	(23,499)	1,594,051	23,288,353	23,288,115	100.00%
2007	24,152,164	22,574,066	93.47%	(37,176)	1,540,453	24,114,988	24,114,519	100.00%
2008	26,296,828	24,418,173	92.86%	(53,467)	1,823,680	26,243,361	26,241,853	99.99%
2009	28,732,488	26,710,075	92.96%	(52,832)	1,954,648	28,679,656	28,664,723	99.95%
2010	31,122,925	28,546,101	91.72%	(31,659)	2,517,120	31,091,266	31,063,221	99.91%
2011	32,868,341	30,352,908	92.35%	(24,360)	1,900,070	32,843,981	32,252,978	98.20%
2012	33,037,418	30,557,037	92.49%	(13,576)	1,041,498	33,023,842	31,598,535	95.68%
2013	32,760,110	30,023,529	91.65%	-	-	32,760,110	30,023,529	91.65%

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
2004	274,789	216,817	78.90%	(36,347)	17,261	238,442	234,078	98.17%
2005	249,585	217,982	87.34%	(12,750)	15,467	236,835	233,449	98.57%
2006	221,878	201,105	90.64%	(10,295)	6,591	211,583	207,696	98.16%
2007	208,932	186,368	89.20%	(7,244)	9,289	201,688	195,657	97.01%
2008	240,950	143,066	59.38%	(69,162)	19,136	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)	10,170	140,768	129,381	91.91%
2011	157,764	119,985	76.05%	(10,425)	9,762	147,339	129,747	88.06%
2012	134,221	117,375	87.45%	(1,411)	2,786	132,810	120,161	90.48%
2013	133,495	114,347	85.66%			133,495	114,347	85.66%

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
2004	8,897,728	8,790,614	98.80%	(284,301)	(185,566)	8,613,427	8,605,048	99.90%
2005	8,501,900	8,407,644	98.89%	(115,503)	(32,395)	8,386,397	8,375,249	99.87%
2006	8,408,395	8,276,381	98.43%	(34,960)	85,499	8,373,435	8,361,880	99.86%
2007	8,210,266	8,094,923	98.60%	(16,650)	52,378	8,193,616	8,147,301	99.43%
2008	7,921,091	7,814,936	98.66%	272,369	328,284	8,193,460	8,143,219	99.39%
2009	7,710,088	7,559,542	98.05%	1,241,442	1,335,889	8,951,530	8,895,431	99.37%
2010	9,076,556	8,244,551	90.83%	(93,328)	686,356	8,983,228	8,930,907	99.42%
2011	8,147,312	7,948,859	97.56%	(71,069)	95,100	8,076,243	8,043,959	99.60%
2012	8,147,310	7,377,461	90.55%	(48,739)	647,155	8,098,571	8,024,616	99.09%
2013	7,893,890	7,089,831	89.81%			7,893,890	7,089,831	89.81%

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
2004	30,411,557	28,845,547	94.85%	(344,032)	1,209,114	30,067,525	30,054,661	99.96%
2005	31,014,892	29,290,720	94.44%	(178,340)	1,531,077	30,836,552	30,821,797	99.95%
2006	31,942,125	30,171,550	94.46%	(68,754)	1,686,141	31,873,371	31,857,691	99.95%
2007	32,571,362	30,855,357	94.73%	(61,071)	1,602,120	32,510,291	32,457,477	99.84%
2008	34,458,868	32,376,175	93.96%	149,740	2,171,099	34,608,609	34,547,274	99.82%
2009	36,598,711	34,401,336	94.00%	1,187,848	3,301,160	37,786,559	37,702,496	99.78%
2010	40,345,097	36,909,863	91.49%	(129,835)	3,213,646	40,215,262	40,123,509	99.77%
2011	41,173,417	38,421,752	93.32%	(105,854)	2,004,932	41,067,563	40,426,684	98.44%
2012	41,318,949	38,051,873	92.09%	(63,726)	1,691,439	41,255,223	39,743,312	96.34%
2013	40,787,495	37,227,707	91.27%	-	-	40,787,495	37,227,707	91.27%

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			
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
2013	20,948,078	219,629	36,080	2,203,357	344,380	10,928,261	-	17,251	14,519,950	4,968,713	-	54,185,699	2.30%	732

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

Source: Allegany County Finance Office and Bureau Of Economic Analysis

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

General Obligation Debt Outstanding

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value of Property</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Debt Per Capita</u>
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
2013	20,948,078	3,883,871,212	0.54%	74,012	283.04

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Population	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
Net population for debt limit	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
Debt Limit	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	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	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	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
2013	6,710,671	5,793,480	917,191	1,117,642	352,578	1,470,220	0.62
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 (4)	535,496	786,386	233,002	1,019,388	0.53
2007	6,800,108	5,835,667	964,441	750,057	233,277	983,334	0.98
2006	6,390,329	5,189,019	1,201,310	436,091	190,715	626,806	1.92
2005	6,138,374	4,705,332	1,433,042	342,541	206,399	548,940	2.61
2004	5,380,331	4,121,055	1,259,276	379,008 (3)	219,141	598,149	2.11

WATER DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2013	3,819,651	3,095,376	724,275	158,655	290,816	449,471	1.61
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 (4)	485,542	97,009	215,232	312,241	1.56
2007	1,417,547	1,053,569	363,978	60,953	195,878	256,831	1.42
2006	1,430,789	1,068,917	361,872	55,436	181,207	236,643	1.53
2005	1,180,132	833,099	347,033	48,352	158,073	206,425	1.68
2004	1,124,973	909,646	215,327	87,484	144,383	231,867	0.93

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

2 - Total operating expenses less depreciation and interest expense

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

<u>Year</u>	<u>Population</u>	<u>Personal Income In 000s</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment</u>	<u>Unemployment Rate</u>
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%
2013	74,012	2,400,000	32,000	8,929	8.60%

Source - Population, personal income and per capita - Bureau of Economic Analysis
 Public School Enrollment - Allegany County Board Of Education
 Unemployment Rate - Maryland Department Of Labor, Licensing and Regulation

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

<u>Employer</u>	<u>2013</u>			<u>2004</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage Of Total County Employment</u>
Western Maryland Health Systems	2,290	1	6.67%	2,380	1	7.24%
ATK Tactical Systems	1,396	2	4.06%			
Allegany County Board Of Education	1,346	3	3.92%	1,240	2	3.77%
Frostburg State University	922	4	2.68%	830	5	2.53%
CSX Transportation	900	5	2.62%	1,000	4	
New Page Corporation (Westvaco)	870	6	2.53%	1,215	3	3.70%
Hunter Douglas	580	7	1.69%	500	9	
Allegany College	559	8	1.63%	500	7	
North Branch Correctional Institution	557	9	1.62%			
Western Correctional Institution	552	10	1.61%	712	6	2.17%
Allegany County Government				500	8	1.52%
CyberRep				450	10	
Total	<u>9,972</u>		<u>29.03%</u>	<u>9,327</u>		<u>20.93%</u>

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

OPERATING INFORMATION

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Commissioners & Staff	7.0	7.0	7.0	8.0	8.0	8.0	8.0	7	6	5
Judicial	26.5	27.3	27.3	28.0	28.6	28.6	29.1	28.1	27.9	27.9
Finance	9.3	9.3	9.6	9.6	9.6	9.6	9.6	9.3	9.0	8
Tax Office	7.5	7.5	7.5	7.5	7.5	7.5	7.7	7.7	7.7	7.7
Maintenance	15.5	16.5	16.1	16.4	16.2	15.7	15.7	14.7	15	14
Other	35.8	28.7	32.1	38.6	40.8	43.7	42.6	39.7	38.3	36.9
Public Safety										
Sheriff/Bureau of Police	24.0	27.9	31.6	33.2	29.4	28.3	32.4	34.4	34.4	34.4
Detention Center	79.8	84.8	85.3	85.0	85.5	86.0	85.4	84	85.8	85.8
911	19.3	21.0	25.0	24.6	25.2	26.2	25.9	25.9	25.9	25.9
Other	1.1	13.9	13.1	13.4	21.9	23.5	31.3	32.3	31.1	30.1
Public Works										
Roads division	76.3	74.5	74.5	74.5	75.7	75.7	74.7	74.4	68.4	67.4
Engineering	18.2	16.7	15.4	16.5	16.3	16.3	14.5	13.5	12	12
Solid Waste	5.4	5.4	5.4	5.3	5.3	5.3	5.3	5.3	4.3	4.3
Transit	27.1	27.1	29.6	32.7	33.0	31.9	30.2	29	27.9	27.9
Health and Hospitals	3.3	3.3	3.3	2.3	2.0	2.0	2.0	2	2.0	2
Social Services	7.0	7.0	1.0	1.0	1.0	1.0	1.0	1	1.0	1
Recreation, culture, libraries, tourism	5.0	2.0	2.0	2.0	2.0	2.0	2.0	1.4	1.4	1.4
Conservation of natural resources	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2	1.0	1
Community Development and Housing	4.3	5.6	5.6	4.3	4.3	4.3	3.7	2.3	-	
Economic Development	9.4	9.1	10.1	7.2	7.5	8.3	7.7	7.5	7.7	6.25
Sanitary	23.5	23.0	24.0	25.0	25.0	26.0	31.8	33.8	34.0	34
Nursing Home	150.0	161.5	165.5	152.1	150.5	147.5	-			
Total	557.3	581.1	593.0	589.2	597.3	599.4	462.6	455.3	440.8	433.0

Source: Allegany County Finance Office-Budget

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Average number of tax bills issued	38,020	38,060	38,130	38,124	38,419	38,454	38,532	38,518	38,529	38,530
Number of building permits issued	479	469	424	460	410	372	312	328	325	285
Public Safety										
Total Number of arrests	1,505	1,341	1,246	608	1,060	1,491	1,608	1,285	1,593	1,860
Total Number of traffic stops	199	613	1,527	1,153	1,167	1,840	1,640	1,579	1,782	1,492
Average number of inmates	180	180	172	179	203	168	157	170	150	153
Number of Volunteer Fire Stations	23	23	23	23	23	23	23	23	22	21
Public Works										
Miles of roads maintained	544	544	544	544	544	544	544	544	544	544
Street resurfacing (miles)	47	35	23	31	30	30	Not Available	Not Available	Not Available	
Recycling, total tons (calendar year)	20,058	22,468	24,685	23,925	25,121	25,953	21,923	Not Available	Not Available	
Social Services										
Transit route miles	470,456	445,957	500,772	675,570	502,317	446,420	384,182	332,324	381,238	376,369
Transit passengers	99,441	94,813	119,027	138,131	179,555	189,004	189,708	187,522	219,995	210,601
Community Development and Housing										
Number of families' rent subsidized	274	253	262	267	190	198	** N/A	** N/A	** N/A	** N/A
Low-Income Housing loans issued	32	43	36	43	21	35	7	** N/A	** N/A	** N/A
Sanitary										
Average number of sanitary/water customers	8,500	8,500	8,500	8,500	8,500	8,500	9,250	9,250	9,500	9,750
Nursing Home										
Total Number of Beds Available, Annually	55,998	55,845	55,845	55,845	55,998	55,845	0	0	0	0
Number of Beds Occupied Annually	51,427	48,701	47,422	48,400	47,512	48,692	0	0	0	0
Occupancy Rate, Annual	92%	87%	85%	86%	85%	87%	0	0	0	0
Gaming										
Games Sold	39,935 *	50,870	49,901	48,800	43,056	36,206	35,357	33,395	32,701	30,699
Operators Licensed	79 *	94	100	79	83	85	92	88	100	81
Inspections Conducted	1,200 *	1,180	1,035	965	972	921	860	672	851	610

* 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>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>	<u>2013</u>
General Government										
Number of major buildings maintained	10	10	10	11	11	11	11	11	11	11
Public Safety										
Number of police stations	1	1	1	1	1	2	4	4	4	4
Number of patrol vehicles	13	20	20	20	20	29	34	38	36	40
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	5	5	5	5	5	5
Number of operating transit buses	9	9	10	10	11	14	21	22	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	15	12	10	13	13	13	12
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	0	0	0	

Source: Various County Departments

