

ALLEGANY COUNTY MARYLAND



*Financial Planning For A Picture Perfect Future!*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended June 30, 2004*

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

FOR THE FISCAL YEAR  
JULY 1, 2003 - JUNE 30, 2004

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



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**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  
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### **BOARD OF COMMISSIONERS**

James J. Stakem, *President*  
Robert M. Hutcheson  
Barbara B. Roque

Vance C. Ishler, *County Administrator*  
Jerry L. Frantz, CPA, *Director of Finance*

December 3, 2004

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, 2004, 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, 2004, 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, 2004, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Allegany County's separately issued Single Audit Report.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

### **Profile of Allegany County**

Allegany County, located on the Potomac River in western Maryland, was established in 1789. It is bordered by Pennsylvania to the north and West Virginia to the south, and comprises an area of 428 square miles. Cumberland, the County seat, covering eight square miles, is at an elevation of 641 feet. Cumberland is situated approximately 100 miles southeast of Pittsburgh and 130 miles northwest of Baltimore and Washington, D.C. There are seven incorporated municipalities in the County: Barton, Cumberland, Frostburg, Lonaconing, Luke, Midland and Westernport.

The County is predominately rural in character. The 1990 census showed a population of 74,946; according to the 2000 Census, the population is 74,930 for the County. The County seat and principal city is Cumberland, with a 2000 population of 21,518.

Both the executive and legislative functions of the County are vested in the elected, three member Board of County Commissioners. Commissioners are elected on a county-wide basis and serve four-year terms. The Board elects one Commissioner to serve as its President. The Board is required to meet monthly.

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

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

County financial matters are administered through the Department of Finance of the County by the Director of Finance. The Director of Finance is hired by the Board on the basis of his training and experience in financial administration. 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 and the County Administrator by the 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 statement 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 statement of the debt service requirements for the ensuing fiscal year; (3) a statement of the receipts and expenditures for the last two completed fiscal years, the estimated receipts and expenditures of the current ending fiscal year and the expenditures recommended by the Board of County Commissioners for the ensuing fiscal year for each function, activity, and sub activity; and (5) any other material which the Board of County Commissioners may deem advisable.

Variance reports of actual revenues and expenditures versus budgeted revenues and expenditures are prepared by the Director of Finance on a monthly basis. Additionally, individual offices, departments, boards, commissions, and other agencies of the County review on a monthly basis all events affecting their budgetary estimates and can request the Board for supplemental appropriations to increase their budgetary allowances. The Board in turn has the power to grant such increases.

## **Capital Budget**

The Capital Budget is prepared by the Capital Projects Engineer after approval by the Review Committee and then submitted for approval to the Board of County Commissioners. The Review Committee consists of the County Administrator, the Director of Community Services, the Director of Public Works, the Director of Finance, the Director of Economic Development and the County Engineer. It is based on the need for having certain capital projects undertaken and the availability of financial resources. Each project is identified with estimated costs and estimated sources of funding. All funding requests are then applied to a debt affordability model to ascertain if the proposed debt is within the County's self-imposed debt guidelines.

## **Adoption of Budget**

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

## **Factors Affecting Financial Condition**

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

**Local economy:** Allegany County currently enjoys a favorable economic environment and local indicators point to continued stability. The unemployment rate has decreased from 6.9% at June 30, 1999 to 6.7% at June 30, 2004. 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 includes health services, government, education, and call centers.

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

Allegany County has a total labor force of 32,664. 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. A major emphasis on economic development is being embarked upon to retain and grow the county's population and disposable income. The county will invest heavily in an advanced manufacturing park which will see its first tenant in January 2005 with

American Woodmark Corporation beginning the manufacturing and distribution of kitchen cabinets. The County has rented a former manufacturing plant owned by the county to the Federal Emergency Management Agency (FEMA). The county is evaluating alternatives to redevelop the facility in order to secure a long-term agreement with FEMA or other interested parties. The county is also involved in the development of a wireless internet system that would be one of the first in the country for a rural area. High speed internet access is critical in the future development of the county by allowing the county to attract higher paying jobs of today's technology driven society.

The county is also working on constructing a new high school which would be the first in 50 years within the county. This project is critical to replace aging structures and to attract the types of jobs the county is trying to emphasize. Other renovations requiring county borrowing of \$2.1 million will be undertaken. The county will also invest \$1.5 in projects for Allegany College which is a 2 year community college to enhance and maintain training programs vital to the workforce of the region. Work continues on the Allegheny Highlands Trail with is expected to attract many hiking and biking enthusiasts. When completed, the trail is expected to have a major financial impact on the county and enhance the quality of life for residents. The trail will be constructed entirely with federal, state, and donor contributions.

In order to further grow the local economy, the county will undertake the repair and upgrade of several bridges throughout the county. Close to \$2.0 million will be invested under the supervision of county staff. These projects will be financed mainly with federal and state grants. Some of the county share of these projects will be financed with coal taxes collected by the county and will be used specifically on bridges used by the coal industry within the county. With oil prices nearing historic highs, strong demand for coal in the county is expected.

The Western Maryland Health System has announced a project exceeding \$250 million for the construction of a new hospital and the relocation of its administrative offices and the relocation of the Allegany County Health Department. If implemented, this plan will place in close proximity a hospital, the health department, and the administrative staff of the health system.

With changing federal and state environmental regulations, the county will spend over \$2.5 million next year in inflow and infiltration studies of the various sanitary districts the county operates. This will require modifications and upgrades to various treatment facilities of the county. The Celanese facility is currently under construction with the total project costing in excess of \$15.0 million. These projects will be financed mainly with loans from the state and federal government and will be repaid by the users of the system and not the general fund of the government.

### **Cash Management**

Expenditures for all funds, except those required by law or agreement, are made from one bank account to maximize investment income and for efficient operation of the accounting system.

The County's investment policy is to minimize risk while achieving a competitive yield on its cash balances. Deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the County's agent in the County's name. All investments of

the County were classified in the lowest risk category as defined by the Governmental Accounting Standards Board.

Cash temporarily idle during the year was invested in certificates of deposit and repurchase agreements. The maturities of the investments range from 1 day to 365 days, with an average maturity of 123 days and an average yield on investments of 1.24 percent.

### **Risk Management**

Allegany County retains an insurance advisor who monitors health and life insurance coverage. Periodical inspections of County buildings and property by the insurance carriers ensure the proper levels of liability and building and contents coverage. The County's exposure to risk is limited to immaterial deductible amounts. In addition, beginning in FY 2005 two risk and safety managers were hired to recommend and enforce safety policies and to monitor workers compensation cases.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Allegany County for its comprehensive annual financial report for the fiscal year ended June 30, 2003. This was the twelfth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I wish to acknowledge the support and interest of the Board of County Commissioners and the County Administrator in the recording and reporting of financial matters. It is of the utmost importance that the accounting functions have this backing. I also want to express my appreciation to Wm. Jay George, CPA, Assistant Director of Finance and the entire staff of the Finance Office for their cooperation, dedication and professionalism in the preparation of this report. In conclusion, I want to acknowledge the efforts of the many County employees that support the accounting function.

Respectfully submitted,

Jerry L. Frantz, CPA  
Director of Finance

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Allegany County,  
Maryland**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2003

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



*Nancy L. Ziehl*

President

*Jeffrey R. Emer*

Executive Director



Allegany County, Maryland  
Summary of Certain Officials  
June 30, 2004

Board of Commissioners

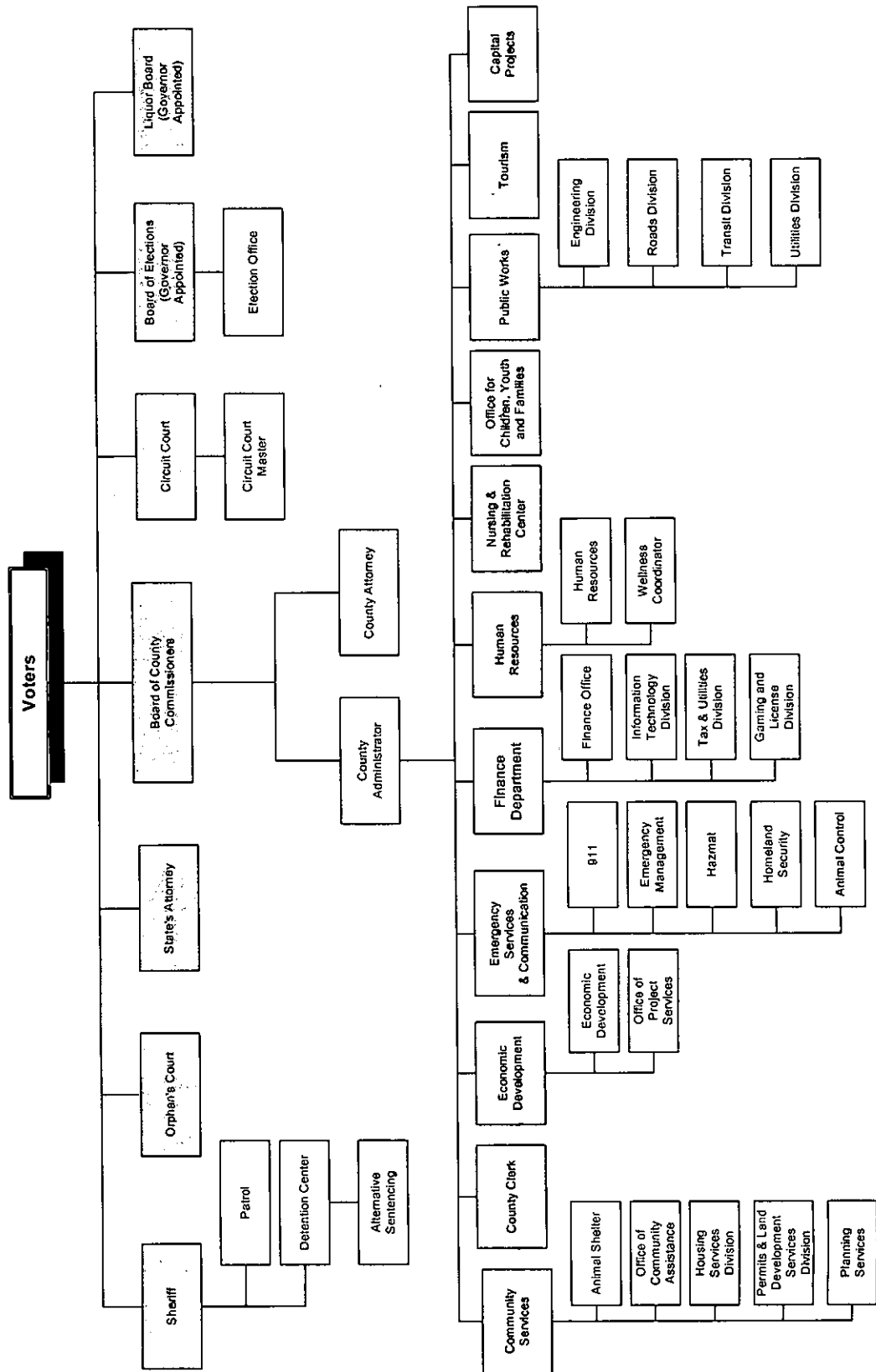
James J. Stakem, President  
Robert M. Hutcheson, Commissioner  
Barbara B. Roque, Commissioner

County Administrator	Vance C. Ishler
Clerk of the Board	Carol A. Gaffney
Director of Finance	Jerry L. Frantz, CPA
Director of Public Works	W. Stephen Young, P.E.
Director of Community Services	David A. Eberly
Director of Economic Development	Thomas E. Cooley
Director of Interagency Data Processing	Dennis M. Shankle
Director of Human Resources & Personnel Services	Debra A. Amyot
Sheriff	David A. Goad
State's Attorney	Michael O. Twigg, Esquire
County Attorney	William M. Rudd, Esquire
Election Administrator	Catherine O. Davis
Health Officer	Sue V. Raver, M.D., M.P.H.



# Allegany County

Organization Chart 2004



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# **FINANCIAL SECTION**



**TURNBULL, HOOVER & KAHL, P.A.**

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CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

DAVID W. TURNBULL, CPA

RICHARD J. HOOVER, CPA

BERNARD B. KAHL, CPA

Board of Allegany County Commissioners

County Office Complex

701 Kelly Road

Cumberland, Maryland

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland (the County) as of and for the year ended June 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Allegany County, Maryland's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allegany County Board of Education and the LaVale Sanitary Commission, which represent 68 percent, 65 percent and 77 percent, respectively, of the assets, net assets, and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Allegany County Board of Education and the LaVale Sanitary Commission, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based upon 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, 2004 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 3, 2004 on our consideration of Allegany County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages B-1 through B-10, the schedule of pension contributions on page D-3, and the budgetary comparison information on pages D-4 through D-14 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Allegany County, Maryland's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*T. M. H. Hoover; Kahl, P. L.*

Cumberland, MD  
December 3, 2004

## 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, 2004. 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 \$109.3 million (*net assets*). Of this amount, \$110.8 million is invested in capital assets net of related debt and \$2.3 million is restricted for specific purposes (restricted net assets). The County's total unrestricted net assets is a balance of \$(3.7) million. This total unrestricted net asset amount includes a balance of \$1.4 million from business-type activities, offset by a deficit balance in unrestricted net assets from governmental activities of \$(5.2) million. The deficit balance in unrestricted net assets from governmental activities is expected because the County provides the debt funding for public schools and the community college. The buildings and improvements for those two entities are constructed with debt proceeds to be repaid by the County but are considered to be assets of the public school system or the college.
- The government's total net assets increased by \$12.7 million or 13.1%. The governmental net assets increased \$11.4 million (or 28.7%), largely due to an increase in income taxes of \$2.1 million and property taxes of \$1.3 million. Business-type activities increased by \$1.3 million due (or 2.3%) due to an increase in capital contributions in the water and sewer funds
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$20.0 million, an increase of \$3.1 million in comparison with the prior year. Approximately 13.5% of this total amount, \$2.7 million, is *available for spending* at the government's discretion (*unreserved fund balance*) and another \$14.5 million is unreserved and designated for specific projects, programs and uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1.8 million, or 3.2% of total general fund expenditures.
- Allegany County's governmental activity debt decrease by \$3.6 million (or 9.0%) during the current fiscal year. The County's business-type debt increased by \$5.3 million (or 69.1%) due to borrowing \$5.5 for improvements to the Celanese treatment plant.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Allegany County's basic financial statements. Allegany County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of Allegany County's finances, in a manner similar to private-sector business.

The *statement of net assets* presents information of all of Allegany County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Allegany County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).



Both of the government-wide financial statements distinguish functions of Allegany County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of Allegany County include general government, public safety, public works, social services, economic development, and payments to component units (the public school system, community college and library). The business-type activities of Allegany County include Water Fund, Sewer Fund and Nursing Home operations.

The government-wide financial statements include not only Allegany County itself (known as the *primary government*), but also a legally separate public school system, community college, library system and a sewer district. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself

The government-wide financial statements can be found on pages C5-C7 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities 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 a 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 sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the highway fund, the Office of Children, Youth and Families fund, the capital projects fund and the pay-as-you-go capital projects fund, all of which are considered to be major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages C9-C18 of this report.

**Proprietary funds.** Allegany County has one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Allegany County uses enterprise funds to account for its water fund, sewer fund, nursing home fund and loan fund

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for all of the enterprise funds, of which the water, sewer and nursing home funds are considered to be major funds of Allegany County

The basic proprietary fund financial statements can be found on pages C15-C17 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Allegany County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages C18 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages C19-C54 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 two of the special revenue funds reported as major funds. The special revenue funds are the highway fund and the Office of Children, Youth and Families fund. Required supplementary information can be found on pages D3-D13 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-E47 of this report.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Allegany County, assets exceeded liabilities by \$109.3 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (101.3 percent) 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 investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ALLEGANY COUNTY'S Net Assets						
	Governmental Activities		Business-type Activities		Total	
	FY 2004	FY 2003	FY 2004	FY 2003	FY 2004	FY 2003
<b>Assets:</b>						
Current and other assets	\$ 30,809,344	\$ 26,747,043	\$ 7,612,949	\$ 7,646,318	\$ 38,422,293	\$ 34,393,361
Capital assets	62,701,052	58,380,255	69,829,359	61,635,951	132,530,411	120,016,206
Total assets	<u>93,510,396</u>	<u>85,127,298</u>	<u>77,442,308</u>	<u>69,282,269</u>	<u>170,952,704</u>	<u>154,409,567</u>
<b>Liabilities:</b>						
Long-term liabilities outstanding	33,056,804	36,991,934	15,672,576	9,918,536	48,729,380	46,910,470
Other liabilities	9,547,631	8,583,275	3,328,820	2,246,472	12,876,451	10,829,747
Total liabilities	<u>42,604,435</u>	<u>45,575,209</u>	<u>19,001,396</u>	<u>12,165,008</u>	<u>61,605,831</u>	<u>57,740,217</u>
<b>Net assets:</b>						
Investment in capital assets						
net of related debt	53,978,694	49,601,139	56,841,888	53,957,325	110,820,582	103,558,464
Restricted	2,093,507	1,684,063	159,657	185,808	2,253,164	1,869,871
Unrestricted	(5,166,240)	(11,733,113)	1,439,367	2,974,128	(3,726,873)	(8,758,985)
Total net assets	<u>\$ 50,905,961</u>	<u>\$ 39,552,089</u>	<u>\$ 58,440,912</u>	<u>\$ 57,117,261</u>	<u>\$ 109,346,873</u>	<u>\$ 96,669,350</u>

An additional portion of Allegany County's net assets (2.1 percent) represents resources that are subject to external restrictions on how they may be used. The County has a deficit *unrestricted net assets* balance of \$(3.7) million. The *unrestricted net assets* balance for the business-type activities was \$1.4 million and the governmental activities balance was a deficit of \$(5.2) million.

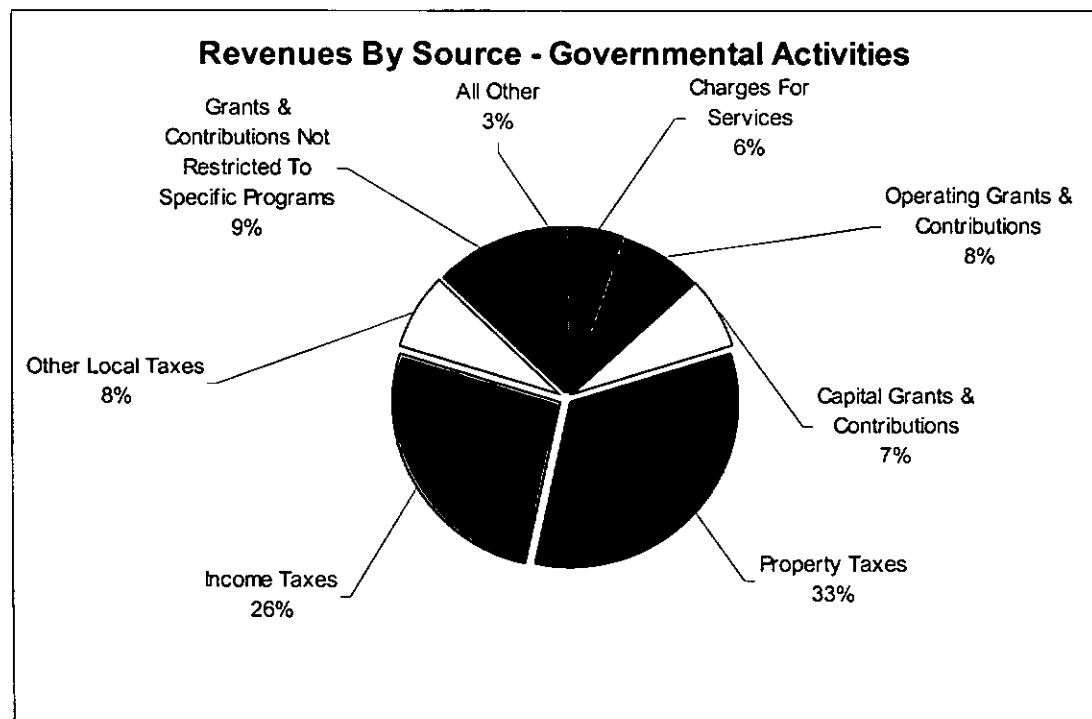
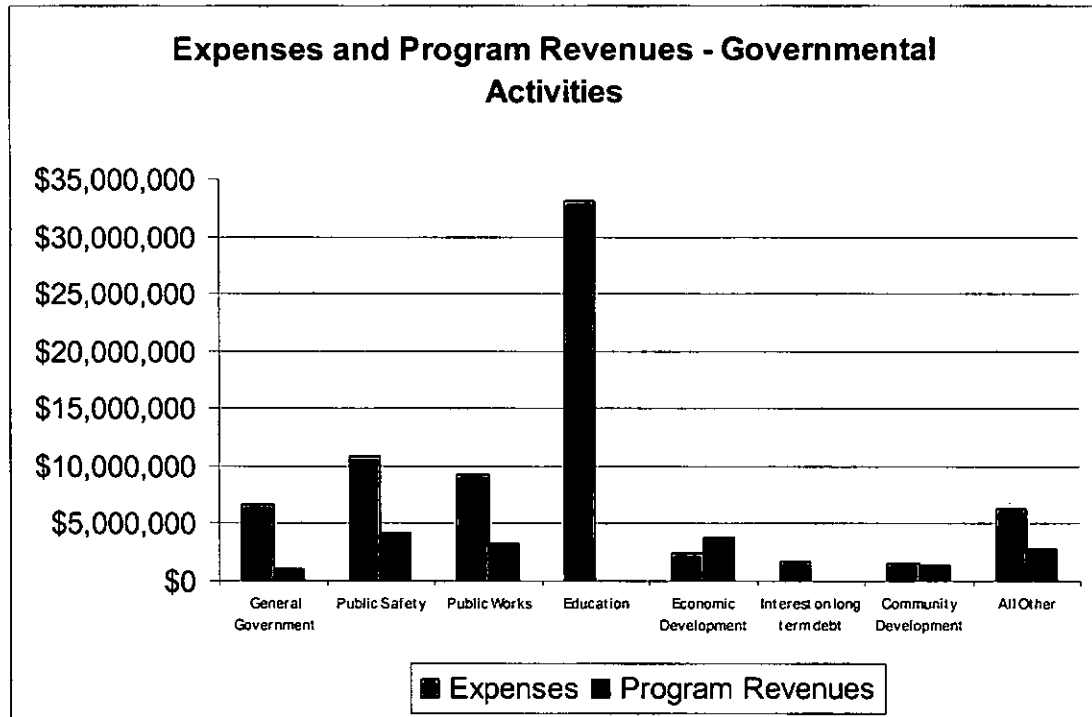
During the current fiscal year, the government's net assets increased by \$12.7 million. All of the increase was the result of revenue growth exceeding expenses which remained relatively constant from the prior year. A one time special item, the donation of land by the State of Maryland for the construction of the Allegany Highlands Trail, accounted for \$1.4 million of the increase.

ALLEGANY COUNTY'S Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	FY 2004	FY 2003	FY 2004	FY 2003	FY 2004	FY 2003
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 4,569,005	\$ 3,877,030	\$ 14,540,414	\$ 13,767,397	\$ 19,109,419	\$ 17,644,427
Operating grants and contributions	6,398,218	5,657,933	-	-	6,398,218	5,657,933
Capital grants and contributions	5,704,736	5,718,732	3,816,273	2,054,418	9,521,009	7,773,150
General revenues:						
Property taxes	26,865,528	25,545,098	542,636	474,742	27,408,164	26,019,840
Income taxes	21,536,150	19,451,155	-	-	21,536,150	19,451,155
Other local taxes	6,170,086	5,384,666	-	-	6,170,086	5,384,666
Licenses	426,638	411,923	-	-	426,638	411,923
Grants and contributions not restricted to specific programs	7,688,811	8,150,432	-	-	7,688,811	8,150,432
Unrestricted fees	102,539	224,378	-	-	102,539	224,378
Unrestricted investment earnings	827,216	1,641,108	92,621	71,022	919,837	1,712,130
Gain (loss) on sale/retirement of capital assets	(396,544)	45,381	8,676	(1,207)	(387,868)	44,174
Miscellaneous	421,048	555,409	-	8,202	421,048	563,611
Payment from component unit	-	65,050	-	-	-	65,050
Special items	1,360,990	(2,108,051)	-	-	1,360,990	(2,108,051)
<b>Total revenues</b>	<b>81,674,421</b>	<b>74,620,244</b>	<b>19,000,620</b>	<b>16,374,574</b>	<b>100,675,041</b>	<b>90,994,818</b>
<b>Expenses:</b>						
General government	6,433,962	5,649,224	-	-	6,433,962	5,649,224
Payment to data processing	264,767	255,757	-	-	264,767	255,757
Public safety	10,878,035	10,729,932	-	-	10,878,035	10,729,932
Public works	9,277,395	10,320,589	-	-	9,277,395	10,320,589
Health	377,625	359,216	-	-	377,625	359,216
Social services	3,363,143	3,148,283	-	-	3,363,143	3,148,283
Education	51,733	106,438	-	-	51,733	106,438
Payment to public school system	27,503,531	27,832,107	-	-	27,503,531	27,832,107
Payment to community college	5,575,000	5,543,512	-	-	5,575,000	5,543,512
Recreation, culture & libraries	517,927	525,002	-	-	517,927	525,002
Payment to public library system	781,000	769,000	-	-	781,000	769,000
Conservation of natural resources	232,345	336,469	-	-	232,345	336,469
Community development & housing	1,659,272	1,338,847	-	-	1,659,272	1,338,847
Economic development	2,412,668	2,865,480	-	-	2,412,668	2,865,480
Miscellaneous	20,588	18,775	-	-	20,588	18,775
Intergovernmental	1,005,981	990,488	-	-	1,005,981	990,488
Interest on long-term debt	1,741,664	1,972,084	-	-	1,741,664	1,972,084
Water	-	-	1,483,542	1,446,660	1,483,542	1,446,660
Sewer	-	-	5,796,718	5,845,641	5,796,718	5,845,641
Nursing Home	-	-	8,620,622	8,174,160	8,620,622	8,174,160
Loan fund	-	-	-	-	-	-
<b>Total expenses</b>	<b>72,096,636</b>	<b>72,761,203</b>	<b>15,900,882</b>	<b>15,466,461</b>	<b>87,997,518</b>	<b>88,227,664</b>
Increase in net assets before transfers	9,577,785	1,859,041	3,099,738	908,113	12,677,523	2,767,154
Transfers	1,776,087	882,228	(1,776,087)	(882,228)	-	-
Increase (decrease) in net assets	11,353,872	2,741,269	1,323,651	25,885	12,677,523	2,767,154
Net assets, beginning	39,552,089	36,810,820	57,117,261	57,091,376	96,669,350	93,902,196
Net assets, ending	\$ 50,905,961	\$ 39,552,089	\$ 58,440,912	\$ 57,117,261	\$ 109,346,873	\$ 96,669,350

**Governmental activities.** Governmental activities increased Allegany County's net assets by \$11.4 million, thereby accounting for 90.0 percent of the total growth in the net assets of Allegany County. Key elements of this increase are as follows:

- Property taxes increased by \$1.3 million (5.2 percent) during the year. This increase is the result of a small increase in the tax rate (1.6 cents per \$100 of assessed value) and an increase in the assessable base as a result of new construction. Property tax revenue in the business-type activities increased slightly and is restricted for the retirement of long-term debt.

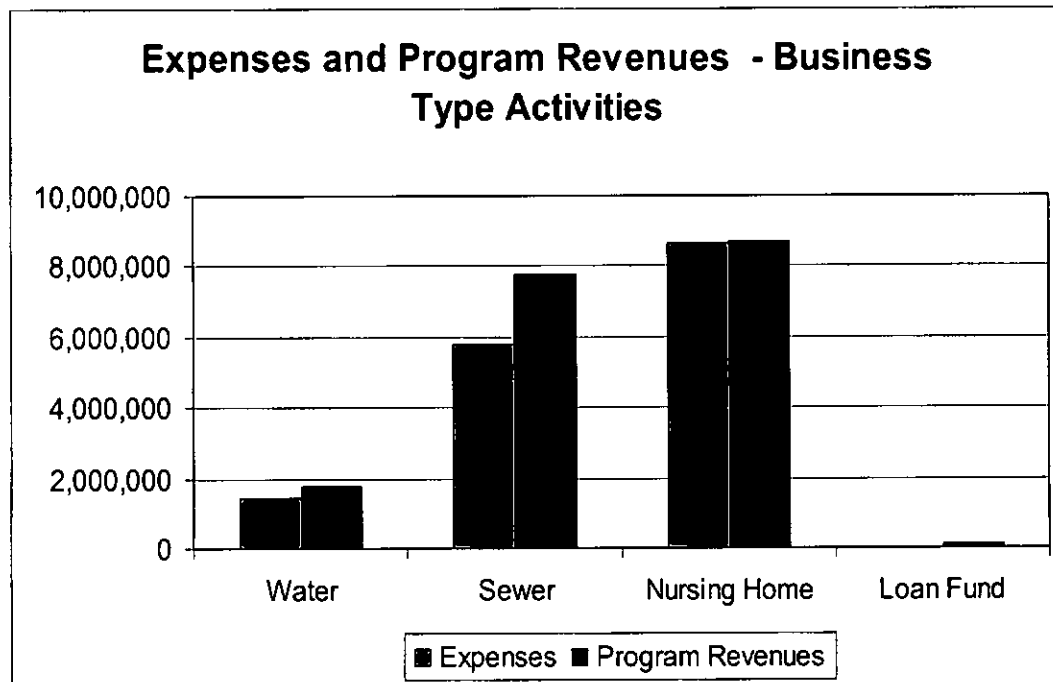
- Income taxes increased from the previous year by \$2.1 million, a 10.7 percent increase. The increase was due to an improving economy and a one time special distribution from the State of \$562,000. The income tax rate remained unchanged from the previous year.
- Service charges increased by \$ .7 million (17.8 percent). The largest factor was an increase of \$426,000 in fees for boarding federal prisoners at the County correctional center.

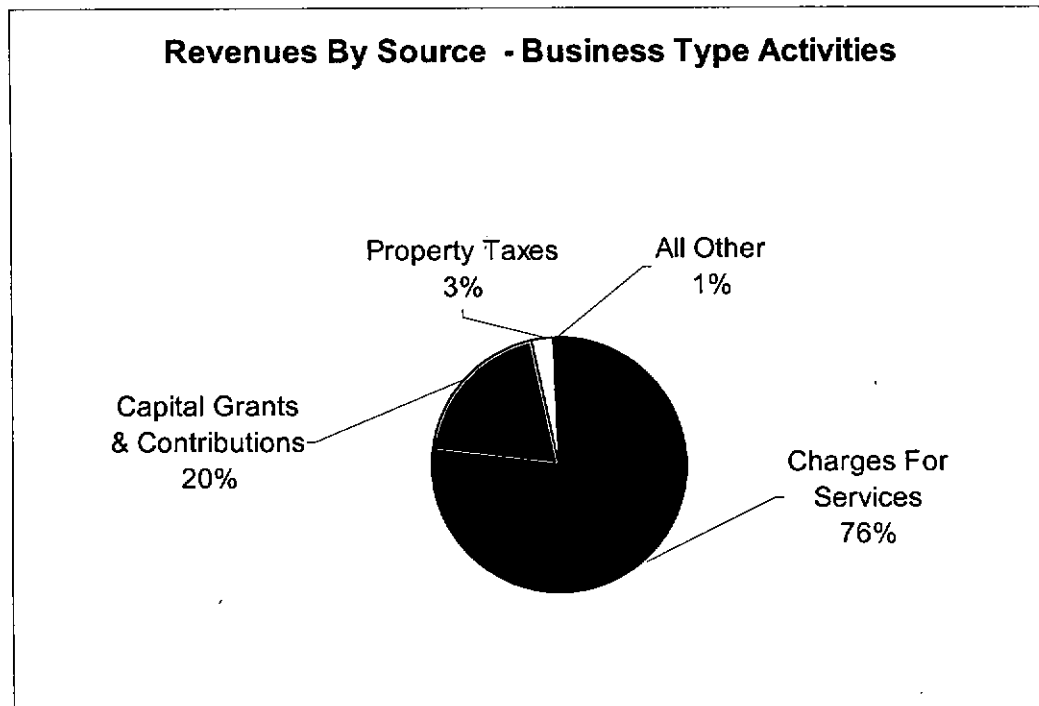


For the most part, expenses increased slightly or actually declined from the previous year. General government expenses did increase and was as a result of the establishment of the gaming fund in fiscal year 2004 and incurring administrative costs. Also, depreciation expense increased for the general government function due to the former jail being placed into service as an expansion of the circuit court offices after extensive renovations.

**Business-type activities.** Business-type activities increased Allegany County's net assets by slightly more than \$1.3 million (after transfers), accounting for 11.6 percent of the total growth in the government's net assets. Key elements of this increase are as follows.

- Charges for services for business-type activities increased by 6.8 percent. The nursing home fund accounts for a significant portion of this increase, which resulted from the approval of a rate increase and increased utilization of bed capacity. The water districts service charges increased 4.7 percent due to the addition of a new water district in fiscal year 2004, the Consol district.
- Capital contributions were a major revenue source for the sanitary districts in the current fiscal year, producing \$3.8 million in revenue. This increase is the result of federal and state grants received for upgrades to the Celanese Wastewater Treatment plant, an estimated \$14.5 million project to improve the quality of the water released from the plant. The treatment plant services two state correctional facilities, a County correctional facility, approximately 1,600 residential customers and part of an independent sewer district.
- Expenses of the business-type activities increased by \$434,000 (or 2.8%), almost all of the increase was related to the operations of the nursing home. Increased occupancy rates required additional staffing in addition to a smaller increase in other operating expenses.





#### **Financial Analysis of the Government's Funds**

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

**Governmental funds.** The focus of Allegany County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Allegany County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$20.0 million, an increase of \$3.1 million in comparison with the prior year. Approximately 85.9 percent of this total amount (\$17.2 million) constitutes *unreserved fund balance*, of which the majority is available for spending at the government's discretion. Some amounts reported as *unreserved/designated fund balance*, are not available due to the single purpose of the fund being restricted and the requirement the fund balance be reported as unreserved. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for non-current assets, \$2.7 million, and 2) for a variety of other restricted purposes, \$.1 million.

The general fund is the chief operating fund of Allegany County. At the end of the current fiscal year, *unreserved/undesignated fund balance* of the general fund was \$1.8 million, while total fund balance reached \$12.7 million. As a measure of the general fund's liquidity, it may be useful to compare both *unreserved/undesignated fund balance* and total fund balance to total fund expenditures. *Unreserved/undesignated fund balance* represents 3.2 percent of total general fund expenditures, while total fund balance represents 22.7 percent of that same amount.

The fund balance of Allegany County's general fund increased by \$2.1 million during the current fiscal year. Key factors in the growth are as follows:

- Increases in the property tax rate (1.6 cents per \$100 of assessed value) and assessments as previously discussed resulted in an increases of net property taxes \$704,000.
- Income taxes increased \$2.1 million, or 11.1% due to an improving economy and a special one time distribution from the State of Maryland of \$561,700.
- Recordation taxes increased \$626,000 due to a rate increase from \$2.20 to \$3.00 per \$500 of value and the sale of some high dollar value property.

The highway fund has a total fund balance of \$1.2 million, all of which is unreserved. The net decrease in fund balance during the current year was less than \$(30,000). The Office of Children, Youth and Families fund's total fund balance was \$118,000 which is restricted for fund purposes and was basically unchanged from the prior year. The capital projects fund had a deficit total fund balance at year end of \$(200,000), a decrease of \$500,000 from the prior year. The pay-as-you-go capital project fund's total fund balance increased by \$700,000 to \$2.5 million all of which is unreserved.

**Proprietary funds.** Allegany County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net assets at year end and the change in net assets during the current year are highlighted below:

	Water Districts	Sanitary Districts	Nursing Home	Loan Fund	Totals
Net assets:					
Invested in capital assets, net of related debt	\$ 13,857,722	\$ 40,660,116	\$ 2,324,050	\$ -	\$ 56,841,888
Restricted for debt service		159,657	-	-	159,657
Unrestricted	(1,106,074)	570,622	(444,710)	2,419,529	1,439,367
Total net assets	<u>\$ 12,751,648</u>	<u>\$ 41,390,395</u>	<u>\$ 1,879,340</u>	<u>\$ 2,419,529</u>	<u>\$ 58,440,912</u>
Change in net assets during the year, increase (decrease)	<u>\$ 326,158</u>	<u>\$ 2,575,475</u>	<u>\$ 69,473</u>	<u>\$ (1,647,725)</u>	<u>\$ 1,323,381</u>

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

### General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$566,172 increase in appropriations and transfers out) and can be briefly summarized as follows:

- \$41,600 in miscellaneous increases in general government activities
- \$188,828 in increases allocated to public safety, of which the majority was the sheriff's department, \$121,462, and the correctional center, \$44,440.
- \$132,324 in increases allocated to public works for the Upper Potomac River Commission.
- \$16,500 in increases for miscellaneous items and transfers out.

Of this increase, \$50,000 was to be funded out of contingencies, \$101,344 from available fund balance and the remainder, \$414,828, was to be paid for by increases in service charges and operating grants. Revenues exceeded budgetary estimates by \$4.8 million and expenditures were less than budgetary estimates by \$681,725. After allowing for other financing sources and uses, the fund balance of the general fund increased by \$2.1 million.

### 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, 2004 amounts to \$132.5 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 10.4 percent (a 7.4 percent increase for governmental activities and a 13.3 percent increase for business-type activities). Major capital asset events during the current fiscal year included the following:

- Construction continued on the Celanese waste water treatment plant in Cresaptown; additional costs incurred during the current fiscal year were \$8.4 million, construction in progress as of the close of the fiscal year had reached \$10.7 million.
- Construction started on the Klondike water project; construction in progress as of the end of the current fiscal year had reached \$.9 million.
- The Barton industrial park construction costs were \$1.9 million during the year; construction in progress at the end of the year was \$2.0 million.
- The State of Maryland donated land with a estimated value of \$1.4 million to the County in fiscal year 2004 for use as part of the Allegany Highlands Trail for use as a hiking and biking trail.

ALLEGANY COUNTY'S Capital Assets  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 11,866,134	\$ 7,813,116	\$ 34,288	\$ 34,288	\$ 11,900,422	\$ 7,847,404
Work in Progress	3,278,693	2,247,480	12,004,194	3,695,780	15,282,887	5,943,260
Buildings	31,876,240	31,803,711	1,446,596	1,478,551	33,322,836	33,282,262
Infrastructure	11,025,339	11,481,332	52,848,350	52,894,725	63,873,689	64,376,057
Furniture & fixtures	171,411	183,720	698,280	761,125	869,691	944,845
Equipment	1,475,419	1,396,312	462,134	492,809	1,937,553	1,889,121
Vehicles	1,603,321	1,844,161	261,744	212,471	1,865,065	2,056,632
Heavy equipment	925,532	1,093,593	99,568	7,476	1,025,100	1,101,069
Other fixed assets	478,962	516,830	1,974,205	2,058,726	2,453,167	2,575,556
Total	<u>\$ 62,701,051</u>	<u>\$ 58,380,255</u>	<u>\$ 69,829,359</u>	<u>\$ 61,635,951</u>	<u>\$ 132,530,410</u>	<u>\$ 120,016,206</u>

Additional information on Allegany County's capital assets can be found in note 7 on pages C-40 - C-41 of this report.

**Long-term debt.** At the end of the current fiscal year, Allegany County had total debt outstanding of \$49.6 million. Of this amount, \$27.9 is general obligation bonds and \$8.7 million is debt incurred with other entities for which the full faith and credit of the County has also been pledged. The \$13 million of debt for the business-type activities is either paid from revenues restricted for that purpose or by user fees (revenue bonds).

ALLEGANY COUNTY'S Outstanding Debt  
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General obligation	\$ 27,945,000	\$ 31,580,000	\$ -	\$ -	\$ 27,945,000	\$ 31,580,000
Notes	864,699	941,011	-	-	864,699	941,011
Capital leases	-	41,978	-	-	-	41,978
State loans	7,787,748	7,667,455	8,432,882	1,842,994	16,220,630	9,510,449
Federal loans	-	-	4,376,801	4,328,913	4,376,801	4,328,913
County loans	-	-	177,788	1,506,717	177,788	1,506,717
Total	<u>\$ 36,597,447</u>	<u>\$ 40,230,444</u>	<u>\$ 12,987,471</u>	<u>\$ 7,678,624</u>	<u>\$ 49,584,918</u>	<u>\$ 47,909,068</u>

Allegany County's total debt increased by \$1,675,850 (3.5 percent) during the current fiscal year. The key factor in this increase was \$5.7 million of debt issued for improvements to the Celanese Waste Water Treatment Plant.

During the current fiscal year, the government refinanced some of its existing debt to take advantage of favorable interest rates.



- Allegany County borrowed \$1.1 million from the State of Maryland at an interest rate of .88 percent to refinance an advance from the general fund with an interest rate of 5.5 percent.

Allegany County has an "A-" rating from Standard & Poor's and a "Baa1" rating from Moody's for general obligation debt.

Additional information on Allegany County's long-term debt can be found in note 10 on pages C-46 – C-49 of this report.

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

- The unemployment rate for June 2004 for Allegany County was 7.6 percent, which was an increase from 5.9 percent for June 2003.

All of these factors were considered in preparing Allegany County's budget for the 2005 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$10.0 million. Allegany County has appropriated \$1.9 million of this amount for spending in the 2005 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2005 fiscal year.

The sewer and water district minimum service charges were increased \$1 per quarter (1.9 percent) for the 2005 budget year. These rate increases were necessary to pay for the rising costs of operations which were consistent with the rate of inflation.

#### **Requests for Information**

This financial report is designed to provide a general overview of Allegany County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Allegany County Finance Director, 701 Kelly Road, Suite 205, Cumberland, Maryland 21502 or e-mail at [finance@allconet.org](mailto:finance@allconet.org).

# **BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT WIDE  
FINANCIAL  
STATEMENTS**

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**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2004**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library	LaVale Sanitary Commission
<b>ASSETS:</b>							
Current Assets:							
Cash	\$ 8,861,646	\$ 454,800	\$ 9,316,446	\$ 8,103,987	\$ 1,314,142	\$ 140,287	\$ 1,212,545
Investments	6,866,750	714,476	7,581,226	6,472,365	4,439,831	1,324,420	-
Property taxes receivable	2,682,501	-	2,682,501	-	-	-	-
Receivables:							
Accounts	-	4,141,576	4,141,576	-	488,826	1,100	587,156
Loans to enterprise funds	59,364	-	59,364	-	-	-	-
Other	12,900,632	579,594	13,480,226	4,416,297	1,051,997	-	73,034
Prepaid expenditures/expenses	70,818	22,707	93,525	-	12,097	1,995	14,859
Internal balances	(1,155,959)	1,155,959	-	-	-	-	-
Inventory	30,471	120,427	150,898	269,467	218,113	-	195,302
Miscellaneous	292,875	-	292,875	-	-	-	-
Restricted Assets:							
Cash	81,822	263,753	345,575	-	475,935	-	-
Investments	-	-	-	-	4,811,694	-	-
Taxes	-	63,941	63,941	-	-	-	-
Receivables	-	95,716	95,716	-	-	-	-
Non-current Assets:							
Receivables	-	-	-	-	137,851	-	-
Loans to enterprise funds	118,424	-	118,424	-	-	-	-
Capital assets	105,457,561	91,607,110	197,064,671	120,801,935	44,529,641	8,710,470	15,628,232
Accumulated depreciation	(46,035,202)	(33,781,945)	(79,817,147)	(62,662,055)	(19,778,921)	(5,207,769)	(7,030,057)
Work In Progress	3,278,693	12,004,194	15,282,887	-	-	-	123,701
Total Assets	<u>93,510,396</u>	<u>77,442,308</u>	<u>170,952,704</u>	<u>77,401,996</u>	<u>37,701,206</u>	<u>4,970,503</u>	<u>10,804,772</u>
<b>LIABILITIES:</b>							
Current Liabilities:							
Accounts payable	2,980,708	2,016,867	4,997,575	3,778,204	572,764	4,278	231,928
Accrued wages payable	679,166	231,943	911,109	685,602	535,785	26,782	-
Accrued fringe benefits payable	273,142	97,059	370,201	6,223,463	-	-	-
Accrued interest	422,818	87,522	510,340	-	-	-	345
Current portion of long-term debt:							
Long-term debt	4,052,760	589,440	4,642,200	106,893	-	-	10,489
Capital leases	-	-	-	-	141,681	-	-
Loans from general fund	-	59,364	59,364	-	-	-	-
Due to Agency Fund	242,048	-	242,048	-	-	-	-
Deferred revenue	282,671	-	282,671	1,168,677	383,171	-	-
Miscellaneous liabilities	614,318	246,625	860,943	1,540,971	1,169,821	-	-
Non-current liabilities:							
Cash advance due general fund	(2,708,884)	2,708,884	-	-	-	-	-
Bonds and loans	32,544,687	12,220,243	44,764,930	-	485,994	-	581,809
Capital leases	-	-	-	-	178,266	-	-
Loans from general fund	-	118,424	118,424	-	-	-	-
Compensated absences	3,221,001	625,025	3,846,026	2,612,534	-	43,482	-
Total Liabilities	<u>42,604,435</u>	<u>19,001,396</u>	<u>61,605,831</u>	<u>16,116,344</u>	<u>3,467,482</u>	<u>74,542</u>	<u>824,571</u>
<b>NET ASSETS</b>							
Invested in capital assets net of related debt	53,978,694	56,841,888	110,820,582	58,139,880	23,957,326	3,502,701	8,129,578
Restricted for:							
Public safety	486,505	-	486,505	-	-	-	-
Highways	777,613	-	777,613	-	-	-	-
Community development & housing	711,287	-	711,287	-	-	-	-
Office for Children, Youth and Families	118,102	-	118,102	-	-	-	-
Other purposes	-	159,657	159,657	1,185,617	4,661,894	394,288	-
Unrestricted	(5,166,240)	1,439,367	(3,726,873)	1,960,155	5,614,504	998,972	1,850,623
Total Net Assets	<u>\$ 50,905,961</u>	<u>\$ 58,440,912</u>	<u>\$ 109,346,873</u>	<u>\$ 61,285,652</u>	<u>\$ 34,233,724</u>	<u>\$ 4,895,961</u>	<u>\$ 9,980,201</u>

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

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

Functions/Programs	Expenses		Expenses		Program Revenues		
	Before Indirect Expense Allocation	Indirect Expense Allocation	After Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government::</b>							
Governmental activities:							
General government:	\$ 6,927,552	\$ (493,590)	\$ 6,433,962	\$ 264,124	\$ 425,539	\$ 400,000	
Payment to data processing	264,767	-	264,767	-	-	-	
Public safety	10,878,035	-	10,878,035	1,903,640	1,231,484	1,060,160	
Public works	9,248,359	29,036	9,277,395	915,434	565,706	1,758,438	
Health	377,625	-	377,625	-	21,847	-	
Social services	3,274,108	89,035	3,363,143	12,247	2,431,251	-	
Education:	51,733	-	51,733	-	-	-	
Payment to public school system	27,503,531	-	27,503,531	-	-	-	
Payment to community college	5,575,000	-	5,575,000	-	-	-	
Recreation, culture & libraries:	517,927	-	517,927	260,034	66,862	-	
Payment to public library system	781,000	-	781,000	-	-	-	
Conservation of natural resources	232,345	-	232,345	36,346	20,000	2,384	
Community development and housing	-	-	-	-	-	-	
housing	1,659,272	-	1,659,272	24,997	1,384,491	-	
Economic development	2,412,668	-	2,412,668	1,152,183	251,038	2,483,754	
Miscellaneous	20,588	-	20,588	-	-	-	
Intergovernmental	1,005,981	-	1,005,981	-	-	-	
Interest on long term debt	1,741,664	-	1,741,664	-	-	-	
Total governmental activities	<u>72,472,155</u>	<u>(375,519)</u>	<u>72,096,636</u>	<u>4,569,005</u>	<u>6,398,218</u>	<u>5,704,736</u>	
Business-type activities:							
Water	1,454,064	29,478	1,483,542	1,107,522	-	684,727	
Sewer	5,676,286	120,432	5,796,718	4,614,481	-	3,131,546	
Nursing Home	8,395,013	225,609	8,620,622	8,690,049	-	-	
Loan fund	-	-	-	128,362	-	-	
Total business-type activities	<u>15,525,363</u>	<u>375,519</u>	<u>15,900,882</u>	<u>14,540,414</u>	<u>-</u>	<u>3,816,273</u>	
Total primary government	<u>\$ 87,997,518</u>	<u>\$ -</u>	<u>\$ 87,997,518</u>	<u>\$ 19,109,419</u>	<u>\$ 6,398,218</u>	<u>\$ 9,521,009</u>	
<b>Component units:</b>							
Board of Education			\$ 96,667,701	\$ 3,832,740	\$ 18,150,560	\$ 1,563,000	
Allegany College of Md.			26,265,093	10,698,541	10,329,757	154,720	
County Library			1,611,467	49,650	8,461	-	
LaVale Sanitary Commission			2,934,994	2,704,286	-	1,239	
Total component units			<u>\$ 127,479,255</u>	<u>\$ 17,285,217</u>	<u>\$ 28,488,778</u>	<u>\$ 1,718,959</u>	

General revenues:  
 Property taxes  
 Income taxes  
 Other local taxes  
 Appropriation from Allegany County  
 Licenses  
 Grants & contributions not restricted  
 to specific programs  
 Unrestricted fees  
 Unrestricted investment earnings  
 Gain (loss) on sale/retirement of capital assets  
 Miscellaneous  
 Payment from component unit  
 Transfers  
 Special item,  
   Donated assets  
 Total general revenues, transfers and special items  
 Change in net assets  
 Net assets - beginning as restated  
 Net assets - ending

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

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Board of Education	Allegany College of MD	County Library	LaVale Sanitary Commission
\$ (5,344,299)	\$ -	\$ (5,344,299)	\$ -	\$ -	\$ -	\$ -
(264,767)	-	(264,767)	-	-	-	-
(6,682,751)	-	(6,682,751)	-	-	-	-
(6,037,817)	-	(6,037,817)	-	-	-	-
(355,778)	-	(355,778)	-	-	-	-
(919,645)	-	(919,645)	-	-	-	-
(51,733)	-	(51,733)	-	-	-	-
(27,503,531)	-	(27,503,531)	-	-	-	-
(5,575,000)	-	(5,575,000)	-	-	-	-
(191,031)	-	(191,031)	-	-	-	-
(781,000)	-	(781,000)	-	-	-	-
(173,615)	-	(173,615)	-	-	-	-
(249,784)	-	(249,784)	-	-	-	-
1,474,307	-	1,474,307	-	-	-	-
(20,588)	-	(20,588)	-	-	-	-
(1,005,981)	-	(1,005,981)	-	-	-	-
(1,741,664)	-	(1,741,664)	-	-	-	-
(55,424,677)	-	(55,424,677)	-	-	-	-
-	308,707	308,707	-	-	-	-
-	1,949,309	1,949,309	-	-	-	-
-	69,427	69,427	-	-	-	-
-	128,362	128,362	-	-	-	-
-	2,455,805	2,455,805	-	-	-	-
(55,424,677)	2,455,805	(52,968,872)	-	-	-	-
-	-	-	(73,121,401)	-	-	-
-	-	-	-	(5,082,075)	-	-
-	-	-	-	-	(1,553,356)	-
-	-	-	-	-	-	(229,469)
-	-	-	(73,121,401)	(5,082,075)	(1,553,356)	(229,469)
26,865,528	542,636	27,408,164	-	-	-	363,698
21,536,150	-	21,536,150	-	-	-	378,439
6,170,086	-	6,170,086	-	-	-	-
-	-	-	25,930,000	5,575,000	781,000	-
426,638	-	426,638	-	-	-	-
7,688,811	-	7,688,811	46,295,594	-	633,117	-
102,539	-	102,539	-	-	-	-
827,216	92,621	919,837	185,260	133,806	23,387	19,728
(396,544)	-	(396,544)	2,862	(70,909)	(48,460)	21,378
421,048	8,676	429,724	550,460	114,276	97,104	-
-	-	-	-	-	-	-
1,776,087	(1,776,087)	-	-	-	-	-
1,360,990	-	1,360,990	-	-	-	-
66,778,549	(1,132,154)	65,646,395	72,964,176	5,752,173	1,486,148	783,243
11,353,872	1,323,651	12,677,523	(157,225)	670,098	(67,208)	553,774
39,552,089	57,117,261	96,669,350	61,442,877	33,563,626	4,963,169	9,426,427
\$ 50,905,961	\$ 58,440,912	\$ 109,346,873	\$ 61,285,652	\$ 34,233,724	\$ 4,895,961	\$ 9,980,201

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



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**FUND**  
**FINANCIAL**  
**STATEMENTS**

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**ALLEGANY COUNTY, MARYLAND**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2004**

<b>ASSETS;</b>	<b>General Fund</b>	<b>Highway Fund</b>	<b>Office of Children Youth &amp; Families</b>	<b>Capital Improvements Projects Fund</b>	<b>Pay-As-You-Go Capital Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
Cash	\$ 7,267,043	\$ -	\$ -	\$ -	\$ 1,500,000	\$ 94,603	\$ 8,861,646
Cash -restricted	-	-	-	-	-	81,822	81,822
Investments	5,451,550	-	-	656,510	-	758,690	6,866,750
Property tax receivable	2,832,501	-	-	-	-	-	2,832,501
Receivables	-	-	-	-	-	-	-
Notes and loans	-	-	-	-	-	425,083	425,083
Other receivables	3,857,104	698,024	393,400	307,692	690	1,169,926	6,426,836
Due from other funds	-	847,045	706,184	-	1,598,876	2,044,225	5,196,330
Advances to other funds	2,708,884	-	-	-	-	-	2,708,884
Inventory	-	-	-	-	-	30,471	30,471
Prepays	433	-	-	-	-	70,385	70,818
Miscellaneous assets	292,875	-	-	-	-	-	292,875
<b>Total Assets</b>	<b>22,410,390</b>	<b>1,545,069</b>	<b>1,099,584</b>	<b>964,202</b>	<b>3,099,566</b>	<b>4,675,205</b>	<b>33,794,016</b>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
Accounts payable	599,692	94,667	725,288	513,425	599,097	448,539	2,980,708
Accrued payroll	523,936	112,156	10,820	-	-	32,254	679,166
Accrued payroll fringe	194,121	60,933	3,691	-	-	14,397	273,142
Due to other funds	5,585,422	-	-	654,060	-	177,067	6,416,549
Amounts held in escrow	143,219	118,000	-	-	-	234,414	495,633
Deferred revenue	2,558,194	-	238,977	-	-	60,954	2,858,125
Miscellaneous liabilities	106,253	-	2,706	-	-	9,726	118,685
<b>Total Liabilities</b>	<b>9,710,837</b>	<b>385,756</b>	<b>981,482</b>	<b>1,167,485</b>	<b>599,097</b>	<b>977,351</b>	<b>13,822,008</b>
<b>Fund Balances:</b>							
<b>Reserved:</b>							
For non-current assets	2,708,884	-	-	-	-	-	2,708,884
For prepaid items	433	-	-	-	-	70,385	70,818
For inventories	-	-	-	-	-	30,471	30,471
<b>Unreserved/Designated:</b>							
<b>For next fiscal year:</b>							
General fund	1,924,062	-	-	-	-	-	1,924,062
Special revenue funds	-	300,000	-	-	-	363,829	663,829
Capital project funds	-	-	-	-	1,466,045	-	1,466,045
For contingencies	5,500,000	-	-	-	-	-	5,500,000
<b>For specific programs, reported in:</b>							
General fund	792,107	-	-	-	-	-	792,107
Special revenue funds	-	-	118,102	-	-	1,831,619	1,949,721
Debt service fund	-	-	-	-	-	1,150,000	1,150,000
Capital Project funds	-	-	-	-	1,034,424	-	1,034,424
Undesignated	1,774,067	859,313	-	(203,283)	-	251,550	2,681,647
<b>Total Fund Balances</b>	<b>12,699,553</b>	<b>1,159,313</b>	<b>118,102</b>	<b>(203,283)</b>	<b>2,500,469</b>	<b>3,697,854</b>	<b>19,972,008</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 22,410,390</b>	<b>\$ 1,545,069</b>	<b>\$ 1,099,584</b>	<b>\$ 964,202</b>	<b>\$ 3,099,566</b>	<b>\$ 4,675,205</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	62,701,052
Other long-term assets are not available to pay current -period expenditures and are deferred in the funds.	5,898,713
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(39,818,448)
Other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	2,152,636

Net assets of governmental activities \$ 50,905,961

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, 2004**

	General Fund	Highway Fund	Office of Children Youth & Families	Capital Improvements Projects Fund	Pay-As-You-Go Capital Projects Fund	Other Governmental Funds	Total
<b>REVENUES:</b>							
Taxes:							
Property taxes	\$ 27,527,977	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,527,977
Income taxes	21,536,150	-	-	-	-	-	21,536,150
Other local taxes	2,702,537	3,360,759	-	-	-	502,505	6,565,801
Licenses and permits	606,228	-	-	-	-	-	606,228
Intergovernmental:							
Federal	1,020,942	6,079	-	1,085,485	1,291,143	1,644,122	5,047,771
State	9,095,578	114,102	1,408,487	427,647	539,424	2,411,877	13,997,115
Other	53,618	-	13,247	111,011	-	91,703	269,579
Service charges	2,166,297	-	-	-	-	287,792	2,454,089
Fines and forfeitures	(23,118)	-	-	-	-	25,678	2,560
Interest	154,836	-	3,383	6,269	23,640	6,435	194,563
Miscellaneous	310,089	209	-	237,569	(41,050)	1,624,529	2,131,346
Total Revenues	<u>65,151,134</u>	<u>3,481,149</u>	<u>1,425,117</u>	<u>1,867,981</u>	<u>1,813,157</u>	<u>6,594,641</u>	<u>80,333,179</u>
<b>EXPENDITURES:</b>							
Current:							
General government	5,722,106	-	-	-	-	108,731	5,830,837
Public safety	10,126,674	-	-	-	-	404,717	10,531,391
Public works	2,088,850	5,048,992	-	-	-	1,046,599	8,184,441
Health and Hospitals	314,944	-	-	-	-	-	314,944
Social Services	1,826,904	-	1,421,734	-	-	92,062	3,340,700
Education	7,125	-	-	-	-	-	7,125
Recreation, culture and libraries	416,091	-	-	-	-	-	416,091
Conservation of natural resources	223,675	-	-	-	-	-	223,675
Community Development and Housing	102,266	-	-	-	-	1,538,001	1,640,267
Economic development	1,497,819	-	-	-	-	1,280,380	2,778,199
Miscellaneous	9,953	-	-	-	-	8,768	18,721
Appropriation to other governments	1,005,981	-	-	-	-	-	1,005,981
Payments to component units	32,550,767	-	-	-	-	-	32,550,767
Debt Service:							
Principal	-	-	-	-	-	4,221,604	4,221,604
Interest	-	-	-	-	-	1,839,382	1,839,382
Capital Outlay:							
General government	-	-	-	-	556,986	192,423	749,409
Public safety	-	-	-	420,401	3,160	-	423,561
Public works	-	-	-	822,787	-	69	822,856
Education	-	-	-	-	-	44,608	44,608
Recreation, culture and libraries	-	-	-	205,476	-	-	205,476
Conservation of natural resources	-	-	-	-	-	-	-
Economic development	-	-	-	1,015,220	1,901,442	-	2,916,662
Miscellaneous	-	-	-	-	-	1,867	1,867
Payments to component units	-	-	-	618,755	960,802	(6,026)	1,573,531
Total Expenditures	<u>55,893,155</u>	<u>5,048,992</u>	<u>1,421,734</u>	<u>3,082,639</u>	<u>3,422,390</u>	<u>10,773,185</u>	<u>79,642,095</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Transfers in	782,248	1,619,312	-	319,475	2,537,109	6,477,485	11,735,629
Internal transfers	-	-	-	53,934	(53,934)	-	-
Transfers out	(7,934,586)	(80,920)	-	(260,000)	(190,960)	(1,493,074)	(9,959,540)
Issuance of debt	-	-	-	588,607	-	-	588,607
Sale of capital assets	18,674	-	-	-	-	-	18,674
Total Other Financing Sources and uses	<u>(7,133,664)</u>	<u>1,538,392</u>	<u>-</u>	<u>702,016</u>	<u>2,292,215</u>	<u>4,984,411</u>	<u>2,383,370</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,124,315	(29,451)	3,383	(512,642)	682,982	805,867	3,074,454
Fund balance, beginning	10,575,238	1,188,764	114,719	309,359	1,817,487	2,891,987	16,897,554
Fund balance, ending	<u>\$ 12,699,553</u>	<u>\$ 1,159,313</u>	<u>\$ 118,102</u>	<u>\$ (203,283)</u>	<u>\$ 2,500,469</u>	<u>\$ 3,697,854</u>	<u>\$ 19,972,008</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, 2004**

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)		\$ 3,074,454
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. This is the amount by which capital outlays exceed depreciation in the current period.		
Capital outlay	\$ 6,412,199	
Depreciation	<u>(3,024,850)</u>	3,387,349
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.		933,449
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		389,117
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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Debt proceeds	\$ (588,607)	
Payment of principal	<u>4,221,604</u>	3,632,997
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.		<u>(63,494)</u>
Change in net assets of governmental activities (pages C6-C7)		<u>\$ 11,353,872</u>

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

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**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**June 30, 2004**

<b>ASSETS</b>	<b>Allegany County Water Districts</b>	<b>Allegany County Sanitary Districts</b>	<b>Allegany County Nursing Home</b>	<b>Allegany County Loan Fund</b>	<b>Total</b>
Current Assets:					
Cash:					
Cash	\$ -	\$ 453,600	\$ 1,200	\$ -	\$ 454,800
Cash - restricted	-	263,753	-	-	263,753
Investments	331,337	383,139	-	-	714,476
Receivables:	-	-	-	-	-
Accounts (net)	324,181	958,845	1,226,967	1,631,583	4,141,576
Taxes - restricted	-	63,941	-	-	63,941
Accounts (net) - restricted	-	95,716	-	-	95,716
Other	2,332	473,972	103,290	-	579,594
Due from other funds	-	4,226,197	-	610,158	4,836,355
Prepaid expenses	-	-	22,707	-	22,707
Inventory	-	94,095	26,332	-	120,427
Non-current Assets:					
Advances to other funds	-	-	-	177,788	177,788
Property, plant and equipment	19,758,067	66,453,834	5,395,209	-	91,607,110
Construction in Progress	1,134,853	10,860,061	9,280	-	12,004,194
Depreciation	(3,703,476)	(26,998,030)	(3,080,439)	-	(33,781,945)
<b>Total Assets</b>	<b>17,847,294</b>	<b>57,329,123</b>	<b>3,704,546</b>	<b>2,419,529</b>	<b>81,300,492</b>
<b>LIABILITIES</b>					
Current Liabilities:					
Accounts payable	154,954	1,656,227	205,686	-	2,016,867
Accrued payroll	-	34,439	197,504	-	231,943
Accrued payroll fringe	-	14,571	82,488	-	97,059
Accrued interest	12,787	74,735	-	-	87,522
Current portion of long-term debt					
Revenue debt:					
Bonds and loans	43,937	545,503	-	-	589,440
Advances from other funds	1,681	57,683	-	-	59,364
Due to other funds	746,183	3,112,001	-	-	3,858,184
Miscellaneous liabilities	-	246,625	-	-	246,625
Noncurrent Liabilities:					
Cash advance due to General Fund	850,000	900,000	958,884	-	2,708,884
Long term debt:					
Revenue debt:					
Bonds and loans	3,282,974	8,937,269	-	-	12,220,243
Advance from other funds	3,130	115,294	-	-	118,424
Compensated absences	-	244,381	380,644	-	625,025
<b>Total Liabilities</b>	<b>5,095,646</b>	<b>15,938,728</b>	<b>1,825,206</b>	<b>-</b>	<b>22,859,580</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	13,857,722	40,660,116	2,324,050	-	56,841,888
Restricted for debt service	-	159,657	-	-	159,657
Unrestricted	(1,106,074)	570,622	(444,710)	2,419,529	1,439,367
<b>Total Net Assets</b>	<b>\$ 12,751,648</b>	<b>\$ 41,390,395</b>	<b>\$ 1,879,340</b>	<b>\$ 2,419,529</b>	<b>\$ 58,440,912</b>

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



**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
<b>OPERATING REVENUES:</b>					
Service charges	\$ 1,108,818	\$ 4,520,994	\$ -	\$ -	\$ 5,629,812
Patient fees	-	-	8,621,829	-	8,621,829
Miscellaneous	-	94,141	68,422	128,362	290,925
Total Operating Revenues	1,108,818	4,615,135	8,690,251	128,362	14,542,566
<b>OPERATING EXPENSES:</b>					
Salaries	136,769	614,296	3,958,011	-	4,709,076
Employee benefits	64,654	285,049	2,054,839	-	2,404,542
Office expenses	1,531	36,241	165,702	-	203,474
Utilities	593,714	1,214,848	166,383	-	1,974,945
Repairs & maintenance	45,335	187,387	108,310	-	341,032
Contractual services	1,500	37,857	24,777	-	64,134
Treatment costs	-	1,258,456	-	-	1,258,456
Professional services	-	29,288	776,238	-	805,526
Materials and supplies	34,658	206,137	785,193	-	1,025,988
Insurance	1,182	97,565	113,938	-	212,685
Indirect cost	29,478	120,430	225,609	-	375,517
Miscellaneous	825	19,633	26,510	-	46,968
Depreciation	429,513	1,470,390	215,112	-	2,115,015
Total operating expenses	1,339,159	5,577,577	8,620,622	-	15,537,358
Operating Income (Loss)	(230,341)	(962,442)	69,629	128,362	(994,792)
<b>NON-OPERATING INCOME (EXPENSES)</b>					
Real and personal property taxes	-	538,879	-	-	538,879
Interest & penalties on taxes	-	17,625	-	-	17,625
Discounts on taxes	-	(2,751)	-	-	(2,751)
Enterprise/industrial exemptions	-	(73)	-	-	(73)
Collection fees	-	(11,044)	-	-	(11,044)
Front footage assessments	-	125,815	-	-	125,815
Interest income	16,155	71,790	114	-	88,059
Interest income, debt service	-	3,269	-	-	3,269
Interest expense	(144,383)	(219,141)	-	-	(363,524)
Other income (expense)	-	7,818	-	-	7,818
Total non-operating revenue (expenses)	(128,228)	532,187	114	-	404,073
Income (Loss) before contributions and transfers	(358,569)	(430,255)	69,743	128,362	(590,719)
Federal grants	622,179	82,720	-	-	704,899
State grants	41,900	2,423,010	-	-	2,464,910
Other grants	20,648	500,000	-	-	520,648
Transfer in	-	-	-	60,000	60,000
Transfer out	-	-	-	(1,836,087)	(1,836,087)
Change in net assets	326,158	2,575,475	69,743	(1,647,725)	1,323,651
Total net assets - beginning	12,425,490	38,814,920	1,809,597	4,067,254	57,117,261
Total net assets - ending	\$ 12,751,648	\$ 41,390,395	\$ 1,879,340	\$ 2,419,529	\$ 58,440,912

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, 2004**

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
<b>Cash flows from operating activities:</b>					
Cash received from customers	\$ 1,124,407	\$ 4,586,831	\$ 8,505,668	\$ 1,778,543	\$ 15,995,449
Cash payments for goods and services	(609,853)	(3,126,287)	(2,339,820)	-	(6,075,960)
Cash payments to employees for services	(201,423)	(933,891)	(5,915,237)	-	(7,050,551)
Other operating revenues	-	107,233	68,422	-	175,655
Net cash provided by operating activities	313,131	633,886	319,033	1,778,543	3,044,593
<b>Cash flows from noncapital financing activities:</b>					
Advances from other funds	2,771,341	22,614,284	8,599,313	652,176	34,637,114
Advances to other funds	(2,043,454)	(24,215,947)	(8,803,278)	(654,632)	(35,717,311)
Transfers from other funds	-	-	-	60,000	60,000
Transfers to other funds	-	-	-	(1,836,087)	(1,836,087)
Net cash provided by noncapital financing activities	727,887	(1,601,663)	(203,965)	(1,778,543)	(2,856,284)
<b>Cash flows from capital and related financing activities:</b>					
Proceeds from new debt	104,500	6,781,889	-	-	6,886,389
Acquisition and construction of capital assets	(1,446,010)	(8,198,349)	(115,182)	-	(9,759,541)
Principal paid on capital debt	(87,484)	(1,490,060)	-	-	(1,577,544)
Interest paid on capital debt	(144,013)	(201,668)	-	-	(345,681)
Proceeds from sale of assets	-	-	-	-	-
Grant revenues	684,727	3,526,571	-	-	4,211,298
Debt fees	-	705,690	-	-	705,690
Net cash used for capital and related financing activities	(888,280)	1,124,073	(115,182)	-	120,611
<b>Cash flows from investing activities:</b>					
Purchase of investments	(497,957)	(385,007)	-	-	(882,964)
Sale of investments	331,372	217,457	-	-	548,829
Interest on investments	13,847	72,233	114	-	86,194
Net cash used in investing activities	(152,738)	(95,317)	114	-	(247,941)
Net increase (decrease) in cash	-	60,979	-	-	60,979
Cash at beginning of the year	-	656,374	1,200	-	657,574
Cash at end of year	\$ -	\$ 717,353	\$ 1,200	\$ -	\$ 718,553
<b>Reconciliation of operating income to net cash provided by operating activities:</b>					
Operating income (loss)	\$ (230,341)	\$ (962,442)	\$ 69,629	\$ 128,362	\$ (994,792)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	429,513	1,470,390	215,112	-	2,115,015
Provision for uncollectible accounts	10,249	19,616	160,000	-	189,865
Change in assets & liabilities:					
(Increase) decrease in receivables	5,341	59,312	(276,161)	1,650,181	1,438,673
(Increase) decrease in inventory	-	7,659	(3,057)	-	4,602
(Increase) decrease in prepaids	-	-	(8,609)	-	(8,609)
Increase (decrease) in acc'ts payable	98,369	73,896	64,505	-	236,770
Increase (decrease) in accrued payroll	-	(34,545)	97,614	-	63,069
Total adjustments	543,472	1,596,328	249,404	1,650,181	4,039,385
Net cash provided by operating activities	\$ 313,131	\$ 633,886	\$ 319,033	\$ 1,778,543	\$ 3,044,593

**Schedule of noncash investing and financing activities:**

During the year there was no change in the fair value of investments not reported as cash equivalents.

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

**ALLEGANY COUNTY, MARYLAND  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2004**

<b>ASSETS:</b>		Agency Fund
Taxes levied for State:		
Taxes receivable - State		\$ 263,770
Other receivables		1,935
Taxes levied for Special Areas:		
Lonaconing, Town of	\$ 8,415	
Midland, Town of	2,898	
Westernport, Town of	34,564	
Cumberland differential	49,457	
Bel Air Special Tax Area	857	
Bowling Green Fire Co.	3,390	
Bedford Road Fire Co.	1,676	
Bowling Green Special Tax Area	1,287	
Cresaptown Ambulance	7,828	
Cresaptown Civic Imp. Assoc.	1,349	
Cresaptown Fire Co.	7,911	
Corriganville Light & Imp.	1,590	
Ellerslie Special Tax Area	871	
LaVale Volunteer Fire Dept.	7,414	
LaVale Rescue Squad	3,714	
LaVale Sanitary District	30,642	
McCoole Special Tax Area	776	
Moscow Light	207	
Mt. Savage Special Tax Area	997	
Potomac Park Special Tax Area	1,413	
Rawlings Fire Co.	2,130	
Sub-total special areas		169,386
Due from other funds		242,048
Total Assets		<u>\$ 677,139</u>
<b>LIABILITIES:</b>		
Accounts payable		\$ 243,983
A/P Special Areas		169,386
Taxes payable - State		263,770
Total Liabilities		<u>\$ 677,139</u>

**Notes**  
**to the**  
**Financial Statements**  
**June 30, 2004**

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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

---

*A. Introduction*

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

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

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

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

*B. Reporting Entity*

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

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

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

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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 local contribution for capital projects from bond proceeds to be repaid by the County. 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

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

Note 1. Summary of Significant Accounting Policies - continued

---

C. *Government-wide and Fund Financial Statements*

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the year-end and a 90-day availability period is used for all other general fund revenues. All other governmental funds use a 6-month availability period for revenue recognition. 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.



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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

Note 1. Summary of Significant Accounting Policies - continued

---

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

The following is a description of the governmental fund types of the County:

1. General fund – the general operating fund of the County. It is used to account for all financial resources except those necessary to be accounted for in another fund
2. Special revenue funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for a specified purpose.
3. Capital projects funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Highway Fund accounts for the activities used to enhance and maintain the County's highway system. Though not required to be reported as a major fund, due to its relative size and significance the County has elected to do so.

The Office of Children, Youth and Families Fund accounts for the activities by the State Office of Children, Youth and Families and is reported as major fund to meet the reporting requirements of the State agency.

The Capital Improvements Project Fund and the Pay-As-You-Go (PAYGO) Capital Projects funds account for most of the activity used to acquire or construct capital assets for the County or on the behalf of other organizations.

The government reports the following major proprietary funds:

The Water Districts Fund accounts for the activities of ten individual water districts in various unincorporated areas of the County.

The Sewer and Water Fund accounts for the activities of fifteen individual sewer and water districts in various unincorporated areas of the County.

The Nursing Home Fund accounts for the operations of the County Nursing Home with resources being provided by user's charges paid either by the patient or Medicaid/Medicare on behalf of the patient.

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

Note 1. Summary of Significant Accounting Policies - continued

---

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

Additionally, the government reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option of* following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. Allegany County has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer functions, the nursing home and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are service charges, and the nursing home's principal operating revenue is service fees paid by the patient or the State of Maryland/Federal Government on behalf of the patient. The water and sewer funds also 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.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources as they are needed.

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

Note 1. Summary of Significant Accounting Policies - continued

---

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

1. Deposits and investments

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

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

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

2. Receivables and payables

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

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

All trade receivables of the enterprise funds are shown net of an allowance for uncollectibles. The allowance accounts for trade accounts receivable for the water and sewer funds are comprised of 50% of the balance six to nine months of age and 100% of account balances in excess of nine months. The allowance accounts of the nursing home and loan fund are based on the analysis of individual accounts the expected ability to collect those accounts. The allowance for property taxes receivable is one-half of one percent of the annual levy and is based on historical trends.

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

Note 1. Summary of Significant Accounting Policies - continued

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

2. Receivables and payables - continued

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

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2004 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	1.0000	2.5000
Barton	.9721	2.4302
Cumberland*	1.0000	2.5000
Frostburg	.9312	2.3280
Lonaconing	.9535	2.3837
Luke	.9498	2.3745
Midland	.9721	2.4302
Westernport	.9535	2.3837

\* A tax differential rate of \$0.0753 for real property and \$0.1883 for personal property was collected by the County and remitted to the City of Cumberland.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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Note 1. Summary of Significant Accounting Policies - continued

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

4. Restricted assets

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

5. Capital assets

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

Note 1. Summary of Significant Accounting Policies - continued

---

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

6. Compensated absences

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

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

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

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

County employees earn fifteen sick leave days per year with no accumulation ceiling. It is the policy of the County to pay for up to 120 days of sick leave accumulated, upon the retirement of most employees. Thus, an employee may be eligible for up to 120 days of additional pay upon retirement for accumulated sick leave.

At June 30, 2004, compensated absence liabilities for Allegany County are summarized as follows:

Total Governmental Fund Types	\$ 3,221,001
Nursing Home	380,644
Sanitary Districts	244,381
Total Allegany County primary government	<u>\$ 3,846,026</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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Note 1. Summary of Significant Accounting Policies - continued

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7. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. For debt acquired after July 1, 2003, bond premiums and discounts, as well as issuance costs, will be deferred and amortized over the life of the bonds using the effective interest method. Bonds payable will be reported net of the applicable bond premium or discount. Bond issuance costs will be reported as deferred charges and amortized over the term of the related debt.

8. Fund Classifications

Government-wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net assets – consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments; or (2) law through enabling legislation.
- c. Unrestricted net assets – all other net assets that do not meet the definition of “restricted” or “investment in capital assets, net of related debt”.

Fund Statements

Government fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved, with unreserved further split between designated and undesignated. Proprietary fund equity is classified the same as in the government-wide statements.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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Note 2. Reconciliation of Government-wide and Fund Financial Statements

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- A. Explanation of certain differences between the governmental fund balance sheet and the Government-wide statement of net assets.

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.” The details of this \$39,818,448 are as follows:

Bonds payable	\$ 27,945,000
Notes payable	864,699
State loans	7,787,748
Compensated absences	<u>3,221,001</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets – governmental activities.	<u>\$ 39,818,448</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$3,387,349 difference are as follows:

Capital outlay	\$6,412,199
Depreciation expense	<u>(3,024,850)</u>
Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$3,387,349</u>



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

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Another element of that reconciliation states the "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this \$933,449 difference are as follows:

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	\$(427,541)
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Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	<u>1,360,990</u>
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Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> .	<u>\$933,449</u>
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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 \$3,622,997 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation debt	\$(588,607)
Principal repayments:	
General obligation debt	<u>4,221,604</u>

Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$3,622,997</u>
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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 \$(63,494) difference are as follows:

Compensated absences	\$(161,212)
Accrued interest adjustment, net	<u>97,718</u>

Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$ (63,494)</u>
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**NOTES TO THE FINANCIAL STATEMENTS**  
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Note 3. Stewardship, Compliance, and Accountability

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*A. Budgetary Information*

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

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

1. Prior to January 15, the County Administrator submits recommended budget guidelines to the Board of Commissioners for their approval.
2. After receiving approval of the budget guidelines, the County Administrator and the Director of Finance meet with the various departments and agencies to explain and distribute the guidelines.
3. The County Administrator and the Director of Finance compile all budget requests; after making departmental and agency review of the requests, a recommended budget is presented to the Board of County Commissioners for review and approval.
4. A public hearing is held to obtain public input and opinion of a preliminary budget.
5. Under Local Code Home Rule, the property tax rate must be set by June 30, and by that time, the budget is publicly adopted by the County Commissioners.
6. During the year supplemental appropriations shall be made by public approval of the Board of Commissioners. Supplemental appropriations in the General Fund for fiscal year 2004 were increased by \$566,172 and were funded by grants and fund balance designated for various programs. The Office of Children, Youth and Families special revenue fund supplemental appropriations were decreased by \$260,156 due to a decrease in State grants. The Revolving Building Fund special revenue fund and the PAYGO Capital Projects Fund increased \$25,000 and \$8,420 respectively and were funded by transfers from the General Fund.
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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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Note 3. Stewardship, Compliance, and Accountability - continued

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*A. Budgetary Information - continued*

9. Appropriations lapse at the end of the fiscal year for all funds, except the Capital Project Funds, and certain federal grants that do not have a year-end date of June 30.
10. Budget monitoring is the responsibility of the Finance Department and the appropriate department head.

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

*B. Excess of Expenditures Over Appropriations*

For the year ended June 30, 2004, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Community Development Block Grant Fund	12,105
Gaming Fund	108,731
PAYGO Capital Project Fund	2,458,470

- The expenditures over budget in the Community Development Block Grant Fund were funded by unbudgeted block grants approved after the start of the fiscal year.
- The Gaming Fund expenditures over budget were funded by gaming taxes and fees generated by the establishment
- The expenditures over budget in the PAYGO Capital Projects Fund were funded by federal grants for the Barton Industrial Park which were not anticipated and by \$1,100,000 made available due to a note owed to the County by the sanitary funds being retired in fiscal year 2004.

*C. Deficit Fund Equity*

The Public Improvement Bond capital project fund had a deficit balance at June 30, 2004 of \$68,988. The deficit will be funded by the proceeds of a future bond issue. The Capital Improvement Projects Fund had a deficit balance of \$203,283 at year end and will be funded by grant revenues and debt proceeds.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**Note 4. Deposits and Investments**

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*Allegany County Primary Government:*

As of December 31, 2004, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity in Months		
		Less Than 1	1-6	6-12
Certificates of Deposit	\$51,802	\$51,802	\$0	\$0
Repurchase Agreements	7,529,424	3,531,054	3,665,200	333,170
Total	<u>\$7,581,226</u>	<u>\$3,582,856</u>	<u>\$3,665,200</u>	<u>\$333,170</u>

**Interest Rate Risk.** As a means of limiting its exposure to fair value losses arising from interest rates, the County's investment policy prohibits investments that mature more than 2 years from the date of purchase. However, the County may collateralize its repurchase agreements using longer dated investments. Reserve funds may be invested in securities exceeding 2 years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds.

**Credit Risk.** The County investment policy 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:

- Uncollateralized
- Collateralized with securities held by the pledging financial institution, or
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the depositor-government's name

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.

The County carries its investments at cost. Investments consist entirely of nonparticipating contracts (nonnegotiable certificates of deposit) or repurchase agreements with maturities of less than one year.

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**Note 4. Deposits and Investments - continued**

*Allegany County Discretely Presented Component Units:*

Allegany County Board of Education

Cash deposits – At year-end, the carrying amount of the Board's deposits was \$8,103,987 and the bank balance was \$10,401,890. Of the bank balances, \$434,986 was covered by depository insurance; \$9,966,904 was covered by collateral held at various banks in the Board's name.

Investments:	Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Government Obligations	\$ 5,989,693	\$ -	\$ -	\$ 5,989,693	\$ 5,989,693
Certificates of deposit	310,000	172,672		\$ 482,672	482,672
Total investments	\$ 6,299,693	\$ -	\$ -	\$ 6,472,365	\$ 6,472,365

Allegany County Library System

Cash deposits – At year-end, the carrying amount of the Library's cash deposits was \$139,712 and the bank balance was \$174,537. The entire bank balance was covered by federal depository insurance or a separate collateral agreement at June 30, 2004 and throughout the year.

Investments:	Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Treasury Bonds	\$ 15,000	\$ -	\$ -	\$ 15,000	\$ 15,000
Other Federal Government Obligations	176,308			176,308	176,308
	\$ 191,308	\$ -	\$ -		
Investments not subject to categorization:					
Investments in MD Local Gov't Fund Pool				1,133,112	1,133,112
Total investments				\$ 1,324,420	\$ 1,324,420

The Maryland Local Government Investment Pool is administered by the Mercantile-Safe Deposit and Trust Company and oversight, by State law, is provided by the Maryland State Treasurer's Office. Due to the short-term nature of the Pool's assets and liabilities the carrying value of the Library's share of the pool is carried at cost which approximates fair value.

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$1,212,395 and the bank balance was \$1,213,650. The entire bank balance was either covered by federal depository insurance or by collateral held by LaVale Sanitary Commission's agent in the Commission's name.

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**Note 4. Deposits and Investments - continued**

*Allegany County Discretely Presented Component Units - continued:*

Allegany College

Cash deposits – At year-end, the carrying amount of the primary entity's cash deposits was \$1,081,399, the bank balance was \$1,303,296 which was either covered by federal depository insurance or was covered by collateral held by the College's agent in the College's name.

Investments:	Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Government Obligations	\$ 3,603,346	\$ -	\$ -	\$ 3,603,346	\$ 3,605,283
Repurchase Agreement	836,485			836,485	836,485
Total investments	\$ 4,439,831	\$ -	\$ -	\$ 4,439,831	\$ 4,441,768

**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, 2004 was \$2,682,501 (net of an allowance of \$150,000) of which \$1,566,009 were current year's taxes receivable and the balance of \$1,266,492 was prior years' unpaid taxes.

**Note 6. Other Receivables**

Receivables, other than property taxes receivable and loans to the County's enterprise funds, as reported in the Statement of Net Assets as of the year end for the County's individual major funds, non-major funds in the aggregate and the individual enterprise funds consist of the following:

Governmental Activities:	General Fund	Highway Fund	OCYF Fund	Capital Projects Fund	PAYGO Capital Proj. Fund	Non-major Governmental Funds	Total
Receivables:							
Interest	\$ 5,663	\$ -	\$ 275	\$ 26	\$ 690	\$ 264	\$ 6,918
Income taxes	3,041,600	-	-	-	-	-	3,041,600
Other taxes	110,737	698,024	-	-	-	24,035	832,796
Current:							
Accrued revenues	1,201,527	-	393,125	307,666	-	1,145,628	3,047,946
Loans, notes	-	-	-	-	-	2,864,503	2,864,503
Leases, capital	-	-	-	-	-	1,602,126	1,602,126
Long-term:							
Accrued revenues	611,513	-	-	-	142,900	458,822	1,213,235
Loans, notes	-	-	-	-	-	145,379	145,379
Leases, capital	-	-	-	-	-	146,129	146,129
Total receivables	\$ 4,971,040	\$ 698,024	\$ 393,400	\$ 307,692	\$ 143,590	\$ 6,386,886	\$ 12,900,632

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**Note 6. Other Receivables - continued**

Business-type Activities:	Water Districts	Sewer Districts	Nursing Home	Loan Fund	Total
Receivables:					
Interest	\$ 147	\$ 411	\$ -	\$ -	\$ 558
Accounts, other	2,185	473,561	103,290	-	579,036
Accounts, trade	370,598	1,105,734	1,506,967	-	2,983,299
Less allowance	(46,417)	(146,889)	(280,000)	-	(473,306)
Net accounts, trade	324,181	958,845	1,226,967	-	2,509,993
Accounts, restricted	-	171,487	-	-	171,487
Less allowance	-	(11,830)	-	-	(11,830)
Net accounts, restricted	-	159,657	-	-	159,657
Loans	-	-	-	1,881,583	1,881,583
Less allowance	-	-	-	(250,000)	(250,000)
Net loans	-	-	-	1,631,583	1,631,583
Total receivables	\$ 326,513	\$ 1,592,474	\$ 1,330,257	\$ 1,631,583	\$ 4,880,827

*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
2005	\$ 146,129	\$ 112,304	\$ 258,433	\$ 473,790
2006	156,064	102,369	258,433	458,107
2007	166,676	91,757	258,433	403,239
2008	178,010	80,423	258,433	245,364
2009	190,117	68,316	258,433	191,739
2010-	911,259	188,312	1,099,571	829,864
Totals	<u>\$ 1,748,255</u>	<u>\$ 643,481</u>	<u>\$ 2,391,736</u>	<u>\$ 2,602,103</u>

The net book value of buildings with operating leases at June 30, 2004 is \$3,729,614.

*Deferred Revenues:*

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

Delinquent property taxes receivable, general fund	\$ 2,558,194
Grants received prior to meeting eligibility requirements	
Office of Children, Youth and Families	238,977
Community Development & Housing Fund	60,954
Total governmental funds deferred revenue	<u>\$ 2,858,125</u>

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Note 6. Other Receivables - continued

*Loans receivable:*

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2004:

Entity	Source of funds	Balance June 30, 2004
Loans:		
MEDCO	General Fund	\$ 1,146,923
Fire Companies	General Fund	18,492
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	250,000
City of Frostburg	PIB of 1991	86,115
YMCA	General Fund	100,000
Paving project	General Fund	98,352
Agriculture Expo Building (1)	General Fund	26,195
Agriculture Expo Building (2)	General Fund	96,691
TWR Loan	General Fund	58,815
Allowance for doubtful accounts		(250,000)
Total		\$ 1,631,583

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. The primary loan due the County is for the Kelly-Springfield Headquarters Building.

During 1987, the County loaned \$3,500,000 to the Maryland Economic Development Company (MEDCO) for the development of a new corporate headquarters for the Kelly-Springfield Tire Company in Cumberland, Maryland. This note is a receivable and is recorded in the County Loan Fund. The new corporate headquarters is owned by MEDCO and leased to the Kelly-Springfield Tire Company. MEDCO is scheduled to repay the County's loan over a twenty-year period at an interest rate of three percent beginning November 1, 1989 with monthly payments ranging from \$0 to \$33,295 with the final payment due October 2, 2007.

As the stated interest rate of three percent was substantially below prevailing market interest rates, generally accepted accounting principles required that the note be discounted utilizing a fair market interest rate.

For this purpose, the County had used an interest rate of nine- percent resulting in a net present value of \$1,647,048 as of May 18, 1987, the date of the County's disbursements to MEDCO. The discount, which amounted to \$1,852,952, was recorded as a reduction in the face amount of the note receivable and as economic development expenditure in fiscal year 1987. This discount is being amortized over the term of the note.



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**Note 7. Capital Assets**

Capital asset activity for the year ended June 30, 2004 was as follows:

<b>Primary Government:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers In (Out)</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 7,813,116	\$ 4,061,364	\$ (8,346)	\$ -	\$11,866,134
Work in Progress	2,247,480	5,321,258	(4,290,045)	-	3,278,693
Total capital assets not being depreciated:	10,060,596	9,382,622	(4,298,391)	-	15,144,827
Capital assets, being depreciated:					
Buildings	40,695,907	1,932,635	(397,275)	-	42,231,267
Infrastructure	35,355,138	2,303	-	-	35,357,441
Furniture & Fixtures	856,136	35,410	-	-	891,546
Equipment	3,538,961	420,769	(3,300)	-	3,956,430
Vehicles	6,816,510	219,380	(15,068)	-	7,020,822
Heavy Equipment	3,374,233	70,114	(142,545)	-	3,301,802
Other Fixed Assets	840,458	-	(8,339)	-	832,119
Total capital assets, being depreciated:	91,477,343	2,680,611	(566,527)	-	93,591,427
Less accumulated depreciation for:					
Buildings	(8,892,196)	(1,472,322)	9,491	-	(10,355,027)
Infrastructure	(23,873,806)	(458,296)	-	-	(24,332,102)
Furniture & Fixtures	(672,416)	(47,719)	-	-	(720,135)
Equipment	(2,142,649)	(339,698)	1,336	-	(2,481,011)
Vehicles	(4,972,349)	(460,220)	15,068	-	(5,417,501)
Heavy Equipment	(2,280,640)	(217,068)	121,438	-	(2,376,270)
Other Fixed Assets	(323,628)	(29,529)	-	-	(353,157)
Total accumulated depreciation	(43,157,684)	(3,024,852)	147,333	-	(46,035,203)
Total capital assets, being depreciated, net:	48,319,659	(344,241)	(419,194)	-	47,556,224
Governmental activities capital assets, net	\$58,380,255	\$ 9,038,381	\$ (4,717,585)	\$ -	\$62,701,051

<b>Primary Government:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers In (Out)</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 34,288	\$ -	\$ -	\$ -	\$ 34,288
Work in Progress	3,695,780	10,015,597	(825)	(1,706,358)	12,004,194
Total capital assets not being depreciated:	3,730,068	10,015,597	(825)	(1,706,358)	12,038,482
Capital assets, being depreciated:					
Buildings	3,007,431	53,242	-	-	3,060,673
Infrastructure	80,203,484	-	-	1,640,521	81,844,005
Furniture & Fixtures	1,483,665	18,888	-	-	1,502,553
Equipment	1,607,489	62,759	-	7,288	1,677,536
Vehicles	624,319	90,827	-	17,776	732,922
Heavy Equipment	186,920	67,935	-	33,942	288,797
Other Fixed Assets	2,459,505	-	-	6,831	2,466,336
Total capital assets, being depreciated:	89,572,813	293,651	-	1,706,358	91,572,822
Less accumulated depreciation for:					
Buildings	(1,528,880)	(85,197)	-	-	(1,614,077)
Infrastructure	(27,308,759)	(1,686,896)	-	-	(28,995,655)
Furniture & Fixtures	(722,540)	(81,733)	-	-	(804,273)
Equipment	(1,114,680)	(100,722)	-	-	(1,215,402)
Vehicles	(411,848)	(59,330)	-	-	(471,178)
Heavy Equipment	(179,444)	(9,785)	-	-	(189,229)
Other Fixed Assets	(400,779)	(91,352)	-	-	(492,131)
Total accumulated depreciation	(31,666,930)	(2,115,015)	-	-	(33,781,945)
Total capital assets, being depreciated, net:	57,905,883	(1,821,364)	0	1,706,358	57,790,877
Business-type activities capital assets, net	\$61,635,951	\$ 8,194,233	\$ (825)	\$ -	\$69,829,359

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**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, 2004 as follows:

Governmental activities:	
General government	\$ 501,604
Public safety	687,587
Public works	1,098,992
Health	60,317
Social services	29,733
Recreation, culture and libraries	122,633
Natural resources	5,285
Community development and housing	23,342
Economic development	495,357
Total depreciation expense – governmental activities	<u>\$ 3,024,850</u>
Business-type activities:	
Water districts	\$ 429,513
Sewer districts	1,470,390
Nursing Home	215,112
Total depreciation expense – business-type activities	<u>\$ 2,115,015</u>

*Construction Commitments*

The County has active construction projects as of June 30, 2004. The projects include industrial park infrastructure, a wastewater treatment plant upgrade, and three new water districts. At year end the County's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Barton Industrial Park Water	\$ 1,813,927	\$ 17,021
Barton Industrial Park	533,324	341,473
Westernport Landfill Closure	737,810	35,537
Washington Street Library	91,880	696,657
Celanese Wastewater Treatment Plant Upgrade	8,993,629	1,792,860
Morantown Water	212,547	532,630
Klondike Water Project	736,674	659,557
Mason Run Road Bridge	-	469,123
Highland Trail	459,847	753,159
Totals	<u>\$ 13,579,638</u>	<u>\$ 5,298,017</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.

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**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, 2004, was as follows:

<b>Board of Education</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 2,377,989	\$ -	\$ -	\$ 2,377,989
Total capital assets not being depreciated:	2,377,989	-	-	2,377,989
Capital assets, being depreciated:				
Buildings & Improvements	105,338,339	2,455,654	-	107,793,993
Furniture, Equipment & Vehicles	6,523,174	568,221	(150,823)	6,940,572
Total capital assets, being depreciated:	111,861,513	3,023,875	(150,823)	114,734,565
Less accumulated depreciation for:				
Buildings & Improvements	(53,948,214)	(3,159,951)	-	(57,108,165)
Furniture, Equipment & Vehicles	(4,737,359)	(413,776)	150,823	(5,000,312)
Total accumulated depreciation	(58,685,573)	(3,573,727)	150,823	(62,108,477)
Total capital assets, being depreciated, net:	53,175,940	(549,852)	0	52,626,088
Governmental activities capital assets, net	\$55,553,929	\$ (549,852)	\$ -	55,004,077

<b>Board of Education</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	\$ 2,303,381	\$ 1,386,000	\$ -	\$ 3,689,381
Less accumulated depreciation	(277,742)	(275,836)	-	(553,578)
Business-type activities capital assets, net	\$ 2,025,639	\$ 1,110,164	\$ -	\$ 3,135,803

Capital asset activity for the Library of Allegany County for the year ended June 30, 2004, was as follows:

<b>Library</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Governmental activities:</b>				
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,277,220	\$ -	\$ -	\$ 3,277,220
Furniture & Equipment	694,023	50,053	(30,303)	713,773
Vehicles/Bookmobile	118,698	8,500	-	127,198
Library Books	5,051,848	143,262	(602,831)	4,592,279
Total capital assets, being depreciated:	9,141,789	201,815	(633,134)	8,710,470
Less accumulated depreciation for:				
Buildings & Improvements	(653,573)	(65,544)	-	(719,117)
Furniture & Equipment	(261,839)	(79,133)	20,514	(320,458)
Vehicles/Bookmobile	(106,672)	(3,469)	-	(110,141)
Library Books	(4,467,989)	(154,223)	564,159	(4,058,053)
Total accumulated depreciation	(5,490,073)	(302,369)	584,673	(5,207,769)
Total capital assets, being depreciated, net:	\$ 3,651,716	\$ (100,554)	\$ (48,461)	\$ 3,502,701

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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, 2004, were as follows:

<b>Allegany College of Maryland</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 515,263	\$ -	\$ -	\$ 515,263
Work in Progress	29,779	159,720	(5,399)	184,100
Total capital assets not being depreciated:	545,042	159,720	(5,399)	699,363
Capital assets, being depreciated:				
Buildings	31,172,803	376,889	(115,217)	31,434,475
Equipment	10,761,655	872,374	(421,834)	11,212,195
Auxiliary Equipment	242,094	8,981	(5,202)	245,873
Library Books	915,379	52,488	(30,132)	937,735
Total capital assets, being depreciated:	43,091,931	1,310,732	(572,385)	43,830,278
Less accumulated depreciation for:				
Buildings	(8,817,625)	(776,908)	94,308	(9,500,225)
Equipment	(8,732,911)	(926,148)	421,834	(9,237,225)
Auxiliary Equipment	(216,349)	(10,795)	5,202	(221,942)
Library Books	(789,071)	(60,590)	30,132	(819,529)
Total accumulated depreciation	(18,555,956)	(1,774,441)	551,476	(19,778,921)
Total capital assets, being depreciated, net:	24,535,975	(463,709)	(20,909)	24,051,357
Business-type activities capital assets, net	\$25,081,017	\$ (303,989)	\$ (26,308)	\$24,750,720

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2004, was as follows:

<b>LaVale Sanitary Commission</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 176,385	\$ -	\$ -	\$ 176,385
Work in Progress	984,081	703,930	(1,564,310)	123,701
Total capital assets not being depreciated:	1,160,466	703,930	(1,564,310)	300,086
Capital assets, being depreciated:				
Buildings	501,418	15,527	-	516,945
Infrastructure	12,423,323	1,564,250	-	13,987,573
Machinery, Vehicles & Equipment	898,634	62,287	(74,617)	886,304
Office Furniture and Equipment	46,659	14,366	-	61,025
Total capital assets, being depreciated:	13,870,034	1,656,430	(74,617)	15,451,847
Less accumulated depreciation for:	(6,715,702)	(314,355)	-	(7,030,057)
Total capital assets, being depreciated, net:	7,154,332	1,342,075	(74,617)	8,421,790
Business-type activities capital assets, net	\$ 8,314,798	\$ 2,046,005	\$ (1,638,927)	\$ 8,721,876

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

The composition of interfund balances as of June 30, 2004, is as follows:

**A. Due to/from other funds**

	Due From Other Funds	Due To Other Funds
<b>Governmental funds:</b>		
General Fund	\$ -	\$ 5,585,422
Highway Fund	847,045	-
Office of Children, Youth and Families Fund	706,184	-
Capital Improvement Projects Fund	-	654,060
PAYGO Capital Projects Fund	1,598,876	-
Non-major Governmental Funds	2,044,225	177,067
Sub-total	5,196,330	6,416,549
<b>Enterprise Funds:</b>		
Water Districts	-	746,183
Sanitary Districts	4,226,197	3,112,001
County Loan Fund	610,158	-
Sub-total	4,836,355	3,858,184
<b>Fiduciary Funds:</b>		
Agency Fund	242,048	-
<b>TOTALS</b>	<b>\$ 10,274,733</b>	<b>\$ 10,274,733</b>

**B. Advances and Loans To/From Other Funds**

	Advances to Other Funds	Advances from Other Funds
<b>Advances:</b>		
General Fund	\$ 2,708,884	
Nursing Home Fund		\$ 958,884
Sanitary Districts		900,000
Water Districts		850,000
<b>Loans:</b>		
General Fund	177,788	
Allegany County Sanitary Districts:		
Long-term debt		115,294
Current portion of long-term debt		57,683
Allegany County Water Districts:		
Long-term debt		3,130
Current portion of long-term debt		1,681
	<b>\$ 2,886,672</b>	<b>\$ 2,886,672</b>

The amounts owed to the General fund from the Nursing Home and Sanitary District Funds and the amounts owed to the County Loan Fund from the Sanitary District and Water District Funds are reported as advances to indicate that such amounts are long-term assets and are not to be considered as "available spendable resources."

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

**C. Transfers**

Transfers to other funds for the year ending June 30, 2004 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Highway Fund	\$ 1,619,312	
Pay-As-You-Go Capital Reserve Fund	1,005,712	
Non-major funds	5,309,562	\$ 7,934,586
From the Highway Fund to:		
Pay-As-You-Go Capital Reserve Fund	80,920	80,920
From the Capital Projects Fund to:		
Pay-As-You-Go Capital Reserve Fund	200,000	
County Loan Fund	60,000	260,000
From the Pay-As-You-Go Capital Reserve Fund to:		
Capital Projects Fund	51,536	
Pay-As-You-Go Capital Reserve Fund	139,424	190,960
From the Non-major Funds to:		
General Fund	60,380	
Capital Projects Fund	264,771	
Other Non-major Funds	1,167,923	1,493,074
From the County Loan Fund to:		
General Fund	721,868	
Capital Projects Fund	3,168	
Pay-As-You-Go Capital Reserve Fund	1,111,051	1,836,087
<b>TOTALS</b>	<b>\$ 11,795,627</b>	<b>\$ 11,795,627</b>

Payments to component units for the year ending June 30, 2004 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 25,930,000	
Board of Education, Data Processing	264,767	
Allegany College of Maryland	5,575,000	
Library	781,000	\$ 32,550,767
From the County Capital Projects Funds to:		
Board of Education:		
Cash Valley Roof	4,629	
Eckhart School Roof	8,303	
Allconet II	541,507	
Western High School	58,290	
Board of Education Capital	420,344	
John Humbird School	540,458	1,573,531
	<b>\$ 34,124,298</b>	<b>\$ 34,124,298</b>

**Note 9. Short-term Debt**

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2004 and had no balance payable at year end.

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

Long-term liability activity of the County for the year ended June 30, 2004, was as follows:

<b>Long-term Debt</b>					
<b>Governmental Activities</b>					
	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation	\$ 31,580,000	\$ -	\$ (3,635,000)	\$ 27,945,000	\$ 3,435,000
Notes	941,011	-	(76,312)	864,699	80,327
Capital Leases	41,978	-	(41,978)	-	-
State Loans	7,667,455	588,607	(468,314)	7,787,748	537,433
Total	<u>\$ 40,230,444</u>	<u>\$ 588,607</u>	<u>\$ (4,221,604)</u>	<u>\$ 36,597,447</u>	<u>\$ 4,052,760</u>
<b>Business-type activities</b>					
	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water districts:					
Rural development loans	\$ 3,263,926	\$ 104,500	\$ (41,515)	\$ 3,326,911	\$ 43,937
County loans	50,779	-	(45,968)	4,811	1,681
Total water districts	<u>\$ 3,314,705</u>	<u>\$ 104,500</u>	<u>\$ (87,483)</u>	<u>\$ 3,331,722</u>	<u>\$ 45,618</u>
Sewer districts:					
Maryland water quality loans	\$ 1,657,679	\$ -	\$ (192,001)	\$ 1,465,678	\$ 201,516
Maryland environmental loans	185,315	6,781,889	-	6,967,204	328,133
Rural development loans	1,064,987	-	(15,097)	1,049,890	15,854
County loans	1,455,938	-	(1,282,961)	172,977	57,683
Total sewer districts	<u>\$ 4,363,919</u>	<u>\$ 6,781,889</u>	<u>\$ (1,490,059)</u>	<u>\$ 9,655,749</u>	<u>\$ 603,186</u>
Total business-type activities:					
Maryland water quality loans	\$ 1,657,679	\$ -	\$ (192,001)	\$ 1,465,678	\$ 201,516
Maryland environmental loans	185,315	6,781,889	-	6,967,204	328,133
Rural development loans	4,328,913	-	(56,612)	4,376,801	59,791
County loans	1,506,717	-	(1,328,929)	177,788	59,364
Total business-type activities	<u>\$ 7,678,624</u>	<u>\$ 6,781,889</u>	<u>\$ (1,577,542)</u>	<u>\$ 12,987,471</u>	<u>\$ 648,804</u>
<b>Other Long-term Liabilities</b>					
<b>Governmental Activities</b>					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	
Compensated Absences	\$ 3,059,789	\$ 320,213	\$ (159,001)	\$ 3,221,001	
<b>Business-type activities</b>					
Water & sewer districts					
Compensated absences	\$ 279,883	\$ 25,101	\$ (60,603)	\$ 244,381	
Nursing Home					
Compensated Absences	325,641	67,063	(12,060)	380,644	
Total	<u>\$ 605,524</u>	<u>\$ 92,164</u>	<u>\$ (72,663)</u>	<u>\$ 625,025</u>	

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**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, 2004 are as follows:

Year Ending June 30,	General Obligation Bonds		Notes		Capital Leases		State Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 3,435,000	\$ 1,185,363	\$ 80,327	\$ 45,271	\$ -	\$ -	\$ 537,433	\$ 403,952	\$ 4,052,760	\$ 1,634,586
2006	3,540,000	1,035,916	84,568	41,030	-	-	567,980	373,406	4,192,548	1,450,352
2007	3,380,000	885,514	89,033	36,565	-	-	579,578	341,003	4,048,611	1,263,082
2008	2,765,000	749,502	93,733	31,865	-	-	522,736	308,224	3,381,469	1,089,591
2009	2,890,000	622,356	92,332	26,984	-	-	503,757	279,469	3,486,089	928,809
2010-2014	10,765,000	1,347,599	211,771	78,137	-	-	2,654,357	953,641	13,631,128	2,379,377
2015-2019	1,170,000	77,580	39,918	56,322	-	-	1,881,728	320,991	3,091,646	454,893
2020-2024	-	-	52,998	43,242	-	-	540,179	25,713	593,177	68,955
2025-2029	-	-	70,366	25,874	-	-	-	-	70,366	25,874
2030-2034	-	-	49,653	4,892	-	-	-	-	49,653	4,892
	<u>\$ 27,945,000</u>	<u>\$ 5,903,830</u>	<u>\$ 864,699</u>	<u>\$ 390,182</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,787,748</u>	<u>\$ 3,006,399</u>	<u>\$ 36,597,447</u>	<u>\$ 9,300,411</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2004 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2004 are:

Year Ending June 30,	Farmers Home Admin. Loans		County Advances		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	43,937	142,667	1,681	352	45,618	143,019
2006	45,842	140,842	1,819	215	47,661	141,057
2007	47,831	138,774	1,311	66	49,142	138,840
2008	49,909	136,695	1,311	66	51,220	136,761
2009	52,081	134,523	-	-	52,081	134,523
2010-2014	296,583	636,437	-	-	296,583	636,437
2015-2019	367,738	565,282	-	-	367,738	565,282
2020-2024	456,745	476,275	-	-	456,745	476,275
2025-2029	568,276	364,744	-	-	568,276	364,744
2030-2034	632,587	228,309	-	-	632,587	228,309
2035-2039	648,108	92,094	-	-	648,108	92,094
2040-2044	117,274	7,547	-	-	117,274	7,547
Totals	<u>3,326,911</u>	<u>3,064,189</u>	<u>6,122</u>	<u>699</u>	<u>3,333,033</u>	<u>3,064,888</u>

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2004 are:

Year Ending June 30,	Water Quality Loans		Md. Environmental Loans		Farmers Home Admin. Loans		County Advances		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2005	201,516	81,329	328,133	60,099	15,853	50,873	57,683	10,817	603,185	203,118
2006	204,892	70,254	330,428	57,242	16,641	50,085	57,683	7,211	609,644	184,792
2007	215,122	60,024	333,312	54,359	17,469	49,257	57,611	3,605	623,514	167,245
2008	225,868	49,236	336,221	51,450	18,338	48,388	-	-	580,427	149,074
2009	200,689	37,862	339,156	48,515	19,251	47,475	-	-	559,096	133,852
2010-2014	407,247	68,794	1,740,698	197,656	111,635	221,995	-	-	2,259,580	488,445
2015-2019	10,344	1,000	1,817,997	120,358	142,422	191,207	-	-	1,970,763	312,565
2020-2024	-	-	1,741,259	40,348	181,802	151,828	-	-	1,923,061	192,176
2025-2029	-	-	-	-	227,287	101,592	-	-	227,287	101,592
2030-2034	-	-	-	-	237,905	41,397	-	-	237,905	41,397
2035-2039	-	-	-	-	61,287	2,704	-	-	61,287	2,704
2040-2044	-	-	-	-	-	-	-	-	-	-
Totals	<u>1,465,678</u>	<u>368,499</u>	<u>6,967,204</u>	<u>630,027</u>	<u>1,049,890</u>	<u>956,801</u>	<u>172,977</u>	<u>21,633</u>	<u>9,655,749</u>	<u>1,976,960</u>



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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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

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

Allegany County Primary Government Schedule of Long - Term General Obligation Debt:					
General Obligation Bonds:	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
Public Improvement Bonds:				2004	2003
Bonds of 1991	08/01/91	08/01/03	5.4 - 7.125	\$ -	\$ 565,000
Bonds of 1994	01/01/94	01/01/09	4.05-4.70	2,125,000	2,495,000
Bonds of 1995	11/01/95	11/01/10	4.25-5.10	3,415,000	3,815,000
Bonds of 1996	06/15/96	11/01/03	4.8-6.25	-	205,000
Bonds of 1997	03/01/97	03/01/10	3.65-5.4	2,935,000	3,350,000
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	11,175,000	12,050,000
Bonds of 2001	09/01/01	11/01/16	3.5-4.4	8,295,000	9,100,000
Notes:					
Farmers Home Admin	1992	2032	5.75	265,645	269,455
Tri - County Council Loan	06/22/93	06/22/08	5.0	36,916	44,364
PPG Loan	01/05/96	2011	5.2	562,138	627,192
Capital Leases:					
Sheriff's vehicles	12/03/01	01/03/04	5.45	-	41,978
State Loans:					
Md Industrial Land Act:					
Precise Metals Bldg	03/19/80	03/19/09	6.316	276,549	364,116
Superfos Expansion	1991	2028	6.9	613,574	643,692
Blue Cross Bldg	1992	2012	6.8	1,057,371	1,099,317
Schwab Bldg I	1992	2012	6.44	478,446	529,854
Hunter Douglas	1993	2019	5.93	415,867	433,947
Micro - Integration	1994	2014	5.93	630,841	679,521
Superfos III	1995	2014	5.93	938,852	1,003,733
Hunter Douglas II	1998	2018	4.64	74,599	78,881
MICRF Loans:					
Potomac Farms	06/22/93	06/22/08	5.0	171,433	209,290
PPG Purchase	01/05/96	2020	5.0	2,044,725	2,117,070
PPG Improvements	2001	2022	4.69	226,662	236,110
MAHF Loan	08/10/90	08/10/30	1.0	56,512	58,214
MD Historical Trust Loan	2000	2020	1.0	150,000	150,000
Md Environmental Loan	2003	2023	0.89	652,317	63,710
Total Long - Term General Obligation Debt				36,597,447	40,230,444
Compensated Absences				3,221,001	3,059,789
Total long-term liabilities				\$ 39,818,448	\$ 43,290,233

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

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

A summary of individual long-term debt balances for business-type activities is as follows:

Schedule of Business-type Debt					
	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2004	2003
Water Districts Debt:					
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 101,043	\$ 102,532
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	246,690	250,328
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	316,444	320,438
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	478,476	485,572
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	225,745	229,093
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	230,449	233,865
Grahmtown FHA Loan 2001 R-2			4.5	585,696	591,595
Consol FHA loan				104,235	-
McCoole FHA Loan	1999	2039	4.5	1,038,133	1,050,503
Sub-total				<u>3,326,911</u>	<u>3,263,926</u>
Ellerslie Allegany Co. Advance	01/01/89	06/30/04	8.0	-	44,413
Hoffman Allegany Co. Advance	06/30/93	06/30/23	8.0	4,811	6,366
Sub - total				<u>4,811</u>	<u>50,779</u>
Total debt				3,331,722	3,314,705
Less: Current maturities of long - term debt				(45,618)	(87,149)
Total Water Districts long - term debt				<u>\$ 3,286,104</u>	<u>\$ 3,227,556</u>
Sanitary Districts Debt:					
Maryland Water Quality Loans					
Bowling Green	1974	2004	5.9	\$ 2,955	\$ 5,765
Bowling Green	1980	2010	5.5	4,809	5,471
Bowling Green	1984	2014	8.3	35,692	37,641
Cresaptown	1974	2004	5.9	3,373	6,581
Cresaptown	1980	2010	5.5	4,609	5,244
Cresaptown	1984	2014	8.3	22,230	23,444
Cresaptown	1986	2015	8.8	11,513	12,046
Bedford Road	1977	2007	5.5	38,383	46,769
Bedford Road	1983	2013	8.2	199,619	214,300
McCoole	1978	2008	5.5	61,936	75,468
Oldtown	1981	2011	6.1	23,040	25,622
Flintstone	1980	2010	6.1	69,121	76,867
Georges Creek	1981	2011	6.1	143,079	156,668
Georges Creek	1982	2012	6.1	255,054	275,905
Celanese Treatment Plant	1991	2010	3.705	234,774	269,305
Mexico Farms	1992	2009	3.705	355,491	420,583
Sub - total				<u>1,465,678</u>	<u>1,657,679</u>
Maryland Department of Environment					
Celanese WWTP Upgrade	06/03	2023	0.0867	5,667,204	185,315
Inflow and Infiltration Study	12/03	2023	0.8807	1,300,000	-
				<u>6,967,204</u>	<u>185,315</u>
Farmers Home Administration Loans					
Georges Creek	1988	2027	5.0	35,640	36,442
Mexico Farms	1992	2032	5.5	373,185	378,515
Cash Valley Road	1966	2036	4.5	133,764	135,635
Oldtown Road	1966	2036	4.5	507,301	514,395
Sub - total				<u>1,049,890</u>	<u>1,064,987</u>
Allegany County Advances:					
Franklin	01/01/89	06/30/04	8.0	-	8,125
Braddock Run	1991	2007	5.4-7.125	-	87,334
Jennings Run	1992	2007	5.4-7.125	53,410	71,204
Georges Creek	1992	2007	5.4-7.125	69,634	92,912
Bedford Road	1992	2007	5.4-7.125	49,933	66,544
I&I Study	2001	2021	5.5	-	1,129,819
Sub - total				<u>172,977</u>	<u>1,455,938</u>
Total				9,655,749	4,363,919
Less: Current maturities of long - term debt				(603,185)	(341,315)
Total Sanitary Districts Long - term Debt				<u>\$ 9,052,564</u>	<u>\$ 4,022,604</u>

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**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, 2004

Long-term Liabilities - Component Units			
Long-term debt activity for the year ended June 30, 2004:			
	Allegany College of Maryland	LaVale Sanitary Commission	
Payable at July 1, 2003	\$ 379,807	\$ 504,008	
Amount issued	38,047	600,000	
Amount retired	(111,517)	(511,710)	
Payable at June 30, 2004	<u>\$ 306,337</u>	<u>\$ 592,298</u>	
Annual debt service requirements to maturity:			
	Allegany College of Maryland (Capital Leases)		LaVale Sanitary Commission U.S. Department of Agriculture
Fiscal Year	Principal	Interest	Total
2005	\$ 128,071	\$ 17,918	\$ 145,989
2006	130,963	8,297	139,260
2007	29,013	1,230	30,243
2008	11,315	192	11,507
2009	6,975	-	6,975
2010-2014	-	-	-
2015-2019	-	-	-
2020-2024	-	-	-
2025-2029	-	-	-
2030-2034	-	-	-
	<u>\$ 306,337</u>	<u>\$ 27,637</u>	<u>\$ 333,974</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

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

Note 11. Pension and Retirement Systems - continued

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*Allegany County Primary Government-continued*

Allegany County has also established two defined contribution plans; the County Administrator's Retirement Plan and the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers both plans. At June 30, 2004, there are 7 members enrolled in the plans.

**Funding Policy**

Employees covered under the retirement system are required to contribute five percent of their base salary, and the County is required to contribute at an actuarially determined rate. The current rate is 8.23% of covered payroll. The employees belonging to the pension system must contribute two percent of their base salary and five percent of the base salary that exceeds the social security wage base. The County is required to contribute at an actuarially determined rate also. The contribution rate for the County is currently 5.02% 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, 2004, 2003, 2002, were \$680,072, \$660,088 and \$575,289 respectively, equal to the required employer contributions for each year.

The two defined contribution plans require the County to contribute 9% to the Administrators Retirement Plan and 5.01% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$357,946 and the required contribution was \$21,951, 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.

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**Note 11. Pension and Retirement Systems - continued**

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*Allegany County Component Units - continued*

**Board of Education-Component Unit - continued**

Members of the contributory pensions are required to make contributions of 2% of earnable compensation. The Board of Education is required to contribute at an actuarially determined rate for individuals in the employee retirement system and the employee contributory pension system. The current rates are 9.37% and 4.37% respectively. The contribution requirements of plan members and the Board are established and may be amended by the State Retirement and Pension System Board of Trustees. The Board contributions for the years ended June 30, 2004, 2003 and 2002 were \$641,390, \$746,408 and, \$675,213, 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 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, 2004. The Library's contributions for the years ended June 30, 2004, 2003 and 2002 were \$4,314, \$3,570, and \$3,501, 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.

**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.

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**Note 11. Pension and Retirement Systems - continued**

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**Allegany College-Component Unit - 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, 2004. Allegany College's contributions for the years ended June 30, 2004, 2003 and 2002 were \$45,981, \$40,103, and \$47,577, respectively, equal to the required employer contributions for each year. All payments have been made by the State of Maryland for those employees for whom they are responsible.

**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 the County participates in. 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, 2004. LaVale Sanitary's contributions for the years ended June 30, 2004, 2003 and 2002 were \$52,105, \$63,377, and \$48,911, respectively, equal to the required employer contributions for each year.

**Note 12. Risk Management**

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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.

**Note 13. Pending Claims and Litigation**

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The County is the defendant in several lawsuits in which plaintiffs are seeking to recover amounts from the County as a result of alleged damages incurred by those plaintiffs. Although the outcome of these lawsuits and any other potential proceeding, lawsuit or claim that is pending or threatened are not presently determinable, it is the opinion of the County's legal counsel and County management that resolution of these matters will not have a material effect on the financial condition of the County.

**Note 14. Contingent Liabilities**

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The County participates in a number of state- and federally-assisted grant programs, principal of which are Community Development Block Grants, as well as, Economic Development Administration, and Housing and Urban Development economic development and housing assistance grant programs. 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, 2004 may not have been concluded.

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2004**

**Note 14. Contingent Liabilities - continued**

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The State of Maryland's Department of the Environment and Allegany County has entered an agreement setting a timetable for fixing the County's combined sewer and storm water system overflow problem. The cost associated with correcting the problem cannot be reasonably estimated. However those costs will likely be spread over an extended period of years and will be borne by the users of the sewer systems.

**Note 15. Post-Employment Benefits**

---

In addition to providing pension benefits, the County provides health and life insurance, in accordance with County resolutions, to certain retired employees with ten years of continuous service. Employees hired prior to July 1, 1997 have 100% of their premiums paid for by the County, employees hired on or after July 1, 1997 are responsible for paying 50% of their health insurance premiums. Expenditures for post-retirement health and life insurance premiums are recognized on a pay-as-you-go basis. During fiscal year 2004, expenditures of \$610,456 were recorded for post-retirement benefits for 263 retirees in the governmental and proprietary funds.

**Note 16. Special Item – Donation of Capital Assets**

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During fiscal year 2004 the State of Maryland donated land with an estimated value of \$1,360,990 to Allegany County for the Highland Trail project. The project is a hiking and biking trail along the old Western Maryland Railroad right-of-way extending from the Maryland/Pennsylvania border to Cumberland, Maryland where it joins with the C&O Canal Park towpath.

**Note 17. Subsequent Events – Debt Issue**

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On October 26, 2004, the County issued \$2,086,000 of non-taxable general obligation bonds to fund the Allegany College physical education building and to replace the roof of the College's library. Also funded were the Washington Street Library's exterior renovations. The interest rate on the bonds was 3.5% resulting in annual debt service payments of approximately \$180,000 which includes principal and interest. The last debt service payment is due October 1, 2019.

On November 23, 2004, the County issued \$525,000 of taxable general obligation bonds to fund various improvements to the Allegany County Nursing Home. The interest rate on the bonds was 5.23%. Annual debt service payments of principal and interest are \$51,369 with the last payment due on November 1, 2019.

**REQUIRED  
SUPPLEMENTARY  
INFORMATION**



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**ALLEGANY COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PENSION CONTRIBUTIONS**

Allegany County has established two defined contribution retirement plans, the County Administrators Retirement Plan (one member) and the Management Contractual Employees Retirement Plan (six members), administered by the ICMA Retirement Corporation. Contributions to the defined contribution plans are made entirely by the County for the Administrators Plan and the Management Contractual Employees Plan.

**Administrators Plan**

<u>Contribution For Fiscal Year</u>	<u>Number of Members</u>	<u>Covered Payroll</u>	<u>Contribution Percentage</u>	<u>Required Contributions</u>	<u>Contribution Made</u>	<u>Unfunded Liability</u>
2004	1	\$100,700	9.00%	\$9,063	\$9,063	-
2003	1	100,467	9.00%	9,042	9,042	-
2002	1	94,833	9.00%	8,535	8,535	-
2001	1	89,377	9.00%	8,044	8,044	-
2000	1	99,856	9.00%	8,987	8,987	-
1999	-	-	0.00%	-	-	-

**Management Contractual Employees Plan**

<u>Contribution For Fiscal Year</u>	<u>Number of Members</u>	<u>Covered Payroll</u>	<u>Contribution Percentage</u>	<u>Required Contributions</u>	<u>Contribution Made</u>	<u>Unfunded Liability</u>
2004	6	\$257,246	5.01%	\$12,888	\$12,888	-
2003	7	260,252	4.37%	11,373	11,373	-
2002	7	289,448	4.17%	12,070	12,070	-
2001	6	181,731	5.23%	9,505	9,505	-
2000	2	63,333	6.12%	3,876	3,876	-
1999	-	-	0.00%	-	-	-

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES</b>				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 30,509,675	\$ 30,509,675	\$ 30,798,760	\$ 289,085
Payments in lieu of taxes:				
Coal companies	185,000	185,000	221,498	36,498
Housing Authorities	35,000	35,000	35,000	-
Interest on Delinquent taxes	600,000	600,000	633,501	33,501
Sub-total	31,329,675	31,329,675	31,688,759	359,084
Less:				
Prompt payment discounts	111,000	111,000	115,255	(4,255)
Deferred revenues	100,000	100,000	75,685	24,315
Industrial exemptions	3,950,000	3,950,000	3,426,655	523,345
Coal tax exemptions	125,000	125,000	119,222	5,778
Enterprise zone exemptions	160,000	160,000	141,250	18,750
State tax credits	282,792	282,792	282,715	77
Brownfield's Credit	20,000	20,000	-	20,000
Sub-total	4,748,792	4,748,792	4,160,782	588,010
Total Net Property Taxes	26,580,883	26,580,883	27,527,977	947,094
Income Taxes	18,150,000	18,150,000	21,536,150	3,386,150
Other Local Taxes:				
Hotel/motel tax	200,000	420,000	446,228	26,228
Admissions	200,000	200,000	173,656	(26,344)
Recordation	960,000	960,000	1,380,744	420,744
911 Fees	453,750	453,750	395,714	(58,036)
Trailer court	71,000	71,000	73,663	2,663
Transfer Tax	120,000	120,000	232,532	112,532
Total Local Taxes	2,004,750	2,224,750	2,702,537	477,787
Total Taxes	46,735,633	46,955,633	51,766,664	4,811,031
<u>Licenses and Permits:</u>				
Alcoholic beverages licenses	96,100	96,100	88,094	(8,006)
Amusement licenses	5,500	5,500	2,793	(2,707)
Traders licenses	90,000	90,000	98,877	8,877
Occupational licenses	1,300	1,300	700	(600)
Animal licenses	16,000	16,000	15,917	(83)
Building permits	35,000	35,000	38,533	3,533
Marriage licenses	5,500	5,500	5,115	(385)
Cable franchise fees	290,000	290,000	319,853	29,853
Sediment control permits	25,000	25,000	36,346	11,346
Total Licenses and Permits	564,400	564,400	606,228	41,828

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b>REVENUES (Continued):</b>				
<u>Intergovernmental:</u>				
Federal Funds:				
Public safety grants	-	8,000	-	(8,000)
Homeland security grant	-	-	94,135	94,135
Justice department grant	12,000	17,043	5,043	(12,000)
Civil defense	30,710	50,710	49,925	(785)
FEMA Grant	5,000	5,000	50,638	45,638
EMT Grant	20,000	20,000	19,993	(7)
MTA Grant	123,000	123,000	123,000	-
MTA Transportation planning	81,515	57,983	57,982	(1)
Health and Human Services Grant	24,750	24,750	24,665	(85)
Med Trans Grant	326,422	326,422	413,203	86,781
Food distribution to the needy	14,000	14,000	15,971	1,971
Summer camp program	2,500	2,500	1,848	(652)
Soil conservation grant	-	-	4,050	4,050
Emergency shelter grant	25,000	25,000	42,613	17,613
ARC Grants	45,000	45,000	30,000	(15,000)
Masters program	73,695	73,695	70,461	(3,234)
Miscellaneous federal grants	126,000	126,000	13,139	(112,861)
Payments in lieu of property taxes	2,500	2,500	4,276	1,776
Sub-total Federal funds	912,092	921,603	1,020,942	99,339
State Funds:				
Public Health	22,000	22,000	21,847	(153)
State Health Grant	12,600	12,600	-	(12,600)
Police protection	204,974	204,974	239,565	34,591
State emergency management grant	-	-	8,750	8,750
State MTA operating assistance	61,500	61,500	61,500	-
Alltrans Grant	155,916	155,916	152,540	(3,376)
State highway grants	-	-	230,467	230,467
State transportation planning	10,190	7,248	7,248	-
State department of environment	-	-	10,000	10,000
Summer camp program	11,500	11,500	11,114	(386)
Juvenile services grant	15,156	15,156	13,718	(1,438)
JSA Crisis Intervention	27,563	27,563	21,183	(6,380)
Dept. of Social Services	61,500	61,500	61,500	-
Department of Natural Resources	150,000	150,000	86,984	(63,016)
Conservation aid salary	20,000	20,000	20,000	-
Program Open Space grant	389,795	389,795	66,862	(322,933)
Fire suppression, DNR	1,000	1,000	-	(1,000)
Disparity grant	7,505,172	7,505,172	7,505,173	1
State Jury Reimbursement	50,000	50,000	37,350	(12,650)
Tourism grant	-	-	20,000	20,000
Governors Office of Crime Control	-	20,000	19,995	(5)
Work Crew Supervisor	40,000	40,000	42,075	2,075
Victim/Witness Program	28,050	28,050	28,050	-
Miscellaneous	216,297	262,297	429,657	167,360
Sub-total State Funds	8,983,213	9,046,271	9,095,578	49,307

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
<b>REVENUES (Continued)</b>				Positive
				(Negative)
<u>Intergovernmental (continued):</u>				
Other Intergovernmental:				
Other agencies	47,000	57,000	53,618	(3,382)
Sub-total Other Intergovernmental:	47,000	57,000	53,618	(3,382)
Total Intergovernmental	9,942,305	10,024,874	10,170,138	145,264
<u>Service Charges:</u>				
General government charges:				
State civil process	25,000	25,000	34,850	9,850
Child support incentive	-	-	3,127	3,127
Sheriff fees	8,000	8,000	4,102	(3,898)
Publication sales	-	-	770	770
Plans & specifications	4,000	4,000	3,365	(635)
Regulation & Maps	2,000	2,000	5,478	3,478
Tax sale fees	15,000	15,000	17,996	2,996
Election Filing fee	600	600	250	(350)
Security interest filing fee	-	-	100	100
License application fees	9,000	9,000	8,320	(680)
Liquor License transfer fee	5,000	5,000	3,470	(1,530)
Health Ins Admin fee	850	850	522	(328)
Other general government service charges	-	-	7,848	7,848
Tourism promotion charges	-	-	17,667	17,667
Collection fees-special areas	37,000	37,000	38,108	1,108
Liquor License Collection fee	3,500	3,500	3,752	252
Hotel/Motel collection fee	12,000	12,000	11,295	(705)
Partial payment fee	1,500	1,500	1,054	(446)
Engineering fees	50,000	50,000	51,432	1,432
Miscellaneous general government	464,989	464,989	-	(464,989)
Sub-total general government charges	638,439	638,439	213,506	(424,933)
Public safety charges:				
Police protection charges	5,000	5,000	8,534	3,534
Fingerprinting fee	1,500	1,500	1,210	(290)
Jail work release	65,000	65,000	61,090	(3,910)
Boarding state prisoners	250,000	250,000	324,105	74,105
Boarding Federal prisoners	125,000	170,000	519,725	349,725
Community service fee	13,000	13,000	14,575	1,575
Home detention fee	30,000	41,400	57,813	16,413
Inmate Medical Copay	2,500	2,500	2,227	(273)
Building Inspection fees	32,000	32,000	47,582	15,582
Sub-total public safety charges	524,000	580,400	1,036,861	456,461
Sanitation and Waste Removal:				
Landfill fees	180,000	180,000	161,110	(18,890)
Recycling fees	100,000	100,000	115,116	15,116
Recycled material sales	17,000	17,000	18,514	1,514
Sub-total Sanitation and Waste	297,000	297,000	294,740	(2,260)

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES (Continued):</b>				
<u>Service Charges (continued):</u>				
Health service charges:				
Dog adoption fees	12,800	12,800	22,327	9,527
Sub-total Health service charges	12,800	12,800	22,327	9,527
Recreation Charges:				
Host fee, Rocky Gap	73,000	73,000	73,364	364
Hotel fee, Rocky gap	90,000	90,000	81,617	(8,383)
Sub-total recreation service charges	163,000	163,000	154,981	(8,019)
Public service enterprises:				
Upper Potomac River Commission	392,843	498,702	431,035	(67,667)
AllTrans fares	12,000	12,000	12,247	247
Road closing fees	500	500	600	100
Sub-total public service charges	405,343	511,202	443,882	(67,320)
Total Service Charges	2,040,582	2,202,841	2,166,297	(36,544)
<u>Fines and Forfeitures:</u>				
Circuit court fines	8,200	8,200	16,900	8,700
Criminal court costs	-	-	-	-
Dog ordinance fines	12,000	12,000	12,845	845
Other fines	21,400	21,400	(52,863)	(74,263)
Total Fines and Forfeitures	41,600	41,600	(23,118)	(64,718)
<u>Miscellaneous:</u>				
Interest	300,168	300,168	154,836	(145,332)
Rents and concessions	239,500	239,500	265,139	25,639
Contributions & donations	-	-	3,000	3,000
Miscellaneous	37,550	37,550	41,950	4,400
Total Miscellaneous	577,218	577,218	464,925	(112,293)
Total Revenues	59,901,738	60,366,566	65,151,134	4,784,568

(continued)

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
<u>General Government:</u>				
Legislative:				
County Commissioners	136,269	136,269	132,152	4,117
County Commissioners Office	157,148	157,148	120,302	36,846
Total legislative	293,417	293,417	252,454	40,963
Judicial:				
Alternative dispute resolution	20,000	20,000	7,638	12,362
Circuit court masters program	118,438	118,438	116,402	2,036
Circuit court	256,038	256,038	269,499	(13,461)
Orphans court	39,014	39,014	37,753	1,261
Family Law Master	212,328	212,328	208,823	3,505
State's attorney	785,192	806,792	815,134	(8,342)
Domestic violence protective order	-	20,000	21,781	(1,781)
Law library	25,000	25,000	25,000	-
Victim-Witness coordinator	33,794	33,794	33,261	533
Grand and petit juries	62,720	62,720	50,977	11,743
Total Judicial	1,552,524	1,594,124	1,586,268	7,856
Executive:				
Administrator	216,569	216,569	168,968	47,601
Elections:				
Registration and elections	382,465	382,465	372,663	9,802
Financial Administration:				
Finance Office	588,971	588,971	473,174	115,797
Tax Office	394,088	394,088	407,748	(13,660)
Professional services	28,000	28,000	22,655	5,345
Total Financial Administration	1,011,059	1,011,059	903,577	107,482
Legal:				
Legal counsel	178,749	178,749	144,198	34,551
Other legal	48,000	48,000	139,910	(91,910)
Total legal	226,749	226,749	284,108	(57,359)
Personnel Administration:				
Human Resources department	152,320	152,320	97,452	54,868
Human resources board of appeals	5,380	5,380	574	4,806
Wellness/Employee recognition	23,594	23,594	11,187	12,407
Total personnel administration	181,294	181,294	109,213	72,081
Planning and Zoning:				
Planning and zoning department	90,736	90,736	86,605	4,131
Land use planning	86,570	86,570	74,131	12,439
Total Planning and Zoning	177,306	177,306	160,736	16,570
General Services:				
County Building Maintenance	1,003,864	1,003,864	976,402	27,462
Data Processing	131,430	131,430	125,425	6,005
Total general services	1,135,294	1,135,294	1,101,827	33,467

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b>EXPENDITURES (Continued):</b>				
<u>General Government (continued):</u>				
Other general government:				
Liquor control board	102,431	102,431	100,335	2,096
Insurance	229,000	229,000	265,914	(36,914)
Employee benefits	172,200	172,200	49,551	122,649
Post retirement benefits	427,000	427,000	461,846	(34,846)
Miscellaneous general government	-	-	(95,354)	95,354
Total Other General Government	930,631	930,631	782,292	148,339
Total General Government	6,107,308	6,148,908	5,722,106	426,802
<u>Public Safety:</u>				
Police:				
Sheriffs department	1,430,323	1,551,785	1,633,110	(81,325)
Hot Spot Grant	12,000	12,000	-	12,000
Aggressive driver grant	-	4,000	5,469	(1,469)
Highway Safety	7,000	13,000	4,156	8,844
C31 Unit	10,000	10,000	12,855	(2,855)
Family Agency network	42,000	42,000	44,263	(2,263)
Marijuana eradication	2,000	2,000	450	1,550
Total Police	1,503,323	1,634,785	1,700,303	(65,518)
Fire:				
Suppression of forest fires	6,500	6,500	-	6,500
Volunteer fire companies	866,537	866,537	848,186	18,351
Total Fire	873,037	873,037	848,186	24,851
Correction:				
County jail maintenance	110,303	110,303	108,568	1,735
County jail	5,081,158	5,125,598	4,979,863	145,735
JSA crisis intervention	27,563	27,563	21,183	6,380
Juvenile service grant	15,156	15,156	13,813	1,343
Alternative sentencing	138,380	138,380	133,374	5,006
Jail mental health	12,600	12,600	-	12,600
Home detention grant	72,567	83,967	81,281	2,686
Total Correction	5,457,227	5,513,567	5,338,082	175,485
Other Protection:				
Permits & enforcement	258,955	258,955	238,748	20,207
Building Codes	93,668	93,668	81,373	12,295
Emergency Management Agency	131,420	151,420	146,884	4,536
Local emergency planning	-	-	11,974	(11,974)
Transportation planning	109,320	82,846	80,304	2,542
Animal control	182,775	182,775	177,261	5,514
Animal shelter	154,135	154,135	166,084	(11,949)
911	891,495	891,495	908,894	(17,399)
Hazardous materials operations	71,832	71,832	57,062	14,770
Emergency medical assistance	40,000	40,000	40,002	(2)
Domestic preparedness grant	-	-	149,215	(149,215)
Community emergency response	-	8,000	-	8,000
Flood Control	45,000	45,000	177,105	(132,105)
Project Impact	5,000	5,000	5,197	(197)
Total Other Protection	1,983,600	1,985,126	2,240,103	(254,977)
Total Public Safety	9,817,687	10,006,515	10,126,674	(120,159)

Continued



**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amount	
<b>EXPENDITURES (Continued):</b>				
<u>Public Works:</u>				
Public Services:				
Airport	205,000	205,000	205,000	-
Waste collection:				
Solid waste disposal	402,565	402,565	361,432	41,133
Solid waste recycling	174,652	174,652	141,628	33,024
UPRC	491,054	623,378	491,054	132,324
County engineer	911,993	911,993	889,736	22,257
Total Public Works	2,185,264	2,317,588	2,088,850	228,738
<u>Health and Hospitals:</u>				
Health Dept bldg. maintenance	299,393	299,393	261,220	38,173
Allegany County Health Department	32,468	32,468	28,240	4,228
Western Maryland Health Planning	5,484	5,484	5,484	-
Pre-hospital Care Coordinator	20,000	20,000	20,000	-
Total Health and Hospitals	357,345	357,345	314,944	42,401
<u>Social Services:</u>				
Medtrans	462,929	462,929	517,968	(55,039)
Alltrans	342,952	342,952	418,150	(75,198)
Pauper's burials	1,950	1,950	-	1,950
TANF Grant	24,750	24,750	24,581	169
Human Resources Devel. Comm.	683,400	683,400	683,400	-
Emergency shelter grant	25,000	25,000	42,613	(17,613)
New Hope, Inc.	14,000	14,000	12,962	1,038
Child abuse coordinator	39,450	39,450	39,259	191
Family Crisis Center	72,000	72,000	72,000	-
Food distribution to the needy	14,000	14,000	15,971	(1,971)
Total Social Services	1,680,431	1,680,431	1,826,904	(146,473)
<u>Education:</u>				
Maryland School for the Blind	500	500	-	500
State debt reimbursement	26,500	26,500	-	26,500
Parkside Flag-in-the-Air	7,000	7,000	7,125	(125)
Total Education	34,000	34,000	7,125	26,875
<u>Recreation and Culture:</u>				
Program Open Space	404,795	404,795	24,896	379,899
Allegany County fair	161,515	161,515	153,819	7,696
Fairgrounds maintenance	145,179	145,179	189,626	(44,447)
Allegany County Arts Council	25,000	25,000	25,000	-
Cumberland Summer Theatre	7,500	7,500	7,500	-
Agriculture Expo	13,000	13,000	13,000	-
Allegany Co. homecoming	2,250	2,250	2,250	-
Total Recreation and Culture	759,239	759,239	416,091	343,148

(continued)

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<b>EXPENDITURES (Continued):</b>				
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	104,205	104,205	102,781	1,424
Soil conservation services	140,909	140,909	120,894	20,015
Total Conservation of Natural Resources	245,114	245,114	223,675	21,439
<u>Community Development &amp; Housing</u>				
Office of Community Assistance	95,619	95,619	94,266	1,353
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	103,619	103,619	102,266	1,353
<u>Economic Development:</u>				
Office of Project Services	154,041	154,041	153,801	240
Department of Economic Development	447,654	447,654	452,708	(5,054)
Scenic railroad development	170,000	170,000	378,472	(208,472)
Tri-County Council	17,500	17,500	17,500	-
Convention and Visitors Bureau	241,736	461,736	413,909	47,827
Toll House	5,600	5,600	3,466	2,134
Thrasher Museum	67,000	67,000	69,776	(2,776)
Community promotion	10,000	10,000	8,187	1,813
Total Economic Development	1,113,531	1,333,531	1,497,819	(164,288)
<u>Miscellaneous:</u>				
Contingency	50,000	-	-	-
Miscellaneous	25,600	25,600	9,953	15,647
Total Miscellaneous	75,600	25,600	9,953	15,647
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	973,719	973,719	967,477	6,242
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,012,223	1,012,223	1,005,981	6,242
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	25,930,000	25,930,000	25,930,000	-
Allegany College	5,575,000	5,575,000	5,575,000	-
Allegany County Library	781,000	781,000	781,000	-
Information Technology	264,767	264,767	264,767	-
Total payments to component units	32,550,767	32,550,767	32,550,767	-
Total Expenditures	56,042,128	56,574,880	55,893,155	681,725
Excess (deficiency) of revenues over (under) expenditures	3,859,610	3,791,686	9,257,979	5,466,293

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2004**

<b>OTHER FINANCING SOURCES (USES)</b>	<b>Budgeted Amounts</b>		<b>Actual Amount</b>	<b>Variance with Final Budget - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<u>Unexpended balance - prior years</u>	<u>2,121,433</u>	<u>2,222,777</u>	<u>-</u>	<u>(2,222,777)</u>
<u>Transfers In:</u>				
Transfers from special revenue funds	45,380	45,380	60,380	15,000
Transfers from capital project funds	53,500	53,500	-	(53,500)
Transfers from enterprise funds	626,042	626,042	721,868	95,826
Total Transfers In	<u>724,922</u>	<u>724,922</u>	<u>782,248</u>	<u>57,326</u>
<u>Operating Transfers to Other Funds:</u>				
Highway fund	(1,619,312)	(1,619,312)	(1,619,312)	-
Transit Fund	(93,578)	(93,578)	(93,578)	-
Housing & Section 8 fund	(160,279)	(160,279)	(137,779)	22,500
Narcotics Task Force	(16,306)	(16,306)	(16,306)	-
Tourism Marketing Fund	(36,000)	(36,000)	(28,637)	7,363
Revolving Building Fund	(16,000)	(41,000)	(41,000)	-
Debt service Fund	(4,774,490)	(4,774,490)	(4,799,670)	(25,180)
Pay-As-You-GO Capital Proj. Fund	-	(8,420)	(1,005,712)	(997,292)
1998 Public Improvement Bond Fund	-	-	(192,592)	(192,592)
Total operating transfers to other funds	<u>(6,715,965)</u>	<u>(6,749,385)</u>	<u>(7,934,586)</u>	<u>(1,185,201)</u>
<u>Sale of fixed assets</u>	<u>10,000</u>	<u>10,000</u>	<u>18,674</u>	<u>8,674</u>
Total Other Financing Sources and Uses	<u>(3,859,610)</u>	<u>(3,791,686)</u>	<u>(7,133,664)</u>	<u>(3,341,978)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	<u>2,124,315</u>	<u>2,124,315</u>
Fund balance, beginning			<u>10,575,238</u>	
Fund balance, ending			<u>\$ 12,699,553</u>	

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
HIGHWAY SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Taxes - State shared	2,912,000	2,912,000	3,360,759	448,759
Intergovernmental:				
Federal	-	-	6,079	6,079
State	160,000	160,000	114,102	(45,898)
Miscellaneous	-	-	209	209
Total Revenues	3,072,000	3,072,000	3,481,149	409,149
<b>EXPENDITURES</b>				
Highway	5,891,312	5,891,312	5,048,992	842,320
Total Expenditures	5,891,312	5,891,312	5,048,992	842,320
<b>OTHER FINANCING SOURCES AND USES:</b>				
Unexpended balance - prior years	1,200,000	1,200,000	-	(1,200,000)
Transfer from other funds	1,619,312	1,619,312	1,619,312	-
Transfers to other funds	-	-	(80,920)	(80,920)
Total Other Financing Sources and Uses	2,819,312	2,819,312	1,538,392	(1,280,920)
Net change in fund balances	-	-	(29,451)	(29,451)
Fund balance, beginning			1,188,764	
Fund balance, ending			1,159,313	

**BUDGETARY COMPARISON SCHEDULE  
OFFICE OF CHILDREN, YOUTH AND FAMILIES SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2004**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental:				
State	2,153,235	1,861,114	1,408,487	(452,627)
other	-	31,965	13,247	(18,718)
Miscellaneous	-	-	3,383	3,383
Total Revenues	2,153,235	1,893,079	1,425,117	(467,962)
<b>EXPENDITURES</b>				
Social services	2,153,235	1,893,079	1,421,734	471,345
Total Expenditures	2,153,235	1,893,079	1,421,734	471,345
Net change in fund balances	-	-	3,383	3,383
Fund balance, beginning			114,719	
Fund balance, ending			118,102	

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**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.

Revolving Building Fund - the building fund is used to account for the financial activity arising from economic development efforts to locate businesses in the County and any revenue derived from those efforts.

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**

Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Public Improvement Bond Fund is used to account for the debt proceeds of various bond issues.



**ALLEGANY COUNTY, MARYLAND  
COMBINING BALANCE SHEET  
NONMAJOR FUNDS  
JUNE 30, 2004**

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Community Development & Housing Fund	Drug Task Force Fund	Tourism Marketing Fund
<b>ASSETS:</b>						
Cash	\$ -	\$ 275	\$ -	\$ -	\$ 94,328	\$ -
Cash - restricted	-	-	32,383	49,439	-	-
Investments	500,000	-	-	-	-	-
Receivables						
Notes and loans	-	-	425,083	-	-	-
Other	27,757	438,343	21,432	750	8,534	-
Due from other funds	242,971	-	196,639	86,028	143,644	-
Inventory	-	30,471	-	-	-	-
Prepays	-	-	-	70,385	-	-
Total Assets	<u>770,728</u>	<u>469,089</u>	<u>675,537</u>	<u>206,602</u>	<u>246,506</u>	<u>-</u>
<b>LIABILITIES:</b>						
Accounts payable	1,423	13,997	24,851	8,026	4,225	-
Accrued payroll	-	19,299	-	6,753	1,250	-
Accrued payroll fringe	-	9,506	-	3,301	382	-
Due to other funds	-	108,079	-	-	-	-
Amounts held in escrow	-	-	-	49,439	184,975	-
Deferred revenue	-	-	-	60,954	-	-
Miscellaneous	-	7,236	10	(20)	-	-
Total Liabilities	<u>1,423</u>	<u>158,117</u>	<u>24,861</u>	<u>128,453</u>	<u>190,832</u>	<u>-</u>
<b>FUND BALANCES</b>						
Reserved:						
For prepaid items	-	-	-	70,385	-	-
For inventories	-	30,471	-	-	-	-
Unreserved/Designated:						
For next fiscal year	33,328	280,501	50,000	-	-	-
For specific programs	735,977	-	600,676	7,764	55,674	-
Undesignated	-	-	-	-	-	-
Total Fund Balances	<u>769,305</u>	<u>310,972</u>	<u>650,676</u>	<u>78,149</u>	<u>55,674</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 770,728</u>	<u>\$ 469,089</u>	<u>\$ 675,537</u>	<u>\$ 206,602</u>	<u>\$ 246,506</u>	<u>\$ -</u>

**ALLEGANY COUNTY, MARYLAND  
COMBINING BALANCE SHEET  
NONMAJOR FUNDS  
JUNE 30, 2004**

Special Revenue Funds				Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Gaming Fund	Revolving Building Fund	State Fire, Rescue & Public Safety Fund	Total	Debt Service Fund	Public Improvement Bond Fund	
\$ -	\$ -	\$ -	\$ 94,603	\$ -	\$ -	\$ 94,603
-	-	-	81,822	-	-	81,822
-	-	258,690	758,690	-	-	758,690
-	-	-	425,083	-	-	425,083
32,320	635,158	5,632	1,169,926	-	-	1,169,926
78,120	55,902	91,696	895,000	1,149,225	-	2,044,225
-	-	-	30,471	-	-	30,471
-	-	-	70,385	-	-	70,385
<u>110,440</u>	<u>691,060</u>	<u>356,018</u>	<u>3,525,980</u>	<u>1,149,225</u>	<u>-</u>	<u>4,675,205</u>
18,839	365,206	12,747	449,314	(775)	-	448,539
2,987	1,965	-	32,254	-	-	32,254
357	851	-	14,397	-	-	14,397
-	-	-	108,079	-	68,988	177,067
-	-	-	234,414	-	-	234,414
-	-	-	60,954	-	-	60,954
-	2,500	-	9,726	-	-	9,726
<u>22,183</u>	<u>370,522</u>	<u>12,747</u>	<u>909,138</u>	<u>(775)</u>	<u>68,988</u>	<u>977,351</u>
-	-	-	70,385	-	-	70,385
-	-	-	30,471	-	-	30,471
-	-	-	363,829	-	-	363,829
88,257	-	343,271	1,831,619	1,150,000	-	2,981,619
-	320,538	-	320,538	-	(68,988)	251,550
<u>88,257</u>	<u>320,538</u>	<u>343,271</u>	<u>2,616,842</u>	<u>1,150,000</u>	<u>(68,988)</u>	<u>3,697,854</u>
<u>\$ 110,440</u>	<u>\$ 691,060</u>	<u>\$ 356,018</u>	<u>\$ 3,525,980</u>	<u>\$ 1,149,225</u>	<u>\$ -</u>	<u>\$ 4,675,205</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Community Development & Housing Fund	Drug Task Force Fund	Tourism Marketing Fund
<b>REVENUES:</b>						
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	99,674	-	-	-	-	-
Intergovernmental:						
Federal	-	323,551	441,967	878,604	-	-
State	74,200	179,129	-	167,654	-	-
Other	-	-	54,500	20,750	16,453	-
Service charges	-	124,862	-	21,284	-	-
Fines and forfeitures	-	-	-	-	25,678	-
Interest	2,415	-	-	-	1,701	-
Miscellaneous	-	10,134	123,949	829	-	-
<b>Total Revenues</b>	<b>176,289</b>	<b>637,676</b>	<b>620,416</b>	<b>1,089,121</b>	<b>43,832</b>	<b>-</b>
<b>EXPENDITURES:</b>						
<b>Current:</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	70,161	-
Highway	12,398	-	-	-	-	-
Other public works	-	969,721	64,480	-	-	-
Social Services	-	-	92,062	-	-	-
Community Development and Housing	-	-	297,163	1,240,838	-	-
Economic development	-	-	-	-	-	28,637
Miscellaneous	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay:						
General government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Education	-	-	-	-	-	-
Library	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Payments to component units:						
Board of Education	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>12,398</b>	<b>969,721</b>	<b>453,705</b>	<b>1,240,838</b>	<b>70,161</b>	<b>28,637</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	93,578	-	160,618	16,306	28,637
Transfers out	-	-	(40,123)	-	-	-
Sale of capital assets	-	-	-	-	-	-
<b>Total Other Financing Sources and uses</b>	<b>-</b>	<b>93,578</b>	<b>(40,123)</b>	<b>160,618</b>	<b>16,306</b>	<b>28,637</b>
 Net change in fund balances	 163,891	 (238,467)	 126,588	 8,901	 (10,023)	 -
Fund balance, beginning	605,414	549,439	524,088	69,248	65,697	-
<b>Fund balance, ending</b>	<b>\$ 769,305</b>	<b>\$ 310,972</b>	<b>\$ 650,676</b>	<b>\$ 78,149</b>	<b>\$ 55,674</b>	<b>\$ -</b>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2004**

Special Revenue Funds				Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Gaming Fund	Revolving Building Fund	State Fire, Rescue & Public Safety Fund	Total Special Revenue Funds	Debt Service Fund	Public Improvement Bond Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
402,831	-	-	502,505	-	-	502,505
-	-	-	1,644,122	-	-	1,644,122
-	1,025,547	238,018	1,684,548	-	727,329	2,411,877
-	-	-	91,703	-	-	91,703
58,928	-	82,718	287,792	-	-	287,792
-	-	-	25,678	-	-	25,678
-	-	2,319	6,435	-	-	6,435
-	1,437,949	51,668	1,624,529	-	-	1,624,529
461,759	2,463,496	374,723	5,867,312	-	727,329	6,594,641
108,731	-	-	108,731	-	-	108,731
-	-	334,556	404,717	-	-	404,717
-	-	-	12,398	-	-	12,398
-	-	-	1,034,201	-	-	1,034,201
-	-	-	92,062	-	-	92,062
-	-	-	1,538,001	-	-	1,538,001
-	1,251,743	-	1,280,380	-	-	1,280,380
-	-	-	-	8,768	-	8,768
-	-	-	-	4,221,604	-	4,221,604
-	-	-	-	1,839,382	-	1,839,382
-	-	-	-	-	192,423	192,423
-	-	-	-	-	69	69
-	-	-	-	-	44,608	44,608
-	-	-	-	-	-	-
-	-	-	-	-	1,867	1,867
-	-	-	-	-	(6,026)	(6,026)
108,731	1,251,743	334,556	4,470,490	6,069,754	232,941	10,773,185
-	41,000	-	340,139	5,944,754	192,592	6,477,485
(264,771)	(1,188,180)	-	(1,493,074)	-	-	(1,493,074)
-	-	-	-	-	-	-
(264,771)	(1,147,180)	-	(1,152,935)	5,944,754	192,592	4,984,411
88,257	64,573	40,167	243,887	(125,000)	686,980	805,867
-	255,965	303,104	2,372,955	1,275,000	(755,968)	2,891,987
\$ 88,257	\$ 320,538	\$ 343,271	\$ 2,616,842	\$ 1,150,000	\$ (68,988)	\$ 3,697,854

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**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, 2004**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>Expenditures:</b>				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 8,768	\$ 16,232
Debt Service:				
Principal payments on :				
General obligation debt	3,756,424	3,756,424	3,753,291	3,133
State loans	471,325	471,325	468,313	3,012
Total principal payments	<u>4,227,749</u>	<u>4,227,749</u>	<u>4,221,604</u>	<u>6,145</u>
Interest payments on:				
General obligation debt	1,411,012	1,411,012	1,408,606	2,406
State loans	429,381	429,381	430,776	(1,395)
Total interest payments	<u>1,840,393</u>	<u>1,840,393</u>	<u>1,839,382</u>	<u>1,011</u>
Total Expenditures	<u>6,093,142</u>	<u>6,093,142</u>	<u>6,069,754</u>	<u>23,388</u>
<b>Other Financing Sources and (Uses):</b>				
Unexpended fund balance	125,000	125,000	-	(125,000)
Transfers from other funds:				
From the General Fund	4,818,754	4,818,754	4,799,670	(19,084)
From the Community Development Block Grant Fund	2,284	2,284	2,284	-
From the Revolving Building Fund	<u>1,147,104</u>	<u>1,147,104</u>	<u>1,142,800</u>	<u>(4,304)</u>
Total Other Financing Sources and Uses	<u>6,093,142</u>	<u>6,093,142</u>	<u>5,944,754</u>	<u>(148,388)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(125,000)	<u>\$ (125,000)</u>
Fund balance, beginning			<u>1,275,000</u>	
Fund balance, ending			<u>\$ 1,150,000</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, 2004**

	<b>Highway Fund</b>				<b>Coal Haul Roads Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes - State Shared	\$2,912,000	\$2,912,000	\$ 3,360,759	\$ 448,759	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	149,300	149,300	99,674	(49,626)
Intergovernmental:								
Federal	-	-	6,079	6,079	-	-	-	-
State	160,000	160,000	114,102	(45,898)	-	-	74,200	74,200
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	2,415	2,415
Miscellaneous	-	-	209	209	-	-	-	-
Total Revenues	<u>3,072,000</u>	<u>3,072,000</u>	<u>3,481,149</u>	<u>409,149</u>	<u>149,300</u>	<u>149,300</u>	<u>176,289</u>	<u>26,989</u>
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highway	5,891,312	5,891,312	5,048,992	842,320	149,300	149,300	12,398	136,902
Other public works	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	<u>5,891,312</u>	<u>5,891,312</u>	<u>5,048,992</u>	<u>842,320</u>	<u>149,300</u>	<u>149,300</u>	<u>12,398</u>	<u>136,902</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior yea	1,200,000	1,200,000	-	(1,200,000)	-	-	-	-
Transfer from other funds	1,619,312	1,619,312	1,619,312	-	-	-	-	-
Transfers to other funds	-	-	(80,920)	(80,920)	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>2,819,312</u>	<u>2,819,312</u>	<u>1,538,392</u>	<u>(1,280,920)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(29,451)</u>	<u>\$ (29,451)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>163,891</u>	<u>\$ 163,891</u>
Fund balance, beginning			1,188,764				605,414	
Fund balance, ending			<u>\$ 1,159,313</u>				<u>\$ 769,305</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, 2004**

Transit Fund				Office of Children, Youth & Families			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
836,981	836,981	323,551	(513,430)	-	-	-	-
376,182	376,182	179,129	(197,053)	2,153,235	1,861,114	1,408,487	(452,627)
-	-	-	-	-	31,965	13,247	(18,718)
138,360	138,360	124,862	(13,498)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	3,383	3,383
6,500	6,500	10,134	3,634	-	-	-	-
<u>1,358,023</u>	<u>1,358,023</u>	<u>637,676</u>	<u>(720,347)</u>	<u>2,153,235</u>	<u>1,893,079</u>	<u>1,425,117</u>	<u>(467,962)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,672,737	1,672,737	969,721	703,016	-	-	-	-
-	-	-	-	2,153,235	1,893,079	1,421,734	471,345
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,672,737</u>	<u>1,672,737</u>	<u>969,721</u>	<u>703,016</u>	<u>2,153,235</u>	<u>1,893,079</u>	<u>1,421,734</u>	<u>471,345</u>
221,136	221,136	-	(221,136)	-	-	-	-
93,578	93,578	93,578	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>314,714</u>	<u>314,714</u>	<u>93,578</u>	<u>(221,136)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(238,467)</u>	<u>\$ (238,467)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>3,383</u>	<u>\$ 3,383</u>
		<u>549,439</u>				<u>114,719</u>	
		<u>\$ 310,972</u>				<u>\$ 118,102</u>	

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<b>Community Development Block Grant and Block Grant Program Income Fund</b>				<b>Community Development &amp; Housing Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	380,984	380,984	441,967	60,983	957,595	957,595	878,604	(78,991)
State	-	-	-	-	248,262	248,262	167,654	(80,608)
Other	20,000	20,000	54,500	34,500	5,250	5,250	20,750	15,500
Service charges	-	-	-	-	16,000	16,000	21,284	5,284
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	5,400	5,400	123,949	118,549	1,000	1,000	829	(171)
<b>Total Revenues</b>	<b>406,384</b>	<b>406,384</b>	<b>620,416</b>	<b>214,032</b>	<b>1,228,107</b>	<b>1,228,107</b>	<b>1,089,121</b>	<b>(138,986)</b>
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Other public works	-	-	64,480	(64,480)	-	-	-	-
Social Services	-	-	92,062	(92,062)	-	-	-	-
Community Development and Housing	441,600	441,600	297,163	144,437	1,400,886	1,400,886	1,240,838	160,048
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>441,600</b>	<b>441,600</b>	<b>453,705</b>	<b>(12,105)</b>	<b>1,400,886</b>	<b>1,400,886</b>	<b>1,240,838</b>	<b>160,048</b>
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior years	50,000	50,000	-	(50,000)	-	-	-	-
Transfer from other funds	-	-	-	-	172,779	172,779	160,618	(12,161)
Transfers to other funds	(14,784)	(14,784)	(40,123)	(25,339)	-	-	-	-
Proceeds from debt issuance	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>35,216</b>	<b>35,216</b>	<b>(40,123)</b>	<b>(75,339)</b>	<b>172,779</b>	<b>172,779</b>	<b>160,618</b>	<b>(12,161)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>126,588</b>	<b>\$ 126,588</b>	<b>\$ -</b>	<b>\$ -</b>	<b>8,901</b>	<b>\$ 8,901</b>
Fund balance, beginning			524,088				69,248	
Fund balance, ending			<u>\$ 650,676</u>				<u>\$ 78,149</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, 2004**

<b>Drug Task Force Fund</b>				<b>Tourism Marketing Programs</b>			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
16,306	16,306	16,453	147	-	-	-	-
40,750	40,750	25,678	(15,072)	170,000	170,000	-	(170,000)
2,000	2,000	1,701	(299)	-	-	-	-
-	-	-	-	-	-	-	-
<u>59,056</u>	<u>59,056</u>	<u>43,832</u>	<u>(15,224)</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>	<u>(170,000)</u>
-	-	-	-	-	-	-	-
75,362	75,362	70,161	5,201	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	206,000	206,000	28,637	177,363
-	-	-	-	-	-	-	-
<u>75,362</u>	<u>75,362</u>	<u>70,161</u>	<u>5,201</u>	<u>206,000</u>	<u>206,000</u>	<u>28,637</u>	<u>177,363</u>
-	-	-	-	-	-	-	-
16,306	16,306	16,306	-	36,000	36,000	28,637	(7,363)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>16,306</u>	<u>16,306</u>	<u>16,306</u>	<u>-</u>	<u>36,000</u>	<u>36,000</u>	<u>28,637</u>	<u>(7,363)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>(10,023)</u>	<u>\$ (10,023)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
		65,697				-	
		<u>\$ 55,674</u>				<u>\$ -</u>	

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**SPECIAL REVENUE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	<b>Gaming Fund</b>				<b>Revolving Building Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes	\$ -	\$ -	\$ 402,831	\$ 402,831	\$ -	\$ -	\$ -	\$ -
Taxes - State Shared	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	128,000	128,000	-	(128,000)
State	-	-	-	-	1,000,000	1,000,000	1,025,547	25,547
Other	-	-	-	-	-	-	-	-
Service charges	-	-	58,928	58,928	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	1,584,968	1,584,968	1,437,949	(147,019)
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>461,759</b>	<b>461,759</b>	<b>2,712,968</b>	<b>2,712,968</b>	<b>2,463,496</b>	<b>(249,472)</b>
<b>EXPENDITURES:</b>								
General government	-	-	108,731	(108,731)	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Other public works	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	1,971,263	1,996,263	1,251,743	744,520
Miscellaneous	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>108,731</b>	<b>(108,731)</b>	<b>1,971,263</b>	<b>1,996,263</b>	<b>1,251,743</b>	<b>744,520</b>
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year	-	-	-	-	76,779	76,779	-	(76,779)
Transfer from other funds	-	-	-	-	16,000	41,000	41,000	-
Transfers to other funds	-	-	(264,771)	(264,771)	(1,192,484)	(1,192,484)	(1,188,180)	4,304
Proceeds from debt issuance	-	-	-	-	358,000	358,000	-	(358,000)
Sale of capital assets	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>-</b>	<b>-</b>	<b>(264,771)</b>	<b>(264,771)</b>	<b>(741,705)</b>	<b>(716,705)</b>	<b>(1,147,180)</b>	<b>(430,475)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>88,257</b>	<b>\$ 88,257</b>	<b>\$ -</b>	<b>\$ -</b>	<b>64,573</b>	<b>\$ 64,573</b>
Fund balance, beginning			-				255,965	
Fund balance, ending			<u>\$ 88,257</u>				<u>\$ 320,538</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, 2004**

<b>Fire, Rescue &amp; Public Safety Fund</b>				<b>Total Special Revenue Funds</b>			
<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
\$ -	\$ -	\$ -	\$ -	\$ 2,912,000	\$ 2,912,000	\$ 3,763,590	\$ 851,590
-	-	-	-	149,300	149,300	99,674	(49,626)
-	-	-	-	2,303,560	2,303,560	1,650,201	(653,359)
231,611	231,611	238,018	6,407	4,169,290	3,877,169	3,207,137	(670,032)
-	-	-	-	41,556	73,521	104,950	31,429
-	-	82,718	82,718	324,360	324,360	287,792	(36,568)
-	-	-	-	40,750	40,750	25,678	(15,072)
2,000	2,000	2,319	319	4,000	4,000	9,818	5,818
-	-	51,668	51,668	1,597,868	1,597,868	1,624,738	26,870
<u>233,611</u>	<u>233,611</u>	<u>374,723</u>	<u>141,112</u>	<u>11,542,684</u>	<u>11,282,528</u>	<u>10,773,578</u>	<u>(508,950)</u>
-	-	-	-	-	-	108,731	(108,731)
492,222	492,222	334,556	157,666	567,584	567,584	404,717	162,867
-	-	-	-	6,040,612	6,040,612	5,061,390	979,222
-	-	-	-	1,672,737	1,672,737	1,034,201	638,536
-	-	-	-	2,153,235	1,893,079	1,513,796	379,283
-	-	-	-	1,842,486	1,842,486	1,538,001	304,485
-	-	-	-	2,177,263	2,202,263	1,280,380	921,883
-	-	-	-	-	-	-	-
<u>492,222</u>	<u>492,222</u>	<u>334,556</u>	<u>157,666</u>	<u>14,453,917</u>	<u>14,218,761</u>	<u>10,941,216</u>	<u>3,277,545</u>
-	-	-	-	-	-	-	-
258,611	258,611	-	(258,611)	1,806,526	1,806,526	-	(1,806,526)
-	-	-	-	1,953,975	1,978,975	1,959,451	(19,524)
-	-	-	-	(1,207,268)	(1,207,268)	(1,573,994)	366,726
-	-	-	-	358,000	358,000	-	(358,000)
-	-	-	-	-	-	-	-
<u>258,611</u>	<u>258,611</u>	<u>-</u>	<u>(258,611)</u>	<u>2,911,233</u>	<u>2,936,233</u>	<u>385,457</u>	<u>(1,817,324)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>40,167</u>	<u>\$ 40,167</u>	<u>-</u>	<u>-</u>	<u>217,819</u>	<u>217,819</u>
		<u>303,104</u>				<u>3,676,438</u>	
		<u>\$ 343,271</u>				<u>\$ 3,894,257</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, 2004**

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Intergovernmental								
Federal grants	\$ 765,000	\$ 765,000	\$1,085,485	\$ 320,485	\$ -	\$ -	\$ 1,291,143	\$ 1,291,143
State grants	4,614,000	4,614,000	427,647	(4,186,353)	-	-	539,424	539,424
Other	315,500	315,500	111,011	(204,489)	-	-	-	-
Miscellaneous:								
Interest	-	-	6,269	6,269	-	-	23,640	23,640
Miscellaneous	30,000	30,000	237,569	207,569	-	-	(41,050)	(41,050)
Total Revenues	<u>5,724,500</u>	<u>5,724,500</u>	<u>1,867,981</u>	<u>(3,856,519)</u>	<u>-</u>	<u>-</u>	<u>1,813,157</u>	<u>1,813,157</u>
<b>EXPENDITURES:</b>								
General Government	-	-	-	-	220,000	220,000	556,986	(336,986)
Public Safety	-	-	420,401	(420,401)	107,500	107,500	3,160	104,340
Public Works	986,000	986,000	822,787	163,213	145,000	145,000	-	145,000
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Recreation, Culture & Libraries	712,000	712,000	205,476	506,524	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic Development	4,180,000	4,180,000	1,015,220	3,164,780	287,000	295,420	1,901,442	(1,606,022)
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	-	-	618,755	(618,755)	196,000	196,000	960,802	(764,802)
Total Expenditures	<u>5,878,000</u>	<u>5,878,000</u>	<u>3,082,639</u>	<u>2,795,361</u>	<u>955,500</u>	<u>963,920</u>	<u>3,422,390</u>	<u>(2,458,470)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>								
Unexpended fund balance	473,500	473,500	-	(473,500)	989,000	989,000	-	(989,000)
Transfers In:								
Other funds	-	-	319,475	319,475	-	8,420	2,537,109	2,528,689
Internal transfers	-	-	53,934	-	-	-	(53,934)	-
Transfers Out:								
Other funds	(320,000)	(320,000)	(260,000)	60,000	(33,500)	(33,500)	(190,960)	(157,460)
Issuance of debt	-	-	588,607	588,607	-	-	-	-
Total Other Financing Uses	<u>153,500</u>	<u>153,500</u>	<u>702,016</u>	<u>494,582</u>	<u>955,500</u>	<u>963,920</u>	<u>2,292,215</u>	<u>1,382,229</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(512,642)</u>	<u>\$ (566,576)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>682,982</u>	<u>\$ 736,916</u>
Fund balance, beginning			309,359				1,817,487	
Fund balance, ending			<u>\$ (203,283)</u>				<u>\$ 2,500,469</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, 2004**

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)
\$ -	\$ -	\$ -	\$ -	\$ 765,000	\$ 765,000	\$ 2,376,628	\$ 1,611,628
-	-	727,329	727,329	4,614,000	4,614,000	1,694,400	(2,919,600)
-	-	-	-	315,500	315,500	111,011	(204,489)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	29,909	29,909
-	-	-	-	30,000	30,000	196,519	166,519
-	-	727,329	727,329	5,724,500	5,724,500	4,408,467	(1,316,033)
-	-	-	-	-	-	-	-
-	-	192,423	(192,423)	220,000	220,000	749,409	(529,409)
-	-	69	(69)	107,500	107,500	423,630	(316,130)
-	-	-	-	1,131,000	1,131,000	822,787	308,213
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	44,608	(44,608)	-	-	44,608	(44,608)
-	-	-	-	712,000	712,000	205,476	506,524
-	-	-	-	-	-	-	-
250,000	250,000	-	250,000	4,717,000	4,725,420	2,916,662	1,808,758
-	-	1,867	(1,867)	-	-	1,867	(1,867)
656,100	656,100	(6,026)	662,126	852,100	852,100	1,573,531	(721,431)
906,100	906,100	232,941	673,159	7,739,600	7,748,020	6,737,970	1,010,050
-	-	-	-	-	-	-	-
-	-	-	-	1,462,500	1,462,500	-	(1,462,500)
-	-	192,592	192,592	-	8,420	3,049,176	3,040,756
-	-	-	-	-	-	-	-
-	-	-	-	(353,500)	(353,500)	(450,960)	(97,460)
906,100	906,100	-	(906,100)	906,100	906,100	588,607	(317,493)
906,100	906,100	192,592	(713,508)	2,015,100	2,023,520	3,186,823	1,163,303
-	-	-	-	-	-	-	-
\$ -	\$ -	686,980	\$ 686,980	\$ -	\$ -	857,320	\$ 857,320
-	-	(755,968)	-	-	-	1,370,878	-
-	-	\$ (68,988)	-	-	-	\$ 2,228,198	-



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**CAPITAL PROJECT FUNDS**

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

**FROM INCEPTION TO JUNE 30, 2004**

SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

		Project	Revenues and other Sources				
	Proj	Length	Federal	State	Other	Service	Miscell.
	No.	Budget	Grants	Grants	Intergov'l	Charges	Revenues
Capital Improvement Projects Fund							
Bowman's Addition Demolition	409C	275,700	\$ 275,699	\$ -	\$ -	\$ -	\$ -
Lonaconing Acid Mine Drainage	409D	112,300	-	112,273	-	-	-
Potomac Hill Acid Mine Drainage	409E	225,000	-	87,055	-	-	-
Upper Potomac Ind. Park	409G	2,261,000	-	-	-	-	-
Cash Valley Roof	409J	96,000	-	-	-	-	-
Eckhart School Roof	409K	-	-	-	-	-	-
Washington St. Library Exterior	409I	162,846	-	-	35,500	-	-
Allconet II	409Q	2,947,993	520,810	2,000,000	104,239	-	-
Rye Street Bridge	409R	649,300	-	10,738	-	-	-
Western High School	409W	10,000,000	-	-	-	-	-
Landfill Closeout	4090	1,512,160	-	200,000	-	-	281,394
Washington St. Library Interior	4094	1,083,000	-	-	-	-	-
State Flood Grant	410D	167,000	-	149,210	-	-	-
Flood Mitigation, Locust Grove	410I	512,174	391,207	62,212	-	-	-
Project Impact	410L	1,097,323	1,024,882	86,251	1,200	498	-
Donated Assets	410O	247,880	-	-	-	-	247,880
Westemport Storm Pond	410P	95,100	-	33,712	-	-	-
Riverside Industrial Park	410R	2,099,971	-	-	-	-	383,296
Pleasant Valley Road	410U	1,822,936	-	1,702,109	-	-	-
Lonaconing Greenway Park	410V	385,154	55,018	299,273	26,358	-	-
George's Creek Watershed	410W	50,853	43,970	-	-	-	-
Highland Trail	410X	10,606,000	352,927	523,075	6,772	-	36,569
Georges Creek FEMA	410Y	2,440,955	1,598,143	364,106	-	-	-
Other Projects			-	-	-	-	3,374
			4,262,656	5,630,014	174,069	498	952,513
Pay-As-You-Go Capital Project Fund							
Computer Network	418I	150,000	-	-	-	-	-
NRCS Flood Projects	418O	105,500	-	8,175	-	-	-
Town Creek Bridge	418Q	1,247,776	981,817	-	-	-	-
Roads Paving Program	418R	2,350,000	-	-	-	-	-
Lonaconing Roads Garage	418V	885,230	-	489,424	-	-	-
Capital Outlay	418Z	276,048	-	-	-	-	-
Capital Project Reserves	418I	-	-	-	-	-	2,568,009
Health Dept Air Conditioning	4189	440,124	-	-	-	-	-
Georges Creek Flood Buyouts	420A	20,312	-	-	-	-	-
Bowman's Addition Flood Buyouts	420B	2,332,300	1,083,979	498,534	-	-	-
Board of Education Capital	420E	1,069,080	-	-	-	-	-
Allegany College Reroofing	420F	58,810	-	-	-	-	-
John Humbird School	420H	835,000	-	-	-	-	-
County Signage	420I	50,000	-	-	-	-	-
Jail Reuse	420J	1,578,000	-	400,000	-	-	-
Louise Drive Paving	420L	277,685	-	-	-	-	157,950
PPG Water System Repair	420P	50,000	-	-	-	-	-
Payroll/General Ledger Software	420S	500,000	-	-	-	-	-
Emergency Capital	420V						
Telecommunications Program	420Z	100,000	-	-	-	-	-
Barton Industrial Park Water	4202	2,099,000	1,286,100	-	-	-	-
OP Roads Improvements	4203	500,000	-	-	-	16,392	-
			3,351,896	1,396,133	-	16,392	2,725,959
Public Improvement Bonds Capital Project Fund							
Bond Arbitrage	428Y	-					
Correctional Facility	4285	15,188,602	-	8,380,679	-	-	10,120
Bond Interest	428Z	1,000,000	-	-	-	-	992,351
Allegany College, Physical Ed.	430A	1,460,000	-	-	-	-	-
Cash Valley Elem. Roof	430B	-					
			-	8,380,679	-	-	1,002,471
Total Capital Project Funds			\$ 7,614,552	\$ 15,406,826	\$ 174,069	\$ 16,890	\$ 4,680,943

## CAPITAL PROJECT FUNDS

SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2004

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
\$ -	\$ -	\$ 275,699	\$ 275,699	\$ -	\$ 275,699	\$ -	\$ 1
-	-	112,273	112,273	-	112,273	-	27
-	-	87,055	87,055	-	87,055	-	137,945
-	-	-	19,405	-	19,405	(19,405)	2,241,595
-	10,655	10,655	10,655	-	10,655	-	85,345
-	8,303	8,303	8,303	-	8,303	-	(8,303)
-	132,412	167,912	167,912	-	167,912	-	(5,066)
-	323,168	2,948,217	2,560,364	60,000	2,620,364	327,853	327,629
-	124,660	135,398	37,710	-	37,710	97,688	611,590
-	245,813	245,813	58,290	-	58,290	187,523	9,941,710
652,317	128,547	1,262,258	947,822	220,699	1,168,521	93,737	343,639
-	63,500	63,500	212,852	-	212,852	(149,352)	870,148
-	-	149,210	172,094	-	184,763	(35,553)	(17,763)
-	58,734	512,153	512,153	-	512,153	-	21
-	-	1,112,831	1,112,831	-	1,112,831	-	(15,508)
-	-	247,880	247,880	-	247,880	-	-
-	24,636	58,348	95,097	-	95,097	(36,749)	3
-	2,025,751	2,409,047	1,845,852	484,283	2,330,135	78,912	(230,164)
-	114,436	1,816,545	1,816,545	-	1,816,545	-	6,391
-	4,377	385,026	385,026	-	385,026	-	128
-	3,469	47,439	47,439	-	47,439	-	3,414
-	-	919,343	1,667,280	-	1,667,280	(747,937)	8,938,720
-	482,491	2,444,740	2,444,740	-	2,444,740	-	(3,785)
-	-	3,374	-	3,374	3,374	-	-
652,317	3,750,952	15,423,019	14,845,277	768,356	15,626,302	(203,283)	23,227,717
-	155,725	155,725	97,529	5,725	103,254	52,471	46,746
-	105,500	113,675	107,557	-	107,557	6,118	(2,057)
-	265,959	1,247,776	1,247,776	-	1,247,776	-	-
-	2,600,000	2,600,000	1,903,869	-	1,903,869	696,131	446,131
-	513,269	1,002,693	513,269	489,424	1,002,693	-	(117,463)
126,048	200,000	326,048	187,461	88,587	276,048	50,000	-
-	1,432,534	4,000,543	-	2,357,137	2,357,137	1,643,406	-
-	422,784	422,784	-	439,652	439,652	(16,868)	472
-	20,312	20,312	20,312	-	20,312	-	-
-	250,150	1,832,663	1,808,254	-	1,808,254	24,409	524,046
-	1,489,424	1,489,424	1,489,424	-	1,489,424	-	(420,344)
-	58,810	58,810	46,922	-	46,922	11,888	11,888
-	833,000	833,000	787,164	-	787,164	45,836	47,836
-	74,572	74,572	41,152	-	41,152	33,420	8,848
-	1,176,059	1,576,059	1,173,868	-	1,576,059	-	1,941
-	119,734	277,684	277,684	-	277,684	-	1
-	36,067	36,067	36,067	-	36,067	-	13,933
-	500,000	500,000	321,789	-	321,789	178,211	178,211
-	200,000	200,000	-	-	-	200,000	-
-	-	-	37,024	-	37,024	(37,024)	62,976
-	287,000	1,573,100	1,969,878	-	1,969,878	(396,778)	129,122
-	486,731	503,123	493,874	-	493,874	9,249	6,126
126,048	11,227,630	18,844,058	12,560,873	3,380,525	16,343,589	2,500,469	938,413
-	192,423	192,423	192,423	-	192,423	-	(192,423)
6,500,000	297,993	15,188,792	15,188,792	-	15,188,792	-	(190)
-	-	992,351	610,568	381,783	992,351	-	7,649
-	-	-	68,988	-	68,988	(68,988)	1,391,012
-	-	-	-	-	-	-	-
6,500,000	297,993	16,181,143	15,868,348	381,783	16,250,131	(68,988)	1,398,471
\$ 7,278,365	\$ 15,276,575	\$ 50,448,220	\$ 43,274,498	\$ 4,530,664	\$ 48,220,022	\$ 2,228,198	\$ 25,564,601

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## **CAPITAL PROJECT FUNDS**

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

**FOR THE YEAR ENDED JUNE 30, 2004**

**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, 2004**

	Upper Potomac Ind Park (409G)	Cash Valley Roof (409J)	Eckhart School Roof (409K)	Allconet II (409Q)
<b>REVENUES:</b>				
Intergovernmental:				
Federal:				
FEMA grant	\$ -	\$ -	\$ -	\$ -
Highway grant	-	-	-	-
FmHA grant	-	-	-	24,800
EPA grant	-	-	-	-
ARC grant	-	-	-	496,010
State:				
State Aid Highway	-	-	-	-
MD Dept. of Environment	-	-	-	-
Miscellaneous State Grants	-	-	-	-
Other Intergovernmental	-	-	-	104,239
Miscellaneous:				
Interest	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>625,049</u>
<b>EXPENDITURES:</b>				
Public Safety	18,791	-	-	-
Public Works	-	-	-	-
Libraries	-	-	-	-
Conservation of Nat'l Resources	-	-	-	-
Economic Development	-	-	-	31,015
Payments to component units:				
Board of Education	-	10,655	8,303	541,507
Total Expenditures	<u>18,791</u>	<u>10,655</u>	<u>8,303</u>	<u>572,522</u>
<b>OTHER FINANCING SOURCES and (USES):</b>				
Transfers in:	-	-	-	-
General Fund	-	-	-	-
General Fund, internal transfers	-	-	-	-
Gaming Fund	-	10,655	8,303	-
Capital Projects Funds	-	-	-	-
Loan Fund	-	-	-	3,168
Transfers out:	-	-	-	-
PAYGO fund	-	-	-	-
County loan Fund	-	-	-	(60,000)
Issuance of debt	-	-	-	-
Total Other Financing	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Sources and Uses	<u>-</u>	<u>10,655</u>	<u>8,303</u>	<u>(56,832)</u>
Net change in fund balances	(18,791)	-	-	(4,305)
Fund Balance, beginning	(614)	-	-	332,158
Fund Balance, Ending	<u>\$ (19,405)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 327,853</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, 2004**

<u>Rye Street Bridge (409R)</u>	<u>Western High School (409W)</u>	<u>Landfill Closeout (4090)</u>	<u>Washington St. Library Interior (4094)</u>	<u>\$3.2 Million Flood Grant (410D)</u>	<u>Total This Page</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	24,800
-	-	-	-	-	-
-	-	-	-	-	496,010
10,738	-	-	-	-	10,738
-	-	-	-	-	-
-	-	200,000	-	1,353	201,353
-	-	-	-	-	104,239
-	-	1,293	-	-	1,293
-	-	216,000	-	-	216,000
<u>10,738</u>	<u>-</u>	<u>417,293</u>	<u>-</u>	<u>1,353</u>	<u>1,054,433</u>
-	-	-	-	14,346	33,137
24,287	-	798,500	-	-	822,787
-	-	-	205,476	-	205,476
-	-	-	-	-	-
-	-	-	-	-	31,015
-	58,290	-	-	-	618,755
<u>24,287</u>	<u>58,290</u>	<u>798,500</u>	<u>205,476</u>	<u>14,346</u>	<u>1,711,170</u>
-	-	(3,469)	-	-	(3,469)
-	-	(17,230)	-	-	(17,230)
-	245,813	-	-	-	264,771
-	-	-	-	-	-
-	-	-	-	-	3,168
-	-	(200,000)	-	-	(200,000)
-	-	-	-	-	(60,000)
-	-	588,607	-	-	588,607
<u>-</u>	<u>245,813</u>	<u>367,908</u>	<u>-</u>	<u>-</u>	<u>575,847</u>
(13,549)	187,523	(13,299)	(205,476)	(12,993)	(80,890)
111,237	-	107,036	56,124	(22,560)	583,381
<u>\$ 97,688</u>	<u>\$ 187,523</u>	<u>\$ 93,737</u>	<u>\$ (149,352)</u>	<u>\$ (35,553)</u>	<u>\$ 502,491</u>

(Continued)



**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, 2004**

REVENUES:	Total Previous Page	Project Impact (410L)	Westermport Storm Sewer (410P)	Riverside Industrial Park (410R)
<b>REVENUES:</b>				
Intergovernmental:				
Federal:				
FEMA Grant	\$ -	\$ -	\$ -	\$ -
Highway grant	-	-	-	-
FmHA grant	24,800	-	-	-
EPA grant	-	-	-	-
ARC grant	496,010	-	-	-
State:				
State Aid Highway	10,738	-	-	-
MD Dept. of Environment	-	-	-	-
Miscellaneous State Grants	201,353	-	-	-
Other Intergovernmental	104,239	-	-	-
Miscellaneous:				
Interest	1,293	-	-	4,976
Miscellaneous	216,000	-	-	-
Total Revenues	<u>1,054,433</u>	<u>-</u>	<u>-</u>	<u>4,976</u>
<b>EXPENDITURES:</b>				
Public Safety	33,137	8,916	-	-
Public Works	822,787	-	-	-
Libraries	205,476	-	-	-
Conservation of Nat'l Resources	-	-	-	-
Economic Development	31,015	-	-	-
Payments to component units:				
Board of Education	618,755	-	-	-
Total Expenditures	<u>1,711,170</u>	<u>8,916</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES and (USES):</b>				
Transfers in:				
General Fund	(3,469)	-	-	-
General Fund, internal transfers	(17,230)	-	-	-
Gaming Fund	264,771	-	-	-
Capital Projects Funds	-	-	-	-
Loan Fund	3,168	-	-	-
Transfers out:				
PAYGO fund	(200,000)	✓	-	-
County loan Fund	(60,000)	-	-	-
Issuance of debt	588,607	-	-	-
Total Other Financing Sources and Uses	<u>575,847</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(80,890)	(8,916)	-	4,976
Fund Balance, beginning	583,381	8,916	(36,749)	73,936
Fund Balance, Ending	<u>\$ 502,491</u>	<u>\$ -</u>	<u>\$ (36,749)</u>	<u>\$ 78,912</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, 2004**

George's Creek Watershed (410W)	Highland Trail (410X)	FEMA Geo Creek (410Y)	Other Projects	Fund Total
\$ -	\$ -	\$ 239,364	\$ -	\$ 239,364
	322,927			322,927
				24,800
2,384				2,384
				496,010
-	128,485	-	-	139,223
-	-	87,071	-	87,071
-	-	-	-	201,353
-	6,772	-	-	111,011
-	-	-	-	6,269
-	21,569	-	-	237,569
<u>2,384</u>	<u>479,753</u>	<u>326,435</u>	<u>-</u>	<u>1,867,981</u>
-	-	378,348	-	420,401
-	-	-	-	822,787
-	-	-	-	205,476
-	-	-	-	-
-	984,205	-	-	1,015,220
-	-	-	-	618,755
<u>-</u>	<u>984,205</u>	<u>378,348</u>	<u>-</u>	<u>3,082,639</u>
3,469	-	-	-	-
-	-	71,164	-	53,934
-	-	-	-	264,771
-	-	51,536	-	51,536
-	-	-	-	3,168
-	-	-	-	(200,000)
-	-	-	-	(60,000)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>588,607</u>
<u>3,469</u>	<u>-</u>	<u>122,700</u>	<u>-</u>	<u>702,016</u>
5,853	(504,452)	70,787	-	(512,642)
(5,853)	(243,485)	(70,787)	-	309,359
<u>\$ -</u>	<u>\$ (747,937)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (203,283)</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, 2004**

	Computer Network (418I)	NRCS Flood Projects (418O)	Roads Paving Program (418R)	Lonaconing Roads Garage (418V)	Capital Outlay (418Z)
<b>REVENUES:</b>					
Federal Grants					
Soil Conservation Service	\$ -	\$ -	\$ -	\$ -	\$ -
EDA grant	-	-	-	-	-
State Grants					
Miscellaneous state grants	-	-	-	139,424	-
Miscellaneous:					
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,424</u>	<u>-</u>
<b>EXPENDITURES:</b>					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Economic Development	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Payments to component units:					
Board of Education	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>OTHER FINANCING SOURCES and (USES):</b>					
Transfers from:					
General fund	-	-	250,000	-	50,000
General fund, internal transfers	-	-	-	-	-
Highway fund	-	-	-	-	-
Capital projects fund	-	-	-	-	-
PAYGO	-	-	-	-	-
County loan fund					
Transfer to:					
Capital projects funds	-	-	-	-	-
PAYGO	-	-	-	(139,424)	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>(139,424)</u>	<u>50,000</u>
Net change in fund balances	-	-	250,000	-	50,000
Fund Balance, beginning	52,471	6,118	446,131	-	-
Fund Balance, Ending	<u>\$ 52,471</u>	<u>\$ 6,118</u>	<u>\$ 696,131</u>	<u>\$ -</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, 2004**

Department Air Conditioning (4189)	Health Bowman's Addition Flood (420B)	Board of Education Capital (420E)	Allegany College Reroofing (420F)	John Humbird School (420H)	County Signage (420I)	Total This Page
\$ -	\$ 5,043	\$ -	\$ -	\$ -	\$ -	\$ 5,043
-	-	-	-	-	-	-
-	-	-	-	-	-	139,424
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	5,043	-	-	-	-	144,467
-	-	-	-	-	-	-
-	3,160	-	-	-	-	3,160
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	420,344	-	540,458	-	960,802
-	3,160	420,344	-	540,458	-	963,962
6,243	-	-	-	-	8,420	314,663
-	(40,000)	-	-	-	-	(40,000)
-	-	80,920	-	-	-	80,920
-	-	200,000	-	-	-	200,000
-	-	139,424	-	-	-	139,424
-	-	-	-	-	-	-
-	-	-	-	-	-	(139,424)
6,243	(40,000)	420,344	-	-	8,420	555,583
6,243	(38,117)	-	-	(540,458)	8,420	(263,912)
(23,111)	62,526	-	11,888	586,294	25,000	1,167,317
\$ (16,868)	\$ 24,409	\$ -	\$ 11,888	\$ 45,836	\$ 33,420	\$ 903,405

(Continued)

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Total Previous Page	Jail Reuse (420J)	Louise Drive Paving (420L)	PPG Water System Repair (420P)	Payroll/ Gen Ledger Software Upgrade (420S)
<b>REVENUES:</b>					
Federal Grants					
Soil Conservation Service	\$ 5,043	\$ -	\$ -	\$ -	\$ -
EDA grant	-	-	-	-	-
State Grants					
Miscellaneous state grants	139,424	400,000	-	-	-
Miscellaneous:					
Interest	-	-	-	-	-
Miscellaneous	-	-	(41,050)	-	-
Total Revenues	<u>144,467</u>	<u>400,000</u>	<u>(41,050)</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES:</b>					
General Government	-	402,190	-	-	117,772
Public Safety	3,160	-	-	-	-
Economic Development	-	-	-	-	-
Economic Development	-	-	-	-	-
Payments to component units:					
Board of Education	960,802	-	-	-	-
Total Expenditures	<u>963,962</u>	<u>402,190</u>	<u>-</u>	<u>-</u>	<u>117,772</u>
<b>OTHER FINANCING SOURCES and (USES):</b>					
Transfers from:					
General fund	314,663	-	41,050	-	-
General fund, internal transfers	(40,000)	(1,942)	-	(13,933)	-
Highway fund	80,920	-	-	-	-
Capital projects fund	200,000	-	-	-	-
PAYGO	139,424	-	-	-	-
County loan fund	-	-	-	-	-
Transfer to:					
Capital projects funds	-	-	-	-	-
PAYGO	(139,424)	-	-	-	-
Total Other Financing Sources and Uses	<u>555,583</u>	<u>(1,942)</u>	<u>41,050</u>	<u>(13,933)</u>	<u>-</u>
Net change in fund balances	(263,912)	(4,132)	-	(13,933)	(117,772)
Fund Balance, beginning	1,167,317	4,132	-	13,933	295,983
Fund Balance, Ending	<u>\$ 903,405</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 178,211</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, 2004**

Emergency Capital (420V)	Telecommunications Project (420Z)	Barton Industrial Park Water (4202)	OP Road Improvements (4203)	Capital Reserves (4181)	Other Designated Projects (4181)	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,043
-	-	1,286,100	-	-	-	1,286,100
-	-	-	-	-	-	539,424
-	-	-	-	23,640	-	23,640
-	-	-	-	-	-	(41,050)
-	-	1,286,100	-	23,640	-	1,813,157
-	37,024	-	-	-	-	556,986
-	-	-	-	-	-	3,160
-	-	1,901,442	-	-	-	1,901,442
-	-	-	-	-	-	-
-	-	-	-	-	-	960,802
-	37,024	1,901,442	-	-	-	3,422,390
200,000	-	-	-	-	450,000	1,005,713
-	-	-	-	(88,821)	90,762	(53,934)
-	-	-	-	-	-	80,920
-	-	-	-	-	-	200,000
-	-	-	-	-	-	139,424
-	-	-	-	-	1,111,052	1,111,052
-	-	-	-	-	(51,536)	(51,536)
-	-	-	-	-	-	(139,424)
200,000	-	-	-	(88,821)	1,600,278	2,292,215
200,000	(37,024)	(615,342)	-	(65,181)	1,600,278	682,982
-	-	218,564	9,249	107,036	1,273	1,817,487
<u>\$ 200,000</u>	<u>\$ (37,024)</u>	<u>\$ (396,778)</u>	<u>\$ 9,249</u>	<u>\$ 41,855</u>	<u>\$ 1,601,551</u>	<u>\$ 2,500,469</u>

**ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECTS FUND  
PUBLIC IMPROVEMENT BOND FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT  
FOR THE YEAR ENDED JUNE 30, 2004**

1998 PUBLIC IMPROVEMENT BONDS FUND				
	Bond Arbitrage (428Y)	Correctional Facility (428S)	1998 Bond Interest (428Z)	1998 PIB Fund Total
<b>REVENUES:</b>				
Intergovernmental:				
State				
State Dept of Public Safety	\$ -	\$ 727,329	\$ -	\$ 727,329
Miscellaneous:				
Interest	-	-	-	-
Total Revenues	-	727,329	-	727,329
<b>EXPENDITURES:</b>				
General government	192,423	-	-	192,423
Public Safety	-	69	-	69
Education	-	-	-	-
Miscellaneous	-	-	1,867	1,867
Payments to component units:				
Board of Education	-	-	-	-
Total Expenditures	192,423	69	1,867	194,359
<b>OTHER FINANCING SOURCES and (USES):</b>				
Transfers in				
General Fund	192,423	169	-	192,592
Total Other Financing Sources and Uses	192,423	169	-	192,592
Net change in fund balances	-	727,429	(1,867)	725,562
Fund Balance, beginning	-	(727,429)	1,867	(725,562)
Fund Balance, Ending	\$ -	\$ -	\$ -	\$ -

**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, 2004**

Public Improvement Bond Fund			
Allegany College, Md Physical Ed (430A)	Cash Valley Roof (430B)	Public Imp. Bond Fund Total	Total Public Improvement Bond Fund
\$ -	\$ -	\$ -	\$ 727,329
-	-	-	-
-	-	-	727,329
-	-	-	192,423
-	-	-	69
44,608	-	44,608	44,608
-	-	-	1,867
-	(6,026)	(6,026)	(6,026)
44,608	(6,026)	38,582	232,941
-	-	-	192,592
-	-	-	192,592
(44,608)	6,026	(38,582)	686,980
(24,380)	(6,026)	(30,406)	(755,968)
\$ (68,988)	\$ -	\$ (68,988)	\$ (68,988)



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**ENTERPRISE FUNDS  
COMBINING SCHEDULES**

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

**SANITARY DISTRICTS  
COMBINING SCHEDULE  
OF NET ASSETS**

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

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY WATER DISTRICTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Grahamtown	Consol	Oldtown Road	McCoole	Ellerslie
<b><u>OPERATING REVENUES:</u></b>					
Service charges	\$ 123,916	\$ 26,282	\$ 131,421	\$ 129,248	\$ 245,393
Miscellaneous	-	-	-	-	-
Total Operating Revenues	<u>123,916</u>	<u>26,282</u>	<u>131,421</u>	<u>129,248</u>	<u>245,393</u>
<b><u>OPERATING EXPENSES:</u></b>					
Salaries	13,554	3,937	16,072	18,201	35,048
Fringe benefits	6,407	1,861	7,597	8,604	16,568
Office expenses	128	38	148	172	332
Utilities	74,186	15,224	66,834	46,577	136,707
Repairs and maintenance	350	350	8,556	8,191	6,308
Professional fees	-	-	-	-	1,000
Materials and supplies	3,105	854	5,148	4,923	8,524
Insurance	498	-	-	-	526
Indirect cost	3,677	5	3,063	4,655	5,387
Miscellaneous	82	24	95	110	212
Depreciation	44,173	1,542	68,148	96,708	52,373
Total Operating Expenses	<u>146,160</u>	<u>23,835</u>	<u>175,661</u>	<u>188,141</u>	<u>262,985</u>
Operating Income (Loss)	<u>(22,244)</u>	<u>2,447</u>	<u>(44,240)</u>	<u>(58,893)</u>	<u>(17,592)</u>
<b><u>NON-OPERATING REVENUE (EXPENSES):</u></b>					
Interest income	-	-	1,607	2,937	3,912
Interest expense	(26,523)	(1,686)	(14,963)	(47,050)	(2,682)
Total Non-operating Revenue (Expenses)	<u>(26,523)</u>	<u>(1,686)</u>	<u>(13,356)</u>	<u>(44,113)</u>	<u>1,230</u>
Income Before Contributions and Transfers	(48,767)	761	(57,596)	(103,006)	(16,362)
Capital Contributions:					
Federal grants	45,148	77,404	29,266	-	-
State Grants	-	41,950	(13,796)	-	-
Other Grants	-	20,648	-	-	-
Change in Net Assets	<u>\$ (3,619)</u>	<u>\$ 140,763</u>	<u>\$ (42,126)</u>	<u>\$ (103,006)</u>	<u>\$ (16,362)</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY WATER DISTRICTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**FOR THE YEAR ENDED JUNE 30, 2004**

<u>Eckhart</u>	<u>Hoffman</u>	<u>Route 36 Vale Summit</u>	<u>Borden/ Zhilman</u>	<u>Carlos/ Shaft</u>	<u>Total</u>
\$ 232,558	\$ 8,558	\$ 42,545	\$ 77,784	\$ 91,113	\$ 1,108,818
-	-	-	-	-	0
<u>232,558</u>	<u>8,558</u>	<u>42,545</u>	<u>77,784</u>	<u>91,113</u>	<u>1,108,818</u>
24,656	839	4,905	8,972	10,585	136,769
11,656	397	2,319	4,241	5,004	64,654
474	8	46	85	100	1,531
103,508	4,697	38,514	45,851	61,616	593,714
18,538	350	1,253	350	1,089	45,335
500	-	-	-	-	1,500
6,620	176	1,053	1,931	2,324	34,658
158	-	-	-	-	1,182
6,258	159	1,467	2,099	2,708	29,478
149	5	30	54	64	825
52,160	2,336	28,602	34,597	48,874	429,513
<u>224,677</u>	<u>8,967</u>	<u>78,189</u>	<u>98,180</u>	<u>132,364</u>	<u>1,339,159</u>
<u>7,881</u>	<u>(409)</u>	<u>(35,644)</u>	<u>(20,396)</u>	<u>(41,251)</u>	<u>(230,341)</u>
4,136	119	793	1,510	1,141	16,155
(20,983)	(479)	-	(14,323)	(15,694)	(144,383)
<u>(16,847)</u>	<u>(360)</u>	<u>793</u>	<u>(12,813)</u>	<u>(14,553)</u>	<u>(128,228)</u>
(8,966)	(769)	(34,851)	(33,209)	(55,804)	(358,569)
-	-	-	42,547	427,814	622,179
-	-	-	-	13,746	41,900
-	-	-	-	-	20,648
<u>\$ (8,966)</u>	<u>\$ (769)</u>	<u>\$ (34,851)</u>	<u>\$ 9,338</u>	<u>\$ 385,756</u>	326,158
Total net assets - beginning					<u>12,425,490</u>
Total net assets - ending					<u>\$ 12,751,648</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2004**

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek
<b>ASSETS</b>						
Current Assets:						
Cash:						
Cash	\$ 453,600	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	263,753	-	-
Investments	331,337	-	-	-	51,802	-
Receivables:						
Accounts (net)	2,496	146,832	63,488	210,300	84,488	75,877
Taxes - restricted	-	12,679	4,961	870	6,409	3,782
Accounts (net) - restricted	-	2,471	-	-	9,881	5,231
Other	421,705	-	-	-	411	282
Due from other funds	704,332	397,500	620,288	489,628	-	-
Noncurrent Assets:						
Property, plant and equipment:	2,403,529	5,399,693	2,720,300	3,190,103	4,905,853	6,098,767
Construction in progress	176,453	-	-	-	-	-
Less: Accumulated depreciation	(865,218)	(2,649,880)	(1,313,854)	(2,208,474)	(2,632,396)	(3,237,415)
Inventory	94,095	-	-	-	-	-
Total Assets	<u>3,722,329</u>	<u>3,309,295</u>	<u>2,095,183</u>	<u>1,946,180</u>	<u>2,426,448</u>	<u>2,946,524</u>
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable	1,304,013	35,122	2,190	87,797	35,039	25,984
Accrued wages payable	32,054	-	-	-	-	-
Accrued payroll fringe benefits	13,454	-	-	-	-	-
Accrued interest payable	4,739	1,956	2,216	-	3,350	1,358
Current portion of long term debt						
Bonds & loans	67,494	5,765	5,937	-	24,728	-
Advances from other funds	-	-	-	-	16,611	17,794
Due to other funds	603,299	-	-	-	135,563	706,118
Miscellaneous liabilities	12,389	-	-	220,101	-	-
Noncurrent Liabilities:						
Cash advance due General Fund	-	-	-	-	-	900,000
Long term debt:						
Bonds & loans	1,232,506	37,691	35,788	-	213,274	-
Advances from other funds	-	-	-	-	33,322	35,616
Compensated absences	244,381	-	-	-	-	-
Total Liabilities	<u>3,514,329</u>	<u>80,534</u>	<u>46,131</u>	<u>307,898</u>	<u>461,887</u>	<u>1,686,870</u>
<b>NET ASSETS</b>						
Invested in capital assets, net of related debt	414,764	2,706,357	1,364,721	981,629	1,985,522	2,807,942
Restricted for debt service	-	15,150	4,961	870	16,290	9,013
Unrestricted	(206,764)	507,254	679,370	655,783	(37,251)	(1,557,301)
Total Net Assets	<u>\$ 208,000</u>	<u>\$ 3,228,761</u>	<u>\$ 2,049,052</u>	<u>\$ 1,638,282</u>	<u>\$ 1,964,561</u>	<u>\$ 1,259,654</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2004**

McCooles	Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Total All Districts
- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	453,600
-	-	-	-	-	-	-	-	-	263,753
-	-	-	-	-	-	-	-	-	383,139
13,307	3,546	6,904	166,079	8,000	-	157,588	4,355	15,585	958,845
2,704	399	1,948	20,388	312	-	3,765	1,817	3,907	63,941
2,643	2,779	1,053	69,123	2,535	-	-	-	-	95,716
-	-	-	2,152	5,102	26,476	17,844	-	-	473,972
-	-	-	1,477,273	315,299	-	217,939	3,938	-	4,226,197
2,276,806	853,487	1,103,057	23,995,731	561,727	5,099,774	4,213,755	813,332	2,817,920	66,453,834
-	-	-	22,591	-	10,661,017	-	-	-	10,860,061
(985,700)	(391,725)	(499,675)	(9,287,192)	(243,850)	(1,106,608)	(948,412)	(162,666)	(464,965)	(26,998,030)
-	-	-	-	-	-	-	-	-	94,095
<u>1,309,760</u>	<u>468,486</u>	<u>613,287</u>	<u>16,466,145</u>	<u>649,125</u>	<u>14,680,659</u>	<u>3,662,479</u>	<u>660,776</u>	<u>2,372,447</u>	<u>57,329,123</u>
40,258	106	274	8,220	586	29,319	124,997	-	(37,678)	1,656,227
-	-	-	-	-	2,385	-	-	-	34,439
-	-	-	-	-	1,117	-	-	-	14,571
437	234	3,327	21,977	-	23,914	6,880	907	3,440	74,735
14,274	2,740	8,219	37,384	-	296,449	73,132	1,957	7,424	545,503
-	-	-	23,278	-	-	-	-	-	57,683
272,143	19,849	39,073	-	-	1,295,703	-	-	40,253	3,112,001
-	-	-	-	-	14,135	-	-	-	246,625
-	-	-	-	-	-	-	-	-	900,000
47,663	20,301	60,902	396,388	-	5,605,529	655,543	131,807	499,877	8,937,269
-	-	-	46,356	-	-	-	-	-	115,294
-	-	-	-	-	-	-	-	-	244,381
<u>374,775</u>	<u>43,230</u>	<u>111,795</u>	<u>533,603</u>	<u>586</u>	<u>7,268,551</u>	<u>860,552</u>	<u>134,671</u>	<u>513,316</u>	<u>15,938,728</u>
1,229,169	438,721	534,261	14,227,724	317,877	8,752,205	2,536,668	516,902	1,845,654	40,660,116
5,347	3,178	3,001	89,511	2,847	-	3,765	1,817	3,907	159,657
(299,531)	(16,643)	(35,770)	1,615,307	327,815	(1,340,097)	261,494	7,386	9,570	570,622
<u>\$ 934,985</u>	<u>\$ 425,256</u>	<u>\$ 501,492</u>	<u>\$ 15,932,542</u>	<u>\$ 648,539</u>	<u>\$ 7,412,108</u>	<u>\$ 2,801,927</u>	<u>\$ 526,105</u>	<u>\$ 1,859,131</u>	<u>\$ 41,390,395</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES**  
**AND CHANGES IN NET ASSETS**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek
<b>OPERATING REVENUES:</b>						
Service charges	\$ 8,877	\$ 566,803	\$ 272,538	\$ 818,890	\$ 329,123	\$ 284,575
Miscellaneous	7	395	168	322	328	244
Total Operating Revenues	8,884	567,198	272,706	819,212	329,451	284,819
<b>OPERATING EXPENSES:</b>						
Wages and salaries	1,678	88,813	37,758	72,354	73,838	54,733
Employee benefits	793	41,984	17,849	34,204	34,905	25,874
Office expenses	274	8,128	2,514	4,291	4,375	3,445
Utilities	2,513	228,756	12,387	25,583	24,688	16,202
Repairs and maintenance	863	30,009	15,579	7,421	10,264	8,748
Contractual services	121	6,610	2,809	5,387	5,493	4,073
Water/Sewage treatment costs	-	102,659	89,839	536,211	154,615	151,163
Professional fees	34	1,870	821	1,488	1,517	1,125
Materials and supplies	3,306	27,216	13,964	21,680	16,038	13,122
Insurance	252	13,761	5,848	11,215	11,436	11,553
Indirect cost	385	21,027	8,936	17,137	17,475	12,958
Miscellaneous	34	3,222	2,524	1,485	1,514	1,123
Depreciation	532	129,798	63,444	103,924	116,733	135,048
Total Operating Expenses	10,785	703,853	274,272	842,380	472,891	439,167
Operating Income (Loss)	(1,901)	(136,655)	(1,566)	(23,168)	(143,440)	(154,348)
<b>NON-OPERATING REVENUE (EXPENSES):</b>						
Real and personal property taxes	-	91,620	74,239	10,361	82,667	28,621
Interest & Penalties, taxes	-	2,283	1,105	253	2,450	989
Discounts, taxes	-	(459)	(400)	(50)	(431)	(153)
Enterprise/industrial exemptions	-	(92)	-	7	12	-
Collection fees	-	(1,552)	(1,484)	(224)	(1,966)	(578)
Front footage assessments	-	8,198	-	-	10,329	19,120
Interest income	83	7,459	5,092	5,715	9,269	8,380
Interest income, debt service	-	54	-	-	268	745
Interest expense	(35,809)	(3,576)	(3,471)	(3,229)	(23,816)	(3,991)
Allocated debt service revenue	54,577	(6,172)	(4,994)	(6,097)	(9,763)	(7,235)
Miscellaneous non-operating revenue	-	-	-	7,818	-	-
Total Nonoperating revenue (expenses)	18,851	97,763	70,087	14,554	69,019	45,898
Income Before Contributions and Transfers	16,950	(38,892)	68,521	(8,614)	(74,421)	(108,450)
Capital Contributions:						
Federal	21,350	30,665	30,705	-	-	-
State	-	-	-	-	-	-
Other	-	-	-	-	-	-
Transfer of net assets	(54,058)	-	-	-	-	-
Change in Net Assets	(15,758)	(8,227)	99,226	(8,614)	(74,421)	(108,450)
Net assets - beginning	223,758	3,236,988	1,949,826	1,646,896	2,038,982	1,368,104
Net assets - ending	\$ 208,000	\$ 3,228,761	\$ 2,049,052	\$ 1,638,282	\$ 1,964,561	\$ 1,259,654

ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY SANITARY DISTRICTS  
COMBINING SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)  
FOR THE YEAR ENDED JUNE 30, 2004

McCooles	Oldtown	Flintstone	Georges Creek	Franklin/ Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Total All Districts
54,900 \$	10,869 \$	22,983 \$	556,447 \$	78,858 \$	429,787 \$	1,001,754 \$	15,252 \$	69,338 \$	4,520,994
705	10	17	507	21	91,222	112	17	66	94,141
55,605	10,879	23,000	556,954	78,879	521,009	1,001,866	15,269	69,404	4,615,135
11,037	2,388	3,744	113,791	4,841	105,625	25,172	3,808	14,716	614,296
5,217	1,129	1,770	53,792	2,288	44,587	11,900	1,800	6,957	285,049
654	142	355	7,003	286	2,181	1,493	226	874	36,241
6,880	7,311	8,247	69,756	12,692	200,859	592,546	113	6,315	1,214,848
362	1,959	3,971	18,096	31,237	26,849	26,375	82	5,572	187,387
822	178	280	8,468	360	-	1,874	284	1,098	37,857
90,972	-	-	-	7,036	2,121	107,335	10,526	5,979	1,258,456
227	49	77	3,151	99	17,041	1,408	78	303	29,288
4,459	1,031	2,000	32,865	2,148	48,696	10,938	750	7,924	206,137
1,710	2,650	2,858	28,755	749	-	3,901	591	2,286	97,565
2,613	566	891	26,941	1,144	-	5,961	903	3,493	120,430
226	49	78	4,084	99	4,296	517	79	303	19,633
52,426	17,668	23,580	509,551	12,428	105,777	96,889	21,265	81,327	1,470,390
177,605	35,120	47,851	876,253	75,407	558,032	886,309	40,505	137,147	5,577,577
(122,000)	(24,241)	(24,851)	(319,299)	3,472	(37,023)	115,557	(25,236)	(67,743)	(962,442)
13,629	1,931	8,606	153,215	6,058	-	20,242	9,591	38,099	538,879
1,691	71	424	5,332	44	-	1,058	569	1,356	17,625
(38)	(10)	(42)	(823)	(52)	-	(88)	(34)	(171)	(2,751)
-	-	-	-	-	-	-	-	-	(73)
(348)	(40)	(162)	(3,139)	(129)	-	(436)	(210)	(776)	(11,044)
8,927	2,854	3,322	70,645	2,420	-	-	-	-	125,815
1,191	338	489	15,025	742	15,639	1,488	220	660	71,790
165	93	105	1,791	48	-	-	-	-	3,269
(4,041)	(1,537)	(4,316)	(31,947)	(491)	(34,565)	(39,306)	(6,061)	(22,985)	(219,141)
(1,458)	(313)	(497)	(14,123)	(504)	-	(968)	(504)	(1,949)	-
-	-	-	-	-	-	-	-	-	7,818
19,718	3,387	7,929	195,976	8,136	(18,926)	(18,010)	3,571	14,234	532,187
(102,282)	(20,854)	(16,922)	(123,323)	11,608	(55,949)	97,547	(21,665)	(53,509)	(430,255)
-	-	-	-	-	-	-	-	-	82,720
-	-	-	-	-	2,423,010	-	-	-	2,423,010
-	-	-	-	-	500,000	-	-	-	500,000
-	-	-	-	-	54,058	-	-	-	0
(102,282)	(20,854)	(16,922)	(123,323)	11,608	2,921,119	97,547	(21,665)	(53,509)	2,575,475
1,037,267	446,110	518,414	16,055,865	636,931	4,490,989	2,704,380	547,770	1,912,640	38,814,920
\$ 934,985	\$ 425,256	\$ 501,492	\$ 15,932,542	\$ 648,539	\$ 7,412,108	\$ 2,801,927	\$ 526,105	\$ 1,859,131	\$ 41,390,395



**ALLEGANY COUNTY, MARYLAND**  
**AGENCY FUND**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2004**

	Balance July 1, 2003	Additions	Deductions	Balance June 30, 2004
<b>ASSETS:</b>				
Taxes levied for State:				
Taxes receivable - State	\$ 200,102	\$ 2,982,715	\$ 2,919,047	\$ 263,770
Other receivables	946	989	-	1,935
Taxes levied for Special Areas:				
Lonaconing, Town of	8,023	93,667	93,275	8,415
Midland, Town of	2,347	25,889	25,338	2,898
Westport, Town of	44,804	293,347	303,587	34,564
Cumberland differential	52,475	587,968	590,986	49,457
Bel Air Special Tax Area	972	22,665	22,780	857
Bowling Green Fire Co.	2,582	23,835	23,027	3,390
Bedford Road Fire Co.	2,703	25,837	26,864	1,676
Bowling Green Special Tax Area	1,207	9,025	8,945	1,287
Cresaptown Ambulance	7,298	86,925	86,395	7,828
Cresaptown Civic Imp. Assoc.	1,502	16,279	16,432	1,349
Cresaptown Fire Co.	7,799	110,336	110,224	7,911
Corriganville Light & Imp.	1,488	10,811	10,709	1,590
Ellerslie Special Tax Area	611	5,487	5,227	871
LaVale Volunteer Fire Dept.	8,031	107,604	108,221	7,414
LaVale Rescue Squad	4,016	53,802	54,104	3,714
LaVale Sanitary District	31,532	387,284	388,174	30,642
McCoolc Special Tax Area	1,246	3,206	3,676	776
Moscow Light	300	2,311	2,404	207
Mt. Savage Special Tax Area	1,024	7,158	7,185	997
Potomac Park Special Tax Area	954	7,639	7,180	1,413
Rawlings Fire Co.	2,338	21,245	21,453	2,130
Sub-total special areas	183,252	1,902,320	1,916,186	169,386
Due from other funds	161,899	80,149	-	242,048
Total Assets	<u>\$ 546,199</u>	<u>\$ 4,966,173</u>	<u>\$ 4,835,233</u>	<u>\$ 677,139</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 162,845	\$ 81,138	\$ -	\$ 243,983
A/P Special Areas	183,252	1,902,320	1,916,186	169,386
Taxes payable - State	200,102	2,982,715	2,919,047	263,770
Total Liabilities	<u>\$ 546,199</u>	<u>\$ 4,966,173</u>	<u>\$ 4,835,233</u>	<u>\$ 677,139</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, 2004 and 2003**

ASSETS	Primary Government			
	At June 30, 2004			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2003
Land	\$ 11,866,134	\$ -	\$ 11,866,134	\$ 7,813,116
Construction in progress	3,278,693	-	3,278,693	2,247,480
Buildings	42,231,267	10,355,027	31,876,240	31,803,711
Infrastructure	35,357,441	24,332,102	11,025,339	11,481,332
Furniture & fixtures	891,546	720,135	171,411	183,720
Machinery & equipment	3,956,430	2,481,011	1,475,419	1,396,312
Vehicles	7,020,822	5,417,501	1,603,321	1,844,161
Heavy equipment	3,301,802	2,376,270	925,532	1,093,593
Other fixed assets	832,119	353,157	478,962	516,830
Total Assets	<u>\$ 108,736,254</u>	<u>\$ 46,035,203</u>	<u>\$ 62,701,051</u>	<u>\$ 58,380,255</u>
<b>FUND EQUITY</b>				
Investment in general fixed assets acquired before July 1, 1993 - source unidentified			\$ 12,753,602	\$ 12,883,378
Investment in construction in progress			3,278,693	2,247,480
Investment in general fixed assets by source:				
General Fund:				
General revenues			2,652,153	2,356,626
Federal grants			832,266	474,654
State grants			649,830	619,099
Miscellaneous revenues			436,921	429,961
Debt proceeds			18,060	18,060
Special Revenue Funds:				
General revenues			39,724,205	39,709,285
Federal grants			3,348,376	3,346,073
State grants			955,704	955,704
Miscellaneous revenues			165,276	165,276
Debt proceeds			3,240,862	3,240,862
Capital Project Funds:				
General revenues			9,949,124	7,890,693
Federal grants			4,017,182	3,417,521
State grants			15,487,529	13,858,737
Miscellaneous revenues			1,132,524	1,027,437
Debt proceeds			8,722,357	8,897,093
Other			1,371,590	0
Less:				
Accumulated depreciation			(46,035,203)	(43,157,684)
Total Fund Equity			<u>\$ 62,701,051</u>	<u>\$ 58,380,255</u>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF ASSETS BY FUNCTION**  
**June 30, 2004**

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Fixed Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 1,731,823	\$ 4,495,865	\$ 39,776	\$ 132,989	\$ 1,140,205	\$ 296,338	\$ 90,785	\$ 98,043	\$ 8,025,824	\$ (1,705,850)	\$ 6,319,974
Public Safety	1,538,898	16,882,034	-	91,910	2,082,600	842,605	72,789	18,791	21,529,627	(3,067,390)	18,462,237
Public Works	1,046,162	1,157,717	35,103,377	291,081	591,631	5,503,090	3,482,096	88,015	47,263,169	(32,476,340)	14,786,829
Health	30,079	696,042	-	371,160	-	-	4,121	-	1,101,402	(569,595)	531,807
Social Services	116	-	-	-	44,684	286,709	-	-	331,509	(215,073)	116,436
Recreation & Culture	583,119	2,613,441	214,288	246	6,528	39,248	405,909	-	3,862,779	(504,133)	3,358,646
Libraries	6,000	538,961	-	-	-	-	-	212,852	757,813	(241,450)	516,363
Natural Resources	-	-	-	-	15,839	15,999	-	-	31,838	(23,109)	8,729
Urban Development & Housing	56,640	646,220	-	4,160	15,779	9,302	-	-	732,101	(285,804)	446,297
Economic Development	6,873,297	15,200,987	-	-	59,164	27,531	78,221	2,860,992	25,100,192	(6,946,459)	18,153,733
Total General Fixed Assets	\$ 11,866,134	\$ 42,231,267	\$ 35,357,441	\$ 891,546	\$ 3,956,430	\$ 7,020,822	\$ 4,133,921	\$ 3,278,693	\$ 108,736,254	\$ (46,035,203)	\$ 62,701,051

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

Function	General Fixed Assets June 30, 2003	Asset Reclass	Additions	Deductions	Total Cost	Accumulated Depreciation June 30, 2003	Current Year Depreciation	Less Depreciation	Add Depreciation on Disposals	General Fixed Assets June 30, 2004
General Government	\$ 7,356,565	\$ (1,171,137)	\$ 1,875,176	\$ (34,780)	\$ 8,025,824	\$ (1,205,582)	\$ (501,604)	\$ -	\$ 1,336	\$ 6,319,974
Public Safety	21,165,435	-	774,508	(410,316)	21,529,627	(2,404,362)	(687,587)	-	24,559	18,462,237
Public Works	46,487,865	(237,964)	1,134,706	(121,438)	47,263,169	(31,498,785)	(1,098,992)	-	121,437	14,786,829
Health	1,101,402	-	-	-	1,101,402	(509,278)	(60,317)	-	-	531,807
Social Services	320,309	-	11,200	-	331,509	(185,340)	(29,733)	-	-	116,436
Recreation & Culture	3,849,574	-	21,545	(8,340)	3,862,779	(406,525)	(97,608)	-	-	3,358,646
Libraries	552,337	-	205,476	-	757,813	(216,425)	(25,025)	-	-	516,363
Natural Resources	31,838	-	-	-	31,838	(17,823)	(5,285)	-	(1)	8,729
Urban Development & Housing	732,101	-	-	-	732,101	(262,463)	(23,342)	-	-	446,297
Economic Development	19,940,514	(683,073)	5,842,751	-	25,100,192	(6,451,102)	(495,357)	-	-	18,153,733
Total General Fixed Assets	\$ 101,537,940	\$ (2,092,174)	\$ 9,865,362	\$ (574,874)	\$ 108,736,254	\$ (43,157,685)	\$ (3,024,850)	\$ -	\$ 147,332	\$ 62,701,051

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# **Statistical Section**

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**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**TEN YEAR SUMMARY - GENERAL FUND**  
**REVENUES AND EXPENDITURES**  
**FOR THE YEARS ENDED JUNE 30,**

REVENUES AND OTHER FINANCING SOURCES:	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
General Property Taxes	\$ 27,527,977	\$ 26,823,761	\$ 26,949,364	\$ 26,205,688	\$ 26,028,928	\$ 24,974,964	\$ 23,767,146	\$ 23,532,238	\$ 22,897,461	\$ 22,297,650
Income Taxes	21,536,150	19,391,155	18,441,780	19,177,773	17,007,620	17,212,342	16,831,635	15,930,461	14,946,947	14,663,022
Local Taxes	2,702,537	1,583,457	1,765,592	1,458,068	1,518,164	1,754,516	1,402,499	1,295,474	1,748,847	1,066,053
State Shared Taxes	-	-	-	-	-	-	-	-	-	64,190
Licenses and Permits	606,228	580,355	558,218	534,121	508,317	486,641	468,556	486,796	469,666	424,300
Federal Government	1,020,942	1,169,271	1,313,035	1,305,970	1,300,660	1,403,030	1,027,725	962,718	744,840	676,880
State Government	9,095,578	9,076,125	6,681,272	6,240,229	5,366,275	5,033,553	4,848,243	3,056,394	2,807,315	2,611,224
Intergovernmental-other	53,618	59,344	19,794	20,364	24,802	9,573	20,908	35,419	20,418	12,450
Service Charges	2,166,297	1,571,565	1,596,298	1,623,690	1,386,926	1,515,973	1,281,508	1,129,846	1,019,466	1,116,469
Fines and Forfeitures	(23,118)	99,477	28,727	29,382	64,177	31,037	8,208	9,899	10,491	16,224
Miscellaneous:										
Interest	154,836	276,725	504,137	1,046,616	926,607	808,964	776,247	654,849	757,582	666,757
Rents	265,139	214,668	176,044	230,429	425,315	403,918	420,180	425,683	426,770	466,655
Sale of Assets	18,674	6,376	160,849	645,817	96,274	-	-	13,527	201,539	108,505
Other Miscellaneous	44,950	104,141	104,507	79,403	72,823	75,539	113,431	58,803	104,728	110,488
Lease proceeds	-	-	-	-	-	41,008	-	-	-	-
Transfers In	782,248	1,191,191	1,068,543	855,563	852,317	772,099	756,944	876,710	625,001	608,286
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<b>65,952,056</b>	<b>62,147,611</b>	<b>59,368,160</b>	<b>59,453,113</b>	<b>55,579,205</b>	<b>54,525,157</b>	<b>51,723,230</b>	<b>48,468,817</b>	<b>46,781,071</b>	<b>44,909,199</b>

(Continued)



**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**TEN YEAR SUMMARY - GENERAL FUND**  
**REVENUES AND EXPENDITURES**  
**FOR THE YEARS ENDED JUNE 30,**

EXPENDITURES *	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
General Government	5,986,873	5,817,544	6,085,306	6,106,036	5,539,517	5,243,005	4,897,200	4,884,952	4,722,012	4,410,072
Public Safety	10,126,674	9,499,978	8,211,187	7,510,268	6,131,244	5,788,967	5,716,370	5,278,577	4,890,461	4,506,428
Public Works	2,088,850	2,103,016	1,931,934	1,856,758	1,684,139	1,647,488	1,610,964	1,658,793	1,671,451	1,894,953
Conservation of Health	1,282,421	1,249,259	1,215,752	1,168,645	1,108,442	922,547	1,033,185	1,019,386	971,676	1,005,010
Social Services	1,836,704	1,950,687	1,963,328	1,853,840	1,784,994	1,781,049	1,392,351	1,260,036	1,222,948	1,147,666
Education	31,512,125	31,111,438	30,311,872	29,931,156	27,711,600	26,505,400	25,655,400	24,980,400	24,400,400	23,700,400
Recreation and Culture	1,197,091	1,169,679	1,269,568	1,006,248	930,749	936,286	944,854	697,053	720,899	575,752
Conservation of Natural Resources	223,675	236,697	212,488	232,807	189,422	179,116	171,048	178,638	176,383	177,333
Community Devel. & Housing	102,266	8,000	174,046	166,293	137,063	135,176	22,200	22,200	22,200	12,000
Economic Development	1,497,819	1,271,234	921,982	848,455	843,079	760,030	634,082	713,478	690,479	601,022
Intergovernmental	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704
Miscellaneous	9,953	10,517	4,678	11,693	21,332	11,383	11,333	108,706	14,373	51,133
<b>TOTAL EXPENDITURES</b>	<b>55,893,155</b>	<b>54,456,753</b>	<b>52,330,845</b>	<b>50,720,903</b>	<b>46,110,285</b>	<b>43,939,151</b>	<b>42,117,691</b>	<b>40,830,923</b>	<b>39,531,986</b>	<b>38,064,421</b>
<b>OTHER FINANCING USES:</b>										
Transfers to:										
Debt Service Fund	4,799,670	4,870,889	4,935,779	6,170,405	5,389,352	4,151,683	3,797,484	3,242,357	3,336,884	3,371,388
Highway Fund	1,619,312	1,454,330	1,604,330	1,647,981	1,647,981	1,772,981	1,772,981	1,720,309	1,669,773	1,647,972
Transit Fund	93,578	108,438	124,705	132,548	167,726	159,366	172,165	163,742	207,880	181,966
Housing Funds	137,779	210,014	177,382	143,547	119,249	93,925	202,023	225,420	222,483	184,064
Other Special Revenue Funds	85,943	28,904	45,776	41,854	14,759	13,844	51,810	51,252	176,300	55,938
Capital Project Funds	1,198,304	341,735	110,203	820,831	1,748,057	2,785,029	2,421,155	994,504	839,930	622,363
Other Enterprise Funds	-	-	152,000	1,518,378	-	212,000	-	-	200,000	9,808
<b>TOTAL OTHER FINANCING USES</b>	<b>7,934,586</b>	<b>7,014,310</b>	<b>7,150,175</b>	<b>10,475,544</b>	<b>9,087,124</b>	<b>9,188,828</b>	<b>8,417,618</b>	<b>6,397,584</b>	<b>6,653,250</b>	<b>6,073,422</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<b>63,827,741</b>	<b>61,471,063</b>	<b>59,481,020</b>	<b>61,196,447</b>	<b>55,197,409</b>	<b>53,127,979</b>	<b>50,535,309</b>	<b>47,228,507</b>	<b>46,185,236</b>	<b>44,137,901</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,124,315	676,548	(112,860)	(1,743,334)	381,796	1,397,178	1,187,921	1,240,310	595,835	771,295
Prior Period Adjustment	0	0	0	(266,016)						
Beginning fund balance	10,575,238	9,898,690	10,011,550	12,020,900	11,639,104	10,241,926	9,054,005	7,813,695	7,217,860	6,446,565
<b>Fund Balance (deficit), ending</b>	<b>\$ 12,699,553</b>	<b>\$ 10,575,238</b>	<b>\$ 9,898,690</b>	<b>\$ 10,011,550</b>	<b>\$ 12,020,900</b>	<b>\$ 11,639,104</b>	<b>\$ 10,241,926</b>	<b>\$ 9,054,005</b>	<b>\$ 7,813,695</b>	<b>\$ 7,217,860</b>

\* Amounts recorded in the financial statements as transfers to other units have been reclassified and presented in the appropriate expenditure category.

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**PENSION CONTRIBUTIONS**

Allegany County participates in the State of Maryland Retirement System and Pension System. Both plans are cost sharing multiple-employer defined benefit plans. All full-time and permanent part-time employees must be members of one of the plans. The Retirement System covers most employees hired prior to January 1, 1980, while the Pension System covers employees hired after December 31, 1979, plus Retirement System participants who voluntarily joined the Pension System. The Maryland State Retirement System administers the Retirement System (established October 1, 1941) and the Pension System (established January 1, 1980) under the provisions of Article 73B of the Annotated Code of Maryland. Allegany County has also established two defined contribution retirement plans, the County Administrators Retirement Plan (one plan member) and the Management Contractual Employees Retirement Plan (six members), administered by the ICMA Retirement Corporation.

Both the Retirement System and Pension System are jointly contributory. The County's contribution to both plans include the current service cost, which includes a normal cost and the cost of amortizing an unfunded accrued liability amount over forty years. Contributions to the defined contribution are made entirely by the County, 9% of covered payroll for the Administrators Plan and 4.37% for the Management Contractual Employees Plan.

Contribution for Fiscal Year	Pension System		Retirement System		Defined Contribution		Total County Contributions
	Current Year	Service Cost	Current Year	Service Cost	Service Cost		
2004	\$ 680,072		\$ 121,046		\$ 21,951	\$	823,069
2003	564,270		95,819		20,415		680,504
2002	484,049		91,240		20,605		595,894
2001	533,734		102,417		17,549		653,700
2000	590,537		107,446		12,863		710,846
1999	575,528		126,949		-		702,477
1998	655,529		139,833		-		795,362
1997	517,226		392,306		-		909,532
1996	498,628		407,180		-		905,808
1995	407,609		297,853		-		705,462

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property		Corporate Personal Property (3)		Totals	
	Market Value (2)	Assessed Value (1)	Market Value (2)	Assessed Value (1)	Market Value (2)	Assessed Value (1)	Market Value (2)	Assessed Value (1)
2004	\$ 2,223,185,344	\$ 2,223,185,344	\$ 11,255,730	\$ 11,255,730	\$ 334,611,519	\$ 334,611,519	\$ 2,569,052,593	\$ 2,569,052,593
2003	2,158,322,043	2,158,322,043	10,417,090	10,417,090	360,582,630	360,582,630	2,529,321,763	2,529,321,763
2002	2,072,981,398	2,072,981,398	10,142,410	10,142,410	493,595,405	493,595,405	2,576,719,213	2,576,719,213
2001	2,027,094,175	810,837,670	8,839,920	8,839,920	662,748,955	662,748,955	2,698,683,050	1,482,426,545
2000	1,986,596,538	794,638,615	10,869,940	10,869,940	736,321,330	736,321,330	2,733,787,808	1,541,829,885
1999	1,908,270,840	763,308,336	10,700,350	10,700,350	529,490,145	529,490,145	2,448,461,335	1,303,498,831
1998	1,830,044,875	732,017,950	11,762,460	11,762,460	426,419,050	426,419,050	2,268,226,385	1,170,199,460
1997	1,786,714,125	714,685,650	12,839,150	12,839,150	449,714,780	449,714,780	2,249,268,055	1,177,239,580
1996	1,733,567,015	693,426,806	12,133,200	12,133,200	463,799,310	463,799,310	2,209,499,525	1,169,359,316
1995	1,681,057,398	672,422,959	12,729,660	12,729,660	488,676,600	488,676,600	2,182,463,658	1,173,829,219

Note: (1) All amounts are adjusted for additions and abateements during the original tax levy year.

(2) The assessed value for real property is 40% of the market value, or full cash value, for fiscal years 1993 - 2001. For fiscal year 2002 real property is assessed at full market value (100%) as mandated by a change in State law. Personal property is assessed based on the original cost less an annual depreciation of 10% to a minimum value of 25% of the original cost.

(3) Includes assessments on public utilities.

Source: Allegany County Tax Office and  
Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY PRIMARY GOVERNMENT**

**TEN YEAR SUMMARY OF  
REAL ESTATE  
PROPERTY TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2004	\$ 21,239,040	\$ 19,838,116	93.40%	\$ 21,239,040	\$ 19,838,116	93.40%
2003	20,190,074	18,729,500	92.77%	20,182,207	19,560,928	96.92%
2002	19,739,787	18,208,781	92.24%	19,691,339	19,655,993	99.82%
2001	19,287,454	17,801,226	92.29%	19,247,008	19,219,980	99.86%
2000	18,779,731	17,392,441	92.61%	18,700,181	18,673,774	99.86%
1999	18,044,743	16,559,997	91.77%	17,997,660	17,972,464	99.86%
1998	17,295,160	15,927,233	92.09%	17,292,422	17,267,389	99.86%
1997	16,829,374	15,577,450	92.56%	16,724,163	16,698,340	99.85%
1996	16,521,260	15,348,048	92.90%	16,514,547	16,513,581	99.99%
1995	16,098,878	14,865,657	92.34%	16,092,018	16,091,063	99.99%

**TEN YEAR SUMMARY OF  
PERSONAL PROPERTY  
TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2004	\$ 274,789	\$ 216,817	78.90%	\$ 274,789	\$ 216,817	78.90%
2003	249,305	196,207	78.70%	243,357	208,290	85.59%
2002	240,872	195,019	80.96%	237,818	214,833	90.34%
2001	191,726	170,281	88.81%	204,508	193,151	94.45%
2000	259,145	204,901	79.07%	210,885	203,974	96.72%
1999	269,137	198,792	73.86%	226,309	222,410	98.28%
1998	280,996	205,900	73.28%	233,816	230,436	98.55%
1997	306,030	241,579	78.94%	267,778	266,251	99.43%
1996	283,624	219,179	77.28%	260,657	259,683	99.63%
1995	305,322	229,287	75.10%	254,692	253,816	99.66%

Note: (1) Certified charges adjusted for additions and abatements in year of levy.

(2) Certified charges adjusted for additions and abatements from year of levy to June 30, 2004.

Source: Allegany County Tax Office and  
Allegany County Finance Office

(Continued)

**ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY PRIMARY GOVERNMENT**

**TEN YEAR SUMMARY OF  
CORPORATE PERSONAL PROPERTY  
TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2004	\$ 8,897,728	\$ 8,790,614	98.80%	\$ 8,897,728	\$ 8,790,614	98.80%
2003	9,282,992	9,163,854	98.72%	9,271,324	9,185,715	99.08%
2002	11,671,917	11,416,395	97.81%	11,665,900	11,601,776	99.45%
2001	15,858,558	15,708,793	99.06%	15,786,982	15,720,243	99.58%
2000	17,560,034	17,393,342	99.05%	17,449,140	17,407,630	99.76%
1999	12,431,900	12,085,500	97.21%	12,411,316	12,363,717	99.62%
1998	10,061,447	9,625,733	95.67%	9,972,977	9,949,849	99.77%
1997	10,350,893	9,921,882	95.86%	10,314,544	10,298,503	99.84%
1996	10,905,217	10,668,315	97.83%	10,850,076	10,836,318	99.87%
1995	11,507,012	11,231,999	97.61%	11,313,246	11,305,669	99.93%

**TEN YEAR SUMMARY OF  
ALL PROPERTY TAX LEVIES AND COLLECTIONS**

Fiscal Year	Taxes Collected in Year of Levy			Total Taxes Collected		
	Tax Levy (1)	Taxes Collected	Percent	Tax Levy Adjusted (2)	Total Taxes Collected	Percent
2004	30,411,557	28,845,547	94.85%	30,411,557	28,845,547	94.85%
2003	29,722,371	28,089,561	94.51%	29,696,888	28,954,933	97.50%
2002	31,652,576	29,820,195	94.21%	31,595,057	31,472,602	99.61%
2001	35,337,738	33,680,300	95.31%	35,238,498	35,133,374	99.70%
2000	36,598,910	34,990,684	95.61%	36,360,206	36,285,378	99.79%
1999	30,745,780	28,844,289	93.82%	30,635,285	30,558,591	99.75%
1998	27,637,603	25,758,866	93.20%	27,499,215	27,447,674	99.81%
1997	27,486,297	25,740,911	93.65%	27,306,485	27,263,094	99.84%
1996	27,710,101	26,235,542	94.68%	27,625,280	27,609,582	99.94%
1995	27,911,212	26,326,943	94.32%	27,659,956	27,650,548	99.97%

Note: (1) Certified charges adjusted for additions and abatements in year of levy.

(2) Certified charges adjusted for additions and abatements from year of levy to June 30, 2004.

Source: Allegany County Tax Office and  
Allegany County Finance Office

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

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
<b><u>Allegany County Tax Rates</u></b>										
Barton	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480	0.9480	0.9480	0.9520	0.9560
Cumberland	1.0000	0.9838	0.9840	0.9040	0.9040	0.9040	0.9000	0.9040	0.9000	0.9000
Frostburg	0.9312	0.9128	0.9128	0.9120	0.9120	0.9120	0.9120	0.9120	0.9120	0.9160
Lonaconing	0.9535	0.9334	0.9330	0.9320	0.9320	0.9320	0.9320	0.9320	0.9320	0.9360
Luke	0.9498	0.9299	0.9287	0.9280	0.9280	0.9280	0.9280	0.9240	0.9240	0.9240
Midland	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480	0.9480	0.9480	0.9520	0.9560
Westernport	0.9535	0.9344	0.9330	0.9320	0.9320	0.9320	0.9320	0.9320	0.9320	0.9360
Unincorporated	1.0000	0.9838	0.9840	0.9840	0.9880	0.9880	0.9880	0.9880	0.9920	1.0000
<b><u>Municipal Tax Rates</u></b>										
Barton	0.2220	0.2260	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320
Cumberland	0.8720	0.8720	0.8720	1.0400	1.0480	1.0480	1.0480	1.0480	1.0480	1.0480
Frostburg	0.5500	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Lonaconing	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Luke	0.3500	0.2400	0.2400	0.2400	0.2400	0.2400	0.2320	0.2120	0.1960	0.1960
Midland	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.5400
<b><u>Special Taxing Areas</u></b>										
<b><u>Sanitary Districts</u></b>										
Bedford Road	0.1000	0.1000	0.1000	0.0880	0.0880	0.0880	0.0880	0.0880	0.0960	0.0960
Bowling Green	0.1580	0.1480	0.1480	0.1440	0.1560	0.1560	0.1560	0.1560	0.1600	0.1600
Braddock Run	0.0040	0.0040	0.0040	0.0040	0.0160	0.0160	0.0160	0.0200	0.0320	0.0320
Cresaptown	0.1600	0.0480	0.0480	0.0360	0.0360	0.0360	0.0360	0.0360	0.0400	0.1040
Jennings Run - Wills Creek	0.0520	0.0520	0.0520	0.0320	0.0320	0.0320	0.0320	0.0320	0.0480	0.0480
Cash Valley Subdistrict	0.2440	0.2440	0.2440	0.2320	0.2440	0.2440	0.2440	0.2440	0.0000	0.0000
McCoole	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0960	0.0960	0.0960	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880	0.0880
George's Creek	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Mexico Farms	0.1840	0.1840	0.1840	0.1840	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Oldtown Road	0.2600	0.2600	0.2600	0.2600	0.3840	0.3840	0.3840	0.3840	0.0000	0.0000
<b><u>Other Special Districts</u></b>										
Bedford Road Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bel Air Special Tax Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bowling Green and Roberts Place	0.0320	0.0400	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0280
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	0.0200	0.0200	0.0200	0.0200	0.0200
Cresaptown Civic Improvement Assoc	0.0400	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Cresaptown Special Fire Tax Area	0.0520	0.0520	0.0520	0.0520	0.0520	0.0400	0.0400	0.0400	0.0400	0.0400
Ellerslie Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Sanitary Commission	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200	0.1200	0.1200	0.1200	0.1200
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	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0400

**Notes:**

Thirty special taxing areas have been established in the County. As provided by various statutes, taxes are levied and assessed within the special taxing areas to provide revenues for the amortization of bonded indebtedness of sanitary districts and to pay for fire protection, street lighting and other civic services.

All tax rates are per \$100 of assessed value. Years 2001 and prior have been restated to a full cash value assessment.

Source: Allegany County Finance Department; Maryland State Assessment Office

**ALLEGANY COUNTY, MARYLAND  
ALLEGANY COUNTY PRIMARY GOVERNMENT  
PROPERTY TAXES RECEIVABLE  
LAST TEN YEARS**

<u>Fiscal Year Ending June 30,</u>	<u>Real Estate</u>	<u>Local Personal Property</u>	<u>Corporate Personal Property (1)</u>	<u>Totals</u>
2004	\$ 2,192,304	\$ 145,232	\$ 494,966	\$ 2,832,502
2003	2,248,729	123,006	472,334	2,844,069
2002	2,299,814	88,845	717,879	3,106,538
2001	2,263,813	94,132	520,203	2,878,148
2000	2,105,537	145,352	449,215	2,700,104
1999	2,147,924	187,982	749,100	3,085,006
1998	1,966,459	164,392	768,074	2,898,925
1997	1,805,275	167,447	886,568	2,859,290
1996	1,708,949	136,369	687,231	2,532,549
1995	1,798,317	127,797	663,263	2,589,377

(1) Includes public utilities.

**ALLEGANY COUNTY, MARYLAND  
SPECIAL ASSESSMENT COLLECTIONS - PAVING LIENS  
LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Special Assessment Levies</u>	<u>Assessment Collections</u>	<u>Ending Balance</u>
1995	0	-	7,286	(7,286)
1996	(7,286)	-	9,590	(16,876)
1997	(16,876)	-	15,243	(32,119)
1998	(32,119)	-	20,650	(52,769)
1999	(52,769)	-	7,573	(60,342)
2000	(60,342)	-	5,645	(65,987)
2001	15,467	-	6,635	8,832
2002	8,832	-	3,993	4,839
2003	4,839	-	3,320	1,519
2,004	1,519	-	1,519	0

Source: Allegany County Tax Office and Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**LEGAL DEBT LIMITATION**  
**June 30, 2004**

There is no aggregate limit to the amount of bonds and other indebtedness which may be outstanding at any one time for Allegany County. The incurring of direct bonded debt by the County must be authorized by a local public law enacted by the Board of Commissioners.

**ALLEGANY COUNTY, MARYLAND**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**FISCAL YEAR ENDED JUNE 30, 2003 (1)**

<u>Name of Governmental Unit</u>	<u>Net Debt Outstanding</u>	<u>Allegany County's Share of The Debt (2)</u>	<u>Overlapping Debt</u>
Allegany County	\$ 40,230,444	\$ 40,230,444	\$ -
Cumberland	5,584,641	-	-
Frostburg	590,294	-	-
Westernport	106,460	-	-
	<u>\$ 46,511,839</u>	<u>\$ 40,230,444</u>	<u>\$ -</u>

(1) The most recent year which all information is available.

(2) Allegany County debt and debt for which Allegany County has pledged its full faith and credit.

Source: Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY PRIMARY GOVERNMENT**  
**PRINCIPAL AMOUNT OF LONG AND SHORT TERM DEBT**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Long Term Debt</u>	<u>Short Term Debt</u>
2004	\$ 36,597,448	\$ -
2003	40,230,444	-
2002	44,257,305	-
2001	47,537,740	-
2000	51,314,968	-
1999	54,521,256	-
1998	42,160,366	-
1997	44,383,886	-
1996	40,389,891	-
1995	29,451,362	-

Source: Allegany County Finance Department



**ALLEGANY COUNTY SANITARY AND WATER DISTRICTS  
PRINCIPAL AMOUNT OF LONG AND SHORT TERM DEBT  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>SANITARY DISTRICTS</u>		<u>WATER DISTRICTS</u>	
	<u>Long-Term Debt (1)</u>	<u>Short-Term Debt</u>	<u>Long-Term Debt</u>	<u>Short-Term Debt</u>
2004	\$ 9,655,748	\$ -	\$ 3,331,723	\$ -
2003	4,363,919	-	3,314,705	-
2002	4,712,861	-	3,426,301	-
2001	6,302,477	-	1,854,549	-
2000	5,579,659	-	1,936,504	-
1999	6,084,055	-	1,013,319	-
1998	5,457,904	-	1,072,976	-
1997	5,903,706	-	787,313	-
1996	6,327,735	-	843,652	-
1995	6,066,868	-	886,966	-

**Notes:**

- (1) Includes advances (loans) from Allegany County to retire various debt issues early.  
 (2) FY2002 includes a residual equity transfer from the Sanitary Districts to the Water Districts which included \$1,073,635 of debt.

**Source:** Allegany County Finance Office

**ALLEGANY COUNTY PRIMARY GOVERNMENT  
REVENUE BOND COVERAGE  
SANITARY AND WATER DISTRICTS  
LAST TEN FISCAL YEARS**

**SANITARY DISTRICTS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for		Interest	Total	Coverage
			Debt Service	Principal			
2004	\$ 5,380,331	\$ 4,121,055	\$ 1,259,276	\$ 379,008 (3)	\$ 219,141	\$ 598,149	2.11%
2003	5,196,676	4,135,237	1,061,439	534,257	253,771	788,028	1.35%
2002	5,322,012	3,870,291	1,451,721	515,979	298,032	814,011	1.78%
2001	5,225,033	3,805,192	1,419,841	477,182	301,188	778,370	1.82%
2000	4,717,029	3,407,505	1,309,524	504,396	333,245	837,641	1.56%
1999	4,489,346	3,383,497	1,105,849	473,846	344,220	818,066	1.35%
1998	4,102,355	3,375,064	727,291	445,802	342,069	787,871	0.92%
1997	3,827,804	3,095,107	732,697	424,029	367,263	791,292	0.93%
1996	3,708,403	2,772,321	936,082	443,633	378,023	821,656	1.14%
1995	3,673,676	2,889,509	784,167	451,383	415,643	867,026	0.90%
1994	3,590,523	2,653,565	936,958	478,789	427,730	906,519	1.03%

**WATER DISTRICTS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for		Interest	Total	Coverage
			Debt Service	Principal			
2004	\$ 1,124,973	\$ 909,646	\$ 215,327	\$ 87,484	\$ 144,383	\$ 231,867	0.93%
2003	1,073,757	878,777	194,980	111,596	150,978	262,574	0.74%
2002	1,043,256	826,387	216,869	101,883	138,431	240,314	0.90%
2001	754,227	682,149	72,078	81,955	87,478	169,433	0.43%
2000	606,260	565,537	40,723	70,515	76,905	147,420	0.28%
1999	533,325	478,747	54,578	59,657	65,273	124,930	0.44%
1998	465,612	298,190	167,422	53,837	64,571	118,408	1.41%
1997	435,286	272,717	162,569	56,339	58,807	115,146	1.41%
1996	417,338	280,479	136,859	43,314	62,440	105,754	1.29%
1995	387,749	230,505	157,244	41,029	65,649	106,678	1.47%
1994	362,405	242,458	119,947	38,738	68,680	107,418	1.12%

1 - Total revenues including interest, does not include capital grants.

2 - Total operating expenses less depreciation.

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

**ALLEGANY COUNTY PRIMARY GOVERNMENT  
RATIO OF BONDED DEBT  
TO ASSESSED VALUES AND BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS**

<u>Fiscal Year Ended June 30</u>	<u>County Debt (1)</u>	<u>Assessed Value (2)</u>	<u>Ratio of County Debt to Assessed Value</u>	<u>Estimated Population (3)</u>	<u>Debt per Capita</u>
2004	\$ 36,597,448	\$ 2,569,052,593 (4)	1.42%	73,668	\$ 497
2003	40,230,444	2,529,321,763 (4)	1.59%	74,041	543
2002	44,257,305	2,576,719,213 (4)	1.72%	74,404	595
2001	47,537,740	1,482,426,545	3.21%	74,930	634
2000	51,314,968	1,541,829,855	3.33%	75,288	682
1999	54,521,256	1,303,498,831	4.18%	75,547	722
1998	42,160,366	1,170,199,460	3.60%	75,310	560
1997	44,838,886	1,177,239,580	3.81%	75,132	597
1996	40,389,891	1,169,359,316	3.45%	75,427	535
1995	29,451,362	1,173,829,219	2.51%	75,203	392

- Notes: (1) Allegany County component unit debt only, does not include any other component units of the Allegany County reporting entity. Includes Nursing Home portion of 1992 bond issue.
- (2) Includes adjustments for additions and abatements during the year of levy.
- (3) Maryland Department of Planning.
- (4) For fiscal year 2002 and after, real estate property was assessed at 100% of full market value due to a change in State law, prior to fiscal year 2002 real estate property was assessed at 40% of market value. Property tax rates were adjusted to make the law revenue neutral.

Source: Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED**  
**DEBT TO TOTAL GENERAL FUND EXPENDITURES (1)**  
**LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Principal (1)</u>	<u>Interest</u>	<u>Sinking Fund Deposit</u>	<u>Total Debt Service</u>	<u>Total General Fund Expenditures and Other Financing Uses</u>	<u>Ratio of Debt Service to General Fund Expenditures</u>
2004	\$ 3,753,291	\$ 1,408,606	\$ -	\$ 5,161,897	\$ 63,827,741	8.09%
2003	3,717,143	1,617,668	-	5,334,811	61,471,063	8.68%
2002	3,585,147	1,740,280	-	5,325,427	59,481,020	8.95%
2001	3,491,669	2,104,537	-	5,596,206	61,196,447	9.14%
2000	3,363,967	2,293,599	(5,796)	5,651,770	55,197,409	10.24%
1999	2,554,921	2,091,014	(106,065)	4,539,870	53,127,979	8.55%
1998	2,513,575	1,935,356	(1,662)	4,447,269	50,535,309	8.80%
1997	2,490,064	1,678,064	(2,909)	4,165,219	47,228,507	8.82%
1996	3,309,703	1,343,217	(135,952)	4,516,968	46,185,236	9.78%
1995	2,192,954	1,372,146	7,040	3,572,140	44,137,901	8.09%

(1) Does not include any debt retired with proceeds of new debt or debt retired using sinking fund deposits.

Source: Allegany County Finance Department

**ALLEGANY COUNTY, MARYLAND  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS**

<u>Fiscal Year</u>	<u>Estimated Population (1)</u>	<u>Per Capita Income (2)</u>	<u>Public School Enrollment (3)</u>	<u>Unemployment Rate (2)</u>
2004	73,668	N/A	9,927	7.6%
2003	74,041	N/A	10,081	6.4%
2002	74,404	22,703	10,151	6.1%
2001	74,930	21,559	10,425	7.6%
2000	75,288	20,813	10,490	7.9%
1999	75,547	19,655	10,987	7.2%
1998	75,310	19,113	11,110	8.9%
1997	75,132	18,709	11,190	9.9%
1996	75,427	17,912	11,300	8.8%
1995	75,203	17,225	11,303	9.4%

N/A - Not available

Source: (1) Maryland Department Of Planning

(2) Figures are a monthly average on a calendar year basis from the Maryland Department of Labor & Licensing Regulation and Bureau of Economic Analysis

(3) Allegany County Board of Education Calendar Handbook, FY 95 - FY 04, enrollment as of September 30, for that fiscal year. FY 95-04 includes Pre-K enrollment.

**ALLEGANY COUNTY, MARYLAND**  
**PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS**  
**LAST TEN YEARS**

Fiscal Year	Commercial Construction (1)		Residential Construction (1)		Bank Deposits (2) (thousands)	Property Value (3) (thousands)		
	Number of Units	Value (thousands)	Number of Units	Value (thousands)		Commercial	Residential	Agricultural Non-Taxable
2004	31	\$ 11,609	101	\$ 10,620	\$ 603,263	\$ 562,048	\$ 1,593,249	\$ 68,276 \$ 836,862
2003	15	450	96	7,543	631,782	546,354	1,541,841	66,165 807,414
2002	13	3,349	108	9,904	653,667	533,931	1,500,992	63,334 790,379
2001	25	13,565	87	6,460	664,406	211,168	585,853	31,408 303,311
2000	15	2,473	117	7,427	685,786	207,328	566,802	22,928 297,999
1999	17	3,960	110	6,780	695,208	199,843	540,770	21,402 289,478
1998	23	3,682	118	7,288	701,879	199,719	516,343	20,206 273,321
1997	34	16,147	162	10,119	1,867,000	194,441	496,980	19,053 254,293
1996	18	19,094	163	9,311	1,213,358	187,185	480,916	18,779 246,540
1995	14	1,224	213	11,530	1,170,540	188,036	464,550	18,011 217,481

Source: (1) Allegany County Planning & Zoning Department  
(2) Financial Institutions Data Exchange  
(3) State Department of Assessments and Taxation

**ALLEGANY COUNTY, MARYLAND  
TEN LARGEST PROPERTY TAXPAYERS  
FOR FISCAL YEAR 2004**

Name of Taxpayer	Assessment	Percentage of		Gross Tax	Industrial Exemption	Net Tax	Percentage of Tax Revenues
		Assessable Base					
AES WR Limited Partnership	\$ 155,312,130	6.05%	\$	3,620,323	\$ 3,554,643	\$ 65,680	0.24%
MeadWestvaco	81,549,644	3.17%		969,118	-	969,118	3.52%
Potomac Edison Co.	48,626,060	1.89%		1,186,334	-	1,186,334	4.31%
Verizon - Maryland	36,839,970	1.43%		880,037	-	880,037	3.20%
Lavale Associates	29,107,760	1.13%		292,064	-	292,064	1.06%
CSX Transportation	17,860,572	0.70%		311,305	-	311,305	1.13%
Columbia Gas of Maryland, Inc.	16,909,672	0.66%		370,294	-	370,294	1.35%
Hunter Douglas Northeast, Inc	8,439,940	0.33%		94,279	60,414	33,865	0.12%
Charter Communications VI, LLC	4,497,240	0.18%		103,963	-	103,963	0.38%
Level 3 Communications	4,449,490	0.17%		108,701	-	108,701	0.39%

Source: Allegany County Tax Office and  
Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND**  
**MISCELLANEOUS STATISTICAL DATA**  
**June 30, 2004**

Form of government: Board of County Commissioners/Board President

Area - square miles	428	Education:	
County Roads - Mileage	544	Number of Schools:	
Public Services:		Secondary	4
Police Protection:		Middle	3
Sheriff	1	K - 8	1
Assistant Sheriff	0	Elementary	14
Deputy Sheriffs	20	Vocational Education	1
State Troopers	41	Community College	1
Fire and Rescue Units:		State University	1
Volunteer Fire Stations	23	Enrollment: (Spring 2004)	
Paid Fire Departments	1	Public School System	9,862
Rescue Units	4	Community College	3,305
Medivac Units	1	State University	4,986

**Building Permits Issued for the Fiscal Year Ending June 30, 2004**  
(Does not include several municipalities)

	<u>No. Issued</u>	<u>Estimated Value</u>	Elections:	
Apartments	0	-	(registration as of June 30, 2004)	
Residential	101	\$ 10,620,205	Democratic voters	16,686
Commercial & Industrial	31	11,609,145	Republican voters	18,830
Other	347	2,887,627	Other parties	479
Totals	<u>479</u>	<u>\$ 25,116,977</u>	Unaffiliated/Others	3,391
			Total registered voters	<u>39,386</u>

Percentage of voters casting ballots  
last general election (2002) 59%

Source: Allegany County: Finance Department, Department of Economic Development,  
Election Board and Planning and Zoning Department. Others include: Board  
of Education, Allegany College and Frostburg State University.



**ALLEGANY COUNTY, MARYLAND  
MAJOR COUNTY EMPLOYERS  
FY 2004**

<b>Employer</b>	<b>Product or Service</b>	<b>Estimated Employment</b>
Western Maryland Health Systems	Health Services	2,380
Allegany County Board of Education	Public School System	1,240
MeadWestvaco Corporation	Printing and Sheeted Papers	1,215
CSX Transportation	Rail Transportation	1,000
Frostburg State University	Higher Education, 4 Year Institution	830
Western Correctional Institute	Correctional Facility	712
Allegany College	Higher Education, 2 Year Institution	500
Allegany County	Local County Government (Full time only)	500
Hunter Douglas	Window Coverings	500
ACS	Call Center	450
Bayliner	Boat Manufacturer	450
Biederlack Company, Inc	Blanket Manufacturer	415
S. Schwab Company	Knit Goods	350
Federal Correctional Institute	Correctional Facility	304
City of Cumberland	Municipal Government	300

Source: Allegany Finance Department and  
Department of Economic Development

**STATE OF MARYLAND**  
**9-1-1 TRUST FUND RECEIPTS AND EXPENDITURES**  
**FOR THE PERIOD JULY 1, 2003 THROUGH JUNE 30, 2004**  
**ALLEGANY COUNTY, MARYLAND**

FUNDS	FY 2004 Local Fee	State Fee 9-1-1 Numbering System	FY 2004 State Misc.	FY 2004 County Funding	FY 2004 Total
Receipts	\$ 395,714	\$ -	\$ 1,772	\$ 511,408	\$ 908,894
Total Funds Available	<u>395,714</u>	<u>-</u>	<u>1,772</u>	<u>511,408</u>	<u>908,894</u>
<b>EXPENDITURES</b>					
Personnel costs	336,357	-	-	249,737	586,094
Non-personnel cost:					
Telephone	30,272	-	-	49,290	79,562
Equipment purchased/leased	593	-	-	1,568	2,161
Repairs	13,059	-	-	21,173	34,232
Utilities	2,968	-	-	5,686	8,654
Miscellaneous	12,465	-	1,772	26,114	40,351
Ineligible expenditures	-	-	-	157,840	157,840
Total Expenditures	<u>395,714</u>	<u>-</u>	<u>1,772</u>	<u>511,408</u>	<u>908,894</u>
Excess (Deficiency) in Funding	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Prepared by: Allegany County Finance Office

**ALLEGANY COUNTY**  
**FIRE, RESCUE AND AMBULANCE EXPENDITURES**  
**F.Y. 2004**

Fire, Rescue And Ambulance Expenditures:	
Fire Companies	\$ 848,186
Fire Suppression	-
Total Expenditures	<u>848,186</u>
Less Loan Payments	(3,176)
Plus New Loans	-
Gross Expenditures	<u>845,010</u>
Less Non Qualified Expenditures	<u>(17,839)</u>
Net Expenditures	<u>\$ 827,171</u>

Prepared by: Allegany County Finance Office

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