

ALLEGANY COUNTY, MARYLAND



Proudly recognizing Allegany County Artist Ginger Squires "Winter In Cumberland"

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2005

Financial Planning For A Bright Future

ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
JULY 1, 2004 - JUNE 30, 2005

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

ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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May 3, 2006

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, 2005, 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, 2005, 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, 2005, 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 increased from 5.7% at June 30, 2000 to 6.3% at June 30, 2005. 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 33,179. 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 saw 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). FEMA has signed a two year lease to occupy the facility until September 2007. The county will use proceeds from this lease 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 county 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.

In October 2005, a ground breaking ceremony was held for the first new high school constructed 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. The County borrowed \$2.1 million in November 2004 and will borrow an additional \$2.5 million dollars within the 2006 fiscal year to accomplish county objectives. The majority of this new debt will be to invest \$1.6 in projects for Allegany College which 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.

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. The County expects to borrow \$2.3 million to relocate the Allegany County Health Department.

In order to further grow the local economy, the county will undertake the repair and upgrade of several bridges throughout the county. Close to \$1.9 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.

With changing federal and state environmental regulations, the county will spend over \$2.1 million next year in inflow and infiltration design costs and construction in 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 \$17.0 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.

The County recognizes that its geographic location to West Virginia and Pennsylvania as well as Garrett County, Maryland gives many housing opportunities to people who work in Allegany County to reside in another county or state. Part of the economic development efforts of the County includes efforts to promote construction of new housing. The County has a special housing incentive for home builders and a Real Estate Tax Set Aside Program (RETSA) for new housing. Because of these programs and the attractive real estate prices within the County,

several new housing developments have been announced and are being reviewed by county planning officials and boards. These developments could result in higher real estate and income taxes for the County.

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 173 days and an average yield on investments of 2.42 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.

Date of Transmittal of the Comprehensive Annual Financial Report

The letter of transmittal for the County's fiscal year 2005 Comprehensive Annual Financial Report and the auditors report are dated May 3, 2006; ten months after year-end. The late completion date is due entirely to the late submission of the Allegany County's Board of Education's (a component unit of Allegany County) annual financial report to Allegany County. The Board of Education has indicated it has taken remedial steps to insure future reports are completed and submitted to the County in a timely fashion.

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, 2004. This was the thirteenth 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,

A handwritten signature in blue ink, appearing to read "Jerry L. Frantz".

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, 2004

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. Enen

Executive Director

Allegany County, Maryland
Summary of Certain Officials
June 30, 2005

Board of Commissioners

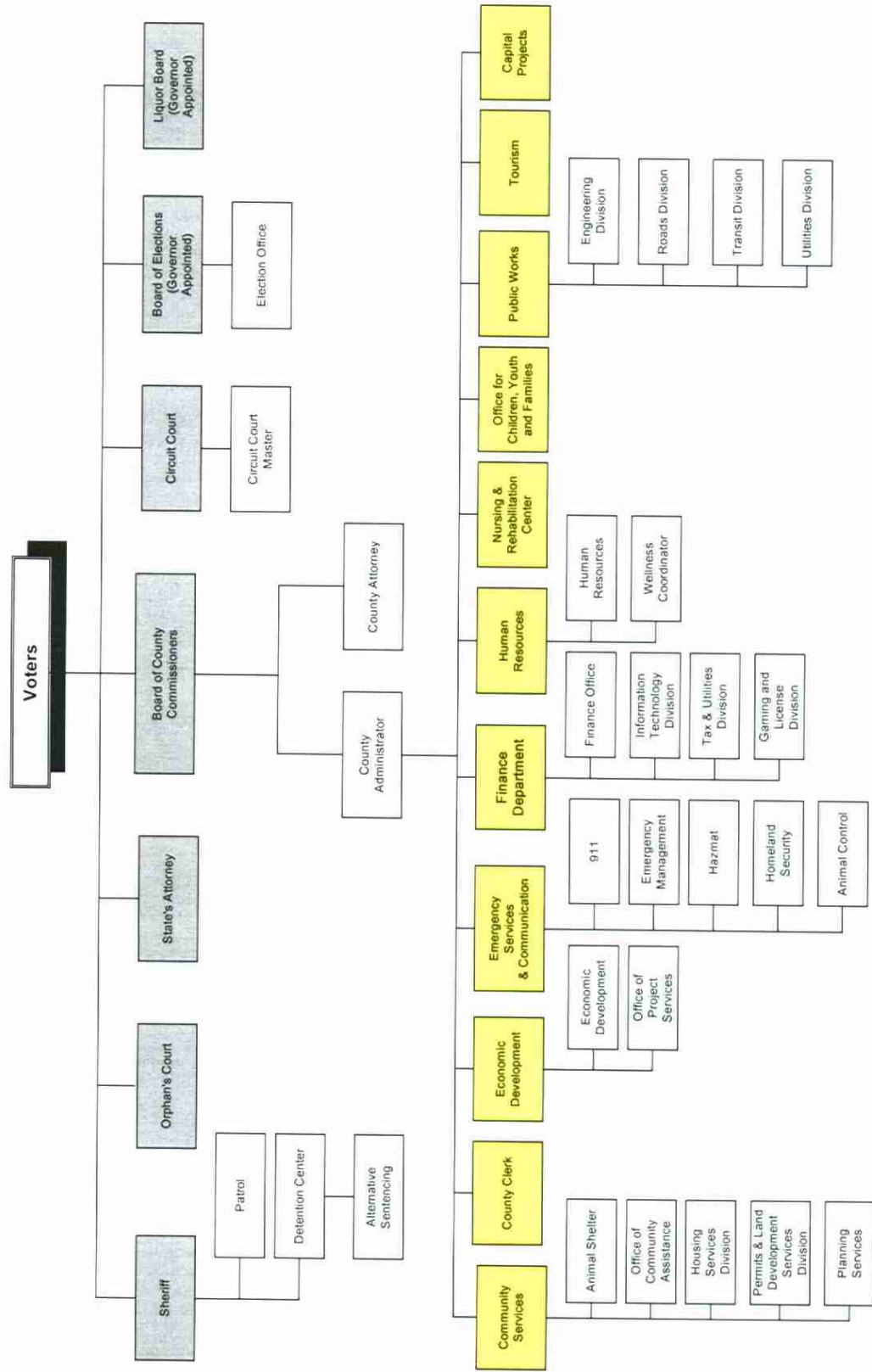
James J. Stakem, President
Robert M. Hutcheson, Commissioner
Barbara B. Roque, Commissioner

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	Brian P. Westfall
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 2005



FINANCIAL SECTION

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



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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland (the County) as of and for the year ended June 30, 2005, 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 67 percent, 63 percent and 76 percent, respectively, of the assets, net assets, and revenues of the component units. Those financial statements were audited by other auditors whose 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 on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate

remaining fund information of Allegany County, Maryland as of June 30, 2005 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 3, 2006 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-13 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 inquires 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.



Cumberland, Maryland
May 3, 2006

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, 2005. 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 \$120.3 million (*net assets*). Of this amount, \$119.6 million is invested in capital assets net of related debt and \$3.2 million is restricted for specific purposes (restricted net assets). The County's total unrestricted net assets is a balance of \$(2.58) million. This total unrestricted net asset amount includes a balance of \$1.55 million from business-type activities, offset by a deficit balance in unrestricted net assets from governmental activities of \$(4.13) 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 \$10.91 million or 10.0%. The governmental net assets increased \$9.72 million (or 19.7%). Business-type activities increased by \$1.19 million (or 2.0%) 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 \$21.5 million, an increase of \$1.0 million in comparison with the prior year. Approximately 14.5% of this total amount, \$3.12 million, is *available for spending* at the government's discretion (*unreserved fund balance*) and another \$13.78 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 \$1.26 million, or 2.2% of total general fund expenditures.
- Allegany County's governmental activity outstanding debt decrease by \$1.75 million (or 4.8%) during the current fiscal year reflecting debt principal payments of \$4.0 million and new debt of \$2.26 million. The County's business-type debt increased by \$2.84 million (or 21.8%) due to borrowing an additional \$2.01 million for improvements to the Celanese wastewater treatment plant and \$.82 million for two new water systems. Debt of \$.39 million was retired.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are

reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Allegany County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of Allegany County include general government, public safety, public works, social services, economic development, and payments to component units (the public school system, community college and library). The business-type activities of Allegany County include 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 or objectives. Allegany County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Allegany County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating governments' near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Allegany County maintains 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 and the capital projects fund, all of which are considered to be major funds. Data from the other twelve 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-E45 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 \$120.3 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (99.5 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 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004
Assets:						
Current and other assets	\$ 35,258,414	\$ 30,809,344	\$ 8,242,566	\$ 7,612,949	\$ 43,500,980	\$ 38,422,293
Capital assets	67,638,894	62,701,052	75,433,144	69,829,359	143,072,038	132,530,411
Total assets	102,897,308	93,510,396	83,675,710	77,442,308	186,573,018	170,952,704
Liabilities:						
Long-term liabilities outstanding	30,304,445	33,056,804	19,155,229	15,672,576	49,459,674	48,729,380
Other liabilities	13,538,487	9,547,631	3,320,758	3,328,820	16,859,245	12,876,451
Total liabilities	43,842,932	42,604,435	22,475,987	19,001,396	66,318,919	61,605,831
Net assets:						
Investment in capital assets						
net of related debt	60,161,453	53,978,694	59,474,528	56,841,888	119,635,981	110,820,582
Restricted	3,021,117	2,093,507	172,797	159,657	3,193,914	2,253,164
Unrestricted	(4,128,194)	(5,166,240)	1,552,398	1,439,367	(2,575,796)	(3,726,873)
Total net assets	\$ 59,054,376	\$ 50,905,961	\$ 61,199,723	\$ 58,440,912	\$ 120,254,099	\$ 109,346,873

An additional portion of Allegany County's net assets (2.7 %) represents resources that are subject to external restrictions on how they may be used. The County has a deficit *unrestricted net assets* balance of \$(2.58) million. The *unrestricted net assets* balance for the business-type activities was \$1.55 million and the governmental activities balance was a deficit of \$(4.13) million.

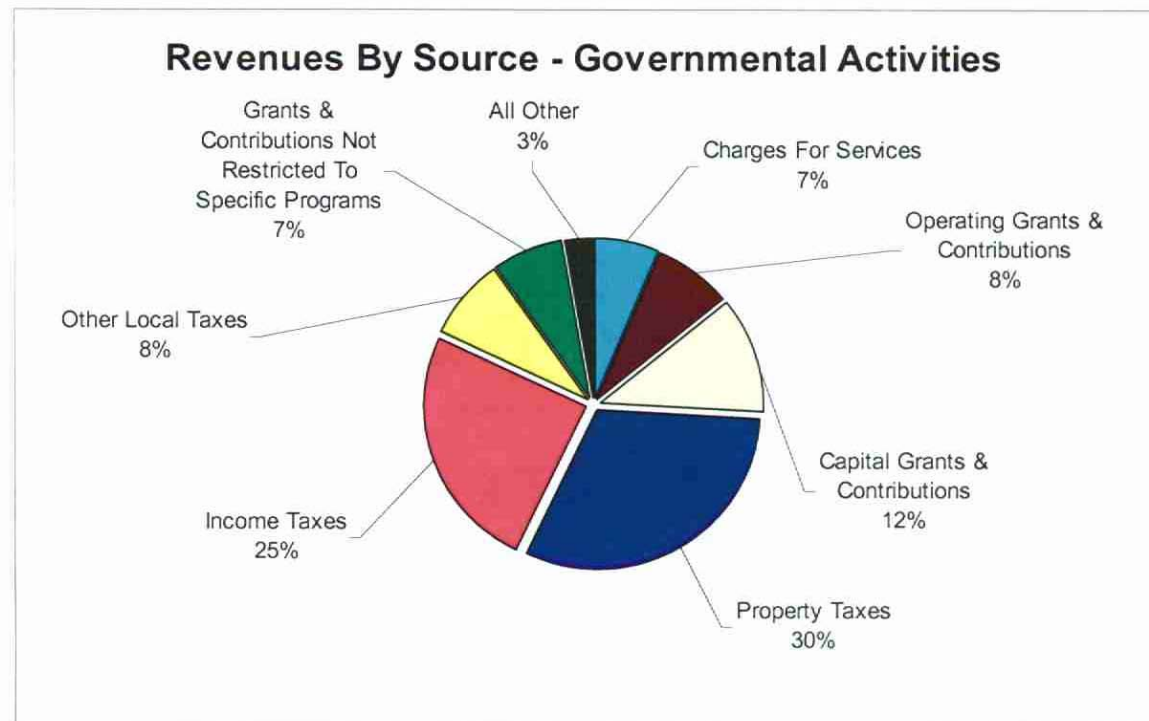
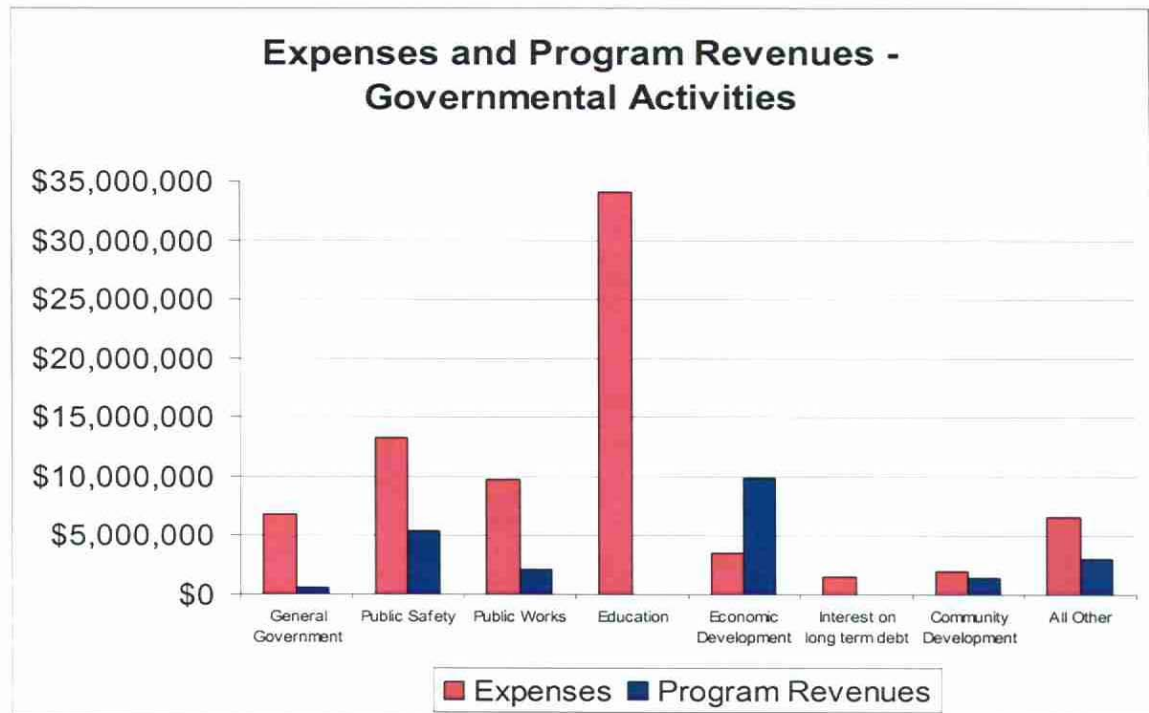
During the current fiscal year, the government's net assets increased by \$10.91 million. Revenues increased by approximately \$5 million dollars to \$106 million while expenses increased by \$6.72 million to \$95.1 million from the prior year.

ALLEGANY COUNTY'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	FY 2005	FY 2004	FY 2005	FY 2004	FY 2005	FY 2004
Revenues:						
Program revenues:						
Charges for services	\$ 5,734,652	\$ 4,569,005	\$ 14,923,199	\$ 14,540,414	\$ 20,657,851	\$ 19,109,419
Operating grants and contributions	6,549,718	6,398,218	-	-	6,549,718	6,398,218
Capital grants and contributions	10,235,536	5,704,736	3,320,783	3,816,273	13,556,319	9,521,009
General revenues:						
Property taxes	27,060,585	26,865,528	684,529	542,636	27,745,114	27,408,164
Income taxes	21,472,667	21,536,150	-	-	21,472,667	21,536,150
Other local taxes	7,331,664	6,170,086	-	-	7,331,664	6,170,086
Franchise fees	304,785	426,638	-	-	304,785	426,638
Grants and contributions not restricted to specific programs	6,116,059	7,688,811	-	-	6,116,059	7,688,811
Unrestricted fees	136,559	102,539	-	-	136,559	102,539
Unrestricted investment earnings	1,046,600	827,216	159,528	92,621	1,206,128	919,837
Gain (loss) on sale/retirement of capital assets	-	-	(3,502)	8,676	(3,502)	8,676
Miscellaneous	505,188	421,048	49,342	-	554,530	421,048
Payment from component unit	390,601	-	-	-	390,601	0
Special items	-	1,360,990	-	-	0	1,360,990
Total revenues	<u>86,884,614</u>	<u>82,070,965</u>	<u>19,133,879</u>	<u>19,000,620</u>	<u>106,018,493</u>	<u>101,071,585</u>
Expenses:						
General government	6,678,586	6,830,506	-	-	6,678,586	6,830,506
Payment to data processing	279,661	264,767	-	-	279,661	264,767
Public safety	13,320,579	10,878,035	-	-	13,320,579	10,878,035
Public works	9,691,963	9,277,395	-	-	9,691,963	9,277,395
Health	443,488	377,625	-	-	443,488	377,625
Social services	3,210,206	3,363,143	-	-	3,210,206	3,363,143
Education	796,573	51,733	-	-	796,573	51,733
Payment to public school system	27,638,498	27,503,531	-	-	27,638,498	27,503,531
Payment to community college	5,575,000	5,575,000	-	-	5,575,000	5,575,000
Recreation, culture & libraries	637,904	517,927	-	-	637,904	517,927
Payment to public library system	794,000	781,000	-	-	794,000	781,000
Conservation of natural resources	264,776	232,345	-	-	264,776	232,345
Community development & housing	2,031,225	1,659,272	-	-	2,031,225	1,659,272
Economic development	3,487,397	2,412,668	-	-	3,487,397	2,412,668
Miscellaneous	265,267	20,588	-	-	265,267	20,588
Intergovernmental	1,017,170	1,005,981	-	-	1,017,170	1,005,981
Interest on long-term debt	1,582,097	1,741,664	-	-	1,582,097	1,741,664
Water	-	-	1,448,043	1,483,542	1,448,043	1,483,542
Sewer	-	-	6,398,687	5,796,718	6,398,687	5,796,718
Nursing Home	-	-	9,550,145	8,620,622	9,550,145	8,620,622
Total expenses	<u>77,714,390</u>	<u>72,493,180</u>	<u>17,396,875</u>	<u>15,900,882</u>	<u>95,111,265</u>	<u>88,394,062</u>
Increase in net assets before transfers	9,170,224	9,577,785	1,737,004	3,099,738	10,907,228	12,677,523
Transfers	551,293	1,776,087	(551,293)	(1,776,087)	-	-
Increase (decrease) in net assets	9,721,517	11,353,872	1,185,711	1,323,651	10,907,228	12,677,523
Net assets, beginning	50,905,961	39,552,089	58,440,912	57,117,261	109,346,873	96,669,350
Prior period adjustment	(1,573,100)	-	1,573,100	-	-	-
Net assets, ending	<u>\$ 59,054,378</u>	<u>\$ 50,905,961</u>	<u>\$ 61,199,723</u>	<u>\$ 58,440,912</u>	<u>\$ 120,254,101</u>	<u>\$ 109,346,873</u>

Governmental activities. Governmental activities increased Allegany County's net assets by \$9.7 million, thereby accounting for 89.1 percent of the total growth in the net assets of Allegany County. Key elements of this increase are as follows:

- Property taxes in the governmental funds remained stable with a slight increase due to a small increase in assessments. Property tax revenue in the business-type activities increased 26.1 percent due to increased levies to pay for the construction of new sewage treatment facilities and is restricted for the retirement of long-term debt.
- Income tax revenue remained flat; the tax rate did not change and employment was stable.

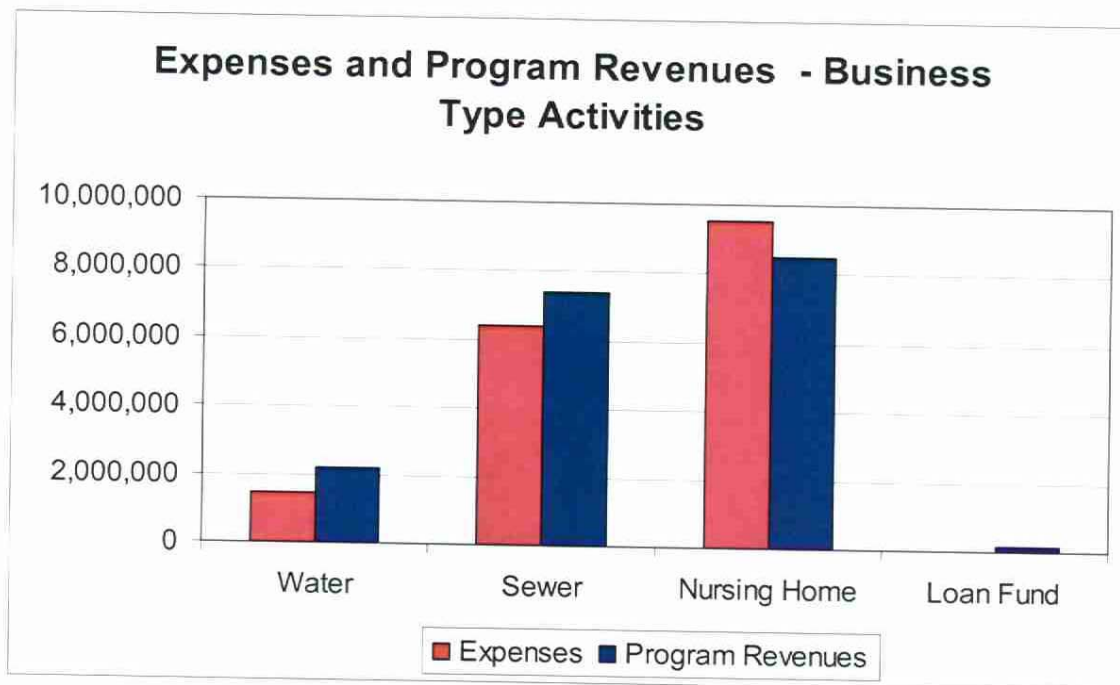
- Capital grants and contributions for economic development increased from \$2.48 million in fiscal year 2004 to \$7.66 million in fiscal year 2005; an increase of \$5.17 million. Significant capital grants were received for the Barton Industrial Park development (\$3 million) and the Highland Trail (\$3.6 million).
- Service charges for economic development increased by \$.8 million largely due to the leasing of the PPG building to the Federal Emergency Management Administration.



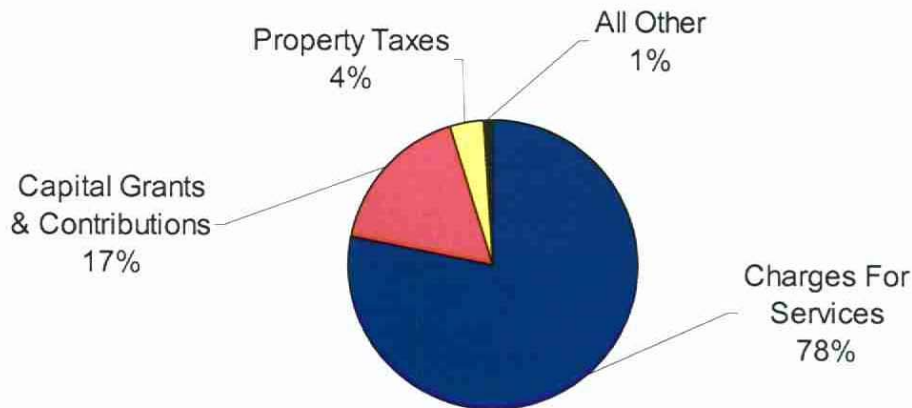
Governmental expenses increased by \$5.2 million from the previous year. The significant portion of the increase was the result of public safety expenses increasing \$2.4 million and an increase in economic development expenses of \$1.1 million. Flood projects and expenses associated with domestic preparedness account for a majority of the increase in public safety expenses. The increase in economic development expenses was due to improvements made to the Barton Industrial Park.

Business-type activities. Business-type activities increased Allegany County's net assets by slightly more than \$1.2 million (after transfers), accounting for 10.9 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 2.6 percent largely due to a small increase in the number of utility customers. Nursing Home service revenues dropped slightly from the previous year due to a lower occupancy rate.
- Capital contributions were a major revenue source for the sanitary and water districts in the current fiscal year, producing \$3.3 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. Also under construction are water and sewer facilities for the Barton Industrial Park and water infrastructure for the Morantown and Klondike communities.
- Expenses of the business-type activities increased by \$1.5 million (or 9.5%), a large part of the increase, \$915,000, was related to the operations of the nursing home. The Nursing Home reported a loss from operations of \$1.1 million, largely due to increases in personnel salaries and fringe benefit costs and stagnant revenues caused by unfilled beds.



Revenues By Source - Business Type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$21.5 million, an increase of \$1.0 million in comparison with the prior year. Approximately 78.6 percent of this total amount (\$16.9 million) constitutes *unreserved fund balance*, of which the majority is available for spending at the government's discretion. Some amounts reported as *unreserved/designated fund balance*, are not available due to the single purpose of the fund being restricted and the requirement the fund balance be reported as unreserved. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) for non-current assets, \$3.75 million, and 2) for a variety of other restricted purposes, \$.8 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 \$1.26 million, while total fund balance remained at \$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 2.2 percent of total general fund expenditures, while total fund balance represents 22.2 percent of that same amount.

The fund balance of Allegany County's general fund remained unchanged during the current fiscal year. Key factors in the current year results are as follows:

- Property taxes increased \$932,000 (or 3.4%) due entirely to increases in the assessable base.
- State grants decrease \$1.6 million (approximately 17.5%) from the prior year due to a cut in the State disparity grant of the same amount.
- Service charges in the General Fund increased by \$930,000 as a result of increased revenues from boarding State prisoners (\$444,000) and Federal prisoners (\$431,000).
- General Fund expenditures increased by \$1.4 million largely due to an increase in public safety expenditures of over \$1.1 million, an increase of 11%.

The highway fund has a total fund balance of \$1.4 million, all of which is unreserved. The net increase in fund balance during the current year was \$274,000. The Office of Children, Youth and Families fund's total fund balance was \$133,000 which is restricted for fund purposes and increased by \$15,000 from the prior year. The capital projects fund had a deficit total fund balance at year end of \$(778,000), a decrease of \$575,000 from the prior year.

The Capital Improvement Project Funds, a major fund, fund balance decreased by \$574,519 largely due to expenditures of \$1.4 for the Upper Potomac Industrial Park floodwall whose revenues were not subject to accrual.

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	\$ 15,943,980	\$ 41,649,651	\$ 1,880,897	\$ -	\$ 59,474,528
Restricted for debt service		172,797	-	-	172,797
Unrestricted	(702,377)	1,946,725	(1,084,155)	1,392,205	1,552,398
Total net assets	<u>\$ 15,241,603</u>	<u>\$ 43,769,173</u>	<u>\$ 796,742</u>	<u>\$ 1,392,205</u>	<u>\$ 61,199,723</u>
Change in net assets during the year, increase (decrease)	<u>\$ 916,855</u>	<u>\$ 2,378,778</u>	<u>\$ (1,082,598)</u>	<u>\$ (1,027,324)</u>	<u>\$ 1,185,711</u>

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

General Fund Budgetary Highlights

During the year, the original budget increased \$1,326,741 to a new grand total of \$66,311,263, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- \$80,278 in miscellaneous increases in general government activities
- \$1,086,989 in increases allocated to public safety, the major increases were for domestic preparedness grants of \$688,231 and flood control projects for \$190,372.
- \$159,474 in increases for miscellaneous items and transfers out.

Of this increase, \$655,183 was funded by an increase in budgeted state grants and an increase of \$163,397 in Federal grants. Fund balance was used to fund an additional \$359,660. The rest of the increase, \$148,501, was funded by increases in a various revenues. Revenues exceeded budgetary estimates by \$3 million and actual expenditures were less than budgetary estimates by \$1.68 million. After allowing for other financing sources and uses, the fund balance of the general fund remained basically unchanged.

The General Fund's actual income tax revenue exceeded budget by \$1.3 million (or 6.5%) due to the local economy improving at a rate greater than expected. Other local taxes exceeded budget estimates by almost 24% (\$600,000) due to an unusually high volume of property sales which resulted in large increases in

recording and transfer taxes. Public safety charges were double (\$1.9 million) the \$.9 budgeted due to the housing of additional State and Federal prisoners. General Fund expenditures were \$1.7 million below the budgeted amount of \$58.9 million due to across the board favorable variances in most of the departments of the general government function.

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, 2005 was \$143.1 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 8.0 percent (a 7.9 percent increase for governmental activities and an 8.0 percent increase for business-type activities).

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

- Construction continued and was substantially completed on the Celanese waste water treatment plant in Cresaptown; additional costs incurred during the current fiscal year were \$3.5 million, this project was capitalized at the end of the year with a total project cost of \$14.2 million.
- Construction continued on the Klondike water project; additional cost incurred during the fiscal year was \$.7 million, construction in progress as of the end of the fiscal year had reached \$1.6 million.
- The Barton industrial park construction costs were \$2.6 million during the year. The Barton Industrial Park sewer project was capitalized at the close of the fiscal year with a total project cost of \$2.2 million; construction in progress for the remainder of the projects was \$3.2 million.
- Construction continued and was substantially completed on the Washington Street Library's interior improvements; this project was capitalized at the end of the fiscal year with total project costs of \$1.1 million.
- A floodwall in the Upper Potomac Industrial incurred \$1.4 million in costs in the current fiscal year.
- The Highland Trail project costs increased by \$3.9 million in fiscal year 2005 for total capitalized costs of \$5.6 at June 30, 2005.

ALLEGANY COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 15,773,610	\$ 11,866,134	\$ 34,288	\$ 34,288	\$ 15,807,898	\$ 11,900,422
Work in Progress	4,707,638	3,278,693	2,994,814	12,004,194	7,702,452	15,282,887
Buildings	31,491,993	31,876,240	1,615,576	1,446,596	33,107,569	33,322,836
Infrastructure	11,087,905	11,025,339	67,504,026	52,848,350	78,591,931	63,873,689
Furniture & fixtures	174,822	171,411	635,033	698,280	809,855	869,691
Equipment	1,573,999	1,475,419	432,986	462,134	2,006,985	1,937,553
Vehicles	1,506,794	1,603,321	224,794	261,744	1,731,588	1,865,065
Heavy equipment	823,044	925,532	91,505	99,568	914,549	1,025,100
Other fixed assets	499,089	478,962	1,900,122	1,974,205	2,399,211	2,453,167
Total	<u>\$ 67,638,894</u>	<u>\$ 62,701,051</u>	<u>\$ 75,433,144</u>	<u>\$ 69,829,359</u>	<u>\$ 143,072,038</u>	<u>\$ 132,530,410</u>

Additional information on Allegany County's capital assets can be found in the notes to the financial statements, note 7 on pages C-40 through C-41 of this report.

Long-term debt. At the end of the current fiscal year, Allegany County had total debt outstanding of \$50.3 million. Of this amount, \$26.6 is general obligation bonds and \$8.3 million is debt incurred with other entities for which the full faith and credit of the County has also been pledged. The \$15.4 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	
	2005	2004	2005	2004	2005	2004
General obligation	\$ 26,596,000	\$ 27,945,000	\$ -	\$ -	\$ 26,596,000	\$ 27,945,000
Notes	784,473	864,699	-	-	784,473	864,699
Capital leases	112,435	-	-	-	112,435	-
State loans	7,357,164	7,787,748	10,177,907	8,432,882	17,535,071	16,220,630
Federal loans	-	-	5,137,284	4,376,801	5,137,284	4,376,801
County loans	-	-	118,424	177,788	118,424	177,788
Total	<u>\$ 34,850,072</u>	<u>\$ 36,597,447</u>	<u>\$ 15,433,615</u>	<u>\$ 12,987,471</u>	<u>\$ 50,283,687</u>	<u>\$ 49,584,918</u>

Allegany County issued \$5.1 million of debt and retired \$4.4 million during the current fiscal year for a net increase of \$.7 million (or 1.4%). Debt issued during the year was \$2.0 million for the Celanese Waste Water Treatment Plant, \$465,000 for the Klondike water project, \$358,000 for the Barton Industrial Park water project and a \$2.1 million Public Improvement Bond for the Allegany College physical education building, the Allegany College library roof repairs and the Washington Street public library interior. The county incurred capital leases of \$172,256 during the year.

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 through C-49 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for June 2005 for Allegany County was 6.8 percent, which was a decrease from a 7.6 percent rate for June 2004.
- Property assessments increased 5.5% from the previous fiscal year.

All of these factors were considered in preparing Allegany County's budget for the 2006 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund decreased to \$9.4 million. Allegany County has appropriated \$1.8 million of this amount for spending in the 2006 fiscal year budget. It is intended that this use of available fund balance will avoid the need to raise taxes or charges during the 2006 fiscal year.

The sewer and water district minimum service charges were increased 7% - 8% for the 2006 budget year. These rate increases were necessary to pay for the rising costs of operations and State and Federal mandated improvements in the water and sewer systems.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

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**GOVERNMENT WIDE
FINANCIAL
STATEMENTS**

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET ASSETS
JUNE 30, 2005

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegheny College of Maryland	Allegheny County Library	LaVale Sanitary Commission
ASSETS:							
Current Assets:							
Cash	\$ 10,398,023	\$ 655,752	\$ 11,053,775	\$ 5,154,515	\$ 1,073,301	\$ 113,126	\$ 1,578,387
Investments	10,456,710	705,727	11,162,437	9,964,535	5,930,097	911,886	-
Property taxes receivable	2,870,969	-	2,870,969	-	-	-	-
Receivables:							
Accounts	-	3,035,438	3,035,438	2,402,671	514,137	656	574,842
Loans to enterprise funds	59,502	-	59,502	-	-	-	-
Other	12,559,529	1,604,459	14,163,988	71,761	750,156	-	78,306
Internal balances	(1,549,182)	1,549,182	-	-	-	-	-
Inventory	56,110	164,975	221,085	250,835	259,702	-	203,012
Prepaid expenses	73,142	60,217	133,359	-	58,474	10,300	14,165
Deferred charges	29,440	-	29,440	-	-	-	-
Miscellaneous	197,730	266	197,996	-	-	-	-
Restricted Assets:							
Cash	47,519	293,753	341,272	-	5,558,797	-	22,399
Investments	-	-	-	-	(552,852)	-	-
Taxes	-	78,128	78,128	-	-	-	-
Receivables	-	94,669	94,669	-	-	-	-
Non-current Assets:							
Receivables	-	-	-	-	-	-	-
Loans to enterprise funds	58,922	-	58,922	-	-	-	-
Land	15,773,610	34,288	15,807,898	2,377,989	2,000,239	-	176,385
Work In Progress	4,707,638	2,994,814	7,702,452	1,466,829	-	-	321,080
Capital assets subject to depreciation/amortization	95,711,898	108,257,702	203,969,600	119,721,708	44,436,642	8,538,080	16,579,262
Accumulated depreciation	(48,554,252)	(35,853,660)	(84,407,912)	(66,408,193)	(21,260,244)	(5,003,828)	(7,438,749)
Total Assets	<u>102,897,308</u>	<u>83,675,710</u>	<u>186,573,018</u>	<u>75,002,650</u>	<u>38,768,449</u>	<u>4,570,220</u>	<u>12,109,089</u>
LIABILITIES:							
Current Liabilities:							
Accounts payable	3,863,659	1,743,292	5,606,951	3,999,187	521,182	66,192	247,509
Accrued wages payable	753,745	249,324	1,003,069	511,411	541,427	32,547	-
Accrued fringe benefits payable	331,035	121,380	452,415	-	34,393	-	-
Accrued interest	380,220	95,834	476,054	-	-	-	4,093
Current portion of long-term debt:							
Bonds and loans	4,233,419	719,769	4,953,188	108,728	-	-	410,337
Capital leases	55,050	-	55,050	-	108,153	-	-
Loans from general fund	-	59,502	59,502	-	-	-	-
Compensated absences	475,000	60,000	535,000	-	-	-	-
Due to Agency Fund	261,287	-	261,287	-	-	-	-
Unearned revenue	2,693,739	-	2,693,739	1,462,580	342,323	-	-
Miscellaneous liabilities	491,333	274,657	765,990	6,513,413	647,792	-	22,399
Non-current liabilities:							
Cash advance due general fund	(3,301,875)	3,301,875	-	-	-	-	-
Bonds and loans	30,504,217	15,120,423	45,624,640	-	477,360	-	962,432
Capital leases	57,385	-	57,385	-	33,088	-	-
Loans from general fund	-	58,922	58,922	-	-	-	-
Compensated absences	3,044,718	671,009	3,715,727	2,497,107	-	51,110	-
Total Liabilities	<u>43,842,932</u>	<u>22,475,987</u>	<u>66,318,919</u>	<u>15,092,426</u>	<u>2,705,718</u>	<u>149,849</u>	<u>1,646,770</u>
NET ASSETS							
Invested in capital assets net of related debt	60,161,453	59,474,528	119,635,981	57,158,333	24,575,817	3,534,252	8,265,209
Restricted for:							
Public safety	467,122	-	467,122	-	-	-	-
Highways	887,706	-	887,706	-	-	-	-
Community development & housing	812,789	-	812,789	-	-	-	-
Office for Children, Youth and Families	133,152	-	133,152	-	-	-	-
Capital projects	720,348	-	720,348	1,692,957	-	-	-
Other purposes	-	172,797	172,797	250,835	5,273,383	372,971	-
Unrestricted	(4,128,194)	1,552,398	(2,575,796)	808,099	6,213,531	513,148	2,197,110
Total Net Assets	<u>\$ 59,054,376</u>	<u>\$ 61,199,723</u>	<u>\$ 120,254,099</u>	<u>\$ 59,910,224</u>	<u>\$ 36,062,731</u>	<u>\$ 4,420,371</u>	<u>\$ 10,462,319</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, 2005

Functions/Programs	Expenses		Expenses		Program Revenues	
	Before Indirect Expense Allocation	Indirect Expense Allocation	After Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government::						
Governmental activities:						
General government:	\$ 6,678,586	\$ -	\$ 6,678,586	\$ 366,518	\$ 338,396	\$ -
Payment to data processing	853,514	(573,853)	279,661	-	-	-
Public safety	13,320,579	-	13,320,579	2,210,969	1,377,517	1,838,135
Public works	9,647,949	44,014	9,691,963	834,819	615,845	606,913
Health	443,488	-	443,488	-	25,548	-
Social services	3,150,289	59,917	3,210,206	26,175	2,419,327	-
Education:	796,573	-	796,573	-	-	-
Payment to public school system	27,638,498	-	27,638,498	-	-	-
Payment to community college	5,575,000	-	5,575,000	-	-	-
Recreation, culture & libraries:	637,904	-	637,904	283,450	56,305	135,000
Payment to public library system	794,000	-	794,000	-	-	-
Conservation of natural resources	264,776	-	264,776	31,581	22,246	-
Community development and housing	2,031,225	-	2,031,225	24,308	1,413,650	-
Economic development	3,487,397	-	3,487,397	1,956,832	280,884	7,655,488
Miscellaneous	265,267	-	265,267	-	-	-
Intergovernmental	1,017,170	-	1,017,170	-	-	-
Interest on long term debt	1,582,097	-	1,582,097	-	-	-
Total governmental activities	<u>78,184,312</u>	<u>(469,922)</u>	<u>77,714,390</u>	<u>5,734,652</u>	<u>6,549,718</u>	<u>10,235,536</u>
Business-type activities:						
Water	1,417,937	30,106	1,448,043	1,152,638	-	1,043,851
Sewer	6,224,948	173,739	6,398,687	5,142,139	-	2,276,932
Nursing Home	9,284,068	266,077	9,550,145	8,464,607	-	-
Loan fund	-	-	-	163,815	-	-
Total business-type activities	<u>16,926,953</u>	<u>469,922</u>	<u>17,396,875</u>	<u>14,923,199</u>	<u>-</u>	<u>3,320,783</u>
Total primary government	<u>\$ 95,111,265</u>	<u>\$ -</u>	<u>\$ 95,111,265</u>	<u>\$ 20,657,851</u>	<u>\$ 6,549,718</u>	<u>\$ 13,556,319</u>
Component units:						
Board of Education			\$ 100,643,524	\$ 2,909,266	\$ 17,980,675	\$ 1,475,294
Allegany College of Md.			26,746,540	10,617,379	10,463,105	1,311,689
County Library			1,753,912	76,897	-	-
LaVale Sanitary Commission			3,224,890	2,869,085	-	1,250
Total component units			<u>\$ 132,368,866</u>	<u>\$ 16,472,627</u>	<u>\$ 28,443,780</u>	<u>\$ 2,788,233</u>

General revenues:
 Property taxes
 Income taxes
 Other local taxes
 Appropriation from Allegany County
 Franchise fees
 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
 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, 2005

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
\$ (5,973,672)	\$ -	\$ (5,973,672)	\$ -	\$ -	\$ -	\$ -
(279,661)	-	(279,661)	-	-	-	-
(7,893,958)	-	(7,893,958)	-	-	-	-
(7,634,386)	-	(7,634,386)	-	-	-	-
(417,940)	-	(417,940)	-	-	-	-
(764,704)	-	(764,704)	-	-	-	-
(796,573)	-	(796,573)	-	-	-	-
(27,638,498)	-	(27,638,498)	-	-	-	-
(5,575,000)	-	(5,575,000)	-	-	-	-
(163,149)	-	(163,149)	-	-	-	-
(794,000)	-	(794,000)	-	-	-	-
(210,949)	-	(210,949)	-	-	-	-
-	-	-	-	-	-	-
(593,267)	-	(593,267)	-	-	-	-
6,405,807	-	6,405,807	-	-	-	-
(265,267)	-	(265,267)	-	-	-	-
(1,017,170)	-	(1,017,170)	-	-	-	-
(1,582,097)	-	(1,582,097)	-	-	-	-
(55,194,484)	-	(55,194,484)	-	-	-	-
-	748,446	748,446	-	-	-	-
-	1,020,384	1,020,384	-	-	-	-
-	(1,085,538)	(1,085,538)	-	-	-	-
-	163,815	163,815	-	-	-	-
-	847,107	847,107	-	-	-	-
(55,194,484)	847,107	(54,347,377)	-	-	-	-
-	-	-	(78,278,289)	-	-	-
-	-	-	-	(4,354,367)	-	-
-	-	-	-	-	(1,677,015)	-
-	-	-	-	-	-	(354,555)
-	-	-	(78,278,289)	(4,354,367)	(1,677,015)	(354,555)
27,060,585	684,529	27,745,114	-	-	-	386,114
21,472,667	-	21,472,667	-	-	-	395,246
7,331,664	-	7,331,664	-	-	-	-
-	-	-	25,630,000	5,575,000	794,000	-
304,785	-	304,785	-	-	-	-
6,116,059	-	6,116,059	50,326,963	-	618,814	-
136,559	-	136,559	-	-	-	-
1,046,600	159,528	1,206,128	255,860	468,969	31,543	43,813
-	(3,502)	(3,502)	(19,801)	(66,276)	(34,783)	11,500
505,188	49,342	554,530	709,839	205,681	182,452	-
390,601	-	390,601	-	-	(390,601)	-
551,293	(551,293)	-	-	-	-	-
64,916,001	338,604	65,254,605	76,902,861	6,183,374	1,201,425	836,673
9,721,517	1,185,711	10,907,228	(1,375,428)	1,829,007	(475,590)	482,118
49,332,859	60,014,012	109,346,871	61,285,652	34,233,724	4,895,961	9,980,201
\$ 59,054,376	\$ 61,199,723	\$ 120,254,099	\$ 59,910,224	\$ 36,062,731	\$ 4,420,371	\$ 10,462,319

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, 2005

ASSETS:	General Fund	Highway Fund	Office of Children Youth & Families	Capital Improvements Projects Fund	Other Governmental Funds	Total
Cash	\$ 10,207,305	\$ -	\$ -	\$ -	\$ 95,613	\$ 10,302,918
Cash -restricted	-	-	-	-	47,519	47,519
Investments	5,325,000	-	-	1,667,287	3,464,423	10,456,710
Property tax receivable	3,020,969	-	-	-	-	3,020,969
Receivables	-	-	-	-	-	-
Notes and loans	-	-	-	-	448,670	448,670
Other receivables	3,581,951	540,630	104,505	712,984	703,243	5,643,313
Due from other funds	-	1,477,962	1,079,356	-	5,961,976	8,519,294
Advances to other funds	3,301,875	-	-	-	-	3,301,875
Inventory	-	-	-	-	56,110	56,110
Prepays	433	-	3,308	-	69,401	73,142
Miscellaneous assets	292,834	-	-	-	-	292,834
Total Assets	\$ 25,730,367	\$ 2,018,592	\$ 1,187,169	\$ 2,380,271	\$ 10,846,955	\$ 42,163,354
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 625,900	\$ 249,938	\$ 748,806	\$ 1,532,012	\$ 707,001	\$ 3,863,657
Accrued payroll	574,787	128,036	10,539	3,217	37,166	753,745
Accrued payroll fringe	233,457	75,626	3,397	259	18,296	331,035
Due to other funds	7,906,340	-	-	1,622,585	682,414	10,211,339
Amounts held in escrow	153,638	131,500	-	-	114,920	400,058
Unearned revenue	3,460,732	-	288,569	-	1,268,186	5,017,487
Miscellaneous liabilities	73,237	-	2,706	-	15,332	91,275
Total Liabilities	13,028,091	585,100	1,054,017	3,158,073	2,843,315	20,668,596
Fund Balances:						
Reserved:						
For non-current assets	3,301,875	-	-	-	448,670	3,750,545
For prepaid items	433	-	-	-	69,401	69,834
For inventories	-	-	-	-	56,110	56,110
For capital projects	-	-	-	-	720,348	720,348
Unreserved/Designated:						
For next fiscal year:						
General fund	1,750,000	-	-	-	-	1,750,000
Special revenue funds	-	532,500	-	-	173,095	705,595
Capital project funds	-	-	-	-	185,000	185,000
For contingencies	6,000,000	-	-	-	-	6,000,000
For specific programs, reported in:						
General fund	392,016	-	-	-	-	392,016
Special revenue funds	-	-	133,152	-	1,694,097	1,827,249
Debt service fund	-	-	-	-	1,175,000	1,175,000
Capital Project funds	-	-	-	-	1,740,923	1,740,923
Undesignated:						
General fund	1,257,952	-	-	-	-	1,257,952
Special revenue funds	-	900,992	-	-	1,668,331	2,569,323
Capital Project funds	-	-	-	(777,802)	72,665	(705,137)
Total Fund Balances	12,702,276	1,433,492	133,152	(777,802)	8,003,640	21,494,758
Total Liabilities and Fund Balances	\$ 25,730,367	\$ 2,018,592	\$ 1,187,169	\$ 2,380,271	\$ 10,846,955	

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.	67,638,894
Other long-term assets are not available to pay current-period expenditures and are deferred in the funds.	6,346,986
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(38,369,790)
Other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	1,943,528

Net assets of governmental activities **\$ 59,054,376**

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, 2005

	General Fund	Highway Fund	Office of Children Youth & Families	Capital Improvements Projects Fund	Other Governmental Funds	Total
REVENUES:						
Taxes:						
Property taxes	\$ 28,460,485	\$ -	\$ -	\$ -	\$ -	\$ 28,460,485
Income taxes	21,472,667	-	-	-	-	21,472,667
Other local taxes	3,120,857	3,688,177	-	-	-	7,600,238
Licenses and permits	583,575	-	-	-	-	583,575
Intergovernmental:						
Federal	1,418,977	439,212	-	3,366,207	1,911,913	7,136,309
State	7,447,756	-	1,222,203	1,452,065	3,707,057	13,829,081
Other	122,820	-	-	300,121	72,658	495,599
Service charges	3,096,903	-	-	-	300,401	3,397,304
Fines and forfeitures	31,808	-	-	-	59,612	91,420
Interest	301,620	-	15,050	21,556	64,003	402,229
Miscellaneous	361,999	10,529	-	149,004	2,063,280	2,584,812
Total Revenues	<u>66,419,467</u>	<u>4,137,918</u>	<u>1,237,253</u>	<u>5,288,953</u>	<u>8,970,128</u>	<u>86,053,719</u>
EXPENDITURES:						
Current:						
General government	5,958,163	-	-	-	123,803	6,081,966
Public safety	11,270,625	-	-	-	575,335	11,845,960
Public works	1,988,382	6,101,429	-	-	1,228,426	9,318,237
Health and Hospitals	356,009	-	-	-	9,721	365,730
Social Services	1,805,639	-	1,222,203	-	125,938	3,153,780
Education	6,487	-	-	-	-	6,487
Recreation, culture and libraries	525,238	-	-	-	-	525,238
Conservation of natural resources	254,764	-	-	-	-	254,764
Community Development and Housing	284,280	-	-	-	1,697,164	1,981,444
Economic development	1,506,011	-	-	-	3,738,933	5,244,944
Miscellaneous	9,082	-	-	-	4,909	13,991
Appropriation to other governments	1,017,170	-	-	-	-	1,017,170
Payments to component units	32,278,661	-	-	-	-	32,278,661
Debt Service:						
Principal	-	-	-	-	4,005,632	4,005,632
Interest	-	-	-	-	1,624,695	1,624,695
Capital Outlay:						
General government	-	-	-	-	135,247	135,247
Public safety	-	-	-	2,600,541	-	2,600,541
Public works	-	-	-	59,132	111,875	171,007
Health and Hospitals	-	-	-	10,728	-	10,728
Education	-	-	-	-	790,086	790,086
Recreation, culture and libraries	-	-	-	879,220	-	879,220
Conservation of natural resources	-	-	-	-	-	-
Economic development	-	-	-	3,959,912	31,697	3,991,609
Miscellaneous	-	-	-	-	251,276	251,276
Payments to component units	-	-	-	1,994,074	14,424	2,008,498
Total Expenditures	<u>57,260,511</u>	<u>6,101,429</u>	<u>1,222,203</u>	<u>9,503,607</u>	<u>14,469,161</u>	<u>88,556,911</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	483,957	2,230,088	-	3,249,532	8,144,199	14,107,776
Transfers out	(9,654,412)	-	-	-	(3,902,070)	(13,556,482)
Sale of capital assets	14,222	7,602	-	-	276,286	298,110
Transfer from component unit	-	-	-	390,603	-	390,603
Issuance of debt	-	-	-	-	2,258,256	2,258,256
Total Other Financing Sources and uses	<u>(9,156,233)</u>	<u>2,237,690</u>	<u>-</u>	<u>3,640,135</u>	<u>6,776,671</u>	<u>3,498,263</u>
Net change in fund balances	2,723	274,179	15,050	(574,519)	1,277,638	995,071
Fund balance, beginning as restated, see note 16	<u>12,699,553</u>	<u>1,159,313</u>	<u>118,102</u>	<u>(203,283)</u>	<u>6,726,002</u>	<u>20,499,687</u>
Fund balance, ending	<u>\$ 12,702,276</u>	<u>\$ 1,433,492</u>	<u>\$ 133,152</u>	<u>\$ (777,802)</u>	<u>\$ 8,003,640</u>	<u>\$ 21,494,758</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, 2005

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) \$ 995,071

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	\$ 10,172,378	
Depreciation	<u>(2,996,279)</u>	7,176,099

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (137,475)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 167,125

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt proceeds	\$ (2,086,000)	
Lease proceeds	(172,256)	
Effect of bond issuance costs	29,440	
Payment of principal	<u>4,005,632</u>	1,776,816

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. (256,119)

Change in net assets of governmental activities (pages C6-C7) \$ 9,721,517

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, 2005

ASSETS	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
Current Assets:					
Cash:					
Cash	\$ -	\$ 654,552	\$ 1,200	\$ -	\$ 655,752
Cash - restricted	-	293,753	-	-	293,753
Investments	170,202	222,421	313,104	-	705,727
Receivables:	-	-	-	-	-
Accounts (net)	329,881	1,019,789	1,200,179	485,589	3,035,438
Taxes - restricted	-	78,128	-	-	78,128
Accounts (net) - restricted	-	94,669	-	-	94,669
Other	141	1,603,361	957	-	1,604,459
Due from other funds	-	4,418,930	-	788,192	5,207,122
Prepaid expenses	-	-	60,217	-	60,217
Inventory	-	134,746	30,229	-	164,975
Miscellaneous assets	-	-	267	-	267
Total current assets	<u>500,224</u>	<u>8,520,349</u>	<u>1,606,153</u>	<u>1,273,781</u>	<u>11,900,507</u>
Non-current Assets:					
Advances to other funds	-	-	-	118,424	118,424
Land	6,570	27,718	-	-	34,288
Construction in Progress	2,231,513	760,321	2,980	-	2,994,814
Capital assets subject to depreciation	21,972,615	80,681,147	5,603,940	-	108,257,702
Accumulated depreciation	(4,160,347)	(28,492,290)	(3,201,023)	-	(35,853,660)
Total noncurrent assets	<u>20,050,351</u>	<u>52,976,896</u>	<u>2,405,897</u>	<u>118,424</u>	<u>75,551,568</u>
Total Assets	<u>20,550,575</u>	<u>61,497,245</u>	<u>4,012,050</u>	<u>1,392,205</u>	<u>87,452,075</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	68,768	1,449,166	225,358	-	1,743,292
Accrued payroll	-	42,955	206,369	-	249,324
Accrued payroll fringe	-	19,368	102,012	-	121,380
Accrued interest	14,619	78,940	2,275	-	95,834
Current portion of long-term debt					
Revenue debt:					
Bonds and loans	53,537	642,320	23,912	-	719,769
Advances from other funds	1,819	57,683	-	-	59,502
Compensated absences	-	40,000	20,000	-	60,000
Due to other funds	19,214	3,757,151	-	-	3,776,365
Miscellaneous liabilities	-	274,657	-	-	274,657
Total current liabilities	<u>157,957</u>	<u>6,362,240</u>	<u>579,926</u>	<u>-</u>	<u>7,100,123</u>
Noncurrent Liabilities:					
Cash advance due to General Fund	1,100,000	500,000	1,701,875	-	3,301,875
Long term debt:					
Revenue debt:					
Bonds and loans	4,049,704	10,569,631	501,088	-	15,120,423
Advance from other funds	1,311	57,611	-	-	58,922
Compensated absences	-	238,590	432,419	-	671,009
Total noncurrent liabilities	<u>5,151,015</u>	<u>11,365,832</u>	<u>2,635,382</u>	<u>-</u>	<u>19,152,229</u>
Total Liabilities	<u>5,308,972</u>	<u>17,728,072</u>	<u>3,215,308</u>	<u>-</u>	<u>26,252,352</u>
NET ASSETS					
Invested in capital assets, net of related debt	15,943,980	41,649,651	1,880,897	-	59,474,528
Restricted for debt service	-	172,797	-	-	172,797
Unrestricted	(702,377)	1,946,725	(1,084,155)	1,392,205	1,552,398
Total Net Assets	<u>\$ 15,241,603</u>	<u>\$ 43,769,173</u>	<u>\$ 796,742</u>	<u>\$ 1,392,205</u>	<u>\$ 61,199,723</u>

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
OPERATING REVENUES:					
Service charges	\$ 1,142,963	\$ 4,790,380	\$ -	\$ -	\$ 5,933,343
Patient fees	-	-	8,389,272	-	8,389,272
Miscellaneous	2,628	117,511	75,335	163,815	359,289
Total Operating Revenues	1,145,591	4,907,891	8,464,607	163,815	14,681,904
OPERATING EXPENSES:					
Salaries	134,111	678,146	4,136,988	-	4,949,245
Employee benefits	65,445	326,012	2,637,290	-	3,028,747
Office expenses	35	48,275	131,713	-	180,023
Utilities	549,445	1,277,255	190,839	-	2,017,539
Repairs & maintenance	31,709	165,903	113,671	-	311,283
Contractual services	-	30,149	22,741	-	52,890
Treatment costs	-	1,608,559	-	-	1,608,559
Professional services	1,000	21,190	858,073	-	880,263
Materials and supplies	20,930	226,279	806,963	-	1,054,172
Insurance	316	121,428	141,033	-	262,777
Indirect cost	30,106	173,902	266,077	-	470,085
Miscellaneous	2	9,463	16,317	-	25,782
Depreciation	456,871	1,505,727	214,114	-	2,176,712
Total operating expenses	1,289,970	6,192,288	9,535,819	-	17,018,077
Operating Income (Loss)	(144,379)	(1,284,397)	(1,071,212)	163,815	(2,336,173)
NON-OPERATING INCOME (EXPENSES)					
Real and personal property taxes	-	684,051	-	-	684,051
Interest & penalties on taxes	-	19,192	-	-	19,192
Discounts on taxes	-	(3,342)	-	-	(3,342)
Enterprise/industrial exemptions	-	52	-	-	52
Collection fees	-	(15,429)	-	-	(15,429)
Front footage assessments	-	117,867	-	-	117,867
Interest income	24,867	124,968	6,304	-	156,139
Interest income, debt service	-	3,386	-	-	3,386
Interest expense	(158,073)	(206,399)	(14,326)	-	(378,798)
Loss on sale of capital assets	-	(138)	(3,364)	-	(3,502)
Other income (expense)	9,674	280,967	-	-	290,641
Total non-operating revenue (expenses)	(123,532)	1,005,175	(11,386)	-	870,257
Income (Loss) before contributions and transfers	(267,911)	(279,222)	(1,082,598)	163,815	(1,465,916)
Federal grants	1,043,852	382,184	-	-	1,426,036
State grants	-	1,776,884	-	-	1,776,884
Transfer in	140,914	498,932	-	230,464	870,310
Transfer out	-	-	-	(1,421,603)	(1,421,603)
Change in net assets	916,855	2,378,778	(1,082,598)	(1,027,324)	1,185,711
Total net assets - beginning	-	-	1,879,340	2,419,529	4,298,869
as restated, see note 16	14,324,748	41,390,395	-	-	55,715,143
Total net assets - ending	\$ 15,241,603	\$ 43,769,173	\$ 796,742	\$ 1,392,205	\$ 61,199,723

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, 2005

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Allegany County Loan Fund	Total
Cash flows from operating activities:					
Cash received from customers	\$ 1,137,263	\$ 4,762,468	\$ 8,519,349	\$ 1,369,173	\$ 15,788,253
Cash payments for goods and services	(719,731)	(3,710,214)	(2,569,426)	-	(6,999,371)
Cash payments to employees for services	(199,556)	(956,635)	(6,674,114)	-	(7,830,305)
Other operating revenues	2,625	102,939	75,335	-	180,899
Net cash provided by operating activities	220,601	198,558	(648,856)	1,369,173	1,139,476
Cash flows from noncapital financing activities:					
Advances from other funds	5,760,929	23,216,259	10,371,144	1,382,239	40,730,571
Advances to other funds	(6,634,675)	(23,163,842)	(9,628,154)	(1,560,273)	(40,986,944)
Transfers from other funds	140,914	498,932	-	230,464	870,310
Transfers to other funds	-	-	-	(1,421,603)	(1,421,603)
Net cash provided by noncapital financing activities	(732,832)	551,349	742,990	(1,369,173)	(807,666)
Cash flows from capital and related financing activities:					
Proceeds from new debt	823,000	2,014,036	525,000	-	3,362,036
Acquisition and construction of capital assets	(1,347,894)	(4,346,070)	(301,365)	-	(5,995,329)
Principal paid on capital debt	(48,352)	(342,541)	-	-	(390,893)
Interest paid on capital debt	(156,242)	(202,197)	(12,051)	-	(370,490)
Proceeds from sale of assets	-	-	2,039	-	2,039
Grant revenues	1,043,851	1,025,137	-	-	2,068,988
Debt fees	9,674	1,047,474	-	-	1,057,148
Net cash used for capital and related financing activities	324,037	(804,161)	213,623	-	(266,501)
Cash flows from investing activities:					
Purchase of investments	(503,419)	(390,887)	(2,920,020)	-	(3,814,326)
Sale of investments	664,554	551,605	2,606,916	-	3,823,075
Interest on investments	27,059	124,488	5,347	-	156,894
Net cash used in investing activities	188,194	285,206	(307,757)	-	165,643
Net increase (decrease) in cash	-	230,952	-	-	230,952
Cash at beginning of the year	-	717,353	1,200	-	718,553
Cash at end of year	\$ -	\$ 948,305	\$ 1,200	\$ -	\$ 949,505
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (144,379)	\$ (1,284,397)	\$ (1,071,212)	\$ 163,815	\$ (2,336,173)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	456,871	1,505,727	214,114	-	2,176,712
Provision for uncollectible accounts	(139)	(13,997)	325,500	-	311,364
Change in assets & liabilities:					
(Increase) decrease in receivables	(5,561)	(28,485)	(195,422)	1,205,358	975,890
(Increase) decrease in inventory	-	(40,652)	(3,896)	-	(44,548)
(Increase) decrease in prepaids	-	-	(37,511)	-	(37,511)
Increase (decrease) in acc'ts payable	(86,191)	12,839	19,407	-	(53,945)
Increase (decrease) in accrued payroll	-	47,523	100,164	-	147,687
Total adjustments	364,980	1,482,955	422,356	1,205,358	3,475,649
Net cash provided by operating activities	\$ 220,601	\$ 198,558	\$ (648,856)	\$ 1,369,173	\$ 1,139,476

Schedule of noncash investing and financing activities:

prior period adjustment, assets transferred to enterprise funds	1,969,878	130,904
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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, 2005

<u>ASSETS:</u>	Agency Fund
Taxes levied for State:	
Taxes receivable - State	\$ 323,802
Bay restoration fee	84,267
Other receivables	1
Taxes levied for Special Areas:	
Lonaconing, Town of	\$ 6,340
Midland, Town of	3,052
Westernport, Town of	36,164
Cumberland differential	18,317
Bel Air Special Tax Area	800
Bowling Green Fire Co.	3,023
Bedford Road Fire Co.	1,995
Bowling Green Special Tax Area	1,181
Cresaptown Ambulance	7,902
Cresaptown Civic Imp. Assoc.	1,841
Cresaptown Fire Co.	8,685
Corriganville Light & Imp.	1,429
Ellerslie Special Tax Area	805
LaVale Volunteer Fire Dept.	8,071
LaVale Rescue Squad	4,046
LaVale Sanitary District	31,273
McCoole Special Tax Area	1,038
Moscow Light	377
Mt. Savage Special Tax Area	1,137
Potomac Park Special Tax Area	1,075
Rawlings Fire Co.	1,879
Sub-total special areas	140,430
Due from other funds	261,287
Total Assets	<u>\$ 809,787</u>
 <u>LIABILITIES:</u>	
Accounts payable	\$ 345,555
A/P Special Areas	140,430
Taxes payable - State	323,802
A/P Bay restoration fee	84,267
Total Liabilities	<u>\$ 809,787</u>

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

**Notes
to the
Financial Statements
June 30, 2005**

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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 1. Summary of Significant Accounting Policies

A. Introduction

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

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

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

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

B. Reporting Entity

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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 accounts for most of the activity used to acquire or construct capital assets for the County or on the behalf of other organizations.

The government reports the following major proprietary funds:

The Water Districts Fund accounts for the activities of 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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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 recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 1. Summary of Significant Accounting Policies - continued

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

2. Receivables and payables - continued

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

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2005 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	1.0007	2.5018
Barton	.9724	2.4310
Cumberland	.9248	2.3120
Frostburg	.9305	2.3263
Lonaconing	.9517	2.3793
Luke	.9484	2.3710
Midland	.9724	2.4310
Westernport	.9517	2.3793

3. Inventories and prepaid items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 1. Summary of Significant Accounting Policies - continued

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

4. Restricted assets

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

5. Capital assets

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

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

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005, compensated absence liabilities for Allegany County are summarized as follows:

Total Governmental Fund Types	\$ 3,519,718
Nursing Home	452,419
Sanitary Districts	278,590
Total Allegany County primary government	<u>\$ 4,250,727</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 1. Summary of Significant Accounting Policies - continued

7. Long-term obligations

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

8. Fund Classifications

Government-wide Statements

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

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

Fund Statements

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.” The details of this \$38,369,789 are as follows:

Bonds payable	\$ 26,596,000
Notes payable	784,472
State loans	7,357,164
Capital leases	112,435
Compensated absences	<u>3,519,719</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets – governmental activities.	<u>\$ 38,369,790</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 \$7,176,099 difference are as follows:

Capital outlay	\$10,172,378
Depreciation expense	<u>(2,996,279)</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>\$7,176,099</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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

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 \$(137,475) 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.	(137,475)
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>\$(137,475)</u>

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

The details of this \$1,776,816 difference are as follows:

Debt issued or incurred:	
Issuance of general obligation debt	\$(2,086,000)
Lease obligation	(172,256)
Bond issue costs, net of amortization	29,440
Principal repayments:	
General obligation debt	4,221,604
Lease payments	59,821
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>\$1,776,816</u>

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$(256,119) difference are as follows:

Compensated absences	\$(298,717)
Accrued interest adjustment, net	42,598
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>\$(256,119)</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 3. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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 2005 were increased by \$1,326,741 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 increased by \$102,228 due to an addition of new programs and State grants. The Capital Projects Fund increased by \$2,000 and was funded by a transfer 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.
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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 3. Stewardship, Compliance, and Accountability - continued

A. Budgetary Information - continued

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, 2005, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Community Development Block Grant Fund	229,093
Community Development & Housing Fund	14,856
Drug Task Force Fund	43,008
Revolving Building Fund	936,534
Capital Projects Fund	1,555,562
PAYGO Capital Projects Fund	390,203

- 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 Community Development & Housing Fund expenditures over budget were funded by General Fund transfers.
- The Drug Task Force excess expenditures over budget were funded by the unexpended fund balance which existed at the beginning of the year.
- The expenditures over budget in the Revolving Building Fund were the result of unbudgeted projects for the Barton Industrial Park which were funded by State grants.
- The Capital Projects Fund expenditures over budget were the result of flood remediation projects and development of a wireless internet project, Allconet II, for the County. The excess expenditures were funded by State and Federal grants.
- The expenditures over budget in the PAYGO Capital Projects Fund were funded by unexpended fund balance for various small projects which were not anticipated.

C. Deficit Fund Equity

The Capital Projects Fund had a deficit balance at June 30, 2005 of \$777,802. The deficit was the result of the flood wall in the Upper Potomac Industrial Park and Highland Trail projects which are funded by Federal and State grants which were not subject to accrual in the governmental funds.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2005, 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	<u>\$11,162,437</u>	<u>\$7,822,033</u>	<u>\$3,340,404</u>	<u>\$0</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:

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

The County 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 fair value. Investments consist entirely of nonparticipating contracts (nonnegotiable certificates of deposit) with maturities of less than one year.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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 \$6,160,147 and the bank balance was \$7,006,579. Of the bank balances, \$433,109 was covered by depository insurance; \$6,573,470 was covered by collateral held at various banks in the Board's name.

Investments - As of June 30, 2005, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
	Total	Less than 1	1-6	6-12	More than 12
U.S. Government obligations	\$ 9,964,535	\$ 493,439	\$ 1,977,846	\$ 1,998,000	\$ 5,495,250
Certificates of Deposit	580,216	-	69,314	274,402	236,500
	<u>\$ 10,544,751</u>	<u>\$ 493,439</u>	<u>\$ 2,047,160</u>	<u>\$ 2,272,402</u>	<u>\$ 5,731,750</u>

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2005, the carrying amount of the Library's deposits was \$112,551.

Custodial credit risk for deposits is the risk that in the event of a bank failure the Library's deposits may not be returned of the Library will not recover collateral securities in the possession of an outside party. The Library's policy requires deposits with financial institutions to be fully secured by collateral. The Library's cash balances at financial institutions at June 30, 2005 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2005, the Library had the following investments and maturities:

Investment Type	Investment Maturity				Credit Rating
	Total	Less than 90 Days	90 Days to One Year	Over One Year	
U.S. Treasury Bonds	\$ 15,000	\$ -	\$ 15,000	\$ -	N/A
Other Federal Government Obligations	182,366	-	-	182,366	N/A
Investment in MD Local Government Fund Pool	714,520	714,520	-	-	N/A
	<u>\$ 911,886</u>	<u>\$ 714,520</u>	<u>\$ 15,000</u>	<u>\$ 182,366</u>	

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units:

Allegany County Library System (Continued)

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

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

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

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

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$1,600,636. 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. The commission held no investments at year end.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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 \$337,483. The bank balance was fully collateralized with securities held by the college's agent in the College's name.

Investment Type	Total	Less Than 90 Days	90 Days To One Year
Certificates of deposit	\$ 2,002,155	\$ 1,800,000	\$ 202,155
Repurchase agreements of			
U.S. Government obligations	1,044,353	1,044,353	-
U.S. Government obligations	3,276,042	3,276,042	-
	<u>\$ 6,322,550</u>	<u>\$ 6,120,395</u>	<u>\$ 202,155</u>

Note 5. Property Taxes Receivable

Property taxes are levied each July 1 and due on or before September 30 of that year. Unpaid property taxes attach as an enforceable lien on the property as of October 1. Property tax assessments are performed by the State of Maryland on which the County bills and collects its property taxes.

Property tax receivable at June 30, 2005 was \$2,870,969 (net of an allowance of \$150,000) of which \$1,724,172 were current year's taxes receivable and the balance of \$1,296,797 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	Non-major Governmental Funds	Total
Receivables:						
Interest	\$ 21,546	\$ -	\$ -	\$ 4,581	\$ 8,640	\$ 34,767
Income taxes	1,794,727	-	-	-	-	1,794,727
Other taxes	110,079	730,871	-	-	30,654	871,604
Current:						
Accrued revenues	1,655,599	8,506	104,505	708,403	663,949	3,140,962
Loans, notes	-	-	-	-	624,764	624,764
Leases, capital	-	-	-	-	156,064	156,064
Long-term:						
Accrued revenues	115,993	-	-	2,111,258	-	2,227,251
Loans, notes	-	-	-	-	2,263,327	2,263,327
Leases, capital	-	-	-	-	1,446,063	1,446,063
Total receivables	<u>\$ 3,697,944</u>	<u>\$ 739,377</u>	<u>\$ 104,505</u>	<u>\$ 2,824,242</u>	<u>\$ 5,193,461</u>	<u>\$ 12,559,529</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 6. Other Receivables - continued

Business-type Activities:	Water Districts	Sewer Districts	Nursing Home	Loan Fund	Total
Receivables:					
Interest	\$ 141	\$ 984	\$ 957	\$ -	\$ 2,082
Accounts, other	-	1,583,644	-	-	1,583,644
Accounts, trade	376,159	1,171,413	1,592,390	-	3,139,962
Less allowance	(46,278)	(132,891)	(392,211)	-	(571,380)
Net accounts, trade	329,881	1,038,522	1,200,179	-	2,568,582
Accounts, restricted	-	181,431	-	-	181,431
Less allowance	-	(8,634)	-	-	(8,634)
Net accounts, restricted	-	172,797	-	-	172,797
Loans	-	-	-	735,589	735,589
Less allowance	-	-	-	(250,000)	(250,000)
Net loans	-	-	-	485,589	485,589
Total receivables	\$ 330,022	\$ 2,795,947	\$ 1,201,136	\$ 485,589	\$ 4,812,694

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
2006	\$ 156,064	\$ 102,369	\$ 258,433	\$ 419,874
2007	166,676	91,757	258,433	374,073
2008	178,010	80,423	258,433	385,808
2009	190,117	68,316	258,433	229,530
2010	203,049	55,384	258,433	96,410
2011-	708,210	132,186	840,396	603,667
Totals	\$ 1,602,126	\$ 530,435	\$ 2,132,561	\$ 2,109,362

The net book value of buildings with operating leases at June 30, 2005 is \$3,096,842.

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	\$ 2,809,900
Income tax overpayment, State distribution	580,160
Grants received prior to meeting eligibility requirements	
Office of Children, Youth and Families	288,569
Community Development & Housing Fund	63,221
Homeland Security grant	70,672
Barton Industrial Park Sewer grants	1,204,965
Total governmental funds deferred revenue	\$ 5,017,487

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 6. Other Receivables - continued

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2005:

Entity	Source of funds	Balance June 30, 2005
Loans:		
Fire Companies	General Fund	\$ 15,153
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	250,000
City of Frostburg	PIB of 1991	57,425
YMCA	General Fund	100,000
Paving project	General Fund	88,367
Agriculture Expo Building (1)	General Fund	19,786
Agriculture Expo Building (2)	General Fund	92,127
Agriculture Expo Building (3)	General Fund	20,000
TWR Loan	General Fund	56,962
Upper Potomac Industrial Park flood wall loans	General Fund	35,769
Allowance for doubtful accounts		(250,000)
Total		\$ 485,589

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 in prior years was 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 the former corporate headquarters for the Kelly-Springfield Tire Company in Cumberland, Maryland. This note was a receivable and was recorded in the County Loan Fund. The building was owned by MEDCO and leased to the Kelly-Springfield Tire Company. MEDCO was 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 a 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.

During the 2005 fiscal year, MEDCO sold the building to the Western Maryland Health Systems Agency at which time MEDCO paid off the loan made by Allegany County. The principal balance at the time of the sale was \$993,775 and unamortized discount balance of \$75,878.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2005 was as follows:

Primary Government:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$11,866,134	\$ 6,850	\$ (37,059)	\$ 3,937,685	\$15,773,610
Work in Progress	3,278,693	9,105,245	-	(7,676,300)	4,707,638
Total capital assets not being depreciated:	15,144,827	9,112,095	(37,059)	(3,738,615)	20,481,248
Capital assets, being depreciated:					
Buildings	42,231,267	27,175	(99,218)	1,092,072	43,251,296
Infrastructure	35,357,441	-	-	514,065	35,871,506
Furniture & Fixtures	891,546	60,581	-	-	952,127
Equipment	3,956,430	433,750	-	-	4,390,180
Vehicles	7,020,822	429,123	(458,429)	-	6,991,516
Heavy Equipment	3,301,802	99,078	(20,000)	-	3,380,880
Other Fixed Assets	832,119	10,577	-	31,697	874,393
Total capital assets, being depreciated:	93,591,427	1,060,284	(577,647)	1,637,834	95,711,898
Less accumulated depreciation for:					
Buildings	(10,355,027)	(1,407,959)	3,683	-	(11,759,303)
Infrastructure	(24,332,102)	(451,499)	-	-	(24,783,601)
Furniture & Fixtures	(720,135)	(57,170)	-	-	(777,305)
Equipment	(2,481,011)	(335,170)	-	-	(2,816,181)
Vehicles	(5,417,501)	(520,768)	453,547	-	(5,484,722)
Heavy Equipment	(2,376,270)	(201,566)	20,000	-	(2,557,836)
Other Fixed Assets	(353,157)	(22,147)	-	-	(375,304)
Total accumulated depreciation	(46,035,203)	(2,996,279)	477,230	-	(48,554,252)
Total capital assets, being depreciated, net:	47,556,224	(1,935,995)	(100,417)	1,637,834	47,157,646
Governmental activities capital assets, net	\$62,701,051	\$ 7,176,100	\$ (137,476)	\$ (2,100,781)	\$67,638,894

Primary Government:	Ending Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 34,288	\$ -	\$ -	\$ -	\$ 34,288
Work in Progress	12,004,194	5,534,823	-	(14,544,203)	2,994,814
Total capital assets not being depreciated:	12,038,482	5,534,823	-	(14,544,203)	3,029,102
Capital assets, being depreciated:					
Buildings	3,060,673	21,007	(1,200)	235,810	3,316,290
Infrastructure	81,844,005	-	-	16,393,450	98,237,455
Furniture & Fixtures	1,502,553	19,825	(35,948)	-	1,486,430
Equipment	1,677,536	77,629	(21,581)	-	1,733,584
Vehicles	732,922	23,744	(50,554)	-	706,112
Heavy Equipment	288,797	6,974	-	-	295,771
Other Fixed Assets	2,466,336	-	-	15,724	2,482,060
Total capital assets, being depreciated:	91,572,822	149,179	(109,283)	16,644,984	108,257,702
Less accumulated depreciation for:					
Buildings	(1,614,077)	(86,980)	343	-	(1,700,714)
Infrastructure	(28,995,655)	(1,737,774)	-	-	(30,733,429)
Furniture & Fixtures	(804,273)	(81,610)	34,486	-	(851,397)
Equipment	(1,215,402)	(104,947)	19,751	-	(1,300,598)
Vehicles	(471,178)	(60,557)	50,417	-	(481,318)
Heavy Equipment	(189,229)	(15,037)	-	-	(204,266)
Other Fixed Assets	(492,131)	(89,807)	-	-	(581,938)
Total accumulated depreciation	(33,781,945)	(2,176,712)	104,997	-	(35,853,660)
Total capital assets, being depreciated, net:	57,790,877	(2,027,533)	(4,286)	16,644,984	72,404,042
Business-type activities capital assets, net	\$69,829,359	\$ 3,507,290	\$ (4,286)	\$ 2,100,781	\$75,433,144

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005 as follows:

Governmental activities:		
General government	\$	508,318
Public safety		752,254
Public works		1,057,417
Health		60,337
Social services		25,697
Recreation, culture and libraries		129,073
Natural resources		4,905
Community development and housing		24,062
Economic development		433,916
Total depreciation expense – governmental activities	\$	<u>2,996,279</u>
Business-type activities:		
Water districts	\$	456,871
Sewer districts		1,505,727
Nursing Home		214,114
Total depreciation expense – business-type activities	\$	<u>2,176,712</u>

Construction Commitments

The County has active construction projects as of June 30, 2005. The projects include industrial park infrastructure, a wastewater treatment plant upgrade, and two new water districts. At year end the County's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
NCRS Flood Work	\$ 296,236	\$ 159,023
Upper Potomac Industrial Park flood wall	1,376,247	602,203
Allegany Highlands Trail	2,868,405	150,968
Allegany College Physical Education Building*	859,074	655,926
Allegany College library roof*	-	91,700
Klondike Water Project	1,422,372	30,864
Morantown Water	506,185	238,992
Barton Industrial Park Sewage Treatment Plant	40,413	1,764,127
PPG renovations	736,674	499,128
George's Creek I&I Design	76,846	240,306
Cresaptown/Bowling Green I&I Design	131,538	2,379,323
Totals	<u>\$ 8,313,990</u>	<u>\$ 6,812,560</u>

* These projects are the County's share of larger projects being administered by other entities.

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005, was as follows:

Board of Education	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,377,989	\$ -	\$ -	\$ 2,377,989
Work in process		1,466,829		1,466,829
Total capital assets not being depreciated:	<u>2,377,989</u>	<u>1,466,829</u>	<u>-</u>	<u>3,844,818</u>
Capital assets, being depreciated:				
Buildings & Improvements	107,793,993	802,579	-	108,596,572
Furniture, Equipment & Vehicles	6,940,572	539,623	(321,716)	7,158,479
Total capital assets, being depreciated:	<u>114,734,565</u>	<u>1,342,202</u>	<u>(321,716)</u>	<u>115,755,051</u>
Less accumulated depreciation for:				
Buildings & Improvements	(57,108,165)	(3,276,654)	-	(60,384,819)
Furniture, Equipment & Vehicles	(5,000,312)	(398,303)	293,313	(5,105,302)
Total accumulated depreciation	<u>(62,108,477)</u>	<u>(3,674,957)</u>	<u>293,313</u>	<u>(65,490,121)</u>
Total capital assets, being depreciated, net:	<u>52,626,088</u>	<u>(2,332,755)</u>	<u>(28,403)</u>	<u>50,264,930</u>
Governmental activities capital assets, net	<u>\$55,004,077</u>	<u>\$ (865,926)</u>	<u>\$ (28,403)</u>	<u>54,109,748</u>
Board of Education				
Business-type activities:				
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	\$ 3,689,381	\$ 277,276	\$ -	\$ 3,966,657
Less accumulated depreciation	<u>(553,578)</u>	<u>(364,494)</u>	<u>-</u>	<u>(918,072)</u>
Business-type activities capital assets, net	<u>\$ 3,135,803</u>	<u>\$ (87,218)</u>	<u>\$ -</u>	<u>\$ 3,048,585</u>

Capital asset activity for the Library of Allegany County for the year ended June 30, 2005 was as follows:

Library	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,277,220	\$ -	\$ -	\$ 3,277,220
Furniture & Equipment	713,773	215,678	-	929,451
Vehicles/Bookmobile	127,198	-	-	127,198
Library Books	4,592,279	148,066	(536,134)	4,204,211
Total capital assets, being depreciated:	<u>8,710,470</u>	<u>363,744</u>	<u>(536,134)</u>	<u>8,538,080</u>
Less accumulated depreciation for:				
Buildings & Improvements	(719,117)	(65,544)	-	(784,661)
Furniture & Equipment	(320,458)	(81,881)	-	(402,339)
Vehicles/Bookmobile	(110,141)	(3,735)	-	(113,876)
Library Books	(4,058,053)	(146,253)	501,354	(3,702,952)
Total accumulated depreciation	<u>(5,207,769)</u>	<u>(297,413)</u>	<u>501,354</u>	<u>(5,003,828)</u>
Total capital assets, being depreciated, net:	<u>\$ 3,502,701</u>	<u>\$ 66,331</u>	<u>\$ (34,780)</u>	<u>\$ 3,534,252</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005, were as follows:

Allegany College of Maryland	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 515,263	\$ -	\$ -	\$ 515,263
Work in Progress	184,100	1,305,876	(5,000)	1,484,976
Total capital assets not being depreciated:	699,363	1,305,876	(5,000)	2,000,239
Capital assets, being depreciated:				
Buildings	31,434,475	142,549	-	31,577,024
Equipment	11,212,195	688,010	(262,220)	11,637,985
Auxiliary Equipment	245,873	32,647	(5,930)	272,590
Library Books	937,735	62,658	(51,350)	949,043
Total capital assets, being depreciated:	43,830,278	925,864	(319,500)	44,436,642
Less accumulated depreciation for:				
Buildings	(9,500,225)	(791,698)	-	(10,291,923)
Equipment	(9,237,225)	(865,194)	195,945	(9,906,474)
Auxiliary Equipment	(221,942)	(14,599)	4,481	(232,060)
Library Books	(819,529)	(61,608)	51,350	(829,787)
Total accumulated depreciation	(19,778,921)	(1,733,099)	251,776	(21,260,244)
Total capital assets, being depreciated, net:	24,051,357	(807,235)	(67,724)	23,176,398
Business-type activities capital assets, net	\$24,750,720	\$ 498,641	\$ (72,724)	\$25,176,637

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2005, was as follows:

LaVale Sanitary Commission	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 176,385	\$ -	\$ -	\$ 176,385
Work in Progress	123,701	801,761	(604,382)	321,080
Total capital assets not being depreciated:	300,086	801,761	(604,382)	497,465
Capital assets, being depreciated:				
Buildings	516,945	-	-	516,945
Infrastructure	13,987,573	543,363	-	14,530,936
Machinery, Vehicles & Equipment	886,304	155,636	(20,949)	1,020,991
Office Furniture and Equipment	61,025	13,405	-	74,430
Total capital assets, being depreciated:	15,451,847	712,404	(20,949)	16,143,302
Less accumulated depreciation for:				
Buildings	(7,030,057)	(408,692)	-	(7,438,749)
Total capital assets, being depreciated, net:	8,421,790	303,712	(20,949)	8,704,553
Business-type activities capital assets, net	\$ 8,721,876	\$ 1,105,473	\$ (625,331)	\$ 9,202,018

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 8. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2005, is as follows:

A. Due to/from other funds

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 7,906,340
Highway Fund	1,477,962	-
Office of Children, Youth and Families Fund	1,079,356	-
Capital Improvement Projects Fund	-	1,622,585
Non-major Governmental Funds	5,961,976	682,414
Rounding	1	-
Sub-total	8,519,295	10,211,339
Enterprise Funds:		
Water Districts	-	19,214
Sanitary Districts	4,418,930	3,757,151
County Loan Fund	788,192	-
Sub-total	5,207,122	3,776,365
Fiduciary Funds:		
Agency Fund	261,287	-
TOTALS	\$ 13,987,704	\$ 13,987,704

The interfund balances as of June 30, 2005 are the result of a centralized cash receipts and disbursement function. This results in funds having a deficiency or excess of cash depending on the timing of the receipt of revenues or other sources and/or the payment of expenditures (or expenses) or other uses of cash.

B. Advances and Loans To/From Other Funds

	Advances to Other Funds	Advances from Other Funds
Advances:		
General Fund	\$ 3,301,875	
Nursing Home Fund		\$ 1,100,000
Sanitary Districts		500,000
Water Districts		1,701,875
Loans:		
General Fund	118,424	
Allegany County Sanitary Districts:		
Current portion of long-term debt		57,683
Long-term debt		57,611
Allegany County Water Districts:		
Current portion of long-term debt		1,819
Long-term debt		1,311
	\$ 3,420,299	\$ 3,420,299

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."

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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

C. Transfers

Transfers to other funds for the year ending June 30, 2005 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Highway Fund	\$ 1,979,741	
Capital Projects Fund	801,000	
Non-major funds governmental funds	6,304,140	
Enterprise funds:		
Water Fund	43,803	
Sewer Fund	295,264	
Loan Fund	230,464	\$ 9,654,412
From the Non-major Funds to:		
General Fund	60,880	
Highway Fund	250,347	
Capital Projects Fund	1,250,005	
Other Non-major governmental fund	2,040,059	
Enterprise funds:		
Water Fund	97,111	
Sewer Fund	203,668	3,902,070
From the County Loan Fund to:		
General Fund	423,077	
Capital Projects Fund	998,526	1,421,603
TOTALS	\$ 14,978,085	\$ 14,978,085

Transfers from the General Fund to the Highway Fund were to fund the portion of highway expenditures not funded by revenues restricted for highway maintenance. General Fund transfers to the Capital Project fund and the non-major governmental funds were to fund the local share of grant funded programs, pay debt service and fund the local share of capital projects. Transfers to enterprise funds were to assist in financing capital projects. Transfers from the non-major funds to other funds were the result of the reallocation of resources. The transfers from the Loan Fund to the General Fund and Capital Projects fund were to reimburse monies advanced in the past for the operation of the Loan Fund which were no longer required.

Payments to component units for the year ending June 30, 2005 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 25,630,000	
Board of Education, Data Processing	279,661	
Allegany College of Maryland	5,575,000	
Library	794,000	\$ 32,278,661
From the County Capital Projects Funds to:		
Board of Education:		
Cash Valley Roof	85,345	
Eckhart School Roof	2,308	
Allconet II	1,225,379	
Western High School	681,042	
John Humbird School	14,424	2,008,498
	\$ 34,287,159	\$ 34,287,159

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 9. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2005 and had no balance payable at year end.

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

Long-term liability activity of the County for the year ended June 30, 2005, was as follows:

Long-term Debt					
Governmental Activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
General Obligation	\$ 27,945,000	\$ 2,086,000	\$ (3,435,000)	\$ 26,596,000	\$ 3,652,000
Notes	864,699	-	(80,226)	784,473	84,563
Capital Leases	-	172,256	(59,821)	112,435	55,050
State Loans	7,787,748	-	(430,584)	7,357,164	496,857
Total	<u>\$ 36,597,447</u>	<u>\$ 2,258,256</u>	<u>\$ (4,005,631)</u>	<u>\$ 34,850,072</u>	<u>\$ 4,288,470</u>
Business-type activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
Water districts:					
Rural development loans	\$ 3,326,911	\$ 823,000	\$ (46,669)	\$ 4,103,242	\$ 53,537
County loans	4,811	-	(1,681)	3,130	1,819
Total water districts	<u>\$ 3,331,722</u>	<u>\$ 823,000</u>	<u>\$ (48,350)</u>	<u>\$ 4,106,372</u>	<u>\$ 55,356</u>
Sewer districts:					
Maryland water quality loans	\$ 1,465,678	\$ -	\$ (201,517)	\$ 1,264,161	\$ 204,892
Maryland environmental loans	6,967,204	2,014,036	(67,494)	8,913,746	420,787
Rural development loans	1,049,890	-	(15,848)	1,034,042	16,641
County loans	172,977	-	(57,683)	115,294	57,683
Total sewer districts	<u>\$ 9,655,749</u>	<u>\$ 2,014,036</u>	<u>\$ (342,542)</u>	<u>\$ 11,327,243</u>	<u>\$ 700,003</u>
Nursing Home					
General obligation debt	\$ -	\$ 525,000	\$ -	\$ 525,000	\$ 23,912
Total business-type activities:					
General obligation debt	\$ -	\$ 525,000	\$ -	\$ 525,000	\$ 23,912
Maryland water quality loans	1,465,678	-	(201,517)	1,264,161	204,892
Maryland environmental loans	6,967,204	2,014,036	(67,494)	8,913,746	420,787
Rural development loans	4,376,801	823,000	(62,517)	5,137,284	70,178
County loans	177,788	-	(59,364)	118,424	59,502
Total business-type activities	<u>\$ 12,987,471</u>	<u>\$ 2,837,036</u>	<u>\$ (390,892)</u>	<u>\$ 15,433,615</u>	<u>\$ 755,359</u>
Other Long-term Liabilities					
Governmental Activities					
	Beginning Balance	Additions	Reductions	Ending Balance	
Compensated Absences	\$ 3,221,001	\$ 444,841	\$ (146,124)	\$ 3,519,718	
Business-type activities					
Water & sewer districts					
Compensated absences	\$ 244,381	\$ 95,088	\$ (60,879)	\$ 278,590	
Nursing Home					
Compensated Absences	380,644	156,036	(84,527)	452,153	
Total	<u>\$ 625,025</u>	<u>\$ 251,124</u>	<u>\$ (145,406)</u>	<u>\$ 730,743</u>	

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005 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
2006	\$ 3,652,000	\$ 1,035,916	\$ 84,563	\$ 41,035	\$ 55,050	\$ 4,772	\$ 496,856	\$ 329,927	\$ 4,288,469	\$ 1,411,650
2007	3,492,000	885,514	89,027	36,571	57,385	2,436	570,530	350,099	4,208,942	1,274,620
2008	2,880,000	749,502	93,727	31,871	-	-	513,139	317,783	3,486,866	1,099,156
2009	3,010,000	622,356	92,453	26,987	-	-	493,710	289,516	3,596,163	938,859
2010	2,659,000	487,933	93,873	22,209	-	-	521,891	261,306	3,274,764	771,448
2011-2015	9,292,000	1,056,324	125,004	68,070	-	-	2,474,040	869,733	11,891,044	1,994,127
2016-2020	1,611,000	100,555	42,247	53,993	-	-	1,593,315	311,569	3,246,562	466,117
2021-2025	-	-	56,092	40,149	-	-	677,120	48,327	733,212	88,476
2026-2030	-	-	74,472	21,768	-	-	10,807	614	85,279	22,382
2031-2035	-	-	33,015	2,282	-	-	5,756	106	38,771	2,388
	<u>\$ 26,596,000</u>	<u>\$ 4,938,100</u>	<u>\$ 784,473</u>	<u>\$ 344,935</u>	<u>\$ 112,435</u>	<u>\$ 7,208</u>	<u>\$ 7,357,164</u>	<u>\$ 2,778,980</u>	<u>\$ 34,850,072</u>	<u>\$ 8,069,223</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2005 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2005 are:

Year Ending June 30,	Farmers Home Admin. Loans		County Advances		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2006	\$ 53,537	\$ 177,332	\$ 1,819	\$ 215	\$ 55,356	\$ 177,547
2007	55,881	175,137	1,311	66	57,192	175,203
2008	58,327	172,757	-	-	58,327	172,757
2009	60,885	170,199	-	-	60,885	170,199
2010	63,558	167,526	-	-	63,558	167,526
2011-2015	362,331	793,089	-	-	362,331	793,089
2016-2020	449,966	705,454	-	-	449,966	705,454
2021-2025	559,618	595,802	-	-	559,618	595,802
2026-2030	697,024	458,396	-	-	697,024	458,396
2031-2035	762,532	294,163	-	-	762,532	294,163
2036-2040	731,795	127,527	-	-	731,795	127,527
2041-2045	247,788	24,162	-	-	247,788	24,162
Totals	\$ 4,103,242	\$ 3,861,544	\$ 3,130	\$ 281	\$ 4,106,372	\$ 3,861,825

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2005 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
2006	\$ 204,892	\$ 70,254	\$ 420,787	\$ 76,803	\$ 16,641	\$ 50,085	\$ 57,683	\$ 7,211	\$ 700,003	\$ 204,353
2007	215,122	60,024	424,457	73,133	17,469	49,257	57,611	3,605	714,659	186,019
2008	225,868	49,236	428,160	69,430	18,337	48,388	-	-	672,365	167,054
2009	200,689	37,862	431,894	65,696	19,251	47,475	-	-	651,834	151,033
2010	137,131	27,720	435,661	61,929	20,209	46,517	-	-	593,001	136,166
2011-2015	279,009	41,948	2,235,976	251,975	117,200	216,429	-	-	2,632,185	510,352
2016-2020	1,450	127	2,335,210	152,741	149,540	184,090	-	-	2,486,200	336,958
2021-2025	-	-	2,201,601	51,227	190,908	142,721	-	-	2,392,509	193,948
2026-2030	-	-	-	-	236,050	90,215	-	-	236,050	90,215
2031-2035	-	-	-	-	223,045	30,219	-	-	223,045	30,219
2036-2040	-	-	-	-	25,392	544	-	-	25,392	544
2041-2045	-	-	-	-	-	-	-	-	-	-
Totals	\$ 1,264,161	\$ 287,171	\$ 8,913,746	\$ 802,934	\$ 1,034,042	\$ 905,940	\$ 115,294	\$ 10,816	\$ 11,327,243	\$ 2,006,861

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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

The annual debt service requirements to maturity for the Nursing Home long-term debt outstanding at June 30, 2005 are:

Year Ending June 30,	General Obligation Debt	
	Principal	Interest
2006	\$ 23,912	\$ 26,832
2007	25,162	25,549
2008	26,478	24,199
2009	27,863	22,777
2010	29,320	21,282
2011-2015	171,271	81,096
2016-2020	220,994	30,072
Totals	\$ 525,000	\$ 231,807

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: Public Improvement Bonds:	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2005	2004
Bonds of 1994	01/01/94	01/01/09	4.05-4.70	\$ 1,740,000	\$ 2,125,000
Bonds of 1995	11/01/95	11/01/10	4.25-5.10	2,995,000	3,415,000
Bonds of 1997	03/01/97	03/01/10	3.65-5.40	2,505,000	2,935,000
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	10,260,000	11,175,000
Bonds of 2001	09/01/01	11/01/16	3.50-4.40	7,010,000	8,295,000
Bonds of 2004	10/26/04	10/01/19	3.50	2,086,000	0
Notes:					
Farmers Home Admin	1992	2032	5.75	261,612	265,645
Tri - County Council Loan	06/22/93	06/22/08	5.00	29,205	36,916
PPG Loan	01/05/96	2011	5.20	493,656	562,138
Capital Leases:					
Sheriff's vehicles	10/27/04	10/27/06	4.05	112,435	-
State Loans:					
Md Industrial Land Act:					
Precise Metals Bldg	03/19/80	03/19/09	6.32	183,483	276,549
Superfos Expansion	1991	2028	6.90	581,329	613,574
Blue Cross Bldg	1992	2012	6.80	1,012,228	1,057,371
Schwab Bldg I	1992	2012	6.44	423,488	478,446
Hunter Douglas	1993	2019	5.93	396,683	415,867
Micro - Integration	1994	2014	5.93	579,031	630,841
Superfos III	1995	2014	5.93	870,089	938,852
Hunter Douglas II	1998	2018	4.64	70,120	74,599
MICRF Loans:					
Potomac Farms	06/22/93	06/22/08	5.00	131,654	171,433
PPG Purchase	01/05/96	2020	5.00	2,063,292	2,044,725
PPG Improvements	2001	2022	4.69	226,662	226,662
MAHF Loan	08/10/90	08/10/30	1.00	54,793	56,512
MD Historical Trust Loan	2000	2020	1.00	150,000	150,000
Md Environmental Loan	2003	2023	0.89	614,312	652,317
Total Long - Term General Obligation Debt				34,850,072	36,597,447
Compensated Absences				3,519,718	3,221,001
Total long-term liabilities				\$ 38,369,790	\$ 39,818,448

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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,	
				2005	2004
Water Districts Debt:					
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 99,464	\$ 101,043
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	242,830	246,690
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	312,267	316,444
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	471,146	478,476
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	222,289	225,745
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	226,920	230,449
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	579,527	585,696
Consol FHA loan	2004	2044	4.5	103,262	104,235
McCoole FHA Loan	1999	2039	4.5	1,025,197	1,038,133
Barton Industrial Park	2005	2045	4.5	356,349	0
Klondike FHA	2005	2045	4.5	463,991	0
Sub-total				<u>4,103,242</u>	<u>3,326,911</u>
Hoffman Allegany Co. Advance	06/30/93	06/30/23	8.0	3,130	4,811
Sub - total				<u>3,130</u>	<u>4,811</u>
Total debt				<u>4,106,372</u>	<u>3,331,722</u>
Less: Current maturities of long - term debt				<u>(55,356)</u>	<u>(45,618)</u>
Total Water Districts long - term debt				<u>\$ 4,051,016</u>	<u>\$ 3,286,104</u>
Sanitary Districts Debt:					
Maryland Water Quality Loans					
Bowling Green	1974	2004	5.9	\$ -	\$ 2,955
Bowling Green	1980	2010	5.5	4,110	4,809
Bowling Green	1984	2014	8.3	33,581	35,692
Cresaptown	1974	2004	5.9	-	3,373
Cresaptown	1980	2010	5.5	3,939	4,609
Cresaptown	1984	2014	8.3	20,915	22,230
Cresaptown	1986	2015	8.8	10,933	11,513
Bedford Road	1977	2007	5.5	29,538	38,383
Bedford Road	1983	2013	8.2	183,737	199,619
McCoole	1978	2008	5.5	47,663	61,936
Oldtown	1981	2011	6.1	20,301	23,040
Flintstone	1980	2010	6.1	60,902	69,121
Georges Creek	1981	2011	6.1	128,660	143,079
Georges Creek	1982	2012	6.1	232,930	255,054
Celanese Treatment Plant	1991	2010	3.705	198,964	234,774
Mexico Farms	1992	2009	3.705	287,988	355,491
Sub - total				<u>1,264,161</u>	<u>1,465,678</u>
Maryland Department of Environment					
Celanese WWTP Upgrade	06/03	2023	0.0867	7,681,240	5,667,204
Inflow and Infiltration Study	12/03	2023	0.8807	1,232,506	1,300,000
				<u>8,913,746</u>	<u>6,967,204</u>
Farmers Home Administration Loans					
Georges Creek	1988	2027	5.0	34,797	35,640
Mexico Farms	1992	2032	5.5	367,556	373,185
Cash Valley Road	1966	2036	4.5	131,808	133,764
Oldtown Road	1966	2036	4.5	499,881	507,301
Sub - total				<u>1,034,042</u>	<u>1,049,890</u>
Allegany County Advances:					
Jennings Run	1992	2007	5.4-7.125	35,616	53,410
Georges Creek	1992	2007	5.4-7.125	46,356	69,634
Bedford Road	1992	2007	5.4-7.125	33,322	49,933
Sub - total				<u>115,294</u>	<u>172,977</u>
Total				<u>11,327,243</u>	<u>9,655,749</u>
Less: Current maturities of long - term debt				<u>(700,003)</u>	<u>(603,185)</u>
Total Sanitary Districts Long - term Debt				<u>\$10,627,240</u>	<u>\$ 9,052,564</u>
Nursing Home Debt:					
General obligation debt	2004	2018	5.23	\$ 525,000	\$ -
Less: Current maturities of long - term debt				<u>(23,912)</u>	<u>-</u>
Total Nursing Home long-term debt				<u>\$ 501,088</u>	<u>\$ -</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

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, 2005

Long-term Liabilities - Component Units							
Long-term debt activity for the year ended June 30, 2005:							
	Allegany College of Maryland	LaVale Sanitary Commission					
Payable at July 1, 2004	\$ 306,337	\$ 592,298					
Amount issued	2,750	435,960					
Amount retired	(182,081)	(10,489)					
Payable at June 30, 2005	<u>\$ 127,006</u>	<u>\$ 1,017,769</u>					
Annual debt service requirements to maturity:							
	Allegany College of Maryland (Capital Leases)				LaVale Sanitary Commission		
Fiscal Year	Principal	Interest	Total		Principal	Interest	Total
2006	\$ 93,918	\$ 4,252	\$ 98,170		\$ 55,337	\$ 26,199	\$ 81,536
2007	14,386	831	15,217		33,718	25,648	59,366
2008	11,726	198	11,924		34,301	25,066	59,367
2009	6,976	-	6,976		34,904	24,462	59,366
2010	-	-	-		35,531	23,836	59,367
2011-2015	-	-	-		187,907	108,924	296,831
2016-2020	-	-	-		207,553	89,278	296,831
2021-2025	-	-	-		183,510	65,598	249,108
2026-2030	-	-	-		138,920	38,560	177,480
2031-2035	-	-	-		106,088	7,976	114,064
	<u>\$ 127,006</u>	<u>\$ 5,281</u>	<u>\$ 132,287</u>		<u>\$ 1,017,769</u>	<u>\$ 435,547</u>	<u>\$ 1,453,316</u>

Note 11. Pension and Retirement Systems

Allegany County Primary Government

Plan Descriptions

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 11. Pension and Retirement Systems - continued

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, 2005, 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 10.42% 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 7.28% 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, 2005, 2004, 2003, were \$1,000,502 \$680,072, and \$660,088 respectively, equal to the required employer contributions for each year.

The two defined contribution plans require the County to contribute 9% to the Administrators Retirement Plan and 7.28% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$378,370 and the required contribution was \$29,346 which was made. Plan provisions and contribution requirements are established and may be amended by the County Commissioners.

The financial statements of the defined contribution plans are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period the contributions are due. Plan investments are reported at fair market value.

Allegany County Component Units

Board of Education-Component Unit

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 11. Pension and Retirement Systems - continued

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 12.29% and 7.29% 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, 2005, 2004 and 2003 were \$792,988, \$641,390 and, \$746,408, respectively, equal to the required contributions for each year.

Allegany County Library System-Component Unit

The employees of the Library are provided retirement benefits through the Maryland State Retirement and Pension Systems; the same cost sharing multiple-employer defined benefit retirement system in which the County participates. All employees of the Library System except custodial personnel are covered by the Maryland State Teacher's Retirement Systems. The Maryland State Department of Education is directly responsible for all financial and administrative requirements of the employees' participation in the Teachers Retirement System. The Library System itself is only financially and administratively responsible for custodial employees' participation in the Maryland State Retirement Systems. As of year-end, all custodial employees participated in the pension system. Detailed information on the Library's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2005. The Library's contributions for the years ended June 30, 2005, 2004 and 2003 were \$6,786, \$4,314, and \$3,570, 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. The State of Maryland's total contributions to these plans for fiscal year 2005 were \$850,109.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 11. Pension and Retirement Systems - continued

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, 2005. Allegany College's contributions for the years ended June 30, 2005, 2004 and 2003 were \$71,491, \$45,981, and \$40,103, respectively, equal to the required employer contributions for each year.

LaVale Sanitary Commission – Component Unit

The Sanitary Commission provides a defined benefit pension plan for all their full-time employees. The plan is a single employer non-contributory plan and is not a part of any of the plans in which the County participates. Detailed information on LaVale Sanitary Commission's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2005. LaVale Sanitary's contributions for the years ended June 30, 2005, 2004 and 2003 were \$55,463, \$52,105, and \$63,377, respectively, equal to the required employer contributions for each year.

Note 12. Risk Management

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

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

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, 2005 may not have been concluded.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

Note 14. Contingent Liabilities - continued

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 2005, expenditures of \$618,506 were recorded for post-retirement benefits for 267 retirees in the governmental and proprietary funds.

Note 16. Prior Period Adjustment

In previous years activity recording the construction of water and waste-water facilities for the Barton Industrial Park was reported in the Revolving Building Fund and the Pay-As-You-Go Capital Project Fund. It was determined both activities should be recorded in enterprise funds henceforth in an effort to determine the profitability of the water and sewer functions. It is anticipated any deficits will be funded by transfers from the Revolving Building Fund and the General Fund of the County.

Adjustments were required to move the appropriate fixed assets from the general government function to business type activities. Also, deficits within the funds where expenditures exceeded revenues and other sources were eliminated.

	Fund Balances		Retained Earnings	Net Assets	
	Governmental Funds		Enterprise Funds		
	Revolving Building Fund	Pay-As-You-Go Capital Projects Fund	Water Districts Fund	Governmental Activities	Business Type Activities
Beginning fund balance/ retained earnings/ net assets as previously reported	\$ 320,538	\$ 2,500,469	\$ 12,751,648	\$ 50,905,961	\$ 58,440,912
Adjustment of fixed asset balances	-	-	1,573,100	(1,573,100)	1,573,100
Adjustment to remove project balance deficit from governmental funds	130,904	396,778	-	-	-
Rounding	-	-	-	(2)	-
Beginning fund balance/ retained earnings/ net assets as adjusted	<u>\$ 451,442</u>	<u>\$ 2,897,247</u>	<u>\$ 14,324,748</u>	<u>\$ 49,332,859</u>	<u>\$ 60,014,012</u>

**ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

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**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 (seven 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						
Contribution For Fiscal Year	Number of Members	Covered Payroll	Contribution Percentage	Required Contributions	Contribution Made	Unfunded Liability
2005	1	\$103,089	9.00%	\$9,278	\$9,278	-
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						
Contribution For Fiscal Year	Number of Members	Covered Payroll	Contribution Percentage	Required Contributions	Contribution Made	Unfunded Liability
2005	7	\$275,281	7.29%	\$20,068	\$20,068	-
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, 2005

REVENUES	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 31,147,756	\$ 31,147,756	\$ 31,291,853	\$ 144,097
Payments in lieu of taxes:				
Coal companies	200,000	200,000	269,580	69,580
Housing Authorities	35,000	35,000	38,632	3,632
Interest on Delinquent taxes	625,000	625,000	645,770	20,770
Sub-total	32,007,756	32,007,756	32,245,835	238,079
Less:				
Prompt payment discounts	116,000	116,000	119,848	(3,848)
Deferred revenues	150,000	150,000	336,423	(186,423)
Industrial exemptions	3,599,019	3,599,019	3,161,246	437,773
Coal tax exemptions	125,000	125,000	(2,031)	127,031
Enterprise zone exemptions	132,295	132,295	138,870	(6,575)
Brownfield's Credit	15,000	15,000	-	15,000
Historic tax credit	-	-	30,994	(30,994)
Sub-total	4,137,314	4,137,314	3,785,350	351,964
Total Net Property Taxes	27,870,442	27,870,442	28,460,485	590,043
Income Taxes	20,163,500	20,163,500	21,472,667	1,309,167
Other Local Taxes:				
Hotel/motel tax	440,000	447,000	527,765	80,765
Admissions	195,000	195,000	164,959	(30,041)
Recordation	1,200,000	1,200,000	1,577,460	377,460
911 Fees	480,000	480,000	467,321	(12,679)
Trailer court	71,000	71,000	74,786	3,786
Transfer Tax	130,000	130,000	308,566	178,566
Total Local Taxes	2,516,000	2,523,000	3,120,857	597,857
Total Taxes	50,549,942	50,556,942	53,054,009	2,497,067
Licenses and Permits				
Alcoholic beverage licenses	96,100	96,100	89,080	(7,020)
Amusement licenses	5,500	5,500	5,453	(47)
Traders licenses	94,000	94,000	95,313	1,313
Occupational licenses	1,200	1,200	1,750	550
Animal licenses	16,000	16,000	15,726	(274)
Building permits	35,000	35,000	34,717	(283)
Marriage licenses	5,200	5,200	5,170	(30)
Cable franchise fees	310,000	310,000	304,785	(5,215)
Sediment control permits	25,000	25,000	31,581	6,581
Total Licenses and Permits	588,000	588,000	583,575	(4,425)

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
REVENUES (Continued):				
<u>Intergovernmental:</u>				
Federal Funds:				
Public safety grants	-	28,000	8,000	(20,000)
Homeland security grant	52,995	71,544	556,047	484,503
Justice department grant	-	591,314	6,971	(584,343)
Civil defense	47,000	47,000	42,995	(4,005)
FEMA Grant	-	12,850	-	(12,850)
EMT Grant	20,000	20,000	9,263	(10,737)
MTA Grant	123,000	123,000	123,000	-
MTA Transportation planning	57,983	57,983	46,504	(11,479)
Health and Human Services Grant	24,750	24,750	18,780	(5,970)
Med Trans Grant	326,422	326,422	423,961	97,539
Food distribution to the needy	14,000	14,000	17,594	3,594
Summer camp program	-	1,970	3,415	1,445
Emergency shelter grant	25,000	25,000	17,333	(7,667)
ARC Grants	50,000	50,000	70,435	20,435
Masters program	68,057	68,057	68,057	-
Miscellaneous federal grants	10,000	12,500	2,247	(10,253)
Payments in lieu of property taxes	2,500	2,500	4,375	1,875
Sub-total Federal funds	821,707	1,476,890	1,418,977	(57,913)
State Funds:				
Public Health	22,000	22,000	25,547	3,547
Police protection	234,047	234,047	241,223	7,176
State 911 grant	-	3,109	3,109	-
State emergency management grant	-	81,250	-	(81,250)
State MTA operating assistance	61,500	61,500	-	(61,500)
Alltrans Grant	209,945	209,945	271,445	61,500
State highway grants	-	-	-	-
State transportation planning	7,247	7,247	5,813	(1,434)
Summer camp program	-	-	-	-
Juvenile services grant	14,069	14,069	13,791	(278)
JSA Crisis Intervention	33,645	33,645	31,550	(2,095)
Dept. of Social Services	61,500	61,500	61,500	-
Department of Natural Resources	150,000	150,000	186,352	36,352
Conservation aid salary	20,000	20,000	22,246	2,246
Program Open Space grant	167,000	167,000	56,305	(110,695)
Fire suppression, DNR	1,000	1,000	-	(1,000)
Business & economic development grant	-	21,700	24,598	2,898
Disparity grant	5,901,718	5,901,718	5,901,718	-
State Jury Reimbursement	50,000	50,000	29,835	(20,165)
Tourism grant	20,000	43,000	43,384	384
Work Crew Supervisor	40,000	40,000	41,753	1,753
Victim/Witness Program	14,025	14,025	18,561	4,536
Miscellaneous	478,808	513,146	469,026	(44,120)
Sub-total State Funds	7,486,504	7,649,901	7,447,756	(202,145)

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
REVENUES (Continued)				
<u>Intergovernmental (continued):</u>				
Other Intergovernmental:				
Other agencies	25,500	90,760	122,820	32,060
Sub-total Other Intergovernmental:	25,500	90,760	122,820	32,060
Total Intergovernmental	8,333,711	9,217,551	8,989,553	(227,998)
<u>Service Charges:</u>				
General government charges:				
State civil process	25,000	33,500	46,249	12,749
Child support incentive	-	-	2,952	2,952
Sheriff fees	8,500	-	-	-
Publication sales	-	-	610	610
Plans & specifications	4,000	4,000	200	(3,800)
Regulation & Maps	2,000	2,000	4,633	2,633
Tax sale fees	15,000	15,000	16,365	1,365
Election Filing fee	250	250	305	55
Security interest filing fee	-	-	30	30
License application fees	9,000	9,000	8,060	(940)
Liquor License transfer fee	5,000	5,000	3,030	(1,970)
Bay restoration collection fee	-	-	806	806
Health Ins Admin fee	850	850	460	(390)
Tourism promotion charges	35,000	50,000	56,777	6,777
Collection fees-special areas	37,000	37,000	42,531	5,531
Liquor License Collection fee	3,500	3,500	3,639	139
Hotel/Motel collection fee	12,000	12,000	11,567	(433)
Partial payment fee	1,500	1,500	1,068	(432)
Engineering fees	50,000	50,000	117,721	67,721
Miscellaneous general government	544,935	544,935	134,003	(410,932)
Sub-total general government charges	753,535	768,535	451,006	(317,529)
Public safety charges:				
Police protection charges	5,000	5,000	18,331	13,331
Fingerprinting fee	1,300	1,300	1,060	(240)
Jail work release	70,000	70,000	45,960	(24,040)
Boarding state prisoners	250,000	250,000	768,529	518,529
Boarding Federal prisoners	520,000	567,241	950,583	383,342
Community service fee	13,000	13,000	13,620	620
Home detention fee	45,000	45,000	32,315	(12,685)
Inmate Medical Copay	2,500	2,500	3,392	892
Building Inspection fees	32,000	32,000	49,679	17,679
Sub-total public safety charges	938,800	986,041	1,883,469	897,428
Sanitation and Waste Removal:				
Landfill fees	170,000	170,000	141,325	(28,675)
Recycling fees	100,000	100,000	114,998	14,998
Recycled material sales	17,000	17,000	16,736	(264)
Sub-total Sanitation and Waste	287,000	287,000	273,059	(13,941)

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued):				
<u>Service Charges (continued):</u>				
Health service charges:				
Dog adoption fees	21,000	21,000	20,408	(592)
Sub-total Health service charges	21,000	21,000	20,408	(592)
Recreation Charges:				
Host fee, Rocky Gap	74,000	74,000	37,383	(36,617)
Hotel fee, Rocky gap	85,000	85,000	98,236	13,236
Sub-total recreation service charges	159,000	159,000	135,619	(23,381)
Public service enterprises:				
Upper Potomac River Commission	307,017	307,017	307,017	-
AllTrans fares	12,000	12,000	26,175	14,175
Road closing fees	450	450	150	(300)
Sub-total public service charges	319,467	319,467	333,342	13,875
Total Service Charges	2,478,802	2,541,043	3,096,903	555,860
<u>Fines and Forfeitures:</u>				
Circuit court fines	10,000	10,000	16,368	6,368
Dog ordinance fines	12,000	12,000	12,740	740
Other fines	4,400	4,400	2,700	(1,700)
Total Fines and Forfeitures	26,400	26,400	31,808	5,408
<u>Miscellaneous:</u>				
Interest	127,654	127,654	301,620	173,966
Rents and concessions	271,791	271,791	288,481	16,690
Contributions & donations	-	-	2,800	2,800
Miscellaneous	54,750	54,750	70,718	15,968
Total Miscellaneous	454,195	454,195	663,619	209,424
Total Revenues	62,431,050	63,384,131	66,419,467	3,035,336

(continued)

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
EXPENDITURES:				
<u>General Government:</u>				
Legislative:				
County Commissioners	142,177	142,177	143,839	(1,662)
County Commissioners Office	159,201	160,192	124,149	36,043
Total legislative	301,378	302,369	267,988	34,381
Judicial:				
Family Support Services	185,562	153,311	161,112	(7,801)
Alternative dispute resolution	33,808	33,808	10,039	23,769
Circuit court masters program	110,129	110,791	113,068	(2,277)
Circuit court	274,418	278,082	283,191	(5,109)
Family Law Master	51,430	51,762	50,141	1,621
Orphans court	39,383	39,383	39,025	358
State's attorney	898,399	917,663	911,393	6,270
Law library	25,000	25,000	25,000	-
Victim-Witness coordinator	34,511	34,801	34,250	551
Grand and petit juries	62,720	62,720	41,615	21,105
Total Judicial	1,715,360	1,707,321	1,668,834	38,487
Executive:				
Administrator	216,655	218,079	178,410	39,669
Elections:				
Registration and elections	389,924	391,129	266,998	124,131
Financial Administration:				
Finance Office	616,350	640,417	512,629	127,788
Tax Office	417,788	420,257	358,680	61,577
Professional services	32,000	35,400	31,328	4,072
Total Financial Administration	1,066,138	1,096,074	902,637	193,437
Legal:				
Legal counsel	189,888	190,258	149,036	41,222
Other legal	58,000	58,000	21,616	36,384
Total legal	247,888	248,258	170,652	77,606
Personnel Administration:				
Human Resources department	208,009	254,689	168,630	86,059
Human resources board of appeals	4,960	4,960	1,450	3,510
Wellness/Employee recognition	20,981	21,071	11,845	9,226
Total personnel administration	233,950	280,720	181,925	98,795
Planning and Zoning:				
Planning and zoning department	86,169	87,202	79,451	7,751
Land use planning	122,960	123,426	124,692	(1,266)
Total Planning and Zoning	209,129	210,628	204,143	6,485
General Services:				
County Building Maintenance	983,960	988,707	952,992	35,715
Data Processing	178,386	179,199	133,327	45,872
Total general services	1,162,346	1,167,906	1,086,319	81,587

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
EXPENDITURES (Continued):				
<u>General Government (continued):</u>				
Other general government:				
Liquor control board	105,790	106,352	104,768	1,584
Insurance	284,500	284,500	279,418	5,082
Employee benefits	340,000	340,000	170,828	169,172
Post retirement benefits	482,500	482,500	475,243	7,257
Total Other General Government	1,212,790	1,213,352	1,030,257	183,095
Total General Government	6,755,558	6,835,836	5,958,163	877,673
<u>Public Safety:</u>				
Police:				
Sheriffs department	1,603,278	1,612,521	1,825,718	(213,197)
Aggressive driver grant	5,500	22,900	4,600	18,300
Highway safety	-	6,000	9,032	(3,032)
C3I Unit	12,000	12,000	13,162	(1,162)
Multi-agency team 90%	47,052	47,351	46,383	968
Attendance resource program	-	-	19,318	(19,318)
Multi-agency team 100%	-	15,583	15,583	-
Parents and law enforcement	-	-	2,188	(2,188)
Marijuana eradication	1,000	1,000	537	463
Total Police	1,668,830	1,717,355	1,936,521	(219,166)
Fire:				
Suppression of forest fires	6,500	6,500	-	6,500
Volunteer fire companies	879,192	879,192	851,698	27,494
Total Fire	885,692	885,692	851,698	33,994
Correction:				
County detention center maintenance	114,374	114,974	109,322	5,652
County detention center	5,524,061	5,598,255	5,415,012	183,243
JSA crisis intervention	33,645	33,645	32,687	958
Juvenile service grant	14,069	14,069	13,791	278
Alternative sentencing	152,862	148,423	148,443	(20)
Home detention grant	83,691	117,259	108,850	8,409
Total Correction	5,922,702	6,026,625	5,828,105	198,520
Other Protection:				
Permits & enforcement	280,251	281,737	265,595	16,142
Building Codes	97,175	97,745	86,615	11,130
Emergency Management Agency	152,008	164,858	155,472	9,386
Local emergency planning	10,000	10,000	13,844	(3,844)
Transportation planning	83,249	83,755	58,130	25,625
Animal control	218,419	219,291	238,422	(19,131)
Animal shelter	100,344	100,652	88,641	12,011
911	1,014,823	1,023,669	1,019,416	4,253
Hazardous materials operations	72,001	74,501	59,927	14,574
Emergency medical assistance	40,000	40,000	18,526	21,474
Domestic preparedness grant	52,995	741,226	515,209	226,017
Community emergency response	-	28,000	10,072	17,928
Flood control	45,000	235,372	124,432	110,940
Total Other Protection	2,166,265	3,100,806	2,654,301	446,505
Total Public Safety	10,643,489	11,730,478	11,270,625	459,853

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
EXPENDITURES (Continued):				
<u>Public Works:</u>				
Public Services:				
Airport	210,000	210,000	210,000	-
Waste collection:				
Solid waste disposal	406,247	406,862	369,715	37,147
Household hazardous waste	15,000	15,000	12,822	2,178
Solid waste recycling	269,420	269,552	178,599	90,953
UPRC	383,771	383,771	383,771	-
County engineer	844,636	852,215	833,475	18,740
Total Public Works	2,129,074	2,137,400	1,988,382	149,018
<u>Health and Hospitals:</u>				
Health Dept bldg. maintenance	289,369	289,933	303,366	(13,433)
Allegany County Health Department	32,642	32,642	26,885	5,757
Western Maryland Health Planning	5,758	5,758	5,758	-
Pre-hospital Care Coordinator	20,000	20,000	20,000	-
Total Health and Hospitals	347,769	348,333	356,009	(7,676)
<u>Social Services:</u>				
Medtrans/Alltrans	849,149	852,203	906,469	(54,266)
Pauper's burials	1,950	1,950	650	1,300
TANF grant	24,750	24,750	20,991	3,759
Human Resources Devel. Comm.	683,400	683,400	683,400	-
Emergency shelter grant	25,000	25,000	17,333	7,667
New Hope, Inc.	-	1,970	3,415	(1,445)
Child abuse coordinator	41,900	81,900	80,787	1,113
Family Crisis Center	75,000	75,000	75,000	-
Food distribution to the needy	14,000	14,000	17,594	(3,594)
Total Social Services	1,715,149	1,760,173	1,805,639	(45,466)
<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	6,487	513
Total Education	34,000	34,000	6,487	27,513
<u>Recreation and Culture:</u>				
Program Open Space	182,000	182,000	74,122	107,878
Allegany County fair	138,091	138,411	144,436	(6,025)
Fairgrounds maintenance	182,044	213,231	225,739	(12,508)
Highland trail operations	50,000	50,000	30,691	19,309
Allegany County Arts Council	27,500	27,500	27,500	-
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	602,385	633,892	525,238	108,654

(continued)

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
<u>EXPENDITURES (Continued):</u>				
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	106,569	106,569	106,677	(108)
Soil conservation services	145,501	146,360	148,087	(1,727)
Total Conservation of Natural Resources	252,070	252,929	254,764	(1,835)
<u>Community Development & Housing</u>				
Office of Community Assistance	99,617	100,128	100,626	(498)
Capital projects office	171,929	173,144	175,654	(2,510)
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	279,546	281,272	284,280	(3,008)
<u>Economic Development:</u>				
Office of Project Services	93,796	94,438	93,328	1,110
Department of Economic Development	468,693	470,734	438,316	32,418
Scenic railroad development	395,000	395,000	356,248	38,752
Tri-County Council	17,500	17,500	17,500	-
Convention and Visitors Bureau	454,069	499,606	516,467	(16,861)
Toll House	5,600	5,600	3,788	1,812
Thrasher Museum	67,000	67,000	68,094	(1,094)
Community promotion	10,000	10,000	12,270	(2,270)
Total Economic Development	1,511,658	1,559,878	1,506,011	53,867
<u>Miscellaneous:</u>				
Contingency	50,000	21,300	-	21,300
Miscellaneous	25,600	25,600	9,082	16,518
Total Miscellaneous	75,600	46,900	9,082	37,818
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,000,411	1,000,411	978,666	21,745
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,038,915	1,038,915	1,017,170	21,745
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	25,630,000	25,630,000	25,630,000	-
Allegany College	5,575,000	5,575,000	5,575,000	-
Allegany County Library	794,000	794,000	794,000	-
Information Technology	279,661	279,661	279,661	-
Total payments to component units	32,278,661	32,278,661	32,278,661	-
Total Expenditures	57,663,874	58,938,667	57,260,511	1,678,156
Excess (deficiency) of revenues over (under) expenditures	4,767,176	4,445,464	9,158,956	4,713,492

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2005

OTHER FINANCING SOURCES (USES)	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Unexpended balance - prior years</u>	<u>1,924,062</u>	<u>2,283,722</u>	<u>-</u>	<u>(2,283,722)</u>
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds	45,380	45,380	45,380	-
Transfers from capital project funds	13,500	15,500	15,500	-
Transfers from enterprise funds	552,530	552,530	423,077	(129,453)
Total Transfers In	<u>611,410</u>	<u>613,410</u>	<u>483,957</u>	<u>(129,453)</u>
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Highway fund	(1,979,741)	(1,979,741)	(1,979,741)	-
Transit Fund	(129,920)	(129,920)	(129,920)	-
Community Development Block Grant	-	-	(48,000)	(48,000)
Housing & Section 8 fund	(166,170)	(166,170)	(166,170)	-
Narcotics Task Force	(19,399)	(19,399)	(16,112)	3,287
Revolving Building Fund	(311,264)	(311,264)	-	311,264
Debt service Fund:				
From General government	(4,553,970)	(4,605,918)	(4,657,249)	(51,331)
From Sheriff department	(51,948)	(51,948)	(51,948)	-
From attendance resource program	-	-	(7,873)	(7,873)
Capital projects funds:				
Capital projects fund	-	-	(801,000)	(801,000)
Pay-As-You-GO Capital Proj. Fund	(108,236)	(108,236)	(1,226,868)	(1,118,632)
Enterprise funds:				
Water fund	-	-	(43,803)	(43,803)
Sanitary fund	-	-	(295,264)	(295,264)
Loan fund	-	-	(230,464)	(230,464)
Total operating transfers to other funds	<u>(7,320,648)</u>	<u>(7,372,596)</u>	<u>(9,654,412)</u>	<u>(2,281,816)</u>
<u>Sale of fixed assets</u>	<u>18,000</u>	<u>30,000</u>	<u>14,222</u>	<u>(15,778)</u>
Total Other Financing Sources and Uses	<u>(4,767,176)</u>	<u>(4,445,464)</u>	<u>(9,156,233)</u>	<u>(4,710,769)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	<u>-</u>	<u>-</u>	2,723	<u>2,723</u>
Fund balance, beginning			12,699,553	
Fund balance, ending			<u>\$ 12,702,276</u>	

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
HIGHWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes - State shared	3,100,000	3,100,000	3,688,177	588,177
Intergovernmental:				
Federal	-	-	439,212	439,212
State	443,000	443,000	-	(443,000)
Miscellaneous	-	-	10,529	10,529
Total Revenues	3,543,000	3,543,000	4,137,918	594,918
EXPENDITURES				
Highway	6,122,741	6,122,741	6,101,429	21,312
Total Expenditures	6,122,741	6,122,741	6,101,429	21,312
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	300,000	300,000	-	(300,000)
Transfer from other funds	2,279,741	2,279,741	2,230,088	(49,653)
Transfers to other funds	-	-	7,602	7,602
Total Other Financing Sources and Uses	2,579,741	2,579,741	2,237,690	(342,051)
Net change in fund balances	-	-	274,179	274,179
Fund balance, beginning			1,159,313	
Fund balance, ending			1,433,492	

**BUDGETARY COMPARISON SCHEDULE
OFFICE OF CHILDREN, YOUTH AND FAMILIES SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
State	1,411,047	1,513,275	1,222,203	(291,072)
Other	-	-	-	-
Miscellaneous	-	-	15,050	15,050
Total Revenues	1,411,047	1,513,275	1,237,253	(276,022)
EXPENDITURES				
Social services	1,411,047	1,513,275	1,222,203	291,072
Total Expenditures	1,411,047	1,513,275	1,222,203	291,072
Net change in fund balances	-	-	15,050	15,050
Fund balance, beginning			118,102	
Fund balance, ending			133,152	

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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 PAYGO (Pay-As-You-Go) Capital Project Fund is used to accumulate resources for future capital projects and is funded by transfers from the general fund and other sources.

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

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2005

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund
ASSETS:						
Cash	\$ -	\$ 275	\$ -	\$ -	\$ -	\$ 95,338
Cash - restricted	-	-	-	33,124	14,395	-
Investments	500,000	-	-	-	-	-
Receivables	-	-	-	-	-	-
Notes and loans	-	-	-	448,670	-	-
Other	636	636,383	5,500	-	-	7,404
Due from other funds	388,670	-	154,673	118,536	162,398	32,443
Inventory	-	56,110	-	-	-	-
Prepays	-	-	-	-	69,401	-
Total Assets	<u>889,306</u>	<u>692,768</u>	<u>160,173</u>	<u>600,330</u>	<u>246,194</u>	<u>135,185</u>
LIABILITIES:						
Accounts payable	1,600	38,474	19,413	96	6,452	5,195
Accrued payroll	-	22,870	-	-	7,616	1,749
Accrued payroll fringe	-	11,252	-	-	4,062	484
Due to other funds	-	475,125	-	-	-	-
Amounts held in escrow	-	-	-	-	14,395	100,525
Unearned revenue	-	-	-	-	63,221	-
Miscellaneous	-	12,842	-	10	(20)	-
Total Liabilities	<u>1,600</u>	<u>560,563</u>	<u>19,413</u>	<u>106</u>	<u>95,726</u>	<u>107,953</u>
FUND BALANCES						
Reserved:						
For noncurrent assets	-	-	-	448,670	-	-
For prepaid items	-	-	-	-	69,401	-
For inventories	-	56,110	-	-	-	-
For capital projects	-	-	-	-	-	-
Unreserved/Designated:						
For next fiscal year	-	76,095	97,000	-	-	-
For specific programs	887,706	-	43,760	151,554	81,067	27,232
Undesignated	-	-	-	-	-	-
Total Fund Balances	<u>887,706</u>	<u>132,205</u>	<u>140,760</u>	<u>600,224</u>	<u>150,468</u>	<u>27,232</u>
Total Liabilities and Fund Balances	<u>\$ 889,306</u>	<u>\$ 692,768</u>	<u>\$ 160,173</u>	<u>\$ 600,330</u>	<u>\$ 246,194</u>	<u>\$ 135,185</u>

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2005

Special Revenue Funds				Debt Service	Capital Project Funds		Total Nonmajor Governmental Funds
Gaming Fund	Revolving Building Fund	State Fire, Rescue & Public Safety Fund	Total	Debt Service Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	
\$ -	\$ -	\$ -	\$ 95,613	\$ -	\$ -	\$ -	\$ 95,613
-	-	-	47,519	-	-	-	47,519
-	-	261,816	761,816	-	1,400,000	1,302,607	3,464,423
-	-	-	448,670	-	-	-	448,670
32,654	-	13,292	695,869	-	3,392	3,982	703,243
128,607	3,030,301	88,397	4,104,025	1,182,873	675,078	-	5,961,976
-	-	-	56,110	-	-	-	56,110
-	-	-	69,401	-	-	-	69,401
<u>161,261</u>	<u>3,030,301</u>	<u>363,505</u>	<u>6,279,023</u>	<u>1,182,873</u>	<u>2,078,470</u>	<u>1,306,589</u>	<u>10,846,955</u>
5,051	152,141	11,872	240,294	7,873	110,692	348,142	707,001
3,849	1,082	-	37,166	-	-	-	37,166
1,216	1,282	-	18,296	-	-	-	18,296
-	-	-	475,125	-	-	207,289	682,414
-	-	-	114,920	-	-	-	114,920
-	1,204,965	-	1,268,186	-	-	-	1,268,186
-	2,500	-	15,332	-	-	-	15,332
<u>10,116</u>	<u>1,361,970</u>	<u>11,872</u>	<u>2,169,319</u>	<u>7,873</u>	<u>110,692</u>	<u>555,431</u>	<u>2,843,315</u>
-	-	-	448,670	-	-	-	448,670
-	-	-	69,401	-	-	-	69,401
-	-	-	56,110	-	-	-	56,110
-	-	-	-	-	-	720,348	720,348
-	-	-	173,095	-	185,000	-	358,095
151,145	-	351,633	1,694,097	1,175,000	1,740,923	-	4,610,020
-	1,668,331	-	1,668,331	-	41,855	30,810	1,740,996
<u>151,145</u>	<u>1,668,331</u>	<u>351,633</u>	<u>4,109,704</u>	<u>1,175,000</u>	<u>1,967,778</u>	<u>751,158</u>	<u>8,003,640</u>
<u>\$ 161,261</u>	<u>\$ 3,030,301</u>	<u>\$ 363,505</u>	<u>\$ 6,279,023</u>	<u>\$ 1,182,873</u>	<u>\$ 2,078,470</u>	<u>\$ 1,306,589</u>	<u>\$ 10,846,955</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund
REVENUES:						
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	121,311	-	-	-	-	-
Intergovernmental:						
Federal	-	416,933	476,590	3,033	1,015,357	-
State	-	230,729	-	-	263,779	-
Other	-	-	49,833	-	6,017	16,808
Service charges	-	131,042	-	-	21,275	-
Fines and forfeitures	-	-	-	-	-	59,612
Interest	10,643	-	-	16	-	1,082
Miscellaneous	-	5,808	-	67,369	389	-
Total Revenues	<u>131,954</u>	<u>784,512</u>	<u>526,423</u>	<u>70,418</u>	<u>1,306,817</u>	<u>77,502</u>
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	1,538	-	-	122,056
Public works	-	1,096,319	118,554	-	-	-
Highway	13,553	-	-	-	-	-
Health & hospitals	-	-	9,721	-	-	-
Social Services	-	-	125,938	-	-	-
Community Development and Housing	-	-	290,460	6,036	1,400,668	-
Economic development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay:						
General government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Library	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Payments to component units:						
Library	-	-	-	-	-	-
Board of Education	-	-	-	-	-	-
Total Expenditures	<u>13,553</u>	<u>1,096,319</u>	<u>546,211</u>	<u>6,036</u>	<u>1,400,668</u>	<u>122,056</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	129,920	51,500	-	166,170	16,112
Transfers out	-	-	(2,284)	(3,500)	-	-
Sale of capital assets	-	3,120	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Total Other Financing Sources and uses	<u>-</u>	<u>133,040</u>	<u>49,216</u>	<u>(3,500)</u>	<u>166,170</u>	<u>16,112</u>
Net change in fund balances	118,401	(178,767)	29,428	60,882	72,319	(28,442)
Fund balance, beginning, as restated, see note	769,305	310,972	111,332	539,342	78,149	55,674
Fund balance, ending	<u>\$ 887,706</u>	<u>\$ 132,205</u>	<u>\$ 140,760</u>	<u>\$ 600,224</u>	<u>\$ 150,468</u>	<u>\$ 27,232</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2005

Special Revenue Funds				Debt Service	Capital Project Funds		Total Nonmajor Governmental Funds
Gaming Fund	Revolving Building Fund	State Fire, Rescue & Public Safety Fund	Total Special Revenue Funds	Debt Service Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
669,893	-	-	791,204	-	-	-	791,204
-	-	-	1,911,913	-	-	-	1,911,913
-	2,999,584	212,965	3,707,057	-	-	-	3,707,057
-	-	-	72,658	-	-	-	72,658
58,491	-	89,593	300,401	-	-	-	300,401
-	-	-	59,612	-	-	-	59,612
-	-	4,137	15,878	-	26,354	21,771	64,003
-	1,924,562	65,152	2,063,280	-	-	-	2,063,280
<u>728,384</u>	<u>4,924,146</u>	<u>371,847</u>	<u>8,922,003</u>	<u>-</u>	<u>26,354</u>	<u>21,771</u>	<u>8,970,128</u>
123,803	-	-	123,803	-	-	-	123,803
88,257	-	363,484	575,335	-	-	-	575,335
-	-	-	1,214,873	-	-	-	1,214,873
-	-	-	13,553	-	-	-	13,553
-	-	-	9,721	-	-	-	9,721
-	-	-	125,938	-	-	-	125,938
-	-	-	-	-	-	-	-
-	-	-	1,697,164	-	-	-	1,697,164
-	3,738,933	-	3,738,933	-	-	-	3,738,933
-	-	-	-	4,909	-	-	4,909
-	-	-	-	4,005,632	-	-	4,005,632
-	-	-	-	1,624,695	-	-	1,624,695
-	-	-	-	-	103,360	31,887	135,247
-	-	-	-	-	-	-	-
-	-	-	-	-	111,875	-	111,875
-	-	-	-	-	-	790,086	790,086
-	-	-	-	-	-	-	-
-	-	-	-	-	31,697	-	31,697
-	-	-	-	-	237,083	14,193	251,276
-	-	-	-	-	14,424	-	14,424
-	-	-	-	-	-	-	-
<u>212,060</u>	<u>3,738,933</u>	<u>363,484</u>	<u>7,499,320</u>	<u>5,635,236</u>	<u>498,439</u>	<u>836,166</u>	<u>14,469,161</u>
-	841,883	-	1,205,585	5,660,236	1,226,868	51,510	8,144,199
(453,436)	(1,083,373)	-	(1,542,593)	-	(1,856,508)	(502,969)	(3,902,070)
-	273,166	-	276,286	-	-	-	276,286
-	-	-	-	-	172,256	2,086,000	2,258,256
<u>(453,436)</u>	<u>31,676</u>	<u>-</u>	<u>(60,722)</u>	<u>5,660,236</u>	<u>(457,384)</u>	<u>1,634,541</u>	<u>6,776,671</u>
62,888	1,216,889	8,363	1,361,961	25,000	(929,469)	820,146	1,277,638
88,257	451,442	343,270	2,747,743	1,150,000	2,897,247	(68,988)	6,726,002
<u>\$ 151,145</u>	<u>\$ 1,668,331</u>	<u>\$ 351,633</u>	<u>\$ 4,109,704</u>	<u>\$ 1,175,000</u>	<u>\$ 1,967,778</u>	<u>\$ 751,158</u>	<u>\$ 8,003,640</u>

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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, 2005

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<u>Expenditures:</u>				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 4,909	\$ 20,091
Debt Service:				
Principal payments on :				
General obligation debt	3,570,424	3,570,424	3,575,046	(4,622)
State loans	534,148	534,148	430,586	103,562
Total principal payments	<u>4,104,572</u>	<u>4,104,572</u>	<u>4,005,632</u>	<u>98,940</u>
Interest payments on:				
General obligation debt	1,397,640	1,397,640	1,300,663	96,977
State loans	407,692	407,692	324,032	83,660
Total interest payments	<u>1,805,332</u>	<u>1,805,332</u>	<u>1,624,695</u>	<u>180,637</u>
Total Expenditures	<u>5,934,904</u>	<u>5,934,904</u>	<u>5,635,236</u>	<u>299,668</u>
<u>Other Financing Sources and (Uses):</u>				
Unexpended fund balance	125,000	125,000	-	(125,000)
Transfers from other funds:				
From the General Fund	4,657,866	4,657,866	4,717,070	59,204
From the Community Development Block Grant Fund	2,284	2,284	2,284	-
From the Revolving Building Fund	<u>1,149,754</u>	<u>1,149,754</u>	<u>940,882</u>	<u>(208,872)</u>
Total Other Financing Sources and Uses	<u>5,934,904</u>	<u>5,934,904</u>	<u>5,660,236</u>	<u>(274,668)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	25,000	<u>\$ 25,000</u>
Fund balance, beginning			<u>1,150,000</u>	
Fund balance, ending			<u>\$ 1,175,000</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, 2005

	Highway Fund				Coal Haul Roads Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$3,100,000	\$3,100,000	\$ 3,688,177	\$ 588,177	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	211,000	211,000	121,311	(89,689)
Intergovernmental:								
Federal	-	-	439,212	439,212	766,200	766,200	-	(766,200)
State	443,000	443,000	-	(443,000)	21,600	21,600	-	(21,600)
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	10,529	10,529	-	-	10,643	10,643
Total Revenues	<u>3,543,000</u>	<u>3,543,000</u>	<u>4,137,918</u>	<u>594,918</u>	<u>998,800</u>	<u>998,800</u>	<u>131,954</u>	<u>(866,846)</u>
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	6,122,741	6,122,741	6,101,429	21,312	1,032,128	1,032,128	13,553	1,018,575
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	<u>6,122,741</u>	<u>6,122,741</u>	<u>6,101,429</u>	<u>21,312</u>	<u>1,032,128</u>	<u>1,032,128</u>	<u>13,553</u>	<u>1,018,575</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior yea	300,000	300,000	-	(300,000)	33,328	33,328	-	(33,328)
Transfer from other funds	2,279,741	2,279,741	2,230,088	(49,653)	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	7,602	7,602	-	-	-	-
Total Other Financing Sources and Uses	<u>2,579,741</u>	<u>2,579,741</u>	<u>2,237,690</u>	<u>(342,051)</u>	<u>33,328</u>	<u>33,328</u>	<u>-</u>	<u>(33,328)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>274,179</u>	<u>\$ 274,179</u>	<u>\$ -</u>	<u>\$ -</u>	<u>118,401</u>	<u>\$ 118,401</u>
Fund balance, beginning, As adjusted			1,159,313				769,305	
Fund balance, ending			<u>\$ 1,433,492</u>				<u>\$ 887,706</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, 2005

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
970,373	970,373	416,933	(553,440)	-	-	-	-
436,213	436,213	230,729	(205,484)	1,411,047	1,513,275	1,222,203	(291,072)
-	-	-	-	-	-	-	-
126,500	126,500	131,042	4,542	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	15,050	15,050
7,000	7,000	5,808	(1,192)	-	-	-	-
<u>1,540,086</u>	<u>1,540,086</u>	<u>784,512</u>	<u>(755,574)</u>	<u>1,411,047</u>	<u>1,513,275</u>	<u>1,237,253</u>	<u>(276,022)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,955,116	1,955,116	1,096,319	858,797	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,411,047	1,513,275	1,222,203	291,072
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,955,116</u>	<u>1,955,116</u>	<u>1,096,319</u>	<u>858,797</u>	<u>1,411,047</u>	<u>1,513,275</u>	<u>1,222,203</u>	<u>291,072</u>
-	-	-	-	-	-	-	-
285,110	285,110	-	(285,110)	-	-	-	-
129,920	129,920	129,920	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	3,120	3,120	-	-	-	-
<u>415,030</u>	<u>415,030</u>	<u>133,040</u>	<u>(281,990)</u>	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>(178,767)</u>	<u>\$ (178,767)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>15,050</u>	<u>\$ 15,050</u>
		<u>310,972</u>				<u>118,102</u>	
		<u>\$ 132,205</u>				<u>\$ 133,152</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, 2005

	Community Development Block Grant Fund				Block Grant Program Income Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	252,884	252,884	476,590	223,706	-	-	3,033	3,033
State	-	-	-	-	-	-	-	-
Other	50,000	50,000	49,833	(167)	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	16	16
Total Revenues	<u>302,884</u>	<u>302,884</u>	<u>526,423</u>	<u>223,539</u>	<u>5,400</u>	<u>5,400</u>	<u>67,369</u>	<u>61,969</u>
							<u>70,418</u>	<u>65,018</u>
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	1,538	1,538	-	-	-	-
Public works	-	-	118,554	(118,554)	-	-	-	-
Health & hospitals	-	-	9,721	9,721	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	100,000	100,000	125,938	(25,938)	-	-	-	-
Community Development and Housing	194,600	194,600	290,460	(95,860)	55,400	55,400	6,211	49,189
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	<u>294,600</u>	<u>294,600</u>	<u>546,211</u>	<u>(229,093)</u>	<u>55,400</u>	<u>55,400</u>	<u>6,211</u>	<u>49,189</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior years	-	-	-	-	50,000	50,000	-	(50,000)
Transfer from other funds	-	-	51,500	51,500	-	-	-	-
Transfers to other funds	(8,284)	(8,284)	(2,284)	6,000	-	-	(3,325)	(3,325)
Proceeds from debt issuance	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>(8,284)</u>	<u>(8,284)</u>	<u>49,216</u>	<u>57,500</u>	<u>50,000</u>	<u>50,000</u>	<u>(3,325)</u>	<u>(53,325)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>29,428</u>	<u>\$ 51,946</u>	<u>\$ -</u>	<u>\$ -</u>	<u>60,882</u>	<u>\$ 60,882</u>
Fund balance, beginning								
As adjusted			111,332				539,342	
Fund balance, ending			<u>\$ 140,760</u>				<u>\$ 600,224</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, 2005

Community Development & Housing Fund				Drug Task Force Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
979,547	979,547	1,015,357	35,810	-	-	-	-
205,895	205,895	263,779	57,884	-	-	-	-
6,000	6,000	6,017	17	19,399	19,399	16,808	(2,591)
21,200	21,200	21,275	75	-	-	-	-
-	-	-	-	38,250	38,250	59,612	21,362
-	-	-	-	2,000	2,000	1,082	(918)
1,000	1,000	389	(611)	-	-	-	-
<u>1,213,642</u>	<u>1,213,642</u>	<u>1,306,817</u>	<u>93,175</u>	<u>59,649</u>	<u>59,649</u>	<u>77,502</u>	<u>17,853</u>
-	-	-	-	-	-	-	-
-	-	-	-	79,048	79,048	122,056	(43,008)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,385,812	1,385,812	1,400,668	(14,856)	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,385,812</u>	<u>1,385,812</u>	<u>1,400,668</u>	<u>(14,856)</u>	<u>79,048</u>	<u>79,048</u>	<u>122,056</u>	<u>(43,008)</u>
-	-	-	-	-	-	-	-
172,170	172,170	166,170	(6,000)	19,399	19,399	16,112	(3,287)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>172,170</u>	<u>172,170</u>	<u>166,170</u>	<u>(6,000)</u>	<u>19,399</u>	<u>19,399</u>	<u>16,112</u>	<u>(3,287)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>72,319</u>	<u>\$ 72,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(28,442)</u>	<u>\$ (28,442)</u>
		<u>78,149</u>				<u>55,674</u>	
		<u>\$ 150,468</u>				<u>\$ 27,232</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, 2005

	Gaming Fund				Revolving Building Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes	\$ 600,001	\$ 600,001	\$ 669,893	\$ 69,892	-	-	-	-
Taxes - State Shared	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	-	-	-	237,000	237,000	-	(237,000)
Other	-	-	-	-	1,000,000	1,000,000	2,999,584	1,999,584
Service charges	91,000	91,000	58,491	(32,509)	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>691,001</u>	<u>691,001</u>	<u>728,384</u>	<u>37,383</u>	<u>1,322,131</u>	<u>1,322,131</u>	<u>1,924,562</u>	<u>602,431</u>
					<u>2,559,131</u>	<u>2,559,131</u>	<u>4,924,146</u>	<u>2,365,015</u>
EXPENDITURES:								
General government	127,198	127,198	123,803	3,395	-	-	-	-
Public safety	140,951	140,951	88,257	52,694	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	2,802,399	2,802,399	3,738,933	(936,534)
Total Expenditures	<u>268,149</u>	<u>268,149</u>	<u>212,060</u>	<u>56,089</u>	<u>2,802,399</u>	<u>2,802,399</u>	<u>3,738,933</u>	<u>(936,534)</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior year	-	-	-	-	100,000	100,000	-	(100,000)
Transfer from other funds	-	-	-	-	1,156,815	1,156,815	841,883	(314,932)
Transfers to other funds	(422,852)	(422,852)	(453,436)	(30,584)	(1,195,133)	(1,195,133)	(1,083,373)	111,760
Proceeds from debt issuance	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>(422,852)</u>	<u>(422,852)</u>	<u>(453,436)</u>	<u>(30,584)</u>	<u>181,586</u>	<u>181,586</u>	<u>273,166</u>	<u>91,580</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>62,888</u>	<u>\$ 62,888</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,216,889</u>	<u>\$ 1,216,889</u>
Fund balance, beginning								
As adjusted			88,257				451,442	
Fund balance, ending			<u>\$ 151,145</u>				<u>\$ 1,668,331</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, 2005

Fire, Rescue & Public Safety Fund				Total Special Revenue Funds			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ 3,700,001	\$ 3,700,001	\$ 4,358,070	\$ 658,069
-	-	-	-	211,000	211,000	121,311	(89,689)
-	-	-	-	3,206,004	3,206,004	2,351,125	(854,879)
238,018	238,018	212,965	(25,053)	3,755,773	3,858,001	4,929,260	1,071,259
-	-	-	-	75,399	75,399	72,658	(2,741)
80,000	80,000	89,593	9,593	318,700	318,700	300,401	(18,299)
-	-	-	-	38,250	38,250	59,612	21,362
2,000	2,000	4,137	2,137	4,000	4,000	30,928	26,928
40,000	40,000	65,152	25,152	1,375,531	1,375,531	2,073,809	698,278
360,018	360,018	371,847	11,829	12,684,658	12,786,886	14,297,174	1,510,288
-	-	-	-	127,198	127,198	123,803	3,395
620,036	620,036	363,484	256,552	840,035	840,035	575,335	264,700
-	-	-	-	1,955,116	1,955,116	1,214,873	740,243
-	-	-	-	-	-	9,721	(9,721)
-	-	-	-	7,154,869	7,154,869	6,114,982	1,039,887
-	-	-	-	1,511,047	1,613,275	1,348,141	265,134
-	-	-	-	1,635,812	1,635,812	1,697,339	(61,527)
-	-	-	-	2,802,399	2,802,399	3,738,933	(936,534)
-	-	-	-	-	-	-	-
620,036	620,036	363,484	256,552	16,026,476	16,128,704	14,823,127	1,305,577
260,018	260,018	-	(260,018)	1,028,456	1,028,456	-	(1,028,456)
-	-	-	-	3,758,045	3,758,045	3,435,673	(322,372)
-	-	-	-	(1,626,269)	(1,626,269)	(1,542,418)	(83,851)
-	-	-	-	-	-	-	-
-	-	-	-	181,586	181,586	283,888	102,302
260,018	260,018	-	(260,018)	3,341,818	3,341,818	2,177,143	(1,332,377)
\$ -	\$ -	8,363	\$ 8,363	-	-	1,651,190	1,673,708
		343,270				4,025,158	
		<u>\$ 351,633</u>				<u>\$ 5,676,348</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, 2005

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Intergovernmental								
Federal grants	\$ 1,365,600	\$ 1,365,600	\$ 3,366,207	\$ 2,000,607	\$ -	\$ -	\$ -	\$ -
State grants	6,163,045	6,163,045	1,452,065	(4,710,980)	-	-	-	-
Other	-	-	300,121	300,121	-	-	-	-
Miscellaneous:								
Interest	-	-	21,556	21,556	-	-	26,354	26,354
Miscellaneous	-	-	149,004	149,004	-	-	-	-
Total Revenues	<u>7,528,645</u>	<u>7,528,645</u>	<u>5,288,953</u>	<u>(2,239,692)</u>	<u>-</u>	<u>-</u>	<u>26,354</u>	<u>26,354</u>
EXPENDITURES:								
General Government	-	-	-	-	108,236	108,236	103,360	4,876
Public Safety	1,986,700	1,986,700	2,600,541	(613,841)	-	-	-	-
Public Works	519,300	519,300	59,132	460,168	-	-	111,875	(111,875)
Health	-	-	10,728	(10,728)	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Recreation, Culture & Libraries	-	-	879,220	(879,220)	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic Development	5,442,045	5,442,045	3,959,912	1,482,133	-	-	-	-
Miscellaneous	-	-	-	-	-	-	31,697	(31,697)
Payments to component units	-	-	1,994,074	(1,994,074)	-	-	237,083	(237,083)
Total Expenditures	<u>7,948,045</u>	<u>7,948,045</u>	<u>9,503,607</u>	<u>(1,555,562)</u>	<u>108,236</u>	<u>108,236</u>	<u>498,439</u>	<u>(390,203)</u>
OTHER FINANCING SOURCES AND USES:								
Unexpended fund balance	153,900	153,900	-	(153,900)	1,111,051	1,113,051	-	(1,113,051)
Transfers In:								
Other funds	265,500	265,500	3,249,532	2,984,032	108,236	108,236	1,226,868	1,118,632
Transfers Out:								
Other funds	-	-	-	-	(1,111,051)	(1,113,051)	(1,856,508)	(743,457)
Transfers from component units	-	-	390,603	390,603	-	-	-	-
Issuance of debt	-	-	-	-	-	-	172,256	172,256
Total Other Financing Uses	<u>419,400</u>	<u>419,400</u>	<u>3,640,135</u>	<u>3,220,735</u>	<u>108,236</u>	<u>108,236</u>	<u>(457,384)</u>	<u>(565,620)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(574,519)</u>	<u>\$ (574,519)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(929,469)</u>	<u>\$ (929,469)</u>
Fund balance, beginning			(203,283)				2,897,247	
Fund balance, ending			<u>\$ (777,802)</u>				<u>\$ 1,967,778</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, 2005

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)
\$ -	\$ -	\$ -	\$ -	\$ 1,365,600	\$ 1,365,600	\$ 3,366,207	\$ 2,000,607
-	-	-	-	6,163,045	6,163,045	1,452,065	(4,710,980)
-	-	-	-	-	-	300,121	300,121
-	-	21,771	21,771	-	-	-	-
-	-	-	-	-	-	69,681	69,681
-	-	-	-	-	-	149,004	149,004
-	-	21,771	21,771	7,528,645	7,528,645	5,337,078	(2,191,567)
53,788	53,788	31,887	21,901	162,024	162,024	135,247	26,777
-	-	-	-	1,986,700	1,986,700	2,600,541	(613,841)
-	-	-	-	519,300	519,300	171,007	348,293
-	-	-	-	-	-	10,728	(10,728)
-	-	-	-	-	-	-	-
1,460,000	1,460,000	790,086	669,914	1,460,000	1,460,000	790,086	669,914
86,212	86,212	-	86,212	86,212	86,212	879,220	(793,008)
-	-	-	-	-	-	-	-
-	-	-	-	5,442,045	5,442,045	3,991,609	1,450,436
-	-	14,193	(14,193)	-	-	251,276	(251,276)
-	-	-	-	-	-	2,008,498	(2,008,498)
1,600,000	1,600,000	836,166	763,834	9,656,281	9,656,281	10,838,212	(1,181,931)
-	-	-	-	1,264,951	1,266,951	-	(1,266,951)
-	-	51,510	51,510	373,736	373,736	4,527,910	4,154,174
(500,000)	(500,000)	(502,969)	(2,969)	(1,611,051)	(1,613,051)	(2,359,477)	(746,426)
-	-	-	-	-	-	390,603	390,603
2,100,000	2,100,000	2,086,000	(14,000)	2,100,000	2,100,000	2,258,256	158,256
1,600,000	1,600,000	1,634,541	34,541	2,127,636	2,127,636	4,817,292	2,689,656
\$ -	\$ -	820,146	\$ 820,146	\$ -	\$ -	(683,842)	\$ (683,842)
		(68,988)				2,624,976	
		<u>\$ 751,158</u>				<u>\$ 1,941,134</u>	

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CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2005

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

	Proj No.	Project Length Budget	Revenues and other Sources				
			Federal Grants	State Grants	Other Intergov'l	Service Charges	Miscell. Revenues
Capital Improvement Projects Fund							
Upper Potomac Ind. Park	409G	1,760,000	-	-	-	-	83,183
Cash Valley Roof	409J	192,000	-	-	-	-	-
Eckhart School Roof	409K	51,000	-	-	-	-	-
NRCS Flood Project	409M	2,081,910	707,688				27,910
Health Department Relocation	409N	8,000,000					3,778
Allconet II	409Q	4,131,906	1,014,790	2,000,000	269,360	-	-
Rye Street Bridge	409R	796,600	-	10,738	-	-	-
Cooperative Extension	409U	-					35,505
Mt. Ridge High School	409W	11,000,000	-	-	-	-	-
Landfill Closeout	4090	1,589,160	-	200,000	-	-	291,015
Washington St. Library Interior	4094	1,055,969	-	-	135,000	-	-
State Flood Grant	410D	167,000	-	149,210	-	-	-
Donated Assets	410O	247,880	-	-	-	-	247,880
Westernport Storm Pond	410P	95,100	-	33,712	-	-	-
Riverside Industrial Park	410R	2,099,971	-	-	-	-	391,453
Highland Trail	410X	10,606,000	2,517,466	1,973,833	6,772	-	38,975
Georges Creek FEMA	410Y	2,440,955	1,598,143	365,413	-	-	-
Other Projects			-	-	-	-	3,374
			5,838,087	4,732,906	411,132	-	1,123,073
Pay-As-You-Go Capital Project Fund							
Computer Network	418I	150,000	-	-	-	-	-
NRCS Flood Projects	418O	105,500	-	8,175	-	-	-
Roads Paving Program	418R	2,350,000	-	-	-	-	-
Capital Outlay	418Z	276,048	-	-	-	-	-
Capital Project Reserves	418I	-	-	-	-	-	2,594,363
Health Dept Air Conditioning	4189	440,124	-	-	-	-	-
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	833,000	-	-	-	-	-
County Signage	420I	50,000	-	-	-	-	-
Payroll/General Ledger Software	420S	500,000	-	-	-	-	-
Emergency Capital	420V						
Telecommunications Program	420Z	160,000	-	-	-	-	-
OP Roads Improvements	4203	500,000	-	-	-	16,392	-
			1,083,979	506,709	-	16,392	2,594,363
Public Improvement Bonds Capital Project Fund							
Allegany College, Physical Ed.	430A	1,511,510	-	-	-	-	-
Allegany College, Library Roof	430D	91,700					
Washington St. Library	430E	502,969					2,969
Bond Interest	430Z	18,803					18,802
Bond Closing Costs	430I	30,810					
Bond Closing Costs	4311	-	-	-	-	-	-
			-	-	-	-	21,771
Total Capital Project Funds			\$ 6,922,066	\$ 5,239,615	\$ 411,132	\$ 16,392	\$ 3,739,207

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2005

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
-	265,500	348,683	1,413,434	-	1,413,434	(1,064,751)	346,566
-	96,000	96,000	96,000	-	96,000	-	96,000
-	10,611	10,611	10,611	-	10,611	-	40,389
-	526,000	1,261,598	1,188,829	-	1,188,829	72,769	893,081
-	993,775	997,553	10,728	-	10,728	986,825	7,989,272
-	802,920	4,087,070	3,861,704	60,000	3,921,704	165,366	210,202
-	124,660	135,398	45,019	-	45,019	90,379	751,581
-	-	35,505	-	-	-	35,505	-
-	611,596	611,596	739,332	-	739,332	(127,736)	10,260,668
652,317	127,240	1,270,572	999,645	220,699	1,220,344	50,228	368,816
502,969	454,103	1,092,072	1,092,072	-	1,092,072	-	(36,103)
-	-	149,210	200,206	-	200,206	(50,996)	(33,206)
-	-	247,880	247,880	-	247,880	-	-
-	32,941	66,653	95,097	-	95,097	(28,444)	3
-	2,045,920	2,437,373	1,846,091	484,283	2,330,374	106,999	(230,403)
-	-	4,537,046	5,550,992	-	5,550,992	(1,013,946)	5,055,008
-	483,424	2,446,980	2,446,980	-	2,446,980	-	(6,025)
-	-	3,374	-	3,374	3,374	-	-
1,155,286	6,574,690	19,835,174	19,844,620	768,356	20,612,976	(777,802)	25,705,849
-	155,725	155,725	101,301	5,725	107,026	48,699	42,974
-	105,500	113,675	107,557	6,118	113,675	-	(8,175)
-	3,100,000	3,100,000	2,008,474	250,347	2,258,821	841,179	91,179
298,304	214,827	513,131	424,544	88,587	513,131	-	(237,083)
-	1,744,595	4,338,958	-	3,755,457	3,755,457	583,501	-
-	439,652	439,652	-	439,652	439,652	-	472
-	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)
-	46,922	46,922	46,922	-	46,922	-	11,888
-	833,000	833,000	801,588	-	801,588	31,412	31,412
-	74,572	74,572	72,849	1,723	74,572	-	(24,572)
-	485,000	485,000	326,608	-	326,608	158,392	173,392
-	200,000	200,000	-	-	-	200,000	-
-	160,000	160,000	131,793	-	131,793	28,207	28,207
-	536,731	553,123	501,144	-	501,144	51,979	(1,144)
298,304	9,836,098	14,335,845	7,820,458	4,547,609	12,368,067	1,967,778	212,252
1,463,490	51,510	1,515,000	859,074	-	859,074	655,926	652,436
91,700	-	91,700	-	-	-	91,700	91,700
500,000	-	502,969	-	502,969	502,969	-	-
-	-	18,802	14,193	-	14,193	4,609	4,610
30,810	-	30,810	30,810	-	30,810	-	-
-	-	-	1,077	-	1,077	(1,077)	(1,077)
2,086,000	51,510	2,159,281	905,154	502,969	1,408,123	751,158	747,669
\$ 3,539,590	\$ 16,462,298	\$ 36,330,300	\$ 28,570,232	\$ 5,818,934	\$ 34,389,166	\$ 1,941,134	\$ 26,665,770

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CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2005

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, 2005

	Upper Potomac Ind Park (409G)	Cash Valley Roof (409J)	Eckhart School Roof (409K)	NRCS Flood Project (409M)
REVENUES:				
Intergovernmental:				
Federal:				
FEMA grant	\$ -	\$ -	\$ -	\$ -
Highway grant	-	-	-	-
Soil Conservation grant	-	-	-	707,688
FmHA grant	-	-	-	-
ARC grant	-	-	-	-
State:				
State Aid Highway	-	-	-	-
MD Dept. of Environment	-	-	-	-
Miscellaneous State Grants	-	-	-	-
Other Intergovernmental	-	-	-	-
Miscellaneous:				
Interest	-	-	-	-
Contribution & donations	83,183	-	-	27,910
Miscellaneous	-	-	-	-
Total Revenues	<u>83,183</u>	<u>-</u>	<u>-</u>	<u>735,598</u>
EXPENDITURES:				
Public Safety	1,394,029	-	-	1,188,829
Public Works	-	-	-	-
Health and hospitals	-	-	-	-
Libraries	-	-	-	-
Economic Development	-	-	-	-
Payments to component units:				
Board of Education	-	85,345	2,308	-
Total Expenditures	<u>1,394,029</u>	<u>85,345</u>	<u>2,308</u>	<u>1,188,829</u>
OTHER FINANCING SOURCES and (USES):				
Transfers in:				
General Fund	-	-	-	326,000
General Fund, internal transfers	-	-	-	-
Gaming Fund	-	85,345	2,308	-
PAYGO fund	265,500	-	-	200,000
Public Improvement Bond Fund	-	-	-	-
Loan Fund	-	-	-	-
Transfer from component units	-	-	-	-
Total Other Financing				
Sources and Uses	<u>265,500</u>	<u>85,345</u>	<u>2,308</u>	<u>526,000</u>
Net change in fund balances	(1,045,346)	-	-	72,769
Fund Balance, beginning	(19,405)	-	-	-
Fund Balance, Ending	<u>\$ (1,064,751)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 72,769</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, 2005

Health Department Relocation (409N)	Allconet II (409Q)	CoOperative Extension (409U)	Rye Street Bridge (409R)	Mt. Ridge High School (409W)	Total This Page
\$ -	\$ 10,987	\$ -	\$ -	\$ -	\$ 10,987
-	-	-	-	-	-
-	-	-	-	-	707,688
-	23,274	-	-	-	23,274
-	459,719	-	-	-	459,719
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	165,121	-	-	-	165,121
3,778	-	-	-	-	3,778
-	-	-	-	-	111,093
-	-	35,505	-	-	35,505
<u>3,778</u>	<u>659,101</u>	<u>35,505</u>	<u>-</u>	<u>-</u>	<u>1,517,165</u>
-	-	-	-	-	2,582,858
-	-	-	7,309	-	7,309
10,728	-	-	-	-	10,728
-	-	-	-	-	-
-	75,961	-	-	-	75,961
-	1,225,379	-	-	681,042	1,994,074
<u>10,728</u>	<u>1,301,340</u>	<u>-</u>	<u>7,309</u>	<u>681,042</u>	<u>4,670,930</u>
-	475,000	-	-	-	801,000
-	-	-	-	-	-
-	-	-	-	365,783	453,436
-	-	-	-	-	465,500
-	-	-	-	-	-
993,775	4,752	-	-	-	998,527
-	-	-	-	-	-
<u>993,775</u>	<u>479,752</u>	<u>-</u>	<u>-</u>	<u>365,783</u>	<u>2,718,463</u>
986,825	(162,487)	35,505	(7,309)	(315,259)	(435,302)
-	327,853	-	97,688	187,523	593,659
<u>\$ 986,825</u>	<u>\$ 165,366</u>	<u>\$ 35,505</u>	<u>\$ 90,379</u>	<u>\$ (127,736)</u>	<u>\$ 158,357</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, 2005

REVENUES:	Total Previous Page	Landfill Closeout (4090)	Washington St. Library Interior (4094)	\$3.2 Million Flood Grant (410D)
REVENUES:				
Intergovernmental:				
Federal:				
FEMA Grant	\$ 10,987	\$ -	\$ -	\$ -
Highway grant	-	-	-	-
Soil Conservation grant	707,688	-	-	-
FmHA grant	23,274	-	-	-
ARC grant	459,719	-	-	-
State:				
State Aid Highway	-	-	-	-
MD Dept. of Environment	-	-	-	-
Miscellaneous State Grants	-	-	-	-
Other Intergovernmental	165,121	-	135,000	-
Miscellaneous:				
Interest	3,778	9,621	-	-
Contribution & donations	111,093	-	-	-
Miscellaneous	35,505	-	-	-
Total Revenues	<u>1,517,165</u>	<u>9,621</u>	<u>135,000</u>	<u>-</u>
EXPENDITURES:				
Public Safety	2,582,858	-	-	15,443
Public Works	7,309	51,823	-	-
Health and hospitals	10,728	-	-	-
Libraries	-	-	879,220	-
Economic Development	75,961	-	-	-
Payments to component units:				
Board of Education	1,994,074	-	-	-
Total Expenditures	<u>4,670,930</u>	<u>51,823</u>	<u>879,220</u>	<u>15,443</u>
OTHER FINANCING SOURCES and (USES):				
Transfers in:				
General Fund	801,000	-	-	-
General Fund, internal transfers	-	(1,307)	-	-
Gaming Fund	453,436	-	-	-
PAYGO fund	465,500	-	-	-
Public Improvement Bond Fund	-	-	502,969	-
Loan Fund	998,527	-	-	-
Transfer from component units	-	-	390,603	-
Total Other Financing				
Sources and Uses	<u>2,718,463</u>	<u>(1,307)</u>	<u>893,572</u>	<u>-</u>
Net change in fund balances	(435,302)	(43,509)	149,352	(15,443)
Fund Balance, beginning	593,659	93,737	(149,352)	(35,553)
Fund Balance, Ending	<u>\$ 158,357</u>	<u>\$ 50,228</u>	<u>\$ -</u>	<u>\$ (50,996)</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, 2005

Westernport Storm Sewer (410P)	Riverside Industrial Park (410R)	Highland Trail (410X)	FEMA Geo Creek (410Y)	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ 10,987
-	-	1,947,799	-	1,947,799
-	-	-	-	707,688
-	-	-	-	23,274
-	-	216,740	-	676,459
-	-	242,376	-	242,376
-	-	-	1,307	1,307
-	-	1,208,382	-	1,208,382
-	-	-	-	300,121
-	8,157	-	-	21,556
-	-	2,406	-	113,499
-	-	-	-	35,505
-	8,157	3,617,703	1,307	5,288,953
-	-	-	2,240	2,600,541
-	-	-	-	59,132
-	-	-	-	10,728
-	-	-	-	879,220
-	239	3,883,712	-	3,959,912
-	-	-	-	1,994,074
-	239	3,883,712	2,240	9,503,607
-	-	-	-	801,000
464	-	-	843	-
-	-	-	-	453,436
7,841	20,169	-	90	493,600
-	-	-	-	502,969
-	-	-	-	998,527
-	-	-	-	390,603
8,305	20,169	-	933	3,640,135
8,305	28,087	(266,009)	-	(574,519)
(36,749)	78,912	(747,937)	-	(203,283)
\$ (28,444)	\$ 106,999	\$ (1,013,946)	\$ -	\$ (777,802)

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, 2005

	Computer Network (418I)	NRCS Flood Projects (418O)	Roads Paving Program (418R)	Capital Outlay (418Z)	Department Air Conditioning (4189)	Bowman's Addition Flood (420B)
REVENUES:						
Miscellaneous:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-
EXPENDITURES:						
General Government	3,772	-	-	-	-	-
Public Works	-	-	104,605	-	-	-
Economic Development	-	-	-	-	-	-
Miscellaneous	-	-	-	237,083	-	-
Payments to component units:						
Board of Education	-	-	-	-	-	-
Total Expenditures	3,772	-	104,605	237,083	-	-
OTHER FINANCING SOURCES and (USES):						
Transfers-in from:						
General fund	-	-	500,000	14,827	16,868	-
Transfer to:						
General Fund	-	-	-	-	-	-
Revolving Building Fund	-	-	-	-	-	-
Highway fund	-	-	(250,347)	-	-	-
Capital projects funds	-	(6,118)	-	-	-	-
Public improvement bond fund	-	-	-	-	-	-
Sanitary Districts Enterprise Fd	-	-	-	-	-	-
Issuance of debt	-	-	-	-	-	-
Capital leases	-	-	-	172,256	-	-
Total Other Financing	-	-	-	172,256	-	-
Sources and Uses	-	(6,118)	249,653	187,083	16,868	-
Net change in fund balances	(3,772)	(6,118)	145,048	(50,000)	16,868	-
Fund Balance, beginning as restated, see note	52,471	6,118	696,131	50,000	(16,868)	24,409
Fund Balance, Ending	\$ 48,699	\$ -	\$ 841,179	\$ -	\$ -	\$ 24,409

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, 2005

Allegany College Reroofing (420F)	John Humbird School (420H)	County Signage (420I)	Payroll/ Gen Ledger Software Upgrade (420S)	Emergency Capital (420V)	Tele- communications Project (420Z)	Barton Industrial Park Water (4202)	Total This Page
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	4,819	-	94,769	-	103,360
-	-	-	-	-	-	-	104,605
-	-	31,697	-	-	-	-	31,697
-	-	-	-	-	-	-	237,083
-	14,424	-	-	-	-	-	14,424
-	14,424	31,697	4,819	-	94,769	-	491,169
(11,888)	-	-	(15,000)	200,000	160,000	-	864,807
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(250,347)
-	-	(1,723)	-	(200,000)	-	-	(207,841)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	172,256
(11,888)	-	(1,723)	(15,000)	-	160,000	-	578,875
(11,888)	(14,424)	(33,420)	(19,819)	-	65,231	-	87,706
11,888	45,836	33,420	178,211	200,000	(37,024)	-	1,244,592
\$ -	\$ 31,412	\$ -	\$ 158,392	\$ 200,000	\$ 28,207	\$ -	\$ 1,332,298

(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, 2005

	Total Previous Page	Road Improvements (4203)	Capital Reserves (4181)	Designated Projects (4181)	Fund Total
REVENUES:					
Miscellaneous:					
Interest	\$ -	\$ -	\$ -	\$ 26,354	\$ 26,354
Miscellaneous	-	-	-	-	-
Total Revenues	-	-	-	26,354	26,354
EXPENDITURES:					
General Government	103,360	-	-	-	103,360
Public Works	104,605	7,270	-	-	111,875
Economic Development	31,697	-	-	-	31,697
Miscellaneous	237,083	-	-	-	237,083
Payments to component units:					
Board of Education	14,424	-	-	-	14,424
Total Expenditures	491,169	7,270	-	-	498,439
OTHER FINANCING SOURCES and (USES):					
Transfers-in from:					
General fund	864,807	50,000	-	312,061	1,226,868
Transfer to:					
General fund	-	-	-	(15,500)	(15,500)
Revolving Building Fund	-	-	-	(841,883)	(841,883)
Highway fund	(250,347)	-	-	-	(250,347)
Capital projects funds	(207,841)	-	-	(285,759)	(493,600)
Public improvement bond fund	-	-	-	(51,510)	(51,510)
Sanitary Districts Enterprise Fd	-	-	-	(203,668)	(203,668)
Issuance of debt	-	-	-	-	-
Capital leases	172,256	-	-	-	172,256
Total Other Financing Sources and Uses	578,875	50,000	-	(1,086,259)	(457,384)
Net change in fund balances	87,706	42,730	-	(1,059,905)	(929,469)
Fund Balance, beginning as restated, see note	1,244,592	9,249	41,855	1,601,551	2,897,247
Fund Balance, Ending	\$ 1,332,298	\$ 51,979	\$ 41,855	\$ 541,646	\$ 1,967,778

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, 2005

	2004 Public Improvement Bonds					2005 Public Improvement Bonds	Total Public Improvement Bonds Fund
	Allegany College, Md Physical Ed (430A)	Allegany College Library Roof (430D)	Washington Street Library (430E)	Bond Interest (430Z)	Bond Closing Costs (4301)	Bond Closing Costs (4311)	
REVENUES:							
Intergovernmental:							
State							
State Dept of Public Safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous:							
Interest	-	-	2,969	18,802	-	-	21,771
Total Revenues	-	-	2,969	18,802	-	-	21,771
EXPENDITURES:							
General government	-	-	-	-	30,810	1,077	31,887
Education	790,086	-	-	-	-	-	790,086
Recreation, culture and libraries	-	-	-	-	-	-	-
Miscellaneous	-	-	-	14,193	-	-	14,193
Payments to component units:							
Board of Education	-	-	-	-	-	-	-
Total Expenditures	790,086	-	-	14,193	30,810	1,077	836,166
OTHER FINANCING SOURCES and (USES):							
Transfers in:							
PAYGO fund	51,510	-	-	-	-	-	51,510
Transfers to:							
Capital projects fund	-	-	(502,969)	-	-	-	(502,969)
Issuance of debt	1,463,490	91,700	500,000	-	30,810	-	2,086,000
Total Other Financing Sources and Uses	1,515,000	91,700	(2,969)	-	30,810	-	1,634,541
Net change in fund balances	724,914	91,700	-	4,609	-	(1,077)	820,146
Fund Balance, beginning	(68,988)	-	-	-	-	-	(68,988)
Fund Balance, Ending	\$ 655,926	\$ 91,700	\$ -	\$ 4,609	\$ -	\$ (1,077)	\$ 751,158

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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, 2005

	Grahamtown	Consol	Barton Ind. Park	Oldtown Road	McCoole
OPERATING REVENUES:					
Service charges	\$ 118,696	\$ 29,740	\$ 1,418	\$ 139,573	\$ 132,797
Miscellaneous	1,502	-	-	1	-
Total Operating Revenues	<u>120,198</u>	<u>29,740</u>	<u>1,418</u>	<u>139,574</u>	<u>132,797</u>
OPERATING EXPENSES:					
Salaries	13,253	3,913	-	15,715	17,860
Fringe benefits	6,468	1,909	-	7,669	8,716
Office expenses	4	1	-	4	5
Utilities	67,360	17,502	9,338	25,312	47,407
Repairs and maintenance	593	42	-	469	1,771
Professional fees	-	-	-	-	-
Materials and supplies	1,090	319	-	1,857	1,849
Insurance	-	-	-	-	-
Indirect cost	3,504	518	-	3,868	4,773
Miscellaneous	-	1	-	-	-
Depreciation	39,577	18,212	3,702	73,891	96,708
Total Operating Expenses	<u>131,849</u>	<u>42,417</u>	<u>13,040</u>	<u>128,785</u>	<u>179,089</u>
Operating Income (Loss)	<u>(11,651)</u>	<u>(12,677)</u>	<u>(11,622)</u>	<u>10,789</u>	<u>(46,292)</u>
NON-OPERATING REVENUE (EXPENSES):					
Debt Service fees	-	-	9,674	-	-
Interest income	1,545	-	-	2,304	4,288
Interest expense	(26,253)	(4,670)	(8,550)	(14,741)	(46,482)
Total Non-operating Revenue (Expenses)	<u>(24,708)</u>	<u>(4,670)</u>	<u>1,124</u>	<u>(12,437)</u>	<u>(42,194)</u>
Income Before Contributions and Transfers	(36,359)	(17,347)	(10,498)	(1,648)	(88,486)
Transfers in:					
General fund	-	-	-	-	-
Revolving building fund	-	-	97,111	-	-
Capital Contributions:					
Federal grants	-	-	192,900	-	-
Change in Net Assets	<u>\$ (36,359)</u>	<u>\$ (17,347)</u>	<u>\$ 279,513</u>	<u>\$ (1,648)</u>	<u>\$ (88,486)</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, 2005

Ellerslie	Eckhart	Hoffman	Route 36 Vale Summit	Borden/ Zhilman	Carlos/ Shaft	Total
\$ 272,007	\$ 226,951	\$ 6,065	\$ 45,644	\$ 73,486	\$ 96,586	\$ 1,142,963
1,124	-	-	-	-	1	2,628
<u>273,131</u>	<u>226,951</u>	<u>6,065</u>	<u>45,644</u>	<u>73,486</u>	<u>96,587</u>	<u>1,145,591</u>
34,522	24,172	884	4,796	8,646	10,350	134,111
16,846	11,795	431	2,341	4,219	5,051	65,445
9	6	-	1	2	3	35
122,664	111,430	3,469	34,078	55,313	55,572	549,445
672	16,141	9	3,114	531	8,367	31,709
500	500	-	-	-	-	1,000
4,636	4,746	70	584	794	4,985	20,930
158	158	-	-	-	-	316
5,391	4,985	192	1,587	2,283	3,005	30,106
-	1	-	-	-	-	2
52,621	52,012	2,336	28,602	34,596	54,614	456,871
<u>238,019</u>	<u>225,946</u>	<u>7,391</u>	<u>75,103</u>	<u>106,384</u>	<u>141,947</u>	<u>1,289,970</u>
35,112	1,005	(1,326)	(29,459)	(32,898)	(45,360)	(144,379)
-	-	-	-	-	-	9,674
5,946	5,348	125	647	3,450	1,214	24,867
-	(20,664)	(352)	-	(14,139)	(22,222)	(158,073)
<u>5,946</u>	<u>(15,316)</u>	<u>(227)</u>	<u>647</u>	<u>(10,689)</u>	<u>(21,008)</u>	<u>(123,532)</u>
41,058	(14,311)	(1,553)	(28,812)	(43,587)	(66,368)	(267,911)
-	-	-	18,803	-	25,000	43,803
-	-	-	-	-	-	97,111
-	-	-	-	256,141	594,811	1,043,852
<u>\$ 41,058</u>	<u>\$ (14,311)</u>	<u>\$ (1,553)</u>	<u>\$ (10,009)</u>	<u>\$ 212,554</u>	<u>\$ 553,443</u>	916,855

Total net assets - beginning, as restated
Total net assets - ending

14,324,748
\$ 15,241,603

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2005

ASSETS	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek	McCoole
Current Assets:							
Cash:							
Cash	\$ 654,552	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	293,753	-	-	-
Investments	170,202	-	-	-	52,219	-	-
Receivables:							
Accounts (net)	2,564	159,341	62,255	197,720	90,615	84,836	14,804
Taxes - restricted	-	16,080	11,897	936	6,767	4,011	4,376
Accounts (net) - restricted	-	-	-	-	9,858	5,843	3,763
Other	1,555,722	-	18,733	-	896	-	-
Due from other funds	-	461,237	758,032	390,365	-	-	-
Inventory	134,746	-	-	-	-	-	-
Total current assets	<u>2,517,786</u>	<u>636,658</u>	<u>850,917</u>	<u>882,774</u>	<u>160,355</u>	<u>94,690</u>	<u>22,943</u>
Noncurrent Assets:							
Land	-	6,750	5,000	500	1,000	1,500	-
Construction in progress	443,821	-	-	-	-	-	-
Capital assets subject to depreciation	2,461,222	5,396,430	2,715,300	3,193,090	4,904,853	6,101,057	2,276,806
Less: Accumulated depreciation	(990,700)	(2,757,348)	(1,368,076)	(2,293,170)	(2,731,172)	(3,359,529)	(1,035,400)
Total noncurrent assets	<u>1,914,343</u>	<u>2,645,832</u>	<u>1,352,224</u>	<u>900,420</u>	<u>2,174,681</u>	<u>2,743,028</u>	<u>1,241,406</u>
Total Assets	<u>4,432,129</u>	<u>3,282,490</u>	<u>2,203,141</u>	<u>1,783,194</u>	<u>2,335,036</u>	<u>2,837,718</u>	<u>1,264,349</u>
LIABILITIES							
Current liabilities:							
Accounts payable	1,157,476	27,118	1,003	57,282	36,286	10,876	\$ 15,345
Accrued wages payable	38,087	-	-	-	-	-	-
Accrued payroll fringe benefits	16,868	-	-	-	-	-	-
Accrued interest payable	5,502	1,750	1,991	-	2,889	906	335
Current portion of long term debt							
Bonds & loans	67,521	3,023	2,761	-	26,513	-	15,056
Advances from other funds	-	-	-	-	16,611	17,794	-
Compensated absences	40,000	-	-	-	-	-	-
Due to other funds	1,404,892	-	-	-	202,171	1,137,833	349,899
Miscellaneous liabilities	27,876	-	-	245,344	-	-	-
Total current liabilities	<u>2,758,222</u>	<u>31,891</u>	<u>5,755</u>	<u>302,626</u>	<u>284,470</u>	<u>1,167,409</u>	<u>380,635</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	500,000	-
Long term debt:							
Bonds & loans	1,164,986	34,668	33,027	-	186,761	-	32,607
Advances from other funds	-	-	-	-	16,711	17,822	-
Compensated absences	238,590	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,403,576</u>	<u>34,668</u>	<u>33,027</u>	<u>-</u>	<u>203,472</u>	<u>517,822</u>	<u>32,607</u>
Total Liabilities	<u>4,161,798</u>	<u>66,559</u>	<u>38,782</u>	<u>302,626</u>	<u>487,942</u>	<u>1,685,231</u>	<u>413,242</u>
NET ASSETS							
Invested in capital assets, net of related debt	(1,779,386)	(2,788,289)	(1,398,864)	(2,292,670)	(2,976,768)	(3,393,645)	(1,083,063)
Restricted for debt service	-	16,080	11,897	936	16,625	9,854	8,139
Unrestricted	2,049,717	5,988,140	3,551,326	3,772,302	4,807,237	4,536,278	1,926,031
Total Net Assets	<u>\$ 270,331</u>	<u>\$ 3,215,931</u>	<u>\$ 2,164,359</u>	<u>\$ 1,480,568</u>	<u>\$ 1,847,094</u>	<u>\$ 1,152,487</u>	<u>\$ 851,107</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2005

Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	654,552
-	-	-	-	-	-	-	-	-	293,753
-	-	-	-	-	-	-	-	-	222,421
3,695	7,583	173,736	16,893	9,878	174,527	4,747	16,595	-	1,019,789
447	3,117	20,866	250	-	4,141	1,515	3,725	-	78,128
2,607	1,321	68,731	2,546	-	-	-	-	-	94,669
-	-	1,380	-	26,136	494	-	-	-	1,603,361
-	-	1,602,324	364,296	-	351,528	1,422	-	489,726	4,418,930
-	-	-	-	-	-	-	-	-	134,746
<u>6,749</u>	<u>12,021</u>	<u>1,867,037</u>	<u>383,985</u>	<u>36,014</u>	<u>530,690</u>	<u>7,684</u>	<u>20,320</u>	<u>489,726</u>	<u>8,520,349</u>
500	3,000	5,968	-	-	2,500	-	1,000	-	27,718
-	-	52,700	-	-	-	-	-	263,800	760,321
852,987	1,103,851	24,000,204	561,728	19,272,113	4,211,255	813,332	2,816,919	-	80,681,147
(408,677)	(522,177)	(9,769,659)	(255,069)	(1,236,819)	(1,038,837)	(183,000)	(542,657)	-	(28,492,290)
<u>444,810</u>	<u>584,674</u>	<u>14,289,213</u>	<u>306,659</u>	<u>18,035,294</u>	<u>3,174,918</u>	<u>630,332</u>	<u>2,275,262</u>	<u>263,800</u>	<u>52,976,896</u>
<u>451,559</u>	<u>596,695</u>	<u>16,156,250</u>	<u>690,644</u>	<u>18,071,308</u>	<u>3,705,608</u>	<u>638,016</u>	<u>2,295,582</u>	<u>753,526</u>	<u>61,497,245</u>
147	5,056	15,133	992	30,114	85,975	-	7,248	(885)	1,449,166
-	-	-	-	4,868	-	-	-	-	42,955
-	-	-	-	2,500	-	-	-	-	19,368
207	2,931	19,810	-	30,614	7,721	894	3,390	-	78,940
2,907	8,720	39,656	-	390,403	75,950	2,047	7,763	-	642,320
-	-	23,278	-	-	-	-	-	-	57,683
-	-	-	-	-	-	-	-	-	40,000
27,922	43,184	-	-	586,597	-	-	4,653	-	3,757,151
-	-	-	-	1,437	-	-	-	-	274,657
<u>31,183</u>	<u>59,891</u>	<u>97,877</u>	<u>992</u>	<u>1,046,533</u>	<u>169,646</u>	<u>2,941</u>	<u>23,054</u>	<u>(885)</u>	<u>6,362,240</u>
-	-	-	-	-	-	-	-	-	500,000
17,394	52,182	356,732	-	7,489,801	579,594	129,761	492,118	-	10,569,631
-	-	23,078	-	-	-	-	-	-	57,611
-	-	-	-	-	-	-	-	-	238,590
<u>17,394</u>	<u>52,182</u>	<u>379,810</u>	<u>-</u>	<u>7,489,801</u>	<u>579,594</u>	<u>129,761</u>	<u>492,118</u>	<u>-</u>	<u>11,365,832</u>
<u>48,577</u>	<u>112,073</u>	<u>477,687</u>	<u>992</u>	<u>8,536,334</u>	<u>749,240</u>	<u>132,702</u>	<u>515,172</u>	<u>(885)</u>	<u>17,728,072</u>
(428,478)	(580,079)	(10,153,735)	(255,069)	(9,117,023)	(1,691,881)	(314,808)	(1,041,538)	263,800	(39,031,496)
3,054	4,438	89,597	2,796	-	4,141	1,515	3,725	-	172,797
<u>828,406</u>	<u>1,060,263</u>	<u>25,742,701</u>	<u>941,925</u>	<u>18,651,997</u>	<u>4,644,108</u>	<u>818,607</u>	<u>2,818,223</u>	<u>490,611</u>	<u>82,627,872</u>
<u>\$ 402,982</u>	<u>\$ 484,622</u>	<u>\$ 15,678,563</u>	<u>\$ 689,652</u>	<u>\$ 9,534,974</u>	<u>\$ 2,956,368</u>	<u>\$ 505,314</u>	<u>\$ 1,780,410</u>	<u>\$ 754,411</u>	<u>\$ 43,769,173</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, 2005

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek	McCoole
OPERATING REVENUES:							
Service charges	\$ 9,047	\$ 595,079	\$ 287,141	\$ 785,897	\$ 336,425	\$ 302,871	\$ 58,926
Miscellaneous	-	-	-	-	-	-	-
Total Operating Revenues	9,047	595,079	287,141	785,897	336,425	302,871	58,926
OPERATING EXPENSES:							
Wages and salaries	2,811	86,967	36,983	70,116	72,325	53,266	10,666
Employee benefits	1,273	42,439	18,047	34,216	35,294	25,993	5,205
Office expenses	175	8,608	4,347	5,290	5,459	4,220	803
Utilities	5,021	235,426	11,520	33,839	20,498	17,574	7,423
Repairs and maintenance	531	15,444	13,087	27,707	19,230	7,351	2,337
Contractual services	97	5,276	2,243	4,251	4,387	3,229	645
Water/Sewage treatment costs	-	219,126	187,794	613,849	195,403	163,221	75,637
Professional fees	26	1,432	609	1,154	1,191	877	175
Materials and supplies	2,843	22,357	7,734	21,232	13,634	11,047	4,628
Insurance	331	18,109	7,699	14,591	15,056	14,156	2,214
Indirect cost	556	30,424	12,935	24,513	25,295	18,620	3,720
Miscellaneous	18	1,322	1,113	783	808	594	119
Depreciation	546	131,415	64,403	103,990	118,686	136,769	52,629
Total Operating Expenses	14,228	818,345	368,514	955,531	527,266	456,917	166,201
Operating Income (Loss)	(5,181)	(223,266)	(81,373)	(169,634)	(190,841)	(154,046)	(107,275)
NON-OPERATING REVENUE (EXPENSES):							
Real and personal property taxes	-	151,120	144,080	10,734	86,532	30,210	13,936
Interest & Penalties, taxes	-	3,858	1,904	253	2,210	1,002	877
Discounts, taxes	-	(777)	(718)	(56)	(429)	(147)	(39)
Enterprise/industrial exemptions	-	-	-	42	10	-	-
Collection fees	-	(3,393)	(3,112)	(245)	(1,979)	(694)	(295)
Front footage assessments	-	46	-	-	10,363	18,081	9,712
Interest income	156	11,964	5,296	6,792	10,924	10,774	3,957
Interest income, debt service	-	125	-	-	285	435	523
Interest expense	(12,205)	(3,199)	(3,085)	-	(21,098)	(2,884)	(3,294)
Allocated debt service revenue	79,699	(8,500)	(6,877)	(13,031)	(13,444)	(9,898)	(1,980)
Sale of capital assets	(138)	-	-	-	-	-	-
Miscellaneous non-operating revenue	-	-	-	7,431	-	-	-
Total Nonoperating revenue (expenses)	67,512	151,244	137,488	11,920	73,374	46,879	23,397
Income Before Contributions and Transfers	62,331	(72,022)	56,115	(157,714)	(117,467)	(107,167)	(83,878)
Capital Contributions:							
Federal	-	59,192	59,192	-	-	-	-
State	-	-	-	-	-	-	-
Transfers in:							
General Fund	-	-	-	-	-	-	-
PAYGO Capital Projects Fund	-	-	-	-	-	-	-
Change in Net Assets	62,331	(12,830)	115,307	(157,714)	(117,467)	(107,167)	(83,878)
Net assets - beginning	208,000	3,228,761	2,049,052	1,638,282	1,964,561	1,259,654	934,985
Net assets - ending	\$ 270,331	\$ 3,215,931	\$ 2,164,359	\$ 1,480,568	\$ 1,847,094	\$ 1,152,487	\$ 851,107

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, 2005

Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
\$ 10,881	\$ 23,346	\$ 571,781	\$ 79,249	\$ 597,497	\$ 1,045,771	\$ 16,818	\$ 69,603	\$ 48	\$ 4,790,380
1,830	1,815	-	-	113,866	-	-	-	-	117,511
<u>12,711</u>	<u>25,161</u>	<u>571,781</u>	<u>79,249</u>	<u>711,363</u>	<u>1,045,771</u>	<u>16,818</u>	<u>69,603</u>	<u>48</u>	<u>4,907,891</u>
3,817	6,293	187,092	4,796	99,909	24,992	3,724	14,389	-	678,146
1,727	2,849	84,910	2,341	50,683	12,196	1,817	7,022	-	326,012
169	274	8,419	360	6,766	1,925	281	1,084	95	48,275
9,075	9,594	82,190	12,579	228,496	565,467	183	30,096	8,274	1,277,255
1,424	2,241	32,377	2,499	16,334	23,184	179	1,978	-	165,903
136	220	6,765	289	-	1,514	226	871	-	30,149
50	380	2,494	7,036	3,778	120,627	11,366	7,798	-	1,608,559
37	60	1,837	79	13,004	411	61	237	-	21,190
1,248	1,783	31,574	1,637	79,567	14,598	657	11,740	-	226,279
2,165	2,454	34,698	993	-	5,195	776	2,991	-	121,428
782	1,269	39,064	1,669	-	8,727	1,304	5,024	-	173,902
25	40	4,106	53	-	279	42	161	-	9,463
17,568	23,501	513,174	12,533	130,211	97,295	21,360	81,647	-	1,505,727
<u>38,223</u>	<u>50,958</u>	<u>1,028,700</u>	<u>46,864</u>	<u>628,748</u>	<u>876,410</u>	<u>41,976</u>	<u>165,038</u>	<u>8,369</u>	<u>6,192,288</u>
<u>(25,512)</u>	<u>(25,797)</u>	<u>(456,919)</u>	<u>32,385</u>	<u>82,615</u>	<u>169,361</u>	<u>(25,158)</u>	<u>(95,435)</u>	<u>(8,321)</u>	<u>(1,284,397)</u>
1,947	8,679	158,404	6,127	-	21,916	9,983	40,383	-	684,051
110	470	5,897	80	-	897	490	1,144	-	19,192
(10)	(38)	(875)	(52)	-	(110)	(32)	(59)	-	(3,342)
-	-	-	-	-	-	-	-	-	52
(45)	(179)	(3,666)	(140)	-	(502)	(242)	(937)	-	(15,429)
2,439	3,651	70,835	2,740	-	-	-	-	-	117,867
519	736	18,182	677	49,944	2,697	836	1,514	-	124,968
68	104	1,846	-	-	-	-	-	-	3,386
(1,377)	(3,820)	(28,253)	-	(60,113)	(38,439)	(5,974)	(22,658)	-	(206,399)
(413)	(676)	(19,430)	(704)	-	(1,379)	(694)	(2,673)	-	0
-	-	-	-	-	-	-	-	-	(138)
-	-	-	-	273,536	-	-	-	-	280,967
<u>3,238</u>	<u>8,927</u>	<u>202,940</u>	<u>8,728</u>	<u>263,367</u>	<u>(14,920)</u>	<u>4,367</u>	<u>16,714</u>	<u>-</u>	<u>1,005,175</u>
<u>(22,274)</u>	<u>(16,870)</u>	<u>(253,979)</u>	<u>41,113</u>	<u>345,982</u>	<u>154,441</u>	<u>(20,791)</u>	<u>(78,721)</u>	<u>(8,321)</u>	<u>(279,222)</u>
-	-	-	-	-	-	-	-	263,800	382,184
-	-	-	-	1,776,884	-	-	-	-	1,776,884
-	-	-	-	-	-	-	-	295,264	295,264
-	-	-	-	-	-	-	-	203,668	203,668
<u>(22,274)</u>	<u>(16,870)</u>	<u>(253,979)</u>	<u>41,113</u>	<u>2,122,866</u>	<u>154,441</u>	<u>(20,791)</u>	<u>(78,721)</u>	<u>754,411</u>	<u>2,378,778</u>
425,256	501,492	15,932,542	648,539	7,412,108	2,801,927	526,105	1,859,131	0	41,390,395
<u>\$ 402,982</u>	<u>\$ 484,622</u>	<u>\$ 15,678,563</u>	<u>\$ 689,652</u>	<u>\$ 9,534,974</u>	<u>\$ 2,956,368</u>	<u>\$ 505,314</u>	<u>\$ 1,780,410</u>	<u>\$ 754,411</u>	<u>\$ 43,769,173</u>

ALLEGANY COUNTY, MARYLAND
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2005

	Balance July 1, 2004	Additions	Deductions	Balance June 30, 2005
ASSETS:				
Taxes levied for State:				
Taxes receivable - State	\$ 263,770	\$ 3,127,609	\$ 3,067,577	\$ 323,802
Bay restoration fee	-	171,348	87,081	84,267
Other receivables	1,935	6,979	8,913	1
Taxes levied for Special Areas:				
Lonaconing, Town of	8,415	102,592	104,667	6,340
Midland, Town of	2,898	27,115	26,961	3,052
Westernport, Town of	34,564	297,674	296,074	36,164
Cumberland differential	49,457	3,428	34,568	18,317
Bel Air Special Tax Area	857	23,030	23,087	800
Bowling Green Fire Co.	3,390	24,529	24,896	3,023
Bedford Road Fire Co.	1,676	26,735	26,416	1,995
Bowling Green Special Tax Area	1,287	9,339	9,445	1,181
Cresaptown Ambulance	7,828	94,715	94,641	7,902
Cresaptown Civic Imp. Assoc.	1,349	16,909	16,417	1,841
Cresaptown Fire Co.	7,911	123,302	122,528	8,685
Corriganville Light & Imp.	1,590	11,508	11,669	1,429
Ellerslie Special Tax Area	871	5,935	6,001	805
LaVale Volunteer Fire Dept.	7,414	112,675	112,018	8,071
LaVale Rescue Squad	3,714	56,337	56,005	4,046
LaVale Sanitary District	30,642	400,956	400,325	31,273
McCoole Special Tax Area	776	3,310	3,048	1,038
Moscow Light	207	2,399	2,229	377
Mt. Savage Special Tax Area	997	7,452	7,312	1,137
Potomac Park Special Tax Area	1,413	7,846	8,184	1,075
Rawlings Fire Co.	2,130	21,877	22,128	1,879
Sub-total special areas	169,386	1,379,663	1,408,619	140,430
Due from other funds	242,048	4,924,793	4,905,554	261,287
Total Assets	<u>\$ 677,139</u>	<u>\$ 9,610,392</u>	<u>\$ 9,477,744</u>	<u>\$ 809,787</u>
LIABILITIES:				
Accounts payable	\$ 243,983	\$ 5,103,120	\$ 5,001,548	\$ 345,555
A/P Special Areas	169,386	1,379,663	1,408,619	140,430
Taxes payable - State	263,770	3,127,609	3,067,577	323,802
A/P Bay restoration fee	-	171,348	87,081	84,267
Total Liabilities	<u>\$ 677,139</u>	<u>\$ 9,610,392</u>	<u>\$ 9,477,744</u>	<u>\$ 809,787</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, 2005 and 2004

ASSETS	Primary Government			
	At June 30, 2005			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2004
Land	\$ 15,773,610	\$ -	\$ 15,773,610	\$ 11,866,134
Construction in progress	4,707,638	-	4,707,638	3,278,693
Buildings	43,251,296	11,759,303	31,491,993	31,876,240
Infrastructure	35,871,506	24,783,601	11,087,905	11,025,339
Furniture & fixtures	952,127	777,305	174,822	171,411
Machinery & equipment	4,390,180	2,816,181	1,573,999	1,475,419
Vehicles	6,991,516	5,484,722	1,506,794	1,603,321
Heavy equipment	3,380,880	2,557,836	823,044	925,532
Other fixed assets	874,393	375,304	499,089	478,962
Total Assets	<u>\$ 116,193,146</u>	<u>\$ 48,554,252</u>	<u>\$ 67,638,894</u>	<u>\$ 62,701,051</u>
FUND EQUITY				
Investment in general fixed assets acquired before July 1, 1993 - source unidentified			\$ 12,197,141	\$ 12,753,602
Investment in construction in progress			4,707,637	3,278,693
Investment in general fixed assets by source:				
General Fund:				
General revenues			3,163,919	2,652,153
Federal grants			1,029,714	832,266
State grants			1,208,612	649,830
Miscellaneous revenues			433,416	436,921
Debt proceeds			167,777	18,060
Special Revenue Funds:				
General revenues			39,684,351	39,724,205
Federal grants			3,560,289	3,348,376
State grants			929,135	955,704
Miscellaneous revenues			821,934	165,276
Debt proceeds			3,240,862	3,240,862
Capital Project Funds:				
General revenues			9,141,926	9,949,124
Federal grants			5,418,191	4,017,182
State grants			18,723,600	15,487,529
Miscellaneous revenues			1,003,325	1,132,524
Debt proceeds			9,389,727	8,722,357
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(48,554,252)	(46,035,203)
Total Fund Equity			<u>\$ 67,638,894</u>	<u>\$ 62,701,051</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2005

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Fixed Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 1,732,959	\$ 4,466,933	\$ 39,776	\$ 132,989	\$ 1,185,106	\$ 339,178	\$ 122,482	\$ 207,312	\$ 8,226,735	\$ (2,201,100)	\$ 6,025,635
Public Safety	1,508,203	16,816,159	-	145,319	2,408,657	1,046,030	103,941	1,412,820	23,441,129	(3,815,961)	19,625,168
Public Works	1,099,485	1,170,542	35,617,442	298,253	622,547	5,240,919	3,531,977	132,315	47,713,480	(33,114,400)	14,599,080
Health	30,079	698,734	-	371,160	-	-	4,121	-	1,104,094	(630,232)	473,862
Social Services	116	-	-	-	44,684	260,777	-	-	305,577	(214,838)	90,739
Recreation & Culture	583,119	2,620,688	214,288	246	6,528	39,248	414,531	-	3,878,648	(3,273,375)	3,273,375
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(269,383)	1,367,650
Natural Resources	-	-	-	-	15,839	15,999	-	-	31,838	(28,014)	3,824
Urban Development & Housing	56,640	646,220	-	4,160	28,400	9,302	-	-	744,722	(309,866)	434,856
Economic Development	10,757,009	15,200,987	-	-	78,419	40,063	78,221	2,955,191	29,109,890	(7,365,185)	21,744,705
Total General Fixed Assets	\$ 15,773,610	\$ 43,251,296	\$ 35,871,506	\$ 952,127	\$ 4,390,180	\$ 6,991,516	\$ 4,255,273	\$ 4,707,638	\$ 116,193,146	\$ (48,554,252)	\$ 67,638,894

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2005

Function	General Fixed Assets June 30, 2004	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Total Cost	Accumulated Depreciation June 30, 2004	Less Current Year Depreciation	Add Depreciation on Disposals	General Fixed Assets June 30, 2005
General Government	\$ 8,025,824	\$ -	\$ 33,847	\$ 215,865	\$ (48,801)	\$ 8,226,735	\$ (1,705,850)	\$ (508,318)	\$ 13,068	\$ 6,025,635
Public Safety	21,529,627	-	-	2,019,077	(105,425)	23,443,279	(3,067,390)	(752,254)	3,683	19,627,318
Public Works	47,263,169	-	(2,150)	869,668	(419,357)	47,711,330	(32,476,340)	(1,057,417)	419,357	14,596,930
Health	1,101,402	-	-	2,692	-	1,104,094	(569,595)	(60,637)	-	473,862
Social Services	331,509	-	-	-	(25,932)	305,577	(215,073)	(25,697)	25,932	90,739
Recreation & Culture	3,862,779	-	-	15,869	-	3,878,648	(504,133)	(101,140)	-	3,273,375
Libraries	757,813	-	-	879,220	-	1,637,033	(241,450)	(127,933)	-	1,367,650
Natural Resources	31,838	-	-	-	-	31,838	(23,109)	(4,905)	-	3,824
Urban Development & Housing	732,101	-	-	12,621	-	744,722	(285,804)	(24,062)	-	434,856
Economic Development	25,100,192	(2,100,781)	(31,697)	6,157,366	(15,190)	29,109,890	(6,946,459)	(433,916)	15,190	21,744,705
Total General Fixed Assets	\$ 108,736,254	\$ (2,100,781)	\$ -	\$ 10,172,378	\$ (614,705)	\$ 116,193,146	\$ (46,035,203)	\$ (2,996,279)	\$ 477,230	\$ 67,638,894

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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:	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
General Property Taxes	\$ 28,460,485	\$ 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
Income Taxes	21,472,667	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
Local Taxes	3,120,857	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
State Shared Taxes	-	-	-	-	-	-	-	-	-	-
Licenses and Permits	583,575	606,228	580,355	558,218	534,121	508,317	486,641	468,556	486,796	469,666
Federal Government	1,418,977	1,020,942	1,169,271	1,313,035	1,305,970	1,300,660	1,405,030	1,027,725	962,718	744,840
State Government	7,447,756	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
Intergovernmental-other	122,820	53,618	59,344	19,794	20,364	24,802	9,573	20,908	35,419	20,418
Service Charges	3,096,903	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
Fines and Forfeitures	31,808	(23,118)	99,477	28,727	29,382	64,177	31,037	8,208	9,899	10,491
Miscellaneous:										
Interest	301,620	154,836	276,725	504,137	1,046,616	926,607	808,964	776,247	654,849	757,582
Rents	288,481	265,139	214,668	176,044	230,429	425,315	403,918	420,180	425,683	426,770
Sale of Assets	14,222	18,674	6,376	160,849	645,817	96,274	-	-	13,527	201,539
Other Miscellaneous	73,518	44,950	104,141	104,507	79,403	72,823	75,539	113,431	58,803	104,728
Lease proceeds	-	-	-	-	-	-	41,008	-	-	-
Transfers In	483,957	782,248	1,191,191	1,068,543	855,563	852,317	772,099	756,944	876,710	625,001
TOTAL REVENUES AND OTHER FINANCING SOURCES	66,917,646	65,952,056	62,147,611	59,368,160	59,453,113	55,579,205	54,525,157	51,723,230	48,468,817	46,781,071

(Continued)

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

EXPENDITURES *	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
General Government	6,237,824	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
Public Safety	11,270,625	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
Public Works	1,988,382	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
Conservation of Health	1,334,675	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
Social Services	1,815,439	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
Education	31,211,487	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
Recreation and Culture	1,319,238	1,197,091	1,169,679	1,269,568	1,006,248	930,749	936,286	944,854	697,053	720,899
Conservation of Natural Resources	254,764	223,675	236,697	212,488	232,807	189,422	179,116	171,048	178,638	176,383
Community Devel. & Housing	284,280	102,266	8,000	174,046	166,293	137,063	135,176	22,200	22,200	22,200
Economic Development	1,506,011	1,497,819	1,271,234	921,982	848,455	843,079	760,030	634,082	713,478	690,479
Intergovernmental	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704	28,704
Miscellaneous	9,082	9,953	10,517	4,678	11,693	21,332	11,383	11,333	108,706	14,373
TOTAL EXPENDITURES	57,260,511	55,893,155	54,456,753	52,330,845	50,720,903	46,110,285	43,939,151	42,117,691	40,830,923	39,531,986
OTHER FINANCING USES:										
Transfers to:										
Debt Service Fund	4,717,070	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
Highway Fund	1,979,741	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
Transit Fund	129,920	93,578	108,438	124,705	132,548	167,726	159,366	172,165	163,742	207,880
Housing Funds	166,170	137,779	210,014	177,382	143,547	119,249	93,925	202,023	225,420	222,483
Other Special Revenue Funds	294,576	85,943	28,904	45,776	41,854	14,759	13,844	51,810	51,252	176,300
Capital Project Funds	2,027,868	1,198,304	341,735	110,203	820,831	1,748,057	2,785,029	2,421,155	994,504	839,930
Other Enterprise Funds	339,067	-	-	152,000	1,518,378	-	212,000	-	-	200,000
TOTAL OTHER FINANCING USES	9,654,412	7,934,586	7,014,310	7,150,175	10,475,544	9,087,124	9,188,828	8,417,618	6,397,584	6,653,250
TOTAL EXPENDITURES AND OTHER FINANCING USES	66,914,923	63,827,741	61,471,063	59,481,020	61,196,447	55,197,409	53,127,979	50,535,309	47,228,507	46,185,236
Excess (deficiency) of revenues and other sources over expenditures and other uses	2,723	2,124,315	676,548	(112,860)	(1,743,334)	381,796	1,397,178	1,187,921	1,240,310	595,835
Prior Period Adjustment	0	0	0	0	(266,016)					
Beginning fund balance	12,699,553	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
Fund Balance (deficit), ending	\$ 12,702,276	\$ 12,699,553	\$ 10,575,238	\$ 9,898,690	\$ 10,011,550	\$ 12,020,900	\$ 11,639,104	\$ 10,241,926	\$ 9,054,005	\$ 7,813,695

* 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 (seven 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 7.28% for the Management Contractual Employees Plan.

Contribution for Fiscal Year	Pension System Current Year Service Cost	Retirement System Current Year Service Cost	Defined Contribution Service Cost	Total	
				County	Contributions
2005	\$ 1,000,502	\$ 146,690	\$ 29,346	\$	1,176,538
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

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)
2005	\$ 2,346,218,412	\$ 2,346,218,412	\$ 10,253,280	\$ 10,253,280	\$ 351,375,290	\$ 351,375,290	\$ 2,707,846,982	\$ 2,707,846,982
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

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
2005	\$ 22,263,407	\$ 20,665,094	92.82%	\$ 22,263,407	\$ 20,665,094	92.82%
2004	21,239,040	19,838,116	93.40%	21,239,040	20,590,025	96.94%
2003	20,190,074	18,729,500	92.77%	20,182,207	20,143,692	99.81%
2002	19,739,787	18,208,781	92.24%	19,691,339	19,652,652	99.80%
2001	19,287,454	17,801,226	92.29%	19,247,008	19,218,557	99.85%
2000	18,779,731	17,392,441	92.61%	18,700,181	18,673,755	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%

**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
2005	\$ 249,585	\$ 217,982	87.34%	\$ 249,585	\$ 217,982	87.34%
2004	274,789	216,817	78.90%	268,724	226,021	84.11%
2003	249,305	196,207	78.70%	242,151	208,902	86.27%
2002	240,872	195,019	80.96%	238,690	216,401	90.66%
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%

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, 2005.

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
2005	\$ 8,501,900	\$ 8,407,644	98.89%	\$ 8,501,900	\$ 8,407,644	98.89%
2004	8,897,728	8,790,614	98.80%	8,795,109	8,763,380	99.64%
2003	9,282,992	9,163,854	98.72%	9,309,737	9,250,963	99.37%
2002	11,671,917	11,416,395	97.81%	11,665,688	11,606,404	99.49%
2001	15,858,558	15,708,793	99.06%	15,786,966	15,750,136	99.77%
2000	17,560,034	17,393,342	99.05%	17,449,140	17,419,950	99.83%
1999	12,431,900	12,085,500	97.21%	12,411,316	12,364,248	99.62%
1998	10,061,447	9,625,733	95.67%	9,972,977	9,949,869	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%

**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
2005	31,014,892	29,290,720	94.44%	31,014,892	29,290,720	94.44%
2004	30,411,557	28,845,547	94.85%	30,302,873	29,579,426	97.61%
2003	29,722,371	28,089,561	94.51%	29,734,095	29,603,557	99.56%
2002	31,652,576	29,820,195	94.21%	31,595,717	31,475,457	99.62%
2001	35,337,738	33,680,300	95.31%	35,238,482	35,161,844	99.78%
2000	36,598,910	34,990,684	95.61%	36,360,206	36,297,679	99.83%
1999	30,745,780	28,844,289	93.82%	30,635,285	30,559,122	99.75%
1998	27,637,603	25,758,866	93.20%	27,499,215	27,447,694	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%

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, 2005.

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

	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<u>Allegany County Tax Rates</u>										
Barton	0.9724	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480	0.9480	0.9480	0.9520
Cumberland	0.9248	1.0000	0.9838	0.9840	0.9040	0.9040	0.9040	0.9000	0.9040	0.9000
Frostburg	0.9305	0.9312	0.9128	0.9128	0.9120	0.9120	0.9120	0.9120	0.9120	0.9120
Lonaconing	0.9517	0.9535	0.9334	0.9330	0.9320	0.9320	0.9320	0.9320	0.9320	0.9320
Luke	0.9484	0.9498	0.9299	0.9287	0.9280	0.9280	0.9280	0.9280	0.9240	0.9240
Midland	0.9724	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480	0.9480	0.9480	0.9520
Westernport	0.9517	0.9535	0.9344	0.9330	0.9320	0.9320	0.9320	0.9320	0.9320	0.9320
Unincorporated	1.0007	1.0000	0.9838	0.9840	0.9840	0.9880	0.9880	0.9880	0.9880	0.9920
<u>Municipal Tax Rates</u>										
Barton	0.2220	0.2220	0.2260	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320	0.2320
Cumberland	0.9479	0.8720	0.8720	0.8720	1.0400	1.0480	1.0480	1.0480	1.0480	1.0480
Frostburg	0.5500	0.5500	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	0.3500	0.2400	0.2400	0.2400	0.2400	0.2400	0.2320	0.2120	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	0.6000
<u>Special Taxing Areas</u>										
<u>Sanitary Districts</u>										
Bedford Road	0.1000	0.1000	0.1000	0.1000	0.0880	0.0880	0.0880	0.0880	0.0880	0.0960
Bowling Green	0.2530	0.1580	0.1480	0.1480	0.1440	0.1560	0.1560	0.1560	0.1560	0.1600
Braddock Run	0.0040	0.0040	0.0040	0.0040	0.0040	0.0160	0.0160	0.0160	0.0200	0.0320
Cresaptown	0.3000	0.1600	0.0480	0.0480	0.0360	0.0360	0.0360	0.0360	0.0360	0.0400
Jennings Run - Wills Creek	0.0520	0.0520	0.0520	0.0520	0.0320	0.0320	0.0320	0.0320	0.0320	0.0480
Cash Valley Subdistrict	0.2440	0.2440	0.2440	0.2440	0.2320	0.2440	0.2440	0.2440	0.2440	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	0.0960	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	0.1840	0.2000	0.2000	0.2000	0.2000	0.2000
Oldtown Road	0.2600	0.2600	0.2600	0.2600	0.2600	0.3840	0.3840	0.3840	0.3840	0.0000
<u>Other Special Districts</u>										
Bedford Road Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bel Air Special Tax Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bowling Green and Roberts Place	0.0320	0.0320	0.0400	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Bowling Green Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Corriganville Light & Imp Assoc.	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Cresaptown Ambulance Taxing Area	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0200	0.0200	0.0200	0.0200
Cresaptown Civic Improvement Assoc	0.0400	0.0400	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	0.0520	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	0.1000	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	0.0600

Notes:

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

All tax rates are per \$100 of assessed value. Fiscal 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>
2005	\$ 2,422,536	\$ 159,055	\$ 439,378	\$ 3,020,969
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

(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>
1996	0	-	9,590	(9,590)
1997	(9,590)	-	15,243	(24,833)
1998	(24,833)	-	20,650	(45,483)
1999	(45,483)	-	7,573	(53,056)
2000	(53,056)	-	5,645	(58,701)
2001	15,467	-	6,635	8,832
2002	8,832	-	3,993	4,839
2003	4,839	-	3,320	1,519
2004	1,519	116,900	20,067	98,352
2005	98,352	-	9,985	88,367

Source: Allegany County Tax Office and Finance Office

ALLEGANY COUNTY, MARYLAND
LEGAL DEBT LIMITATION
June 30, 2005

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, 2004 (1)

Name of Governmental Unit	Net Debt Outstanding	Allegany County's Share of The Debt (2)	Overlapping Debt
Allegany County	\$ 36,597,447	\$ 36,597,447	\$ -
Cumberland	5,449,513	-	-
Frostburg	504,809	-	-
Westernport	106,460	-	-
	<u>\$ 42,658,229</u>	<u>\$ 36,597,447</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 it's 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

Fiscal Year	Long Term Debt	Short Term Debt
2005	\$ 34,850,072	\$ -
2004	36,597,447	-
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	-

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>
2005	\$ 11,327,245	\$ -	\$ 4,106,371	\$ -
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	-

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 Debt Service	Principal	Interest	Total	Coverage
2005	\$ 6,138,374	\$ 4,705,332	\$ 1,433,042	\$ 342,541	\$ 202,197	\$ 544,738	2.63%
2004	5,380,331	4,121,055	1,259,276	379,008 (3)	219,141	598,146	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%

WATER DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2005	\$ 1,180,132	\$ 833,099	\$ 347,033	\$ 48,352	\$ 156,242	\$ 204,594	1.70%
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%

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>
2005	\$ 34,850,072	\$ 2,707,846,982 (4)	1.29%	73,871	\$ 472
2004	36,597,447	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

- 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) Source: U.S. Bureau of the Census, Population Estimates Branch
(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>
2005	\$ 3,575,046	\$ 1,300,663	\$ -	\$ 4,875,709	\$ 66,914,923	7.29%
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%

(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>
2005	73,871	N/A	9,840	6.8%
2004	73,830	N/A	9,926	7.6%
2003	73,999	23,462	10,128	6.4%
2002	74,390	22,686	10,180	6.1%
2001	74,818	21,826	10,425	7.6%
2000	74,930	20,810	10,678	7.9%
1999	75,288	19,655	10,987	7.2%
1998	75,547	19,113	11,110	8.9%
1997	75,310	18,709	11,190	9.9%
1996	75,132	17,912	11,300	8.8%

N/A - Not available

Source: (1) Maryland Department Of Planning

(2) Figures are 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 05, 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	Non-Taxable
2005	17	\$ 13,795	103	\$ 11,321	\$ 617,339	\$ 571,298	\$ 1,630,276	\$ 912,479
2004	31	11,609	101	10,620	603,263	562,048	1,593,249	836,862
2003	15	450	96	7,543	631,782	546,354	1,541,841	807,414
2002	13	3,349	108	9,904	653,667	533,931	1,500,992	790,379
2001	25	13,565	87	6,460	664,406	211,168	585,853	303,311
2000	15	2,473	117	7,427	685,786	207,328	566,802	297,999
1999	17	3,960	110	6,780	695,208	199,843	540,770	289,478
1998	23	3,682	118	7,288	701,879	199,719	516,343	273,321
1997	34	16,147	162	10,119	1,867,000	194,441	496,980	254,293
1996	18	19,094	163	9,311	1,213,358	187,185	480,916	246,540

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 2005**

Name of Taxpayer	Assessment	Percentage of Assessable Base	Gross Tax	Industrial Exemption	Net Tax	Percentage of Tax Revenues
AES WR Limited Partnership	\$ 144,160,426	5.32%	\$ 3,355,356	\$ 3,286,506	\$ 68,850	0.24%
New Page Corporation	81,162,770	3.00%	1,054,795	-	1,054,795	3.71%
Potomac Edison Co.	45,600,920	1.68%	1,106,739	-	1,106,739	3.89%
Verizon - Maryland	34,428,620	1.27%	822,074	-	822,074	2.89%
Lavale Associates	29,633,766	1.09%	388,878	-	388,878	1.37%
Columbia Gas of Maryland, Inc.	20,288,580	0.75%	486,594	-	486,594	1.71%
CSX Transportation	16,041,780	0.59%	288,343	-	288,343	1.01%
Memorial Hospital	8,868,990	0.33%	94,816	-	94,816	0.33%
American Woodmark Corp	8,506,300	0.31%	34,602	23,322	11,280	0.04%
Hunter Douglas Northeast	8,417,240	0.31%	93,548	60,571	32,977	0.12%

Source: Allegany County Tax Office and
Allegany County Finance Office

ALLEGANY COUNTY, MARYLAND
MISCELLANEOUS STATISTICAL DATA
June 30, 2005

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	22	Vocational Education	1
State Troopers	38	Community College	1
Fire and Rescue Units:		State University	1
Volunteer Fire Stations	23	Enrollment: (Spring 2005)	
Paid Fire Departments	1	Public School System	9,746
Rescue Units	4	Community College	3,291
Medivac Units	1	State University	4,840

Building Permits Issued for the Fiscal Year Ending June 30, 2005
(Does not include several municipalities)

	<u>No. Issued</u>	<u>Estimated Value</u>	Elections:	
Apartments	0	-	(registration as of June 30, 2005)	
Residential	103	\$ 11,320,943	Democratic voters	16,671
Commercial & Industrial	17	13,794,900	Republican voters	19,167
Other	349	3,127,124	Other parties	103
Totals	<u>469</u>	<u>\$ 28,242,967</u>	Unaffiliated/Others	4,194
			Total registered voters	<u>40,135</u>

Percentage of voters casting ballots
last general election (2004) 75%

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 2005**

<u>Employer</u>	<u>Product or Service</u>	<u>Estimated Employment</u>
Western Maryland Health Systems	Health Services	2,338
Allegany County Board of Education	Public School System	1,335
New Page Corporation	Printing and Sheeted Papers	1,150
CSX Transportation	Rail Transportation	925
Frostburg State University	Higher Education, 4 Year Institution	925
Western Correctional Institute	Correctional Facility	798
Allegany College	Higher Education, 2 Year Institution	700
Allegany County	Local County Government (Full time only)	560
ACS	Call Center	550
Hunter Douglas	Window Coverings	540
Bayliner	Boat Manufacturer	460
Biederlack Company, Inc	Blanket Manufacturer	407
Federal Correctional Institute	Correctional Facility	289
City of Cumberland	Municipal Government	270
S. Schwab Company	Knit Goods	225

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, 2004 THROUGH JUNE 30, 2005
ALLEGANY COUNTY, MARYLAND

FUNDS	FY 2005 Local Fee	State Fee 9-1-1 Numbering System	FY 2005 State Misc.	FY 2005 County Funding	FY 2005 Total
Receipts	<u>\$ 467,321</u>	<u>\$ 3,109</u>	<u>\$ -</u>	<u>\$ 548,987</u>	<u>\$ 1,019,417</u>
Total Funds Available	<u>467,321</u>	<u>3,109</u>	<u>-</u>	<u>548,987</u>	<u>1,019,417</u>
EXPENDITURES					
Personnel costs	397,223	-	-	308,059	705,282
Non-personnel cost:					
Telephone	31,544	-	-	58,306	89,850
Equipment purchased/leased	6,309	-	-	11,639	17,948
Repairs	5,608	-	-	9,881	15,489
Utilities	3,505	-	-	6,376	9,881
Miscellaneous	23,132	3,109	-	40,398	66,639
Ineligible expenditures	-	-	-	114,328	114,328
Total Expenditures	<u>467,321</u>	<u>3,109</u>	<u>-</u>	<u>548,987</u>	<u>1,019,417</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. 2005

Fire, Rescue And Ambulance Expenditures:	
Fire Companies	\$ 851,698
Fire Suppression	-
Total Expenditures	<u>851,698</u>
Less Loan Payments	(3,339)
Plus New Loans	-
Gross Expenditures	<u>848,359</u>
Less Non Qualified Expenditures	(19,025)
Net Expenditures	<u><u>\$ 829,334</u></u>

Prepared by: Allegany County Finance Office

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