

Allegany County, Maryland

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2016



Allegany County Board of County Commissioners

Jacob C. Shade, President
Creade V. Brodie, Jr., Commissioner
William R. Valentine, Commissioner
David A. Eberly, County Administrator

Cover Design: Siera Wigfield

Town Creek, near Flintstone, Maryland Photographed By Dave Dorsey

ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
JULY 1, 2015 - JUNE 30, 2016

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

ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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Finance Office

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BOARD OF COMMISSIONERS

Jacob Shade, *President*
Creade V. Brodie, Jr.
William R. Valentine

Jason Bennett, CPA, *Director of Finance*

May 18, 2017

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, 2016, including the report of our independent Certified Public Accountants is presented herewith. This report has been prepared by the Allegany County Finance Department in accordance with Article 19 of the Annotated Code of the State of Maryland and with Part I, Chapter 26, Article 26-3 of the Allegany County code. This report is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The County's financial statements have been audited by Turnbull, Hoover & Kahl, PA., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Allegany County for the fiscal year ended June 30, 2015, 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, 2014, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Allegany County

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

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

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

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

In 1996, the Commissioners adopted legislation making the County Administrator of Allegany County responsible to the Board and charged with the administration of all County affairs. The

Administrator will carry out the policies of the Board, direct and supervise the administration of all departments and agencies, and perform all duties enumerated in the Allegany County Code Chapter 2, Article 1.

County financial matters are administered through the Department of Finance of the County by the Director of Finance. The Director of Finance is charged with the administration of the financial affairs of the County, which generally include the receiving of County taxes, fees and other revenues and funds of every kind due to the County; the custody and safekeeping of all funds or securities belonging to or by law deposited with, distributed to, or handled by the County; the disbursement of County funds; the keeping and supervision of all accounts; and such other functions as may be prescribed by the Board.

BUDGET

The formulation of the County's Budget is a joint responsibility between the Director of Finance, who also serves as Budget Officer, and the County Administrator. In addition to formulating the Budget, the Budget Officer is responsible for the submission to the Board of periodic reports on their efficiency and economy, and such other duties and functions as may be assigned by the Board.

The County Budget is comprised of the Operating Budget, which has current year appropriations for all funds, and the Capital Budget.

Operating Budget

The Operating Budget, which must be balanced, is prepared by the County Administrator and the Director of Finance on a modified accrual basis and submitted for approval of the Board of County Commissioners. It is based upon estimated revenues and expenditures for operations for the ensuing fiscal year that is submitted to the Director of Finance by the department head of each office, Court, department, institution, board, commission, corporation or other agency of the County government. The current Operating Budget must contain the following information: (1) a schedule of all revenues estimated to be received by the County during the ensuing fiscal year, classified to show the receipts by funds and sources of income; (2) a schedule of the debt service requirements for the ensuing fiscal year; (3) schedule of the receipts and expenditures for the last two completed fiscal years, the estimated receipts and expenditures of the current ending fiscal year and the expenditures recommended by the Board of County Commissioners for the ensuing fiscal year for each function, activity, and sub activity; and (5) any other material which the Board of County Commissioners may deem advisable.

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

Capital Budget

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

Adoption of Budget

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

Factors Affecting Financial Condition

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

Local economy: Allegany County currently enjoys a favorable economic environment and local indicators point to continued stability. The unemployment rate dropped from June 30, 2015 at 7.3% to 6.4% for June 30, 2016. The region has diverse manufacturing and industrial base of paper manufacturing, rail transportation and the manufacturing of window coverings. A varied service provider base gives the area relative stability of the unemployment rate. Major service providers include health services, government, education, and call centers.

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

Allegany County has a total labor force of 35,827. The total labor force remains relatively unchanged which mirrors the population census of the county. Recent population projections have the county maintaining its current population which reverses decades of population loss.

Long-term financial planning: The County adopts a five year Capital Improvement Program each year as required by state law. During fiscal year 2016 the County incurred no new general obligation debt and incurred \$1,368,954 for water and sewer projects;

Major initiatives: As part of the 2015 Capital Improvement Program, the Commissioners approved funding for a new, approximately 800 seat Allegany High School to be constructed beginning in FY 2016, which will replace what is currently the oldest active high school building in the State of Maryland, with an estimated fall 2018 opening.

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, 2015. This was the twenty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

I wish to acknowledge the support and interest of the Board of County Commissioners and the County Administrator in the recording and reporting of financial matters. It is of the utmost importance that the accounting functions have this support. I also want to express my appreciation to Pamela S Diaz, 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,



Jason M. Bennett, CPA
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Allegany County
Maryland**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

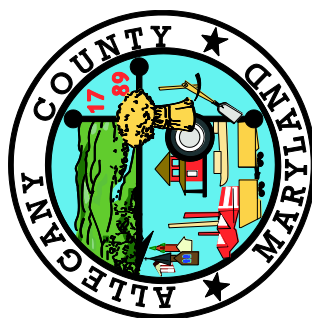
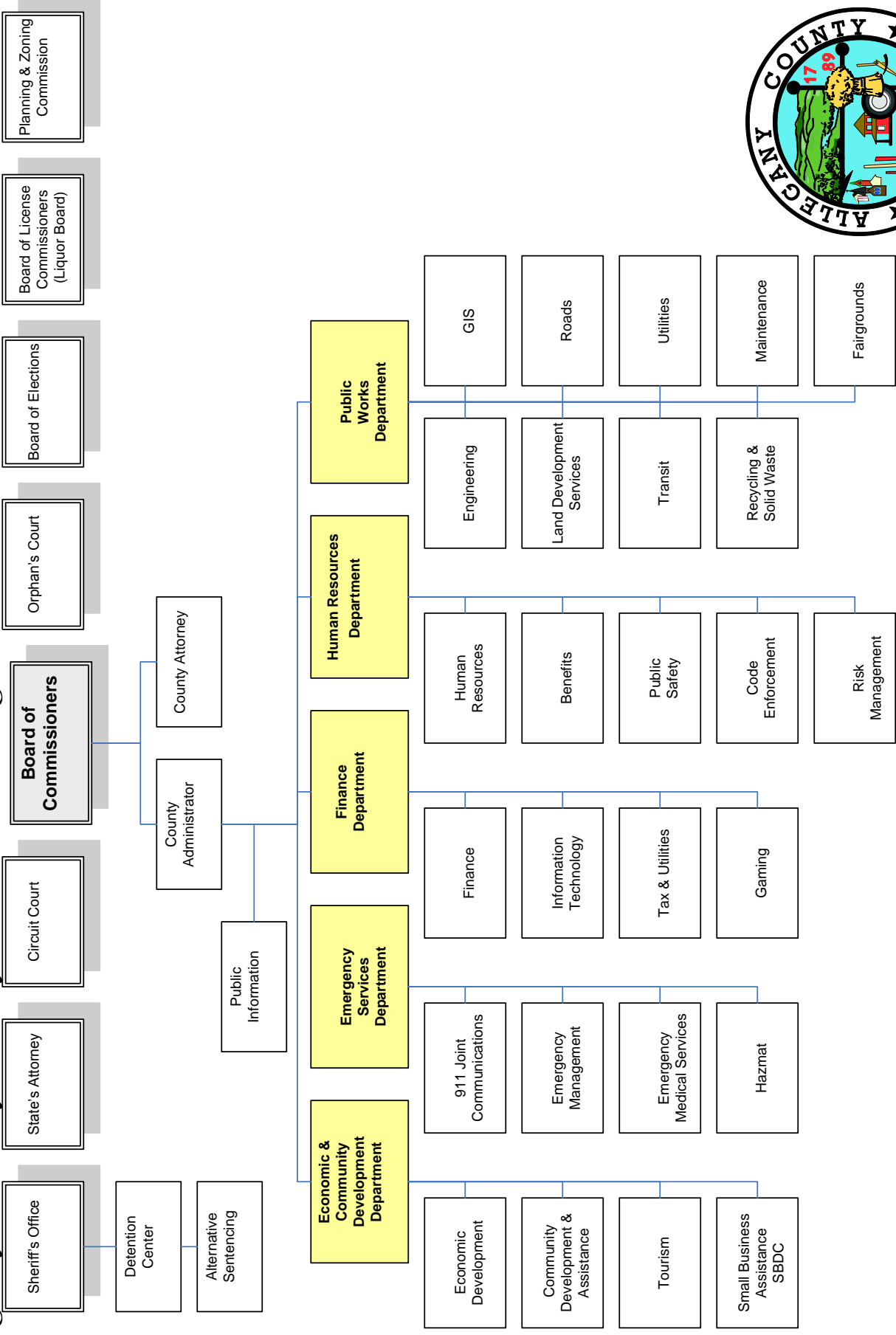
Allegany County, Maryland
Summary of Certain Officials
June 30, 2016

Board of Commissioners

Jacob Shade, President
Creade V. Brodie Jr., Commissioner
William R. Valentine, Commissioner

County Administrator	David A. Eberly
Clerk of the Board	David A. Eberly
Director of Finance	Jason M. Bennett, CPA
Director of Public Works	Paul F. Kahl, P.E.
Director of Economic & Community Development	Matthew W. Diaz
Director of Interagency Data Processing	Nilufer H. Grove
Director of Human Resources & Personnel Services	Brian P. Westfall
Sheriff	Craig A. Robertson
State's Attorney	Michael O. Twigg, Esquire
County Attorney	William M. Rudd, Esquire
Election Administrator	Diane L. Loibel

Allegany County, Maryland 2016 Organization Chart



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



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Board of Allegany County Commissioners
County Office Complex
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Cumberland, Maryland

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland (the County), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allegany County Board of Education, the LaVale Sanitary Commission, and the Allegany County Library System which represent 71 percent, 70 percent, and 79 percent, respectively, of the assets, net position, and revenues of the component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Allegany County Board of Education, the LaVale Sanitary Commission, and the Allegany County Library System, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As described in Note 19 to the financial statements, in 2016, the County adopted new accounting guidance, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages B-1 through B-10, the schedule of funding progress, employer contributions, County's proportionate share of the net pension liability, County's contributions, and notes on page D-3, and the budgetary comparison information on pages D-4 through D-13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements,

and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements and budget and actual schedules for nonmajor governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the reports of the other auditors, the combining and individual nonmajor fund financial statements and budget and actual schedules for nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2017, on our consideration of Allegany County, Maryland's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Allegany County, Maryland's internal control over financial reporting and compliance.



Cumberland, Maryland
May 18, 2017

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FINANCIAL SECTION

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Management's Discussion and Analysis

As management of Allegany County, we offer readers of Allegany County's financial statements this narrative overview and analysis of the financial activities of Allegany County for the fiscal year ended June 30, 2016. 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 \$199.4 million (*net position*). Of this amount, \$182 million is net investment in capital assets and \$16.6 million is restricted for specific purposes (restricted net position). The County's total unrestricted net position is \$.8 million. This total unrestricted net position amount includes \$3.6 million from governmental activities, and unrestricted net position balance from business-type activities of (\$2.8 million).
- The government's total net position increased by \$5.4 million or 2.8%, disregarding the restatement of beginning net position. The governmental net position increased \$3.2 million (or 3%). Business-type net assets increased by \$ 2.2 million (or 2%) during the year. Beginning net position for the governmental funds was restated by \$ 1,034,125 and the business-type beginning net position was restated by (\$ 3,404) largely due to recognizing LOSAP assets, see footnotes for detail.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$48.7 million, a decrease of \$ 2.3 million in comparison with the prior year. The decrease was due largely to construction projects such as the RBF Barton Park Building and the new high school. Approximately 36% of the ending fund balance, \$17.7 million, *is available for spending* at the government's discretion (*unassigned fund balance*), \$1.2 million is nonspendable, \$14.5 million is restricted, \$9.9 million is committed to certain programs and \$5.4 million is assigned to specific programs.
- Allegany County's governmental activity outstanding debt decreased by \$3.3 million (or 13%) during the current fiscal year. The County's business-type debt decreased by \$.09 million (or .3%).

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of Allegany County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other

functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The government activities of Allegany County include general government, public safety, public works, social services, economic development, and payments to component units (the public school system, community college and library). The business-type activities of Allegany County include the Water Fund, Sewer Fund, Loan Fund and Allconet II.

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

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

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities of objectives. Allegany County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Allegany County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Allegany County maintains 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 revolving building fund, and the public improvement fund all of which are considered to be major funds. Data from the other thirteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The basic governmental fund financial statements can be found on pages C9-C20 of this report.

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

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

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

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the

resources of those funds are *not* available to support Allegany County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages C21-70 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Allegany County's progress in funding its obligation to provide pension benefits to certain groups of its employees

Also reported as *required supplementary information* are budgetary comparison schedules for the General Fund and the Revolving Building which are reported as major funds. Required supplementary information can be found on pages D4-12 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages E4-50 of this report.

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Allegany County, assets exceeded liabilities by \$199.4 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net position (\$182 million) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Allegany County uses these capital assets to provide services to citizens consequently; these assets are *not* available for future spending. Although Allegany County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ALLEGANY COUNTY'S NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Assets:						
Current and other assets	\$ 61,971,624	\$ 63,221,783	\$ 2,310,656	\$ 4,011,907	\$ 64,282,280	\$ 67,233,690
Capital assets	87,852,614	82,149,707	126,352,895	121,840,604	214,205,509	203,990,311
Total assets	<u>149,824,238</u>	<u>145,371,490</u>	<u>128,663,551</u>	<u>125,852,511</u>	<u>278,487,789</u>	<u>271,224,001</u>
Deferred Outflows of Resources	<u>2,369,840</u>	<u>1,505,577</u>	<u>194,923</u>	<u>123,835</u>	<u>2,564,763</u>	<u>1,629,412</u>
Liabilities:						
Current and other liabilities	12,806,705	11,482,775	4,161,850	3,599,574	16,968,555	15,082,349
Long-term liabilities outstanding	34,776,174	34,193,723	29,632,752	29,466,100	64,408,926	63,659,823
Total liabilities	<u>47,582,879</u>	<u>45,676,498</u>	<u>33,794,601</u>	<u>33,065,674</u>	<u>81,377,480</u>	<u>78,742,172</u>
Deferred Inflows of Resources	<u>274,662</u>	<u>1,099,610</u>	<u>22,590</u>	<u>90,444</u>	<u>297,252</u>	<u>1,190,054</u>
Net position:						
Net investment in capital assets	84,396,712	78,386,353	97,611,312	93,011,267	182,008,024	171,397,620
Restricted	16,354,328	11,975,277	247,369	253,060	16,601,697	12,228,337
Unrestricted	3,585,497	9,739,329	(2,817,398)	(444,096)	768,099	9,295,233
Total net position	<u>\$ 104,336,537</u>	<u>\$ 100,100,959</u>	<u>\$ 95,041,283</u>	<u>\$ 92,820,231</u>	<u>\$ 199,377,820</u>	<u>\$ 192,921,190</u>

An additional portion of Allegany County's net position (8.3%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net position* balance of \$.8 million. The *unrestricted net position* balance for the governmental activities was \$3.6 million and the business-type activities have a balance of (\$2.8 million).

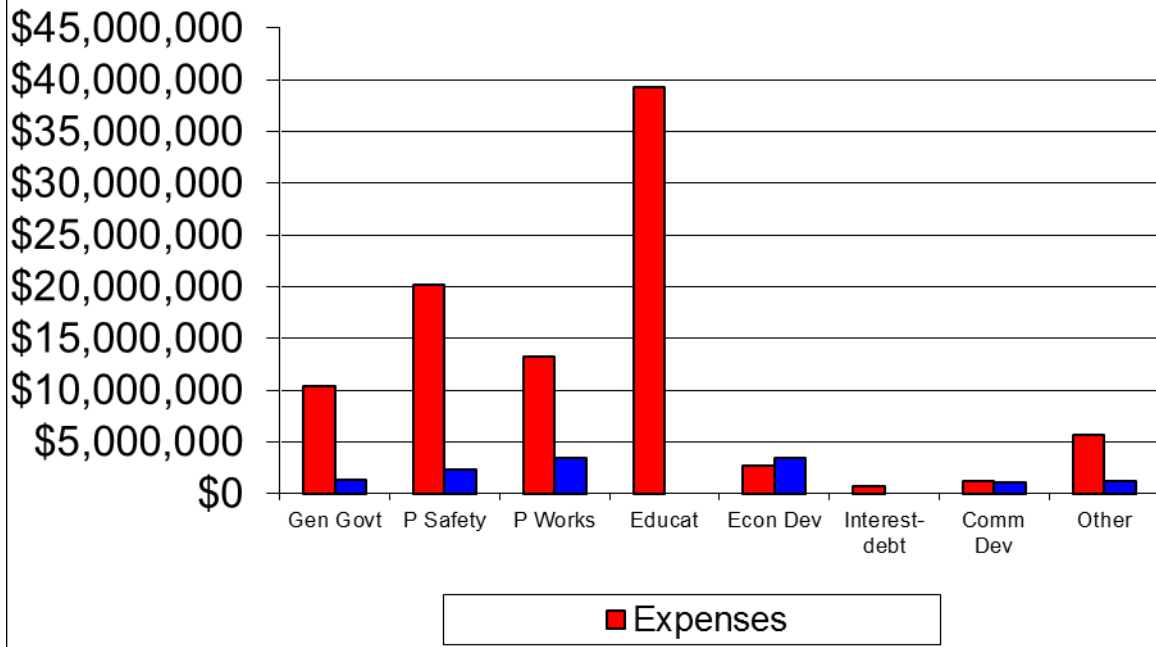
During the current fiscal year, the government's net position increased by \$5.4 million. Revenues increased by approximately \$1.75 million to \$113.6 million while expenses increased by \$5 million from the prior year to \$108 million.

ALLEGANY COUNTY'S CHANGES IN NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	FY 2016	FY 2015	FY 2016	FY 2015	FY 2016	FY 2015
Revenues:						
Program revenues:						
Charges for services	\$ 6,543,369	\$ 6,610,191	\$ 10,445,989	\$ 10,404,269	\$ 16,989,358	\$ 17,014,460
Operating grants and contributions	4,230,909	4,320,955	-	-	4,230,909	4,320,955
Capital grants and contributions	2,076,835	1,086,127	5,404,171	6,016,661	7,481,006	7,102,788
General revenues:						
Property taxes	40,285,516	40,209,077	982,268	997,240	41,267,784	41,206,317
Income taxes	26,836,166	26,099,413	-	-	26,836,166	26,099,413
Other local taxes	5,343,333	4,669,338	-	-	5,343,333	4,669,338
Franchise taxes	441,304	425,841	-	-	441,304	425,841
Grants and contributions not restricted to specific programs	9,210,566	9,165,836	-	-	9,210,566	9,165,836
Unrestricted fees	-	-	-	-	-	-
Unrestricted investment earnings	1,181,160	1,353,238	191,339	201,738	1,372,499	1,554,976
Gain on sale/retirement of capital assets	116,610	-	-	-	116,610	-
Miscellaneous	286,427	342,101	15,835	21,007	302,262	363,108
Total revenues	<u>96,552,195</u>	<u>94,282,117</u>	<u>17,039,602</u>	<u>17,640,915</u>	<u>113,591,797</u>	<u>111,923,032</u>
Expenses:						
General government	10,098,884	8,971,206	-	-	10,098,884	8,971,206
Payment to data processing	261,943	313,562	-	-	261,943	313,562
Public safety	20,125,044	18,606,877	-	-	20,125,044	18,606,877
Public works	13,263,932	13,039,773	-	-	13,263,932	13,039,773
Health	2,131,859	2,073,143	-	-	2,131,859	2,073,143
Social services	1,467,194	1,277,778	-	-	1,467,194	1,277,778
Education	1,279,342	623,625	-	-	1,279,342	623,625
Payment to public school system	30,123,877	30,224,471	-	-	30,123,877	30,224,471
Payment to community college	7,915,000	7,555,000	-	-	7,915,000	7,555,000
Recreation, culture & libraries	826,930	749,376	-	-	826,930	749,376
Payment to public library system	947,500	947,500	-	-	947,500	947,500
Conservation of natural resources	249,936	254,450	-	-	249,936	254,450
Community development & housing	1,176,904	1,042,086	-	-	1,176,904	1,042,086
Economic development	2,674,595	2,672,959	-	-	2,674,595	2,672,959
Interest on long-term debt	659,875	650,717	-	-	659,875	650,717
Water	-	-	4,772,141	4,429,254	4,772,141	4,429,254
Sewer	-	-	9,965,144	9,354,485	9,965,144	9,354,485
Nursing Home	-	-	-	-	-	-
Other proprietary funds	-	-	225,788	334,585	225,788	334,585
Total expenses	<u>93,202,815</u>	<u>89,002,523</u>	<u>14,963,073</u>	<u>14,118,324</u>	<u>108,165,888</u>	<u>103,120,847</u>
Increase in net position before transfers	3,349,380	5,279,594	2,076,529	3,522,591	5,425,909	8,802,185
Transfers	(147,927)	(89,824)	147,927	89,822	-	(2)
Increase (decrease) in net position	3,201,453	5,189,770	2,224,456	3,612,413	5,425,909	8,802,183
Net position, beginning, restated	101,135,084	94,911,189	92,816,827	89,207,818	193,951,911	184,119,007
Net position, ending	<u>\$ 104,336,537</u>	<u>\$ 100,100,959</u>	<u>\$ 95,041,283</u>	<u>\$ 92,820,231</u>	<u>\$ 199,377,820</u>	<u>\$ 192,921,190</u>

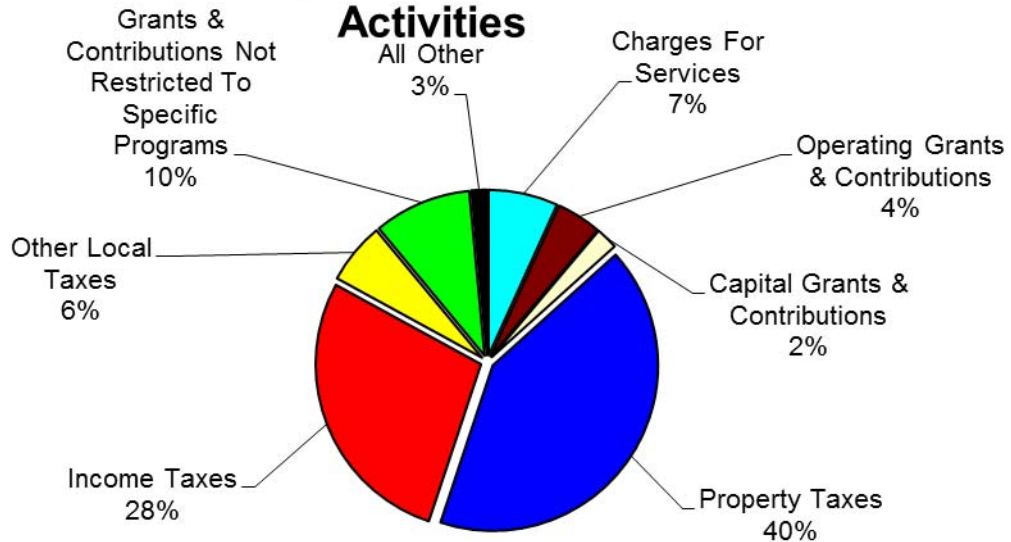
Governmental activities. Governmental activities increased Allegany County's net assets by \$3.2 million. Total revenues increased \$ 2.3 million (or 2.4%) and expenses increased \$ 4.2 million (or 4.7%). Key elements of the changes in governmental net assets are as follows:

- Increase in income tax revenue and local taxes from FY 2015 to FY 2016 nearly \$ 1.4 million.
- Increase in grants from FY 2015 to FY 2016 of \$ 1 million.
- Public safety expenses increased \$ 1.5 million due to purchase of 911 radio console equipment
- General government expenses increased \$ 1.1 million largely due to increase in pension expense and education expenses increased \$ 1.2 due to spending on new high school.

Expenses and Program Revenues - Governmental Activities

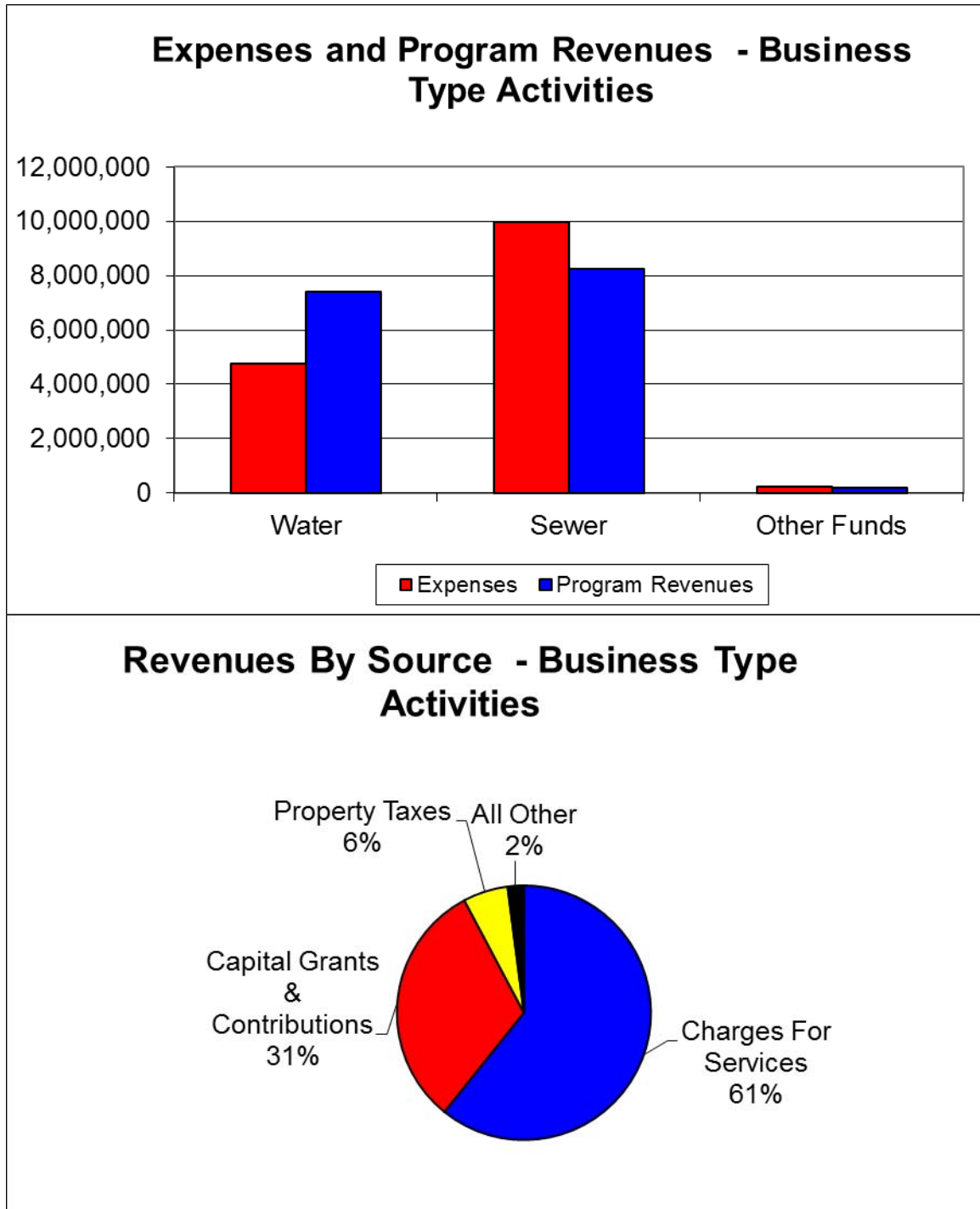


Revenues By Source - Governmental Activities



Business-type activities. The net position of the County's business-type activities increased by \$ 2.2 million after transfers. Key elements of the increase were:

- Capital grants decreased \$.6 million due to fewer major water/sewer projects.
- Overall expenses increased .8 million. Water and sewer costs combined increased \$ 950,000 due to increase in treatment costs and repairs and maintenance
-



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Allegany County's governmental funds reported combined ending fund balance of \$48.7 million, a decrease of \$ 2.3 million in comparison with the prior year. Approximately 36 percent of this total amount (\$17.7 million) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. Other fund balance classifications are;

- Nonspendable – amounts that cannot be spent because they are not in spendable form or legally required to be maintained intact - \$1.2 million
- Restricted – amounts restricted to specific purposes by creditors, grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation - \$14.5 million.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's Board of Commissioners. - \$ 9.9 million.
- Assigned – amounts which are intended to be used for specific purposes as constrained by the action of the Board or by the Director of Finance - \$5.4 million.

The general fund is the chief operating fund of Allegany County. At the end of the current fiscal year, *unassigned fund balance* of the general fund was \$18 million, out of a total fund balance of \$25.3 million. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total fund expenditures. *Unassigned fund balance* represents 22 percent of total general fund expenditures, while total fund balance represents 31.2 percent of that same amount.

Key factors in the \$ 2.3 million decrease in the governmental fund balances are:

The fund balance of Allegany County's general fund decreased \$3.8 million; which was the result of:

- General fund transfer to capital projects in the amount of \$ 4,000,000 for new high school. Also, all departments saw increases due to increase in hiring (including election workers for 2 elections) which in the past had become stagnant and purchase of equipment mainly from the highway department.

The Revolving Building Fund, another major fund, reported a decrease in fund balance of \$2.6 million. . Expenditures increased in the amount of \$ 3.8 million due to the construction of a new building. The PIB fund, a major governmental funds fund balance increased by \$ 2.8 million. The increase was largely due to a \$ 4 million dollar transfer to the fund for a new high school project.

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

	Water Districts	Sanitary Districts	Other Enterprise Funds	Totals
Net position:				
Net investment in capital assets	\$ 33,599,501	\$ 63,329,681	\$ 682,130	\$ 97,611,312
Restricted for debt service	-	247,369	-	247,369
Unrestricted	3,162,832	(7,371,509)	1,391,280	(2,817,398)
Total net position	<u>\$ 36,762,333</u>	<u>\$ 56,205,541</u>	<u>\$ 2,073,410</u>	<u>\$ 95,041,283</u>
Change in net position during the year, increase (decrease)	<u>\$ 2,756,131</u>	<u>\$ (521,474)</u>	<u>\$ (10,200)</u>	<u>\$ 2,224,456</u>

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

General Fund Budgetary Highlights

During the year, the original budget increased \$ 6.8 million (includes other sources and uses) to a revised total of \$91.4 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- Unexpended fund balance was used for \$5.9 million in order to increase for \$ 1.9 million worth of public safety radio equipment and \$ 4 million for new high school project.
- Budget was increased \$ 465,000 for increase in various taxes, which was used to pay for employee vacation buy-back program and workers compensation claims..

Revenues exceeded budgeted revenues estimates by \$ 2.1 million and actual expenditures were less than budgetary estimates by \$.2 million.

- Income taxes exceeded budget by \$ 2 million The increase was largely due to an increase in income tax revenue that was not anticipated.
- Almost all operating departments finished well within budget and overall personnel cuts were made.

Capital Asset and Debt Administration

Capital assets. Allegany County's investment in capital assets for its governmental and business type activities as of June 30, 2016 was \$214 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, furniture and fixtures, equipment, vehicles, heavy equipment and other miscellaneous assets. The total increase in Allegany County's investment in capital assets for the current fiscal year was 4 percent (a 7 percent increase for governmental activities and a 4 percent increase for business-type activities).

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

- Increase in governmental activities largely due to an increase in construction in progress of \$ 4.1 million dollars, of which \$ 3.6 million was for the design and construction of the RBF Barton Park Building.
- Major design and construction began on Braddock Run sewer system during the fiscal year at a cost of \$1.4 million which was capitalized during the fiscal year and Bowling Green Water Line for \$ 1.6 million.

Additional information on Allegany County's capital assets can be found in the notes to the financial statements, note 8 on pages C-44 through C-45 of this report.

Long-term debt. At the end of the current fiscal year, Allegany County had total debt outstanding of \$50.7 million. Governmental activities debt consists of \$20.5 million in general obligation bonds including premium and \$1.4 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$28.7 million of debt for the business-type activities (revenue bonds) is either paid from revenues restricted for that purpose or by user fees.

ALLEGANY COUNTY'S OUTSTANDING DEBT
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation	\$ 19,615,574	\$ 22,594,788	\$ -	\$ -	\$ 19,615,574	\$ 22,594,788
Notes	205,808	205,809	-	-	205,808	205,809
Capital leases	-	-	-	-	-	-
State loans	1,237,421	1,471,847	12,762,659	12,963,235	14,000,080	14,435,082
Federal loans	-	-	15,677,413	15,543,894	15,677,413	15,543,894
Other loans	-	-	301,516	322,208	301,516	322,208
Premium on Bonds	871,781	936,219	-	-	871,781	936,219
Total	<u>\$ 21,930,584</u>	<u>\$ 25,208,663</u>	<u>\$ 28,741,588</u>	<u>\$ 28,829,337</u>	<u>\$ 50,672,172</u>	<u>\$ 54,038,000</u>

Allegany County did not issue any debt during the fiscal year and retired \$ 3.3 million in total during the current fiscal year as debt outstanding decreased 13 percent.

Revenue debt in the amount of \$ 830,702 was incurred for the sewer districts and new debt for the water districts included \$538,252. Business type debt retired during the year was \$1.5 million.

In March, 2013, Allegany County's rating from Moody's upgraded from "A1" rating to "Aa3". In March of 2013 of Standard & Poor's raised the County's "A" bond rating to "A+", one of the few upgrades nationally for a governmental entity.

Additional information on Allegany County's long-term debt can be found in note 11 on pages C-50 through C-53 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for June 2016 for Allegany County was 6.4 percent, which decreased from 7.3 percent when compared to June 2015.

All of these factors were considered in preparing Allegany County's budget for the 2017 fiscal year.

During the current fiscal year, spendable fund balance in the general fund decreased to \$18 million. The use of the unexpended and available fund balance reduced the amount of tax, service charges and fee increases necessary to have a balanced budget for the 2017 fiscal year

Requests for Information

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

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BASIC FINANCIAL STATEMENTS

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**GOVERNMENT WIDE
FINANCIAL
STATEMENTS**

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library	LaVale Sanitary Commission
ASSETS:							
Current Assets:							
Cash	\$ 25,126,826	\$ 306,277	\$ 25,433,103	\$ 16,277,434	\$ 9,134,948	\$ 198,531	\$ 772,993
Investments	11,598,666	411,000	12,009,666	-	202,787	638,938	-
Property taxes receivable	4,658,277	-	4,658,277	-	-	-	-
Receivables:							
Accounts	-	2,716,223	2,716,223	8,569,482	340,105	29,326	294,446
Other	7,150,116	1,968,292	9,118,408	1,975	1,446,287	-	993,439
Internal balances	3,598,297	(3,598,297)	-	-	-	-	-
Inventory	45,460	77,956	123,416	183,393	460,513	-	213,567
Prepaid expenses	-	-	-	-	33,491	7,804	17,959
Deferred charges	-	-	-	-	-	-	-
Miscellaneous	49,247	-	49,247	-	-	-	-
Restricted Assets:							
Cash	62,375	181,836	244,211	26,756	49,147	-	283,604
Investments	9,682,360	-	9,682,360	-	11,854,265	-	-
Taxes - receivable	-	128,459	128,459	-	-	-	-
Receivables	-	118,910	118,910	-	-	-	-
Total current assets	61,971,624	2,310,656	64,282,280	25,059,040	23,521,543	874,599	2,576,008
Non-current Assets:							
Long term Investment, Market	-	-	-	-	1,811,295	-	-
OPEB Net Asset	1,067,168	-	1,067,168	-	-	-	-
Land	24,068,695	192,532	24,261,227	4,208,336	1,564,352	-	234,830
Work In Progress	4,931,054	11,341,232	16,272,286	7,055,220	3,555	114,961	126,221
Other non-depreciable assets	-	-	-	264,963	127,910	-	679,917
Capital assets subject to depreciation/amortization	139,065,599	182,924,967	321,990,566	187,042,989	57,827,070	8,159,531	27,925,835
Accumulated depreciation	(81,279,902)	(68,105,836)	(149,385,738)	(112,256,510)	(31,988,048)	(5,262,028)	(12,600,081)
Total non-current assets	87,852,614	126,352,895	214,205,509	86,314,998	29,346,134	3,012,464	16,366,722
Total Assets	149,824,238	128,663,551	278,487,789	111,374,038	52,867,677	3,887,063	18,942,730
Deferred Outflows of Resources							
Deferred Outflows for Pensions	2,369,840	194,923	2,564,763	1,589,447	133,100	20,409	435,031
Total Def Outflows of Resources	2,369,840	194,923	2,564,763	1,589,447	133,100	20,409	435,031
LIABILITIES:							
Current Liabilities:							
Accounts payable	3,894,655	2,065,711	5,960,366	3,590,915	1,083,049	40,808	545,140
Accrued wages payable	911,329	81,683	993,012	796,826	658,955	62,236	-
Accrued fringe benefits payable	415,196	34,954	450,150	-	205,204	-	-
Accrued interest	224,735	107,326	332,061	-	-	-	20,430
Current portion of long-term debt:							
Bonds and loans	3,400,138	1,436,760	4,836,898	-	78,785	-	137,961
Capital leases	-	-	-	143,279	59,037	-	-
Compensated absences	1,090,717	165,159	1,255,876	159,885	170,305	-	-
Due to Agency Fund	267,515	-	267,515	-	-	-	-
Due to Trust Fund	864,101	-	864,101	-	-	-	-
Unearned Revenue	480,763	-	480,763	2,679,088	634,030	-	-
Accrued health claims	-	-	-	2,158,477	412,082	-	-
Miscellaneous liabilities	1,257,556	270,257	1,527,813	1,654,102	355,317	-	-
Total current liabilities	12,806,705	4,161,850	16,968,555	11,182,572	3,656,764	103,044	703,531
Non-current liabilities:							
Cash advance due general fund	(1,200,000)	1,200,000	-	-	-	-	-
Bonds and loans	18,530,446	27,003,312	45,533,758	-	-	-	3,740,461
Capital leases	-	-	-	327,434	294,231	-	-
Annuity payment liability	-	-	-	-	31,532	-	-
Income tax due to State of MD	479,823	-	479,823	-	-	-	-
Termination benefits	-	-	-	-	391,392	-	-
Net pension liability	13,411,766	1,103,132	14,514,898	6,917,608	808,106	86,322	-
Post-employment benefits	-	-	-	-	-	76,974	-
Compensated absences	3,554,139	326,308	3,880,447	2,414,665	-	71,290	-
Total non-current liabilities	34,776,174	29,632,752	64,408,926	9,659,707	1,525,261	234,586	3,740,461
Total Liabilities	47,582,879	33,794,601	81,377,480	20,842,279	5,182,025	337,630	4,443,992
Deferred Inflows of Resources							
Deferred Inflows for Pensions	274,662	22,590	297,252	606,743	16,549	7,884	51,033
Total Def Inflows of Resources	274,662	22,590	297,252	606,743	16,549	7,884	51,033
NET POSITION							
Net investment in Capital Assets	84,396,712	97,611,312	182,008,024	85,579,322	27,181,570	3,012,464	11,808,383
Restricted for:							
Public safety	811,455	-	811,455	-	-	-	-
Highways	289,472	-	289,472	-	-	-	-
Education	150,543	-	150,543	-	-	-	-
Community development & housing	51,900	-	51,900	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital projects	13,427,598	-	13,427,598	7,128,947	15,135	-	-
Other purposes	-	247,369	247,369	210,149	12,806,737	504,167	729,585
Unrestricted	\$ 5,208,857	(2,817,398)	2,391,459	(1,403,955)	7,798,761	45,327	2,344,768
Total Net Position	104,336,537	95,041,283	199,377,820	91,514,463	47,802,203	3,561,958	14,882,736

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, 2016

Functions/Programs	Expenses		Expenses		Program Revenues		
	Before	Indirect	After	Charges for	Operating	Capital	
	Indirect Expense	Expense	Indirect Expense		Grants and	Grants and	
	Allocation	Allocation	Allocation	Services	Contributions	Contributions	
Primary government::							
Governmental activities:							
General government:	\$ 10,653,148	\$ (554,264)	\$ 10,098,884	\$ 399,858	\$ 332,244	\$ 576,318	
Payment to data processing	261,943	-	261,943	-	-	-	
Public safety	20,145,084	-	20,125,044	1,266,935	1,016,238		
Public works	13,275,566		13,263,932	1,036,634	1,246,230	1,209,688	
Health	2,132,231	-	2,131,859	-	14,189	-	
Social services	1,467,328	-	1,467,194	36,039	212,594	-	
Education:	1,279,342	-	1,279,342	-	-	-	
Payment to public school system	30,123,877	-	30,123,877	-	-	-	
Payment to community college	7,915,000	-	7,915,000	-	-	-	
Recreation, culture & libraries:	826,930	-	826,930	418,244	190,056	290,829	
Payment to public library system	947,500	-	947,500	-	-	-	
Conservation of natural resources	250,079	-	249,936	17,104	29,896	-	
Community development and housing	1,176,904	-	1,176,904	755	1,077,437	-	
Economic development	2,675,568	-	2,674,595	3,367,800	112,025	-	
Interest on long term debt	659,875	-	659,875	-	-	-	
Total governmental activities	93,790,375	(554,264)	93,202,815	6,543,369	4,230,909	2,076,835	
Business-type activities:							
Water	4,611,555	160,586	4,772,141	4,257,317	-	3,154,388	
Sewer	9,571,436	393,678	9,965,143	6,082,372	-	2,149,783	
Other funds	225,789	-	225,789	106,300	-	100,000	
Total business-type activities	14,408,780	554,264	14,963,073	10,445,989	-	5,404,171	
Total primary government	\$ 108,199,155	\$ -	\$ 108,165,888	\$ 16,989,358	\$ 4,230,909	\$ 7,481,006	
Component units:							
Board of Education			\$ 137,433,875	\$ 1,394,513	\$ 21,217,949	\$ 5,621,163	
Allegany College of Md.			38,177,906	9,154,710	17,514,345	150,652	
County Library			2,203,890	246,454	101,294	28,045	
LaVale Sanitary Commission			5,505,301	4,171,011	-	1,316,368	
Total component units			\$ 183,320,972	\$ 14,966,688	\$ 38,833,588	\$ 7,116,228	
				General revenues:			
				Property taxes			
				Income taxes			
				Other local taxes			
				Casino Tax			
				Gaming Tax			
				Highway Users Tax			
				Hotel/Motel Tax			
				Recordation/Transfer			
				Admission/Amusement			
				Other Tax			
				Appropriation from Allegany County			
				Franchise tax			
				Grants & contributions not restricted to specific programs			
				Unrestricted investment earnings			
				Gain on sale/retirement of capital assets			
				Miscellaneous			
				Transfers			
				Total general revenues, transfers and special items			
				Change in net position			
				Net position - beginning, as restated (Note 18)			
				Net position - ending			

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Board of Education	Allegany College of MD	County Library	LaVale Sanitary Commission
\$ (8,790,464)	\$ -	\$ (8,790,464)	\$ -	\$ -	\$ -	\$ -
(261,943)	-	(261,943)	-	-	-	-
(17,841,871)	-	(17,841,871)	-	-	-	-
(9,771,380)	-	(9,771,380)	-	-	-	-
(2,117,670)	-	(2,117,670)	-	-	-	-
(1,218,561)	-	(1,218,561)	-	-	-	-
(1,279,342)	-	(1,279,342)	-	-	-	-
(30,123,877)	-	(30,123,877)	-	-	-	-
(7,915,000)	-	(7,915,000)	-	-	-	-
72,199	-	72,199	-	-	-	-
(947,500)	-	(947,500)	-	-	-	-
(202,936)	-	(202,936)	-	-	-	-
(98,712)	-	(98,712)	-	-	-	-
805,230	-	805,230	-	-	-	-
(659,875)	-	(659,875)	-	-	-	-
(80,351,702)	-	(80,351,702)	-	-	-	-
-	2,639,564	2,639,564	-	-	-	-
-	(1,732,988)	(1,732,988)	-	-	-	-
-	(19,489)	(19,489)	-	-	-	-
-	887,087	887,087	-	-	-	-
(80,351,702)	887,087	(79,464,615)	-	-	-	-
-	-	-	(109,200,250)	-	-	-
-	-	-	-	(11,358,199)	-	-
-	-	-	-	-	(1,828,097)	-
-	-	-	-	-	-	(17,922)
-	-	-	(109,200,250)	(11,358,199)	(1,828,097)	(17,922)
40,285,516	982,268	41,267,784	-	-	-	1,045,391
26,836,166	-	26,836,166	-	-	-	241,955
-	-	-	-	-	-	-
1,136,702	-	1,136,702	-	-	-	-
362,035	-	362,035	-	-	-	-
547,328	-	547,328	-	-	-	-
1,126,074	-	1,126,074	-	-	-	-
1,874,743	-	1,874,743	-	-	-	-
167,171	-	167,171	-	-	-	-
129,280	-	129,280	-	-	-	-
-	-	-	30,385,820	7,555,000	947,500	-
441,304	-	441,304	-	-	-	-
9,210,566	-	9,210,566	76,659,158	-	824,123	-
1,181,160	191,339	1,372,499	20,437	(427,809)	13,641	4,530
116,610	-	116,610	-	21,658	-	16,000
286,427	15,835	302,262	152,780	-	1,957	1,238
(147,927)	147,927	-	-	-	-	-
83,553,155	1,337,369	84,890,524	107,218,195	7,148,849	1,787,221	1,309,114
3,201,453	2,224,456	5,425,909	(1,982,055)	(4,209,350)	(40,876)	1,291,192
101,135,084	92,816,827	193,951,911	93,496,518	52,011,553	3,602,834	13,591,544
-	-	-	-	-	-	-
\$ 104,336,537	\$ 95,041,283	\$ 199,377,820	\$ 91,514,463	\$ 47,802,203	\$ 3,561,958	\$ 14,882,736

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, 2016

ASSETS:	General Fund	Revolving Building Fund	Public Improve Bond Fund	Other Governmental Funds	Total
Cash	\$ 25,125,676	\$ -		\$ 1,150	\$ 25,126,826
Cash -restricted	-	-		62,375	62,375
Investments	8,752,495	-		2,846,171	11,598,666
Investments-Restricted	1,623,360		8,059,000		9,682,360
Property tax receivable	4,785,277	-		-	4,785,277
Receivables					
Notes and loans	-	-		289,771	289,771
Other receivables	4,337,297	290,392	5,703	1,509,623	6,143,015
Due from other funds		10,273,171	3,558,575	1,820,024	15,651,770
Advances to other funds	1,200,000	-		-	1,200,000
Inventory	-	-		45,460	45,460
Prepays		-		-	-
Miscellaneous assets	49,247	-		-	49,247
Total Assets	\$ 45,873,352	\$ 10,563,563	11,623,278	\$ 6,574,574	\$ 74,634,767

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:

Liabilities:					
Accounts payable	\$ 1,485,480	\$ 1,404,446		\$ 1,004,729	\$ 3,894,655
Accrued payroll	851,763	12,606		46,960	911,329
Accrued payroll fringe	387,801	4,328		23,067	415,196
Due to other funds	12,064,375	-		1,120,715	13,185,090
Amounts held in escrow	648,514	-		279,182	927,696
Unearned Revenue	39,752	-		730,779	770,531
Miscellaneous liabilities	307,360	22,500		-	329,860
Total Liabilities	15,785,045	1,443,880	-	3,205,432	20,434,357

Deferred inflows of resources:					
Unavailable Revenue	4,835,365	65,032		616,816	5,517,213
Total Deferred inflows of resources	4,835,365	65,032	-	616,816	5,517,213

Fund Balances:					
Nonspendable	1,200,000	-		45,460	1,245,460
Restricted	173,170		11,623,278	1,102,645	12,899,093
Committed	150,000	9,054,651		680,276	9,884,927
Assigned	5,637,360			1,342,978	6,980,338
Unassigned	18,092,412	-		(419,033)	17,673,379

Total Fund Balances	25,252,942	9,054,651	11,623,278	2,752,326	48,683,197
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Total Liabilities, deferred inflows of resources and fund balance	\$ 45,873,352	\$ 10,563,563	11,623,278	\$ 6,574,574	
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	86,785,445
Other long -term assets are not available to pay current -period expenditures and are deferred in the funds.	1,657,498
Deferred Inflows of Resources	5,517,145
Deferred Outflows for Pension benefits	2,302,077
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(26,575,440)
Deferred Inflows for Pension benefits	(206,830)
Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(13,826,555)

Net position of governmental activities	\$ 104,336,537
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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, 2016

	General Fund	Revolving Building Fund	Public Improve Bond Fund	Other Governmental Funds	Total
REVENUES:					
Taxes:					
Property taxes	\$ 41,018,799	\$ -		\$ -	\$ 41,018,799
Income taxes	26,880,919	-		-	26,880,919
Other local taxes	4,169,611	-		421,163	4,590,774
Licenses and permits	700,480	-		-	700,480
Intergovernmental:					
Federal	611,326	-		1,761,619	2,372,945
State	9,968,265	-		3,577,854	13,546,119
Other	306,747	-			306,747
Service charges	1,344,175	-		460,868	1,805,043
Fines and forfeitures	19,823	-		133,119	152,942
Interest	209,280	-	20,661	7,144	237,085
Miscellaneous	656,036	3,290,688		134,187	4,080,911
Total Revenues	85,885,461	3,290,688	20,661	6,495,954	95,692,764
EXPENDITURES:					
Current:					
General government	9,058,501	-		152,024	9,210,525
Public safety	17,295,896	-		920,104	18,216,000
Public works	10,324,031	-		1,958,896	12,282,927
Health and Hospitals	452,436	-			452,436
Social Services	1,318,831	-		-	1,318,831
Education	-	-		-	-
Recreation, culture and libraries	932,800	-		-	932,800
Conservation of natural resources	244,974	-		-	244,974
Community Development and Housing	8,000	-		1,154,941	1,162,941
Economic development	1,068,085	4,413,598		-	5,481,683
Miscellaneous	38,599	-			38,599
Appropriation to other governments	1,476,610	-		-	1,476,610
Payments to component units	38,601,988	-		-	38,601,988
Debt Service:					
Principal	-	-		3,213,641	3,213,641
Interest	-	-		762,344	762,344
Capital Outlay:					
General government	-	-	1,572	1,068,444	1,070,016
Public safety	-	-		1,855,638	1,855,638
Public works	-	-		1,173,313	1,173,313
Education	-	-	1,079,342	200,000	1,279,342
Recreation, culture and libraries	-	-		45,828	45,828
Economic development	-	-		-	-
Miscellaneous	-	-		-	-
Payments to component units	-	-	109,710	536,622	646,332
Total Expenditures	80,820,751	4,413,598	1,190,624	13,041,795	99,466,768
Excess (deficiency) of revenues over (under) expenditures	5,064,710	(1,122,910)	(1,169,963)	(6,545,841)	(3,774,004)
OTHER FINANCING SOURCES (USES):					
Transfers in	22,665	-	4,000,000	6,616,443	10,639,108
Transfers out	(8,992,485)	(1,484,125)		(310,424)	(10,787,034)
Debt issued	-	-			-
Sale of capital assets	39,790	23,796		-	63,586
Total Other Financing Sources and uses	(8,930,030)	(1,460,329)	4,000,000	6,306,019	(84,340)
Net change in fund balances	(3,865,320)	(2,583,239)	2,830,037	(239,821)	(3,858,344)
Fund balance, beginning, restated	29,118,262	11,637,890	8,793,240	2,992,148	52,541,540
Fund balance, ending	\$ 25,252,942	\$ 9,054,651	11,623,277	\$ 2,752,327	\$ 48,683,197

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, 2016

Amounts reported for governmental activities in the statement of activities (page C-6)
are different because:

Net change in fund balances - total governmental funds (page C-12) \$ (3,858,344)

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period.

Capital outlay	\$ 8,428,206	
Depreciation	<u>(3,789,795)</u>	4,638,411

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (2,671)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 777,464

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		
Payment of principal	<u>3,213,640</u>	3,213,640

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. (1,567,047)

Change in net position of governmental activities (pages C6-C7) \$ 3,201,453

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

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
June 30, 2016

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
ASSETS				
Current Assets:				
Cash:				
Cash	\$ -	\$ 306,277	\$ -	\$ 306,277
Cash - restricted	-	181,836	-	181,836
Investments	205,500	205,500	-	411,000
Receivables:				
Accounts (net)	1,179,121	1,531,833	5,269	2,716,223
Taxes - restricted	-	128,459	-	128,459
Accounts (net) - restricted	-	118,910	-	118,910
Other	2,469	1,891,771	74,052	1,968,292
Due from other funds	2,682,351	6,796,924	1,015,880	10,495,155
Prepaid expenses	-	-	-	-
Inventory	-	77,956	-	77,956
Total current assets	4,069,441	11,239,466	1,095,201	16,404,108
Non-current Assets:				
Other receivables	-	-	301,512	301,512
Land	125,250	67,282	-	192,532
Construction in Progress	4,576,164	6,765,068	-	11,341,232
Capital assets subject to depreciation	54,804,284	123,474,222	4,646,461	182,924,967
Accumulated depreciation	(14,384,520)	(49,756,985)	(3,964,331)	(68,105,836)
Total noncurrent assets	45,121,178	80,549,587	983,642	126,654,407
Total Assets	49,190,619	91,789,053	2,078,843	143,058,515
Deferred Outflows of Resources				
Deferred Outflows Related to Pension	47,268	147,655	-	194,923
Total Deferred Outflows of Resources	47,268	147,655	-	194,923
LIABILITIES				
Current Liabilities:				
Accounts payable	219,574	1,840,703	5,434	2,065,711
Accrued payroll	12,760	68,923	-	81,683
Accrued payroll fringe	5,294	29,660	-	34,954
Accrued interest	44,686	62,640	-	107,326
Current portion of long-term debt				
Revenue debt:				
Bonds and loans	244,730	1,192,030	-	1,436,760
Other loans	20,874	479	-	21,353
Compensated absences	-	165,159	-	165,159
Due to other funds	-	14,093,451	-	14,093,451
Miscellaneous liabilities	-	270,259	-	270,259
Total current liabilities	547,918	17,723,304	5,434	18,276,656
Noncurrent Liabilities:				
Cash advance due to General Fund	400,000	800,000	-	1,200,000
Long term debt:				
Net Pension Liability	266,633	836,499	-	1,103,132
Revenue debt:				
Bonds and loans	10,991,312	16,012,000	-	27,003,312
Other loans	264,761	15,397	-	280,158
Compensated absences	-	326,307	-	326,307
Total noncurrent liabilities	11,922,706	17,990,203	-	29,912,909
Total Liabilities	12,470,624	35,713,507	5,434	48,189,565
Deferred Inflows of Resources				
Deferred Inflows Related to Pension	4,930	17,660	-	22,590
Total Deferred Inflows of Resources	4,930	17,660	-	22,590
NET POSITION				
Net investment in capital assets	33,599,501	63,329,681	682,130	97,611,312
Restricted for debt service	-	247,369	-	247,369
Unrestricted	3,162,832	(7,371,509)	1,391,280	(2,817,398)
Total Net Position	\$ 36,762,333	\$ 56,205,541	\$ 2,073,410	\$ 95,041,283

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
OPERATING REVENUES:				
Service charges	\$ 4,257,317	\$ 6,081,392	\$ 106,300	\$ 10,445,009
Federal Grant-ARC				-
Other Agency Revenue				-
Miscellaneous		980		980
Total Operating Revenues	<u>4,257,317</u>	<u>6,082,372</u>	<u>106,300</u>	<u>10,445,989</u>
OPERATING EXPENSES:				
Salaries	359,629	856,437	-	1,216,066
Employee benefits	194,116	464,552	-	658,668
Office expenses	-	106,082	11,575	117,657
Utilities	2,151,397	390,517	7,632	2,549,546
Repairs & maintenance	271,340	381,184	28,276	680,800
Contractual services	3,382	34,399	-	37,781
Treatment costs		3,953,067	-	3,953,067
Professional services	38,188	34,422	53,794	126,404
Materials and supplies	49,219	320,584	-	369,803
Insurance	316	130,838	1,117	132,271
Indirect cost	160,581	393,676	-	554,257
Miscellaneous	50	15,030		15,080
Depreciation	1,195,588	2,548,430	123,395	3,867,413
Total operating expenses	<u>4,423,806</u>	<u>9,629,218</u>	<u>225,789</u>	<u>14,278,813</u>
Operating Income (Loss)	<u>(166,489)</u>	<u>(3,546,846)</u>	<u>(119,489)</u>	<u>(3,832,824)</u>
NON-OPERATING REVENUE (EXPENSES):				
Real and personal property taxes	-	976,879	-	976,879
Interest & penalties on taxes	-	32,971	-	32,971
Discounts on taxes	-	(4,963)	-	(4,963)
Enterprise/industrial exemptions	-	-	-	-
Collection fees	-	(22,619)	-	(22,619)
Front footage assessments	-	15,835	-	15,835
Interest income	67,757	121,628	1,954	191,339
Interest income, debt service	-	-	-	-
Interest expense	(348,335)	(335,926)	-	(684,261)
Gain (Loss) on sale of capital assets	-	-	-	-
Total non-operating revenue (expenses)	<u>(280,578)</u>	<u>783,805</u>	<u>1,954</u>	<u>505,181</u>
Income (Loss) before contributions and transfers	<u>(447,067)</u>	<u>(2,763,041)</u>	<u>(117,535)</u>	<u>(3,327,643)</u>
Capital contributions:				
Federal grants	2,497,497	-	100,000	2,597,497
State grants	656,891	2,149,783	-	2,806,674
Other		-	-	-
Transfers:				
Transfers in	48,809	91,784	30,000	170,593
Transfers out	-	-	(22,665)	(22,665)
Change in net position	<u>2,756,131</u>	<u>(521,474)</u>	<u>(10,200)</u>	<u>2,224,456</u>
Total net position - beginning, restated	34,006,202	56,727,015	2,083,610	92,816,827
Total net position - ending	<u>\$ 36,762,333</u>	<u>\$ 56,205,541</u>	<u>\$ 2,073,410</u>	<u>\$ 95,041,283</u>

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
Cash flows from operating activities:				
Cash received from customers	\$ 4,315,309	\$ 5,836,519	\$ 101,730	\$ 10,253,558
Cash payments for goods and services	(2,632,751)	(5,272,362)	(158,600)	(8,063,713)
Cash payments to employees for services	(501,664)	(1,207,535)	-	(1,709,199)
Other operating revenues	-	-	-	-
Net cash provided (used) by operating activities	1,180,894	(643,378)	(56,870)	480,646
Cash flows from noncapital financing activities:				
Advances from other funds	4,975,427	32,259,029	333,134	37,567,590
Advances to other funds	(5,956,604)	(29,398,023)	(181,495)	(35,536,122)
Transfers from other funds	48,809	91,784	30,000	170,593
Transfers to other funds	-	-	(22,665)	(22,665)
Net cash provided (used) by noncapital financing activities	(932,368)	2,952,790	158,974	2,179,396
Cash flows from capital and related financing activities:				
Proceeds from capital debt	538,252	830,702	-	1,368,954
Acquisition and construction of capital assets	(3,392,762)	(4,782,880)	(204,058)	(8,379,700)
Principal paid on capital debt	(269,427)	(1,187,281)	-	(1,456,708)
Interest paid on capital debt	(346,684)	(336,696)	-	(683,380)
Grant revenues	3,154,388	2,149,783	100,000	5,404,171
Debt fees	-	1,003,794	-	1,003,794
Net cash used for capital and related financing activities	(316,233)	(2,322,578)	(104,058)	(2,742,869)
Cash flows from investing activities:				
Purchase of investments	(50)	(50)	-	(100)
Sale of investments	-	-	-	-
Interest on investments	67,757	121,628	1,954	191,339
Net cash used in investing activities	67,707	121,578	1,954	191,239
Net increase (decrease) in cash	-	108,412	-	108,412
Cash at beginning of the year	-	379,701	-	379,701
Cash at end of year	\$ -	\$ 488,113	\$ -	\$ 488,113
Reconciliation of operating income to net cash provided by operating activities:				
Operating income (loss)	\$ (166,489)	\$ (3,546,816)	\$ (119,489)	\$ (3,832,794)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,195,588	2,548,430	123,395	3,867,413
Provision for uncollectible accounts	-	-	-	-
Change in assets & liabilities:				
(Increase) decrease in receivables	57,992	(245,853)	(4,570)	(192,431)
(Increase) decrease in inventory	-	(17,679)	-	(17,679)
(Increase) decrease in prepaids	-	-	-	-
Increase (decrease) in acc'ts payable	41,722	482,087	(56,206)	467,603
Increase (decrease) in accrued payroll	52,081	136,453	-	188,534
Total adjustments	1,347,383	2,903,438	62,619	4,313,440
Net cash provided (used) by operating activities	\$ 1,180,894	\$ (643,378)	\$ (56,870)	\$ 480,646

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Health Insurance Trust Fund	Agency Fund
ASSETS:		
Investments-Certificate of Deposit	\$ 1,211,615	\$ -
Accounts receivable	1,719	1,042,206
Due from other funds	864,101	267,515
Hospital deposit	277,600	
Total Assets	<u>2,355,035</u>	<u>1,309,721</u>
LIABILITIES:		
Health claim reserves	745,609	-
Other Liabilities	330,292	1,309,721
Total Liabilities	<u>1,075,901</u>	<u>1,309,721</u>
NET POSITION:		
Held in Trust for benefit payments	<u>\$ 1,279,134</u>	<u>\$ -</u>

ALLEGANY COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Health Insurance Trust Fund
ADDITIONS:	
Contributions:	
Employer contributions	\$ 7,436,295
Employee contributions	625,382
Total contributions	<u>8,061,677</u>
Other additions:	
Interest	3,222
Insurance proceeds	-
Miscellaneous	-
Total other additions	<u>3,222</u>
Total additions	<u>8,064,899</u>
DEDUCTIONS:	
Benefits	8,463,211
Administrative expenses	713,358
Total deductions	<u>9,176,569</u>
Change in net position	(1,111,670)
Net position - beginning	2,390,804
Net position - ending	<u>\$ 1,279,134</u>

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

**Notes
to the
Financial Statements
June 30, 2016**

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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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, 2016

Note 1. Summary of Significant Accounting Policies - continued

B. *Reporting Entity – continued*

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

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

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

Administrative Offices:

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

LaVale Sanitary Commission
1 Roselawn Avenue
LaVale, Maryland 21502

Allegany County Library System
31 Washington Street
Cumberland, Maryland 21502

Allegany College
12401 Willowbrook Road
Cumberland, Maryland 21502

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

C. *Government-wide and Fund Financial Statements*

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the year-end and a 90-day availability period is used for all other general fund revenues. Other major revenue sources subject to accrual are income taxes, federal and state grants and service charges. All other governmental funds use a 90 day availability period for revenue recognition. 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, 2016

Note 1. Summary of Significant Accounting Policies - continued

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

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

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

The County reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government not accounted for and reported in another fund.

The Revolving Building Fund is used to report the activity associated with the construction, operation and maintenance of County buildings used to enhance its economic development activities. The majority of revenue is derived from operating leases.

The Public Improvement Bond Fund is used to report the activity associated with bond proceeds. FY 2016 activity includes expenditures for new high school.

The government reports the following major proprietary funds:

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

The Sewer Fund reports the activities of sixteen individual sewer districts in various unincorporated areas of the County.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

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

Additionally, the government reports the following fund types:

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

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

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

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer funds are service charges. The water and sewer funds recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

E. *Assets, liabilities, Deferred Outflows/Inflows of Resources, and net position or equity*

1. Deposits and investments

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

Article 95, Section 22 of the Annotated Code of Maryland authorizes the County to invest surplus funds in bonds or in other obligations of which the full faith and credit of the United States of America are pledged, obligations of federal government agencies issued in

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

accordance with an Act of Congress, repurchase agreements that are secured by any bond or other obligation for the payment of which the full faith and credit of the United States are pledged, any bank or banks in the State of Maryland, any savings and loan association, any building and loan association, in interest-bearing time deposit; and/or savings accounts, or in the Local Government Investment Pool.

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

2. Receivables and payables

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

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

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

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

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 2016 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9780	2.4450
Barton	.8938	2.2345
Cumberland	.8486	2.1214
Frostburg	.8560	2.1400
Lonaconing	.8714	2.1784
Luke	.8687	2.1718
Midland	.8938	2.2345
Westernport	.8938	2.2345

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.

E. *Assets, liabilities, deferred outflows/inflows of resources and net position or equity - continued*

4. Restricted assets

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

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 \$10,000 (\$50,000 for infrastructure assets) and an estimated useful life of two years or more. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

E. *Assets, liabilities, deferred outflows/inflows of resources and net positions or equity - continued*

6. Compensated absences

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

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

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

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

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

At June 30, 2016, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 1,090,717	\$ 3,554,139	\$ 4,644,856
Sanitary Districts	165,159	326,308	491,467
	<u>\$ 1,255,876</u>	<u>\$ 3,880,447</u>	<u>\$ 5,136,323</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

7. Long-term obligations:

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond issuance costs incurred in connection with the issuance of debentures are expensed in the year the cost is incurred.

8. Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the MD State Retirement plan and additions to/deductions from the retirement plan's fiduciary net position have been determined on the same basis as they were reported by the retirement plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Government-wide and Proprietary Fund Net Position:

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

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

10. Governmental Fund Balances:

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

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of federal or state laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal resolution or ordinance by the Board of County Commissioners. Funds were committed in accordance with Resolution # 87-12 , # 11-16 and #13-23.
- Assigned – Amounts that are constrained by the Board of County Commissioners or the Director of Finance, as provided by Resolution No. 10-17 and authorized agreements via board motion, for a particular purpose.
- Unassigned – All amounts not included in other spendable classifications.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 1. Summary of Significant Accounting Policies - continued

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

12. Use of Restricted Resources:

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

13. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position and or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. See Note 11 for detail of deferred outflows and deferred inflows recorded in the entity-wide financial statements.

In addition to liabilities, the statement of financial position and or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental funds reports unavailable revenues from the following sources:

	<u>General Fund</u>	<u>RBF Fund</u>	<u>NonMajor Governmental Funds</u>	<u>Total</u>
Property taxes	4,367,500			4,367,500
Mass Transit Grant	43,324		221,821	265,145
State Highway Grant			57,650	57,650
Dept of Natural Resources	243,163			243,163
Public Safety Grants	22,420			22,420
Income Tax	158,958			158,958
MDE			329,755	329,755
Other		65,032	7,590	72,622
Total	<u>4,835,365</u>	<u>65,032</u>	<u>616,816</u>	<u>5,517,213</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

- A. Explanation of certain differences between the governmental fund balance sheet and the Government-wide statement of net position.
The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position.
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 \$26,575,440 are as follows:

Bonds payable (including premiums)	\$20,487,355
Notes payable	205,808
State loans	1,237,421
Compensated absences	<u>4,644,856</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$26,575,440</u>

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities.
The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$ 4,638,411) difference are as follows:

Capital outlay	\$8,428,206
Depreciation expense	<u>(3,789,795)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$4,638,411</u>

Another element of that reconciliation states the “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this (\$ 2,671) differences are as follows:

In the statement of activities, only the *gain* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.

	<u>(2,671)</u>
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Net adjustment to decrease *net changes in fund balances—total governmental funds* to arrive at *changes in net position of governmental act* (\$ 2,671)

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

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

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

The details of this \$3,213,640
difference are as follows:

Principal repayments:

Principal payments	<u>3,213,640</u>
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Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$3,213,640</u>
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Another element of that reconciliation states that “Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.” The details of this \$ (1,567,047) difference are as follows:

Compensated absences	(\$180,692)
OPEB Net Obligation	\$187,652
Pension Expense	(\$1,676,476)
Accrued interest adjustment, net	<u>102,469</u>

Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>(\$1,567,047)</u>
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Note 3. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 3. Stewardship, Compliance, and Accountability - continued

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

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

1. Prior to January 15, the County Administrator submits recommended budget guidelines to the Board of Commissioners for their approval.
2. After receiving approval of the budget guidelines, the County Administrator and the Director of Finance meet with the various departments and agencies to explain and distribute the guidelines.
3. The County Administrator and the Director of Finance compile all budget requests; after making departmental and agency review of the requests, a recommended budget is presented to the Board of County Commissioners for review and approval.
4. A public hearing is held to obtain public input and opinion of a preliminary budget.
5. Under Local Code Home Rule, the property tax rate must be set by June 30, and by that time, the budget is publicly adopted by the County Commissioners.
6. During the year supplemental appropriations shall be made by public approval of the Board of Commissioners. Supplemental appropriations in the governmental funds for fiscal year 2016 were increased by \$ 6,814,973 primarily due to increase in use of unexpended fund balance of 5.9 million to transfer for 911 radio console equipment and Allegany High School project and an increase in income taxes in the amount of \$465,000 that was spent on workers comp claims and vacation buy-back.
7. During the year, budget amendments within a department are approved by the Director of Finance. Budget amendments between departments and/or funds require Commissioner public approval.
8. Legally, total expenditures for all individual governmental funds may not exceed the total budget for a particular fund except for emergencies, state-mandated programs, or by approval of a majority of the Board of Commissioners.
9. Appropriations lapse at the end of the fiscal year for all funds, except the Capital Project Funds, and certain federal grants that do not have a year-end date of June 30.
10. Budget monitoring is the responsibility of the Finance Department and the appropriate department head.

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

B.

Excess of Expenditures Over Appropriations

For the year ended June 30, 2016, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 3. Stewardship, Compliance, and Accountability - continued

Block Grant Fund	162,727
Community Develop & Housing Fund	992,214
Gaming Fund	38,837
Sheriff Narcotics Task Force	12,908
Drug Task Force Fund	67,571
Rocky Gap Slots Revenue Fund	10,396
Capital Projects Fund	1,487,606
Coal Haul Funds	241,380

- The expenditures over budget in the Block Grant Fund were funded by revenues that were not budgeted and unreserved fund balance
- The Community Development & Housing Fund excess expenditures over budget were funded by grant revenues which were not budgeted due to grant approval at year end.
- The Gaming Fund excess expenditures over budget were funded with unexpended fund balance that was not budgeted.
- The Drug Task Force, Sheriff Narcotics Task Force and Rocky Gap Slots Funds' excess expenditures over budget were funded by revenues not budgeted.
- The Capital Projects Fund expenditures over budget were funded with unexpended fund balance and revenues not budgeted.
- Coal Haul Roads excess was funded with unexpended fund balance.
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C. Deficit Fund Equity

At June 30, 2016, two governmental funds, the Debt Service Fund and the Capital Improvements Project Fund, had a deficit fund balance in the amount of (\$ 18,209) and (\$ 355,364) respectfully.

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2016, the County had the following investments and maturities:

Investment Type	Fair Value	Investment Maturity in Months			
		Less Than 1	1-6	6-12	Greater than 12
Statement of Net Position					
Group Annuity Fixed	\$ 1,623,360	\$1,623,360			
Certificates of Deposit	20,068,666	2,557,786	5,909,000	5,301,880	6,300,000
Total Stmt of Net Position	<u>\$21,692,026</u>	<u>\$4,181,146</u>	<u>\$ 5,909,000</u>	<u>\$5,301,880</u>	<u>\$6,300,000</u>
Employee Benefit					
Trust-Cert of Deposit	<u>\$ 1,211,615</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 700,615</u>	<u>\$ 511,000</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 4. Deposits and Investments-continued

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

Credit Risk - The County investment policy and State law requires collateralization of 102% of fair 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 (except for the group annuity fixed investment) collateralized at 102% of fair value with bonds or other obligations secured by the full faith and credit of the United States. Allegany County has no policy relating to the credit risk of investments.

Concentration of Credit Risk - The County investment policy limits investments of the portfolio to 5% of Bankers Acceptances, 5% to money market mutual funds, and 5% to commercial paper. The County investment policy complies with Maryland state law limits.

Custodial Credit Risk. Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are:

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

The County carries its investments at fair value. Investments consist mostly of nonparticipating contracts (nonnegotiable certificates of deposit) with maturities of less than one year.

The Group Annuity Fixed investment is uncollateralized in the amount of \$ 1,623,360.

Allegany County Discretely Presented Component Units:

Allegany County Board of Education

Cash deposits – At year-end, the carrying amount of the Board's, not including its component units, deposits was \$19,181,542 and the bank balances were \$18,628,288. Of the bank balances, \$941,721 was covered by depository insurance; \$17,686,567 was covered by collateral held at various banks in the Board's name. Total market value of these pledged securities at June 30, 2016 was \$ 18,081,655. Included in cash and cash equivalents is \$ 48,114 of money market funds invested in U.S. government obligations.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 4. Deposits and Investments-continued

Investments – All investment revenue is recorded in the fund that held the investment. Market values are not materially different from carrying values for these investments. Of the Board's investments, \$17,906 was covered by federal depository insurance and \$ 535,347 was uninsured but collateralized by securities held by the counterparty's trust department. As of June 30, 2016, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
		Less than			More than
	Total	1	1-6	6-12	12
Certificates of Deposit	\$ 553,253	\$ -	\$ 240,175	\$ 62,271	\$ 250,807
	\$ 553,253	\$ -	\$ 240,175	\$ 62,271	\$ 250,807

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2016, the carrying amount of the Library's deposits was \$198,531 and the bank balances were \$ 306,999.

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, 2016 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2016, 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	\$ 20,520	\$ -		\$ 20,520	N/A
Other Federal Government Obligations	393,110	-	-	393,110	N/A
Investment in MD Local Government Fund Pool	225,308	225,308	-	-	AAA
	\$ 638,938	\$ 225,308	\$ -	\$ 413,630	

Allegany County Discretely Presented Component Units:
Allegany County Library System (Continued)

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 4. Deposits and Investments - continued

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

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

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

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$1,490,316 and the bank balance was \$ 1,563,665. The entire bank balance was either covered by federal depository insurance or by pledged government securities. The commission held no investments at year end.

Allegany County Discretely Presented Component Units - continued:

Allegany College

Cash deposits – At year-end, the carrying amount of the Allegany College's, not including its component units, cash deposits was \$ 1,474,806 and the bank balance was \$1,769,925.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 4. Deposits and Investments - continued

The bank balance was fully collateralized with securities held by the college's agent in the College's name.

Investments - As of June 30, 2016, the College had the following investments and maturities:

Investment Type	Total	Less Than 90 Days	90 Days To One Year
Certificates of deposit	\$ 202,787	\$ -	\$ 202,787
Maryland Local Government Investment Pool	7,589,470	7,589,470	-
	<u>\$ 7,792,257</u>	<u>\$ 7,589,470</u>	<u>\$ 202,787</u>

The College invests in the Maryland Local Government Investment Pool (MLGIP) which is administered by PNC Bank. The external investment pool is treated as a 2a-7pool. The MLGIP has a Standard and Poor's rating of AAAm and is administered by the State Treasurer. The MLGIP fund maintains a \$ 1.00 per share net asset value and is stated at cost, which is the same as fair value.

Note 5: Fair Value Measurements

Fair values of the County's assets measured on a recurring basis at June 30, 2016 are as follows:

		Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2016</u>	<u>Fair Value</u>			
Group Annuity Fixed	\$1,623,360	\$1,623,360	\$0	\$0
Certificate of Deposit	20,068,666	20,068,666		
Employee Benefit Trust-Cert of Deposit	1,211,615	\$1,211,615	\$0	\$0
Total	<u>\$22,903,641</u>	<u>\$22,903,641</u>	<u>\$0</u>	<u>\$0</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 5: Fair Value Measurements (continued)

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of the fair value hierarchy are described as follows:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the County has the ability to access.

Level 2 inputs to the valuation methodology include the following:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability
- Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016:

-Certificates of deposit are valued based on net asset value at year-end.

-Fixed income securities are valued at market quotations obtained from public sources.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 5: Fair Value Measurements (continued)

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

For the year ended June 30, 2016, there were no significant transfers in or out of levels 1,2 or 3. Transfers between levels are recognized in the fair value hierarchy at the end of the reporting period.

Note 6. 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, 2016 was \$4,785,277 (before an allowance of \$127,000) of which 2,714,475 were current year's taxes receivable and the balance of \$2,070,802 was prior years' unpaid taxes.

Note 7. Other Receivables

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

Governmental Activities:	General Fund	PIB Fund	RBF Fund	Non-major Governmental Funds	Total
Receivables:					
Interest	\$ 89,681	\$ 5,703	\$ -	\$ 3,429	\$ 98,813
Income taxes	3,077,218		-	-	3,077,218
Other taxes	126,694		-	19,714	146,408
Current:					
Accrued revenues	1,761,017		290,392	1,486,497	3,537,906
Loans, notes	-	-		-	-
Leases, capital	-	-	-	-	-
Long-term:					
Accrued revenues	-	-	-	-	-
Loans, notes	-	-		289,771	289,771
Leases, capital	-	-	-	-	-
Total receivables	\$ 5,054,610	\$ 5,703	\$ 290,392	\$ 1,799,411	\$ 7,150,116

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 7. Other Receivables-continued

Receivables as reported in the Statement of Net Position at year end for the County's individual enterprise major funds, non-major funds and in the aggregate, consist of the following:

Business-type Activities:	Water Districts	Sewer Districts	Non-Major Enterprise Funds	Total
Receivables:				
Interest			\$ -	\$ -
Accounts, other	2,469	1,891,771	29,122	1,923,362
Accounts, trade	1,357,969	1,764,488	5,269	3,127,726
Less allowance	(178,848)	(232,655)	-	(411,503)
Net accounts, trade	1,179,121	1,531,833	5,269	2,716,223
Accounts, restricted	-	247,369	-	247,369
Less allowance	-	-	-	-
Net accounts, restricted	-	247,369	-	247,369
Loans	-	-	394,930	394,930
Less allowance	-	-	(350,000)	(350,000)
Net loans	-	-	44,930	44,930
Total receivables	\$ 1,181,590	\$ 3,670,973	\$ 79,321	\$ 4,931,884

Leases – Operating and Capital:

The County, as part of its economic development efforts, has constructed numerous shell buildings which are or rented (operating leases) to various employers. The amount of future minimum non-cancelable operating lease payments due each of the next five years and beyond is as follows:

Fiscal Year	Operating Leases Minimum Payments
2017	3,081,413
2018	2,667,950
2019	2,517,276
2020	2,468,376
2021	2,419,476
Totals	\$ 13,154,491

The gross value of buildings with operating leases at June 30, 2016 is \$19,744,629 and the accumulated depreciation is \$ 7,670,780.

Unearned Revenue:

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 7. Other Receivables-continued

At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Unearned revenue recorded as a receivable which are not considered available to liquidate liabilities of the current period:	
Unearned grant revenue	\$ 441,008
Unearned ticket revenue\other	39,752
Long term housing loans receivable	289,771
	<u>\$ 770,531</u>

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2016:

Entity	Source of funds	Balance June 30, 2016
County Loan Fund loans:		
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	\$ 250,000
YMCA	General Fund	100,000
Paving project	General Fund	0
Upper Potomac Industrial Park flood wall loan	General Fund	14,930
WebRestaurant Loan	RBF Fund	30,000
Allowance for doubtful accounts		(350,000)
Sub-total		\$ 44,930
Allconet II Fund loans:		
TWR loan	General Fund	29,122
Total		\$ 74,052

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2016 for the primary government was as follows:

Primary Government: Governmental activities:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 22,371,965	\$ 1,696,730	\$ -		\$ 24,068,695
Work in Progress	879,676	4,051,378			4,931,054
Total capital assets not being depreciated	23,251,641	5,748,108	-	-	28,999,749
Capital assets, being depreciated:					
Buildings	59,591,112	218,195			59,809,307
Infrastructure	49,673,813		-		49,673,813
Furniture & Fixtures	1,054,110		-		1,054,110
Equipment	10,439,643	1,730,485			12,170,128
Vehicles	10,533,640	542,819	(230,310)		10,846,149
Heavy Equipment	4,093,258	163,900			4,257,158
Other Capital Assets	1,230,235	24,700			1,254,935
Total capital assets, being depreciated:	136,615,811	2,680,099	(230,310)	-	139,065,599
Less accumulated depreciation for:					
Buildings	(24,409,337)	(1,645,964)		-	(26,055,301)
Infrastructure	(31,419,205)	(707,562)	-	-	(32,126,767)
Furniture & Fixtures	(835,752)	(44,452)	-	-	(880,204)
Equipment	(8,251,691)	(657,274)		-	(8,908,965)
Vehicles	(8,471,594)	(594,890)	227,637	-	(8,838,847)
Heavy Equipment	(3,716,403)	(81,948)		(3,116)	(3,801,467)
Other Capital Assets	(613,762)	(57,704)	-	3,116	(668,350)
Total accumulated depreciation	(77,717,744)	(3,789,794)	227,637	-	(81,279,902)
Total capital assets, being depreciated, net	58,898,067	(1,109,695)	(2,673)	-	57,785,697
Governmental activities capital assets, net	\$ 82,149,707	\$ 4,638,413	\$ (2,673)	\$ -	\$ 86,785,446

Primary Government: Business-type activities:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 192,532	\$ -	\$ -	\$ -	\$ 192,532
Work in Progress	8,836,017	7,184,922		(4,679,707)	11,341,232
Total capital assets not being depreciated	9,028,549	7,184,922	-	(4,679,707)	11,533,764
Capital assets, being depreciated:					
Buildings	256,346		-		256,346
Infrastructure	165,784,105			4,679,707	170,463,812
Furniture & Fixtures	17,681	-	-	-	17,681
Equipment	6,089,220	358,615	-		6,447,836
Vehicles	1,253,867	110,942			1,364,809
Heavy Equipment	812,201	725,220	-		1,537,421
Other Capital Assets	2,837,063		-	-	2,837,063
Total capital assets, being depreciated:	177,050,483	1,194,777	-	4,679,707	182,924,967
Less accumulated depreciation for:					
Buildings	(167,585)	(6,215)	-	-	(173,800)
Infrastructure	(55,276,745)	(3,379,853)	-	-	(58,656,598)
Furniture & Fixtures	(17,680)	-	-	-	(17,680)
Equipment	(5,262,339)	(201,174)	-	-	(5,463,513)
Vehicles	(1,046,729)	(74,880)		-	(1,121,609)
Heavy Equipment	(690,106)	(78,641)	-	-	(768,747)
Other Capital Assets	(1,777,237)	(126,650)	-	-	(1,903,887)
Total accumulated depreciation	(64,238,421)	(3,867,413)	-	-	(68,105,836)
Total capital assets, being depreciated, net	112,812,062	(2,672,636)	0	4,679,707	114,819,131
Business-type activities capital assets, net	\$ 121,840,605	\$ 4,512,286	\$ -	\$ -	\$ 126,352,895

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 8. 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, 2016 as follows:

<u>Governmental activities:</u>	
General government	\$ 161,926
Public safety	1,344,350
Public works	979,345
Health	218,441
Social services	139,620
Recreation, culture and libraries	148,681
Community development and housing	13,964
Economic development	783,467
Total depreciation expense - governmental activities	<u>\$ 3,789,794</u>
<u>Business type activities:</u>	
Water districts	\$ 1,195,588
Sewer districts	2,548,430
Alconet II	123,395
Total depreciation expense - governmental activities	<u>\$ 3,867,413</u>

Construction Commitments

The County has active construction projects as of June 30, 2016. The projects include industrial park infrastructure and water quality and service improvements. At year end the County's commitments with contractors are as follows:

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Burbridge building	\$ 2,638,825	\$ 25,000
Highlands Trail	241,463	12,708
Wrights Crossing Project	3,144,535	881,082
Bedford Road Project	938,442	121,059
Rawlings Project	2,853,364	57,037
Braddock Run Santiary	1,272,910	66,900
County Road Project	540,971	27,128
Douglas Avenue Landslide	637,076	308,426
Salt Storage Facility	293,404	113,775
Barton Park Shell Building	3,937,336	660,975
Totals	<u>\$ 16,498,326</u>	<u>\$ 2,274,090</u>

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 8. Capital Assets - continued

Discretely Presented Component Units:

Capital asset activity for the Board of Education of Allegany County for the year ended June 30, 2014 (not including component units), was as follows:

Board of Education Governmental activities:	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,208,336	\$ -		\$ 4,208,336
Work in process	5,379,894	1,775,124	(99,798)	7,055,220
Total capital assets not being depreciated:	9,588,230	1,775,124	(99,798)	11,263,556
Capital assets, being depreciated:				
Land Improvements	9,324,047	143,350	7,177	9,474,574
Buildings & Improvements	156,840,245	331,488	92,621	157,264,354
Furniture, Equipment & Vehicles	19,605,067	732,690	(517,642)	19,820,115
Total capital assets, being depreciated:	185,769,359	1,207,528	(417,844)	186,559,043
Less accumulated depreciation for:				
Land Improvements	(2,958,799)	(469,463)	-	(3,428,262)
Buildings & Improvements	(90,686,419)	(3,972,025)		(94,658,444)
Furniture, Equipment & Vehicles	(12,834,860)	(1,371,154)	471,868	(13,734,146)
Total accumulated depreciation	(106,480,078)	(5,812,642)	471,868	(111,820,852)
Total capital assets, being depreciated, net:	79,289,281	(4,605,114)	54,024	74,738,191
Governmental activities capital assets, net	\$ 88,877,511	\$ (2,829,990)	\$ (45,774)	86,001,747

Board of Education Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Work in process	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	582,680	-	(98,734)	483,946
Less accumulated depreciation	(511,171)	(23,221)	98,734	(435,658)
Total capital assets, being depreciated, net:	71,509	(23,221)	-	48,288
Business-type activities capital assets, net	\$ 71,509	\$ (23,221)	\$ -	\$ 48,288

Capital asset activity for the Library of Allegany County for the year ended June 30, 2015 was as follow

Library Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable assets:				
Construction in Progress	\$ 85,761	\$ 29,200		\$ 114,961
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,763,563	\$ -	\$ -	\$ 3,763,563
Furniture & Equipment	799,752	20,401	(69,474)	750,679
Vehicles/Bookmobile	41,235	23,463	-	64,698
Library Books	3,716,517	209,492	(345,418)	3,580,591
Total capital assets, being depreciated:	8,321,067	253,356	(414,892)	8,159,531
Less accumulated depreciation for:				
Buildings & Improvements	(1,494,251)	(75,271)	-	(1,569,522)
Furniture & Equipment	(592,242)	(38,786)	67,613	(563,415)
Vehicles/Bookmobile	(34,740)	(2,443)	-	(37,183)
Library Books	(3,234,966)	(202,360)	345,418	(3,091,908)
Total accumulated depreciation	(5,356,199)	(318,860)	413,031	(5,262,028)
Total capital assets, being depreciated, net:	\$ 2,964,868	\$ (65,504)	\$ (1,861)	\$ 2,897,503
Governmental activities capital assets, net	\$ 3,050,629	\$ (36,304)	\$ (1,861)	\$ 3,012,464

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 8. 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, 2016 were as follows:

Allegany College of Maryland Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 1,697,465	\$ -	\$ (133,113)	\$ 1,564,352
Library Collections	126,437	1,473	-	127,910
Work in Progress	30,815	304,210	(331,470)	3,555
Total capital assets not being depreciated:	<u>1,854,717</u>	<u>305,683</u>	<u>(464,583)</u>	<u>1,695,817</u>
Capital assets, being depreciated:				
Buildings	53,038,229	604,071	(7,470,617)	46,171,683
Equipment	9,377,369	1,221,199	(400,276)	10,198,292
Auxiliary Equipment	210,218	4,210	-	214,428
Library Books	1,219,392	44,166	(20,891)	1,242,667
Total capital assets, being depreciated:	<u>63,845,208</u>	<u>1,873,646</u>	<u>(7,891,784)</u>	<u>57,827,070</u>
Less accumulated depreciation :	<u>(32,232,184)</u>	<u>(2,237,104)</u>	<u>2,481,240</u>	<u>(31,988,048)</u>
Total capital assets, being depreciated, net:	<u>31,613,024</u>	<u>(363,458)</u>	<u>(5,410,544)</u>	<u>25,839,022</u>
Business-type activities capital assets, net	<u>\$33,467,741</u>	<u>\$ (57,775)</u>	<u>\$ (5,875,127)</u>	<u>\$27,534,839</u>

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2016, was as follows:

LaVale Sanitary Commission Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 234,830		\$ -	\$ 234,830
Work in Progress	619,015	2,232,527	(2,725,321)	126,221
Total capital assets not being depreciated:	<u>853,845</u>	<u>2,232,527</u>	<u>(2,725,321)</u>	<u>361,051</u>
Capital assets, being depreciated:				
Buildings	803,233	-	-	803,233
Infrastructure	23,151,420	2,696,532		25,847,952
Machinery, Vehicles & Equipment, Office Furniture and Equipment	1,241,717	124,925	(91,992)	1,274,650
Total capital assets, being depreciated:	<u>25,196,370</u>	<u>2,821,457</u>	<u>(91,992)</u>	<u>27,925,835</u>
Less accumulated depreciation for:	<u>(12,102,659)</u>	<u>(497,422)</u>	<u>-</u>	<u>(12,600,081)</u>
Total capital assets, being depreciated, net:	<u>13,093,711</u>	<u>2,324,035</u>	<u>(91,992)</u>	<u>15,325,754</u>
Business-type activities capital assets, net	<u>\$13,947,556</u>	<u>\$ 4,556,562</u>	<u>\$ (2,817,313)</u>	<u>\$15,686,805</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 9. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2016, is as follows:

A. Due to/from other funds

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 12,064,370
Revolving Building Fund	10,273,171	-
PIB Fund	3,558,575	
Non-major Governmental Funds	1,820,024	1,120,715
Sub-total	15,651,770	13,185,085
Enterprise Funds:		
Water Districts	2,682,351	-
Sanitary Districts	6,796,924	14,093,451
Non-major Enterprise Funds	1,015,880	-
Sub-total	10,495,155	14,093,451
Fiduciary Funds:		
Agency Fund	267,511	-
Health Insurance Trust Fund	864,100	-
Sub-total	1,131,611	-
TOTALS	\$ 27,278,536	\$ 27,278,536

The interfund balances as of June 30, 2016 are the result of a centralized cash receipt and disbursement function. This results in funds having a deficiency or excess of cash depending on the timing of the receipt of revenues or other sources and/or the payment of expenditures (or expenses) or other uses of cash.

B. Advances and Loans To/From Other Funds

	Advances to Other Funds	Advances from Other Funds
Advances:		
General Fund	\$ 1,200,000	
Sanitary Districts		\$ 800,000
Water Districts		400,000
Loans:		
Loan Fund	301,512	
Allegany County Sanitary Districts:		
Long-term debt-Bonds & Loans		15,397
Long-term debt-Other Loans		479
Allegany County Water Districts:		
Current portion of long-term debt		20,874
Long-term debt		264,762
	\$ 1,501,512	\$ 1,501,512

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 9. Interfund Receivables, Payables, and Transfers (continued)

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

C. Transfers

Transfers to other funds for the year ending June 30, 2016 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Non-major funds governmental funds	\$ 8,897,624	
Enterprise funds:		
Alconet		
Water/Sewer fund	94,861	\$ 8,992,485
From the Revolving Building Fund To:		
General Fund	0	
Water Fund	19,348	
County Loan Fund	30,000	
Non-major funds governmental funds	1,434,777	1,484,125
From the Non-major Governmental Funds to:		
General Fund	-	
Other Non-major governmental fund	287,759	287,759
From the Non-major Enterprise Funds to:		
General Fund	22,665	22,665
TOTALS	\$ 10,787,034	\$ 10,787,034

General Fund transfers to the non-major governmental funds were to fund the local share of grant funded programs and to pay debt service. Transfers to the enterprise funds were to assist in operating costs and debt service. Transfers from the Revolving Building Fund were to pay debt service costs of County economic development buildings and to pay for economic developments share of expenditures in other funds.

Payments to component units for the year ending June 30, 2016 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 29,837,545	
Board of Education, Data Processing	261,943	
Allegany College of Maryland	7,555,000	
Library	947,500	\$ 38,601,988
From the Rocky Gap Slots Fund to:		
Allegany College of Maryland	360,000	360,000
From the Gaming Fund to:		
Board of Education:-Washington Roof	176,622	176,622
From the PIB Fund to BOE for school	109,710	109,710
Total	\$ 39,248,320	\$ 39,248,320

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 10. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2016 and had no balance payable at year end.

Note 11. Long-Term Debt, Capital Leases and Compensated Absences

Long-term liability activity of the County for the year ended June 30, 2016, was as follows:

Long-term Debt					
Governmental Activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
General Obligation	\$ 22,594,788	\$ -	\$ (2,979,213)	\$ 19,615,574	\$ 3,079,551
Notes	205,809	-	0	205,808	7,959
Capital Leases*	-	-	0	0	-
State Loans	1,471,847	-	(234,426)	1,237,421	248,191
Premium on Bonds Payable	936,218	-	(64,437)	871,781	64,437
Total	<u>\$ 25,208,662</u>	<u>\$ 0</u>	<u>\$ (3,278,076)</u>	<u>\$ 21,930,584</u>	<u>\$ 3,400,138</u>
Business-type activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
Water districts:					
Rural development loans	\$ 10,710,507	\$ 461,000	\$ (236,540)	\$ 10,934,967	\$ 231,929
Maryland water quality loans	236,488	77,252	(12,674)	301,066	12,801
County loans	305,853	-	(20,213)	285,640	20,874
Total water districts	<u>11,252,848</u>	<u>538,252</u>	<u>(269,427)</u>	<u>11,521,673</u>	<u>265,604</u>
Sewer districts:					
Maryland water quality loans	566,214	830,702	(50,657)	1,346,259	49,818
Maryland environmental loans	12,160,533	-	(1,045,204)	11,115,329	1,052,127
Rural development loans	4,833,387	-	(90,941)	4,742,446	90,063
Other loans	16,355	-	(479)	15,876	501
Total sewer districts	<u>17,576,489</u>	<u>830,702</u>	<u>(1,187,281)</u>	<u>17,219,910</u>	<u>1,192,509</u>
Total business-type activities:					
Maryland water quality loans	802,702	907,954	(63,331)	1,647,325	62,619
Maryland environmental loans	12,160,533	-	(1,045,204)	11,115,329	1,052,127
Rural development loans	15,543,894	461,000	(327,481)	15,677,413	321,992
Other loans	322,208	-	(20,692)	301,516	21,375
Total business-type activities	<u>\$ 28,829,337</u>	<u>\$ 1,368,954</u>	<u>\$ (1,456,708)</u>	<u>\$ 28,741,583</u>	<u>\$ 1,458,113</u>
Other Long-term Liabilities					
	Beginning Balance	Current Year Changes	Payments	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 4,464,166	\$ 586,031	\$ (405,341)	\$ 4,644,856	\$ 1,090,717
Net Pension Liability	10,046,078	3,365,688	-	13,411,766	-
Business-type activities					
Water & sewer districts					
Compensated absences	\$ 458,218	\$ 46,008	\$ (12,760)	\$ 491,467	\$ 165,159
Net Pension Liability	826,300	276,832	-	1,103,132	-

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 11. 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, 2016 are as follows:

Year Ending June 30,	General Obligation Bonds		Notes		Capital Leases		State Loans		Premium Bond Pay	Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		Principal	Interest
2017	3,079,551	625,942	7,959	11,288	-	-	248,260	18,607	64,437	3,400,138	655,837
2018	1,565,116	532,701	8,423	10,824	-	-	217,706	13,904	64,437	1,855,682	557,429
2019	1,595,908	482,679	8,915	10,333	-	-	337,701	10,075	64,437	2,006,961	503,087
2020	1,120,000	441,100	9,435	9,813	-	-	207,955	4,972	64,437	1,401,827	455,885
2021	970,000	440,250	9,985	9,263	-	-	115,675	1,578	64,437	1,160,097	451,091
2022-2026	5,410,000	1,416,575	59,371	36,869	-	-	110,332	871	322,185	5,901,888	1,454,315
2027-2031	3,310,000	625,975	78,826	17,413	-	-	-	-	172,513	3,561,339	643,388
2032-2036	2,565,000	169,100	15,373	836	-	-	-	-	54,898	2,635,271	169,936
	<u>\$ 19,615,575</u>	<u>\$ 4,734,322</u>	<u>\$ 198,287</u>	<u>\$ 106,639</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,237,629</u>	<u>\$ 50,007</u>	<u>\$ 871,781</u>	<u>\$ 21,923,203</u>	<u>\$ 4,890,968</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2016 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2016 are:

Year Ending June 30,	Farmers Home Admin. Loans		Water Quality/MDE Loans		Other Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	231,929	316,357	12,801	3,620	20,874	10,612	265,604	330,589
2018	239,249	309,036	12,930	3,491	21,557	9,929	273,736	322,456
2019	246,846	302,012	13,061	3,361	22,263	9,223	282,170	314,596
2020	254,729	293,556	13,192	3,229	22,993	8,493	290,914	305,278
2021	262,912	285,373	13,325	3,096	23,747	7,739	299,984	296,208
2022-2026	1,448,736	1,292,692	68,668	13,440	81,856	27,342	1,599,260	1,333,474
2027-2031	1,710,372	1,000,394	72,223	9,905	26,562	18,370	1,809,157	1,028,669
2032-2036	1,770,752	708,948	72,223	9,905	26,562	18,370	1,869,537	737,223
2037-2041	1,723,333	469,713	22,639	1,103	39,222	3,113	1,785,194	473,929
2042-2046	1,380,608	259,505	-	-	0	0	1,380,608	259,505
2047-2051	1,283,231	109,154	-	-	0	0	1,283,231	109,154
2052-2056	382,277	8,823	-	-	0	0	382,277	8,823
Totals	<u>\$ 10,934,974</u>	<u>\$ 5,355,563</u>	<u>\$ 301,062</u>	<u>\$ 51,150</u>	<u>\$ 285,636</u>	<u>\$ 113,191</u>	<u>\$ 11,521,673</u>	<u>\$ 5,519,904</u>

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2016 are:

Year Ending June 30,	Water Quality Loans		Md. Environmental Loans		Farmers Home Admin. Loans		Other Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	49,818	7,471	1,052,127	155,939	90,063	158,007	501	715	1,192,509	322,132
2018	89,679	14,304	1,065,274	142,792	93,154	154,916	524	692	1,248,631	312,704
2019	79,214	12,887	1,078,605	129,462	96,362	151,708	548	668	1,254,729	294,725
2020	68,074	12,009	1,092,121	115,946	99,693	148,377	573	643	1,260,461	276,975
2021	68,805	11,278	1,105,825	102,241	103,151	144,919	600	617	1,278,381	259,055
2022-2026	355,291	167,530	4,257,121	303,697	572,467	637,162	3,437	2,643	5,188,316	1,111,032
2027-2031	420,395	26,729	1,464,256	43,606	681,303	545,236	4,304	1,778	2,570,258	617,349
2032-2036	214,983	9,240	-	-	801,058	427,164	5,389	694	1,021,430	437,098
2037-2041	-	-	-	-	757,872	292,118	-	-	757,872	292,118
2042-2046	-	-	-	-	898,287	138,944	-	-	898,287	138,944
2047-2051	-	-	-	-	447,684	30,224	-	-	447,684	30,224
2052-2056	-	-	-	-	101,352	860	-	-	101,352	860
Totals	<u>\$ 1,346,259</u>	<u>\$ 261,448</u>	<u>\$ 11,115,329</u>	<u>\$ 993,683</u>	<u>\$ 4,742,446</u>	<u>\$ 2,829,635</u>	<u>\$ 15,876</u>	<u>\$ 8,450</u>	<u>\$ 17,219,910</u>	<u>\$ 4,093,216</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 11. Long-Term Debt, Capital Leases and Compensated Absences - continued

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

Allegany County Primary Government Schedule of Long - Term General Obligation Debt:					
General Obligation Bonds:	Date of	Date of	Interest	June 30,	
Public Improvement Bonds:	Issue	Maturity	Rate (%)	2016	2015
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	0	0
Bonds of 2004	10/26/04	10/01/19	3.50	0	0
Bonds of 2006	07/21/06	08/01/16	4.24	0	0
Bonds of 2008	12/16/08	09/01/18	4.36	1,485,574	1,959,788
Bonds of 2013-Nontax	03/11/13	03/11/27	2.11	8,015,000	9,045,000
Bonds of 2013-Taxable	03/11/13	03/11/17	1.48	1,205,000	2,390,000
Bonds of 2014	12/16/14	12/16/35	2.88	8,910,000	9,200,000
Premium on Bonds	03/11/13	03/11/27	n/a	374,208	411,628
Premium on Bonds	12/16/14	12/16/35	n/a	497,574	524,591
Notes:					
Farmers Home Admin	1992	2032	5.75	205,808	205,809
Capital Leases:					
Transit Bus	04/11/06	04/11/13	5.94	-	-
State Loans:					
Md Industrial Land Act:					
	1991	2017	6.90	34,449	102,640
Superfos Expansion	1994	2014	5.93		0
Micro - Integration	1995	2014	5.93	0	0
Superfos III					
	01/05/96	2020	5.00	728,160	837,801
PPG Purchase	2001	2022	4.69	64,205	81,936
MD PPG Improvements	2000	2020	1.00	144,000	144,000
Md Environmental Loan	2003	2023	0.89	266,607	305,470
Total Long - Term General Obligation Debt				21,930,584	25,208,663
Compensated Absences				4,644,856	4,464,166
Total long-term liabilities				\$ 26,575,440	\$ 29,672,828

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Schedule of Business-type Debt						
	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,		
				2016	2015	
Water Districts Debt:						
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 74,459	\$ 77,432	
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	181,680	188,945	
Eckhart/Clarysville RDA Loan	04/17/11	2051	2.5	202,902	206,536	
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	251,561	258,395	
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	372,717	383,183	
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	175,867	180,803	
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	179,531	184,570	
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	489,863	499,958	
Consol FHA loan	2004	2044	4.5	89,118	90,710	
McCoole FHA Loan	1999	2039	4.5	837,169	858,341	
Barton Industrial Park	2005	2045	4.5	309,540	314,810	
Klondike FHA	2005	2045	4.5	403,897	410,663	
Morantown FHA Loan	2005	2046	4.25	148,437	150,926	
Mexico Farms	1992	2032	5.5	280,330	290,596	
Bowmans Addition RDA Loan	10/01/10	2051	3.75	560,221	568,068	
Bowmans Addition Phase 2 RDA	12/16/11	2052	2.00	578,310	588,861	
Bedford Rd/Shades Lane MDE	06/28/12	2052	1.00	40,195	41,569	
Cresaptown RDA Loan	06/28/12	2052	2.00	1,398,391	1,424,668	
Cresaptown RDA Loan 2	06/28/12	2052	2.00	433,397	441,522	
Mt Savage-FHA Loan	06/30/13	2053	2.00	3,327,682	3,405,521	
Mt Savage-MDE Loan	10/31/12	2042	1.00	81,967	84,669	
Rawlings	03/31/14	2054	2.00	182,700	186,000	
Rawlings-MDE Loan	2015	2020	2.00	178,901	110,249	
Rawlings-RDA Loan	2016	2056	2.00	457,208	-	
Sub-total				11,236,043	10,946,995	
Carlos/Shaft Loan	2006	2040	4.5	41,675	42,621	
Missick Road Loan	2006	2040	4.5	65,664	67,153	
Route 51 Loan	2006	2040	4.5	23,174	23,700	
PSC Rate case	2007	2024	4.5	155,122	172,379	
Sub - total				285,635	305,853	
Total debt				11,521,678	11,252,848	
Less: Current maturities of long - term debt				(265,604)	(257,038)	
Total Water Districts long - term debt				\$ 11,256,073	\$ 10,995,810	
Sanitary Districts Debt:						
Maryland Water Quality Loans						
Cresaptown	1986	2015	8.8	0	1,441	
Bedford Road	2013	2032	1.4	214,511	226,416	
Braddock Run	2013	2019	1.0	58,429	81,259	
Jennings Run	2014/2015	2036	1.0	286,699	257,098	
Braddock Run	2016	2034	1.0	741,723		
Sub - total				1,301,362	566,214	
Maryland Department of Environment						
Celanese Treatment Plant	1991	2010	3.705	-	-	
Celanese WWTP Upgrade	06/03	2023	0.40	3,761,590	4,166,005	
Inflow and Infiltration Study I	12/03	2023	0.40	455,798	529,398	
Celanese	2006	2026	0.40	416,957	456,629	
Inflow and Infiltration Study II	2008	2028	1.00	749,790	806,223	
George Creek WWTP Upgrat	2009	2029	0.40	5,554,406	5,963,542	
Inflow and Infiltration Study II	2010	2030	1.00	221,684	238,737	
Sub - total				11,160,225	12,160,534	
Farmers Home Administration Loans						
Georges Creek	2007	2047	4.125	451,678	458,752	
Cash Valley Road	1996	2036	4.50	103,373	106,576	
Oldtown Road	1996	2036	4.50	392,036	404,180	
Bowling Green/Cresaptown A	2007	2047	4.125	1,704,985	1,731,677	
Bowling Green/Cresaptown B	2007	2047	4.125	334,706	339,948	
Bedford Road	2012	2052	2.000	440,832	449,117	
Bedford Road	2013	2052	2.000	479,815	488,657	
Jennings Run	2013	2052	2.000	835,018	854,479	
Sub - total				4,742,443	4,833,386	
Oldtown	2006	2036	4.5	15,876	16,355	
Sub - total				15,876	16,355	
Total				17,219,906	17,576,489	
Less: Current maturities of long - term debt				(1,192,509)	(1,142,386)	
Total Sanitary Districts Long - term Debt				\$ 16,027,397	\$ 16,434,103	

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 11. 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, 2016

Long-term Liabilities - Component Units			
Long-term debt activity for the year ended June 30, 2016:			
	Allegany College of Maryland	LaVale Sanitary Commission	
Payable at July 1, 2015	\$ 125,188	\$ 3,387,048	
Amount issued	347,421	657,526	
Amount retired	(119,341)	(120,733)	
Payable at June 30, 2016	<u>\$ 353,268</u>	<u>\$ 3,923,841</u>	

Annual debt service requirements to maturity:						
	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2017	59,037	6,467	65,504	137,961	135,366	273,327
2018	60,369	5,135	65,504	156,074	136,912	292,986
2019	53,788	3,849	57,637	161,125	131,861	292,986
2020	50,858	2,846	53,704	166,379	126,607	292,986
2021	49,673	1,887	51,560	171,847	121,139	292,986
2022-2026	49,978	1,005	50,983	853,656	515,890	1,369,546
2027-2031	29,565	175	29,740	1,025,577	343,796	1,369,373
2032-2036	-	-	-	1,093,317	138,919	1,232,236
2037-2041	-	-	-	157,905	4,918	162,823
	<u>\$ 353,268</u>	<u>\$ 21,364</u>	<u>\$ 374,632</u>	<u>\$ 3,923,841</u>	<u>\$ 1,655,408</u>	<u>\$ 5,579,249</u>

Note 12. Pension and Retirement Systems

Allegany County Primary Government

General Information about the Pension Plan

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 at <http://www.sra.state.md.us> or by writing to the following:

Maryland State Retirement Agency
120 E. Baltimore Street
Baltimore, Maryland 21202-6700

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

Contributions

Employees covered under the retirement system are required to contribute between five and seven percent of their base salary. The County is required to contribute at an actuarially determined rate and the current rate is 12.42% of covered payroll. Employees belonging to the pension system must contribute seven percent of their base salary and seven percent of the base salary that exceeds the social security wage base. The County is required to contribute at an actuarially determined rate also. The contribution rate for the County is currently 8.73% 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, 2016, 2015 and 2014, were \$ 1,334,298, \$1,472,135, and \$1,427,675 respectively, equal to the required employer contributions for each year.

Benefits Provided

Members are eligible for full service pension allowances upon accumulating 30 years of eligibility service regardless of age. Members are eligible for early service pension allowances upon reaching age 55 and have at least 15 years of eligible service. Full service pension allowances equals 1.2% of the highest three consecutive years as an employee for each year of creditable service accrued prior to July 1, 1998 plus 1.8% of the AFC for the three highest consecutive years as an employee for each year of creditable service accrued on or after July 1, 1998. Early service pension allowances equal the amount payable for a full service pension reduced by .5% for each month by which the retirement date precedes the date on which the member reaches age 62. The maximum reduction is 42%.

All members are eligible for ordinary disability pension allowances upon completing five years of eligibility service and receiving certification from the Medical Board that they are permanently incapable of performing their necessary job functions. Ordinary disability pension allowances equal the full service pension allowances if the members are at least age 62 on the date of retirement. Otherwise, the allowances equal the full service pension allowances computed as though the members had continued to accrue service credits until age 62 without any change in the rate of earnable compensation.

All members are eligible for accidental disability pension allowances if the Medical Board certifies that, in the course of their job performance and as the direct result of an accidental injury, they become totally and permanently disabled. Accidental disability pension allowances equal the sum of an annuity determined as the actuarial value of the members' accumulated contributions, and 2/3 of AFC.

In order to be eligible for death benefits, members must have either accumulated at least one year of eligibility service prior to the date of the death or died in the line of duty. The benefit provided upon death of all members equals the members' annual earnable compensation on the date of death plus accumulated contributions. Under certain circumstances, surviving spouses who were named sole primary beneficiaries may elect to receive either the aforementioned lump sum payment or a monthly allowance calculated as payment under Option 2 (100% survivor option). If at the time of death, the member had accrued at least 25 years of eligibility or attained age 55 with at least 15 years

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

of eligible service or attained age 62 then the survivor's allowance is determined as if the members had been eligible to retire.

Members are eligible for vested pension allowances after separation from service and upon reaching age 62, provided that at least five years of eligibility service was accumulated prior to separation. Members may be eligible for reduced vested pension allowances upon attaining age 55 with at least 15 years of eligibility service. Vested allowances are reduced by .5% for each month by which the allowance commencement date precedes the date on which the member attains age 62. Vested allowances equal the normal service pension allowances computed on the basis of the member's accumulated creditable service and AFC at the point of separation. Members who elect to withdraw their accumulated contributions, remain eligible to receive the employer-provided share of the vested benefit. If members do not withdraw their contributions, and die before attaining age 62, their accumulated contributions are returned to the designated beneficiary.

Cost of living adjustments are adjusted each year based on the Consumer Price Index. The Cost of Living Adjustments (COLA) are effective July 1st of each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2016, the County reported total net pension liability of \$ 14,514,898 for its proportionate share of the MD State Retirement System's net pension liability. The net pension liability was measured as of June 30, 2015 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long term share of contributions to the MD State Retirement System relative to the projected contributions made by all participants to the MD State Retirement System actuarially determined. At June 30, 2015, the County's proportion was .0698 percent, which was an increase of .0085 from its proportion measured as of June 30, 2014.

Pension expense for the pension plan for the year ended June 30, 2016 was \$ 3,288,142.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

At June 30, 2016, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 297,254
Change of assumptions	844,543	
Net difference between projected and actual earnings on pension plan investments	385,924	
County contributions subsequent to the measurement date	1,334,298	
Total	<u>\$ 2,564,765</u>	<u>\$ 297,254</u>

The amount \$ 1,334,298 reported as deferred outflows of resources related to pensions resulting from County contributions to the pension system subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	<u>Deferred Outflows (Inflows) of Resources</u>
Year ended June 30:	
2017	\$ 149,580
2018	149,580
2019	149,580
2020	407,773
2021	76,700
Total	<u>\$ 933,213</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

Actuarial Assumptions

The total pension liability in the June 30, 2015 actuarial valuation was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.95% general, 3.45% wage
Salary increases	3.45% to 10.7%, including inflation
Discount rate	7.55%
Investment rate of return	7.55%
Mortality	RP-2014 Mortality Table with generational mortality projections using Scale MD , 2014, calibrated to MSRPS experience

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the five year period of 2010-2014. The June 30, 2014 assumptions were based on a 2012 valuation pursuant to an actuarial experience study of the period 2006-2010. Based on the 2015 experience study, the actuary recommended changes in the actuarial assumptions. The changes include 1) an increase in the general inflation rate from 2.90% to 2.95%, 2) an increase in the wage inflation rate from 3.40% to 3.45%, 3) salary increases from 3.40% to 11.90% to 3.45% to 10.70%, and 4) changes to mortality assumptions. Additionally, both the discount rate and investment rate of return decreased from 7.65% to 7.55%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return were adopted by the System after considering input from the System's investment consultants and actuaries. For each major asset class that is included in the System's target asset allocation, these best estimates are summarized in the following table:

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

	Target	Long-Term Expected Real
Public Equity	35%	6.30%
Fixed Income	10%	0.60%
Credit Opportunity	10%	3.20%
Real Return	14%	1.80%
Absolute Return	10%	4.20%
Private Equity	10%	7.20%
Real Estate	10%	4.40%
Cash	1%	0.00%
Total	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 7.55%. This single discount rate was based on the expected rate of return on pension plan investments of 7.55%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate, contributions from the employer will be made at contractually required rates (actuarially determined), and contributions from the State will be made at current statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower(6.55%) or 1% higher (8.55%) than the current rate:

	<u>1% Decrease 6.55%</u>	<u>Current Discount Rate 7.55%</u>	<u>1% Increase 8.55%</u>
County's proportionate share of the net pension liability	20,514,582	14,514,898	9,539,964

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MD State Retirement System's financial report.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

Defined Contribution Plan

Allegany County has also established one defined contribution plan for the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers the plan. At June 30, 2016, there were 5 members enrolled in the plan.

The defined contribution plan requires the County to contribute 8.53% to the Management Contractual Employees Retirement Plan of annual covered payroll. The required contribution was \$ 25,748, which was made. Plan provisions and contribution requirements are established and may be amended by the County Commissioners.

Employees are immediately vested in their own contributions and earnings on those contributions. Employees become vested in the County's contributions and earnings on County contributions immediately. There were no forfeitures for the plan. The County had no liability to the ICMA plan at June 30, 2016.

The financial statements of the defined contribution plan is 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 lessor of 5% or the percentage they were contributing prior to July 1, 1973.

Members of the contributory pensions are required to make contributions of 7% of earnable compensation. The Board of Education is required to contribute at an actuarially determined rate for individuals in the employee retirement system and the employee contributory pension system. The current rate is 9.73%. 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 recorded pension expense for the FY 16 in the amount of \$ 3,346,081 and the net pension liability recorded was \$ 6,917,608. Deferred outflows of resources was recorded in the amount of \$ 1,589,447, of which, \$ 407,746 was for change in assumptions, \$609,297 was for the net difference between projected and actual earnings and \$ 572,404 was for contributions made subsequent to the measurement date. Deferred inflows of resources

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

was recorded in the amount of \$ 606,743 for the net difference between projected and actual experience.

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, 2015. The Library's pension expense for the year was \$ 169,321. Net pension liability was \$ 74,502 at June 30, 2015. Deferred outflows of resources was \$ 9,834 of which \$ 1,078 was due to changes in assumptions and \$ 8,756 was the Library's contributions subsequent to the measurement date. Deferred inflows of resources was recorded in the amount of \$ 8,155 for the net difference between projected and actual earnings on pension plan investments.

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.

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, 2016. Allegany College's pension expense for FY 16 was \$ 75,011 and net pension liability was \$ 808,106. Deferred outflows of resources were recorded at \$ 133,100, of which \$ 48,605 was due to change in pension assumptions, \$9,484 was for the net difference between projected and actual earnings on pension investments and \$ 75,081 was attributed to contributions made subsequent to the measurement date. Deferred inflows of resources was recorded at (\$ 16,549) for the net difference between projected and actual experience.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 12. Pension and Retirement Systems-continued

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, 2016. LaVale Sanitary's pension expense for the fiscal year ended was \$ 67,400. Net pension liability was \$ 967,008, however pension contributions exceeding the required annual contributions are recorded as an asset in the Commission's financial statements; the balance at June 30, 2016 was \$ 223,874 and therefore, no net pension liability obligation exists.

At June 30, 2016, the Commission reported deferred outflows of resources in the amount of \$ 435,031 of which, \$ 181,052 was the difference between expected and actual experience, \$ 105,174 was the change in assumption amount and \$ 148,805 was the net difference between projected and actual earnings on pension plan investments. The deferred inflows of resources was \$ 51,033, which was attributed to change in assumptions.

Note 13. Length of Service Award Program

A. Plan Description

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

At year end, the program membership consisted of 529 eligible members and no retirees.

Funding Policy

The plan is available to vested volunteer members with no covered payroll. Benefits amortize on a level dollar basis, and are recognized when due and payable in accordance with the terms of the plan. Benefits accrue per month at the rate of \$7 multiplied by years of service, with a maximum benefit of \$105 per month. Since the County fully funds the plan, refunds are not paid. The plan does not provide for post-retirement increases. The contribution rate is determined using an Entry Age Normal Cost Method. The actuarial value of the plan assets is equal to the market value of the assets. Present and future assets in the plan are assumed to earn an investment rate of return of 4.75% compounded annually. There is no inflation factor or salary increase factor used since there is no covered payroll.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 13. Length of Service Award Program (continued)

B. Annual Program Cost

Fiscal Year Ending	Annual Program Cost (APC)	Percentage of APC Contributed	Net Program Obligation
June 30, 2009	\$200,000	100%	0
June 30, 2010	\$200,000	100%	0
June 30, 2011	\$199,000	100%	0
June 30, 2012	\$210,240	100%	0
June 30, 2013	\$235,805	100%	0
June 30, 2014	\$201,986	100%	0
June 30, 2015	\$200,008	100%	0
June 30, 2016	\$204,217	100%	0

The program's funding provides for periodic County contributions at actuarially determined rates that are sufficient to accumulate adequate assets to pay benefits when due. At year end the plan had net assets available for benefits totaling \$1,623,360.

C. Funding Status and Funding Progress

As of January 1, 2015, the most recent actuarial valuation date, the plan was funded 116%. The actuarial accrued liability for benefits was \$ 1,314,897 resulting in an UAAL of \$ (308,463). The schedule of funding progress, presented as required in supplementary information following the Notes to the Financial Statements, presents multi-year information about whether the actuarial value of the plan assets are increasing or decreasing over time relative to the actuarial liabilities for benefits.

Note 14. Governmental Fund Balance Classifications

Beginning with fiscal year 2012, the County adopted GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions", which redefined how fund balances of governmental funds are presented in the financial statements. Those classifications are:

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

- Unassigned – All amounts not included in other spendable classifications.

Fiscal Year 2016 Fund Balance Classifications					
	General	Major Special Revenue Fund	Major Capital Projects Fund	Other	Total
Fund Balances:	Fund	Revolving Building	Public Imprv Fund	Funds	
Nonspendable					
Long term receivables	\$ 1,200,000	\$ -	-	\$ 45,460	\$ 1,245,460
Restricted for:					
Transit bus replacement	173,170	-	-	-	173,170
Housing programs	-	-	-	51,900	51,900
Coal Haul Roads	-	-	-	289,472	289,472
Drug task Force	-	-	-	89,389	89,389
Inmate activities/fire companies	-	-	-	656,620	656,620
High School Construction	-	-	11,623,278	-	11,623,278
Sheriff Task Force	-	-	-	15,264	15,264
Committed to:					
Economic development	-	9,054,651	-	-	9,054,651
FY 2016 Budget	150,000	-	-	-	150,000
School capital\Fire Co	-	-	-	680,276	680,276
Assigned to:					
Election machine replacements	-	-	-	-	-
Future Disparity Grant Funding	3,264,000	-	-	-	3,264,000
Potential State of MD Budget Cuts	750,000	-	-	-	750,000
LOSAP	1,623,360	-	-	-	1,623,360
Technology Enhancements	-	-	-	319,521	319,521
Highway Projects	-	-	-	691,482	691,482
Public safety projects	-	-	-	122,072	122,072
Library Improvements	-	-	-	21,491	21,491
County building improvements	-	-	-	188,412	188,412
Unassigned:	18,092,412	-	-	(419,033)	17,673,379
	<u>\$ 25,252,942</u>	<u>\$ 9,054,651</u>	<u>11,623,278</u>	<u>\$ 2,752,326</u>	<u>\$ 48,683,197</u>

Note 15. Postemployment Healthcare Plan

Plan Description. The County's defined benefit postemployment healthcare plan, the Allegany County Non-Pension Post Employment Benefits Plan (ACBP), provides medical benefits to eligible retired County employees and their beneficiaries. ACBP is affiliated with the Allegany County, Maryland Non-Pension Post Employment Benefit Trust (ACMBT), an agent multiple-employer postemployment healthcare plan. The Allegany County Code assigns the authority to establish and amend the benefit provisions of the plans that participate in ACMBT to the respective employer entities, for ACBP, that authority rests with Allegany County. ACMBT issues a publicly available financial report that includes

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 15. Postemployment Healthcare Plan-continued

financial statements and required supplementary information for ACMBT . That report may be obtained by writing to Allegany County, Maryland Non-Pension Post Employment Benefit Trust, Allegany County Finance Office, 701 Kelly Road, Suite 205, Cumberland, Maryland 21502.

Funding Policy. The contribution requirements of plan members and the County are established and may be amended by ACMBT board of trustees. ACBP members under age 65 receiving benefits who were hired prior to July 1, 1997 contribute 8% of the premium and members under the age 65 receiving benefits who were hired after June 30, 1997 contribute 25% of the premium. The County pays \$ 150 per month for retirees over 65.

The current ARC rate is 5.63 percent of annual covered payroll.

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

Annual Required Contribution (ARC)	\$ 900,832
Interest on Net OPEB Obligation	(61,566)
Adjustment to ARC	<u>50,115</u>
Annual OPEB cost (expense)	889,381
Contribution Towards OPEB Cost	<u>(1,077,033)</u>
Increase (Decrease) in Net OPEB Obligation (asset)	(187,652)
Net OPEB Obligation (Asset)-Beginning of the year	<u>(879,516)</u>
Net OPEB Obligation (Asset)-End of the year	<u>\$ (1,067,168)</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 15. Postemployment Healthcare Plan-continued

For fiscal year 2016, the County's annual OPEB cost (expense) of \$889,381 for ACBP was less than the ARC. The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding fiscal year are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Costs</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/16	889,381	121.0%	\$ (1,067,168)
06/30/15	891,362	117.0%	\$ (879,516)
06/30/14	1,568,681	103.7%	\$ (727,324)

Funding Status and Funding Progress. The funded status of the plan as of July 1, 2015 (the date of the latest actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 14,004,913
Actuarial value of plan assets	<u>2,439,038</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 11,565,875</u></u>
 Funded ratio (actuarial value of plan assets/AAL)	 17.41%
Covered payroll (active plan members)	\$ 15,993,334
UAAL as a percentage of covered payroll	72.30%

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 15. Postemployment Healthcare Plan-continued

In the July 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The inflation rate was assumed to be constant at 3% per year. The actuarial assumptions included a 7.0 percent investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 5 percent after 6 years. The actuarial value of ACBP assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a three year period. The ACBP's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at July 1, 2015, was thirty years. The County has elected to apply GASB Statement No. 45 prospectively and as a result the liability at transition was \$0.

Note 16. Risk Management

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

Self-Insured Health Care – Effective January 1, 2009, the County is self-insured for hospitalization and medical benefits provided to its employees within specified limits. The County pays a third party administrator a monthly fixed fee for various claim administrative services on a per enrolled employee basis to administer the plan. The County has established a Health Insurance Trust Fund, an employee benefit trust fund, used to account for the activity and assets held in trust for the health insurance benefits of its employees.

The third-party administrator submits invoices periodically for all processed claims and administrative fees, and the County issues payment to the third-party administrator, who in turn issues individual claims checks. To protect itself against significant losses, the County has stop-loss policies in place for individual participant health care claims in excess of \$200,000 per year and aggregate annual participant claims in excess of \$10,009,929.

Third party administrators estimated the non-discounted claims liability reported in the funds at June 30, 2016. It is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. Because actual claims liabilities depend on such complex factors as inflation, change in legal doctrines and damage awards, the process used in computing claims liabilities does not necessary result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balance of claims payable relating to the funds for fiscal year 2016 are as follows:

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Balance at July 1, 2015	\$	527,137
Claims and changes in estimates		218,472
Claim payments		<u>-</u>
Balance at June 30, 2016	\$	<u>745,609</u>

Note 17. Pending Claims and Litigation

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

Note 18. Contingent Liabilities

The County participates in a number of state and federally assisted grant programs, principal of which are the U.S. Department of Agriculture, the U.S. Department of Transportation and the U.S. Department of Housing and Urban Developments economic development and housing assistance grant programs. Entitlement to the grant proceeds is generally based on compliance with the terms and conditions of the grant agreements and applicable regulations, including expenditure of the resources for eligible purposes. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended June 30, 2016 may not have been concluded.

Allegany County has borrowed funds on behalf of the LaVale Sanitary District for the purpose of improvements to sewer and water lines and construction of a water treatment plant and water reservoir. The LaVale Sanitary District is responsible for the debt service payments and County has never been called upon to make any of the direct payments of the conduit debt. As of June 30, 2016, such debt includes loans with the U.S. Department of Agriculture of \$3,923,841.

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 19. Accounting Changes and Restatement of Net Position

During FY 16, the County implemented GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets that are not within the scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement 68. The County has a LOSAP program that does not have a trust agreement associated with it and was previously recorded as a fiduciary fund. Therefore, according to GASB Statement No. 73, the value of the investment as of the beginning of FY 16 must be added to the financials. The amount added was \$ 1,576,015 which increased the County's net position and fund balances.

In addition, the County was notified by the State of Maryland that the State made a mistake in allocations of income tax revenue across the State from FY 2010-2014. As a result, the County owes the State of Maryland \$ 479,820. The County added this liability to its financials and it resulted in a decrease to fun balance in the amount of \$ 479,820. Also, as a result of implementing a new software system, old account receivable balances were written off. Therefore, this resulted in a decrease in fund balance of \$ 62,070.

In summary, the restatements had the following effect on the County's net position and fund balances:

	Governmental Activities	Business-Type Activities
Net Position at June 30, 2015, as previously stated	\$100,100,959	\$92,820,231
Record LOSAP investment	\$1,576,015	
Record income tax payable to State of MD - not payable until 2024 in 10 annual installments with no interest -for past incorrect allocations from 2010-2014	(479,820)	
Write off old account receivable balances	(62,070)	
Correct old account receivable balances		(3,404)
Net Position at June 30, 2015, restated	<u>\$101,135,084</u>	<u>\$92,816,827</u>

	General Fund	Water Fund
Fund Balance, June 30, 2015, as previously stated	\$27,604,317	\$34,009,606
Record LOSAP investment	\$1,576,015	
Write off old accounts receivable balances	(62,070)	(3,404)
Fund Balance, June 30, 2015, as restated	<u>29,118,262</u>	<u>34,006,202</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2016

Note 20. Subsequent Event

On January 20, 2017, the County issued \$ 9,000,000 of general obligation bonds to fund the following projects:

EMS Communication Radios	\$ 5,000,000
Allegany College Tech Building Renovation	1,100,000
Woodcock Hollow Landslide	1,000,000
Allegany County Bridge Projects	680,000
Bowling Green Stormwater Drainage	300,000
Bond Closing Costs	250,000
Roads Equipment-Vacuum Truck	250,000
Bel Air School Roof	235,000
Public Safety Building Roof	185,000

The interest rate on the bonds is 2.867% for a period of fifteen years and the final maturity is on January 15, 2032. Annual debt service payments range from \$ 743,446 to \$ 747,010.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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**ALLEGANY COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS**

NON-PENSION POST EMPLOYMENT BENEFITS TRUST (OPEB)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2012	2,304,271	24,377,567	9.5%	22,073,296	14,024,592	157.4%
July 1, 2013	2,439,834	20,046,494	12.20%	17,606,660	\$13,867,239	127.00%
July 1, 2015	2,439,038	14,004,913	17.40%	11,565,875	\$15,993,334	72.30%

The County has elected to apply GASB Statement No. 45 prospectively and as a result the liability at transition was \$0.

LENGTH OF SERVICE AWARD PROGRAM TRUST (LOSAP)

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Funded Ratio	Unfunded Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2013	847,553	756,003	112.0%	(91,550)	N/A	N/A
January 1, 2014	1,115,363	968,595	115.0%	(146,768)	N/A	N/A
January 1, 2015	1,623,360	1,314,897	116.0%	(308,463)	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS:

Year Ended June 30	Annual Required Contribution	Actual Contribution Made	Percentage Contributed
2011	599,000	599,000	100%
2012	210,240	210,240	100%
2013	235,805	235,805	100%
2014	201,986	201,986	100%
2015	200,008	200,008	100%
2016	204,217	204,217	100%

*Note: First contribution was made during FY 2011

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended 30-Jun	County's Proportion of the net pension liability	County's Proportion of the net pension liability (asset)	County's Covered Payroll	County's share of net pension Liability (asset) as a % of payroll	Plan fiduciary net position as a % of total pension liability
2015	6.10%	\$10,872,378	14,004,466	77.64%	69.53%
2016	6.98%	14,514,898	13,959,828	103.98%	68.78%

This schedule is presented to illustrate the requirement to show the information for 10 years. 2015 is the first year information is available

SCHEDULE OF COUNTY'S CONTRIBUTIONS

Year Ended 30-Jun	Contractually required contribution	Contributions relative to Contractually Req contribution	Contribution Deficiency	County's Covered Payroll	Contributions as a % of covered employee payroll
2015	1,472,135	\$1,472,135	-	13,959,828	10.55%
2016	1,334,298	1,334,298		15,109,085	8.83%

This schedule is presented to illustrate the requirement to show the information for 10 years. 2015 is the first year information is available

Notes to Required Supplementary Information:

Change in Benefit Terms There were no benefit changes during the year.

Change in Size or Composition of Population - There were no significant changes in the size or composition of the population during the year.

Changes in Assumptions Adjustments to the rollforward liabilities were made to reflect the following assumption changes in the 2015 valuation:
 -Investment return assumption changed from 7.65 to 7.55%.
 -Inflation assumption changed from 2.9% to 2.95%
 -Wage inflation changed from 3.40% to 3.45%

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 40,510,413	\$ 40,510,413	\$ 40,324,849	\$ (185,564)
Payments in lieu of taxes:				
Coal companies	180,000	180,000	131,395	(48,605)
Housing Authorities	38,500	38,500	48,062	9,562
Rocky Gap	295,000	295,000	283,600	(11,400)
Interest on Delinquent taxes	900,000	900,000	949,854	49,854
Sub-total	<u>41,923,913</u>	<u>41,923,913</u>	<u>41,737,760</u>	<u>(186,153)</u>
Less:				
Prompt payment discounts	185,000	185,000	176,016	8,984
Deferred revenues	500,000	500,000	239,683	260,317
Industrial exemptions	100,000	100,000	150,519	(50,519)
Enterprise zone exemptions	140,000	140,000	100,316	39,684
Residential development tax credit	-	-	-	-
Tax increment financing	-	-	14,545	(14,545)
Historic tax credit	65,000	65,000	36,991	28,009
Real estate tax set-aside	-	-	-	-
PILOT abatement	11,400	11,400	891	10,509
Sub-total	<u>1,001,400</u>	<u>1,001,400</u>	<u>718,961</u>	<u>282,439</u>
Total Net Property Taxes	<u>40,922,513</u>	<u>40,922,513</u>	<u>41,018,799</u>	<u>96,286</u>
Income Taxes	24,859,683	25,324,729	26,880,919	1,556,190
Other Local Taxes:				
Hotel/motel tax	1,024,345	1,024,345	1,126,074	101,729
Admissions	220,000	220,000	167,171	(52,829)
Recordation	1,250,000	1,250,000	1,334,689	84,689
911 Fees	420,000	420,000	384,144	(35,856)
Trailer court	72,000	72,000	70,151	(1,849)
Transfer tax	425,000	425,000	540,054	115,054
Highway users taxes	459,599	459,599	547,328	87,729
Total Local Taxes	<u>3,870,944</u>	<u>3,870,944</u>	<u>4,169,611</u>	<u>298,667</u>
Total Taxes	<u>69,653,140</u>	<u>70,118,186</u>	<u>72,069,329</u>	<u>1,951,143</u>
Licenses and Permits				
Alcoholic beverage licenses	100,000	100,000	97,102	(2,898)
Amusement licenses	5,000	5,000	3,211	(1,789)
Traders licenses	95,000	95,000	104,719	9,719
Occupational licenses	800	800	800	-
Building permits	25,000	25,000	31,984	6,984
Marriage licenses	5,500	5,500	4,255	(1,245)
Cable franchise fees	420,000	420,000	441,304	21,304
Sediment control permits	24,000	24,000	17,105	(6,895)
Total Licenses and Permits	<u>675,300</u>	<u>675,300</u>	<u>700,480</u>	<u>25,180</u>

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued):				
<u>Intergovernmental:</u>				
Federal Funds:				
Homeland security grant	91,051	91,051	202,554	111,503
Civil defense	65,000	65,000	83,574	18,574
FEMA grant	11,120	11,120	8,880	(2,240)
MTA Transportation planning	78,498	78,498	72,358	(6,140)
Emergency shelter grant	82,767	82,767	170,916	88,149
Masters program	73,805	73,805	64,495	(9,310)
Payments in lieu of property taxes	7,750	7,750	8,549	799
Sub-total Federal funds	409,991	409,991	611,326	201,335
State Funds:				
Public Health	14,000	14,000	14,189	189
Police protection	218,193	218,193	203,741	(14,452)
State 911 grant	1,500	1,500	-	(1,500)
State transportation planning	9,812	9,812	9,045	(767)
Maryland Department of Environment grant	1,000	1,000	-	(1,000)
Juvenile services grant			4,001	4,001
Department of Natural Resources	202,892	202,892	79,597	(123,295)
Conservation aid salary	-	29,895	29,896	1
Program Open Space grant	160,000	160,000	133,483	(26,517)
Disparity grant	8,930,611	8,930,611	8,930,611	-
State Jury Reimbursement	50,000	50,000	48,730	(1,270)
Tourism grant	36,000	36,000	92,025	56,025
Governors Office of Crime Control			17,406	17,406
Work Crew Supervisor	30,647	30,647	32,094	1,447
Miscellaneous	159,016	221,676	373,447	151,771
Sub-total State Funds	9,813,671	9,906,226	9,968,265	62,039
Other Intergovernmental:				
Other agencies	246,300	246,300	306,747	60,447
Sub-total Other Intergovernmental:	246,300	246,300	306,747	60,447
Total Intergovernmental	10,469,962	10,562,517	10,886,338	323,821

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued)				
<u>Service Charges:</u>				
General government charges:				
State civil process	50,000	50,000	45,390	(4,610)
Plans & specifications	5,000	5,000	600	(4,400)
Regulation & Maps	-	-	2,415	2,415
Tax sale fees	22,000	22,000	40,854	18,854
Election filing fees	-	-	145	145
Security interest filing fee	-	-	35	35
License application fees	8,700	8,700	8,640	(60)
Liquor License transfer fee	3,500	3,500	4,010	510
Bay restoration collection fee	5,000	5,000	-	(5,000)
Health Ins Admin fee	1,100	1,100	150	(950)
Other general government service charges	5,500	5,500	5,500	-
Tourism promotion charges	20,000	20,000	15,969	(4,031)
Collection fees-special areas	60,000	60,000	56,336	(3,664)
Liquor License Collection fee	3,600	3,600	3,306	(294)
Hotel/Motel collection fee	20,500	20,500	22,324	1,824
Partial payment fee	1,500	1,500	2,538	1,038
Engineering fees	40,000	40,000	40,000	-
Indirect cost allocation	617,318	617,318	7,782	(609,536)
Sub-total general government charges	863,718	863,718	255,994	(607,724)
Public safety charges:				
Police protection charges	10,000	10,000	84,719	74,719
Fingerprinting fee	200	200	10	(190)
Impound fees			2,475	2,475
Jail work release	12,000	12,000	3,925	(8,075)
Boarding state prisoners	25,000	25,000	171,427	146,427
Boarding Federal prisoners	-	-	-	-
Community service fee	22,000	22,000	12,721	(9,279)
Home detention fee	35,000	35,000	26,807	(8,193)
Inmate Medical Copay	4,000	4,000	4,831	831
Building Inspection fees	15,000	15,000	19,395	4,395
Ambulance fees	120,000	120,000	116,320	(3,680)
Sub-total public safety charges	243,200	243,200	442,630	199,430
Sanitation and Waste Removal:				
Landfill fees	165,000	165,000	182,755	17,755
Recycling fees	75,000	75,000	129,977	54,977
Recycled material sales	15,000	15,000	13,597	(1,403)
Sub-total Sanitation and Waste	255,000	255,000	326,329	71,329

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued):				
<u>Service Charges (continued):</u>				
Public service enterprises:				
Upper Potomac River Commission	319,222	319,222	319,222	-
Road closing fees	300	300	-	(300)
Sub-total public service charges	319,522	319,522	319,222	(300)
Total Service Charges	1,681,440	1,681,440	1,344,175	(337,265)
<u>Fines and Forfeitures:</u>				
Circuit court fines	7,000	7,000	6,498	(502)
Contraband seizures	-	-	-	-
Liquor violation fines	8,500	8,500	8,350	(150)
Zoning fines	4,400	4,400	225	(4,175)
Fines and forfeitures	5,000	5,000	4,750	(250)
Total Fines and Forfeitures	24,900	24,900	19,823	(5,077)
<u>Miscellaneous:</u>				
Interest	117,759	117,759	209,280	91,521
Rents and concessions	357,385	357,385	441,439	84,054
Miscellaneous	79,500	164,905	214,597	49,692
Total Miscellaneous	554,644	640,049	865,316	225,267
Total Revenues	83,059,386	83,702,392	85,885,461	2,183,069

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

EXPENDITURES:	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>General Government:</u>				
Legislative:				
County Commissioners	155,495	155,495	160,504	(5,009)
County Commissioners Office	-	-	-	-
Total legislative	155,495	155,495	160,504	(5,009)
Judicial:				
Family Support Services	153,628	160,883	168,181	(7,298)
Alternative dispute resolution	5,388	5,388	5,077	311
Circuit court masters program	111,826	113,276	101,691	11,585
Circuit court	359,653	359,907	359,573	334
Orphans court	63,348	63,348	67,330	(3,982)
Family Law Master	76,311	77,239	75,969	1,270
State's attorney	1,368,943	1,383,168	1,432,119	(48,951)
Law library	22,000	22,000	22,000	-
Grand and petit juries	71,058	71,058	72,010	(952)
Total Judicial	2,232,155	2,256,267	2,303,950	(47,683)
Executive:				
Administrator	315,720	319,187	281,698	37,489
Elections:				
Registration and elections	794,488	798,418	593,272	205,146
Financial Administration:				
Finance Office	532,417	539,835	449,510	90,325
Tax Office	702,993	710,080	396,047	314,033
State Assessment Fee	375,000	375,000	395,045	(20,045)
Accounting Software	343,520	343,520	378,941	(35,421)
Professional services	57,000	57,000	53,164	3,836
Total Financial Administration	2,010,930	2,025,435	1,672,707	352,728
Legal:				
Legal counsel	205,090	205,359	179,401	25,958
Other legal/professional	93,000	93,000	137,654	(44,654)
Total legal	298,090	298,359	317,055	(18,696)
Personnel Administration:				
Human Resources department	539,229	539,229	454,301	84,928
Human resources board of appeals	3,551	3,551	-	3,551
Wellness/Employee recognition	10,446	10,446	6,052	4,394
Total personnel administration	553,226	553,226	460,353	92,873
Planning and Zoning:				
Planning and zoning department	363,203	365,790	387,904	(22,114)
Land use planning	-	-	-	-
Total Planning and Zoning	363,203	365,790	387,904	(22,114)
General Services:				
County Building Maintenance	1,168,898	1,173,769	1,072,006	101,763
Data Processing	353,071	353,071	326,766	26,305
Total general services	1,521,969	1,526,840	1,398,772	128,068
Other general government:				
Liquor control board	114,568	115,328	117,565	(2,237)
Insurance	385,500	385,500	385,081	419
Employee benefits	180,699	180,699	62,245	118,454
Post retirement benefits	1,062,596	1,062,596	917,395	145,201
Total Other General Government	1,743,363	1,744,123	1,482,286	261,837
Total General Government	9,988,639	10,043,140	9,058,501	984,639

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Public Safety:</u>				
Police:				
Police Department	1,769,307	1,837,597	1,747,728	89,869
Sheriffs department	1,218,171	1,278,810	1,231,995	46,815
C3I Unit	13,000	13,000	16,520	(3,520)
Safe School	80,727	80,727	90,386	(9,659)
Juvenile review board	76,547	76,547	53,198	23,349
Drug Seizures-Sheriff			11,575	(11,575)
Truancy Prevention	75,030	75,030	72,544	2,486
Coalition Out of School				-
Total Police	<u>3,232,782</u>	<u>3,361,711</u>	<u>3,223,946</u>	<u>137,765</u>
Fire and rescue:				
Emergency medical services	698,231	810,026	872,189	(62,163)
Drug Seizures	-	-	-	-
Length of service award	210,000	210,000	210,507	(507)
Volunteer fire companies	1,036,145	1,036,145	1,019,211	16,934
Total Fire	<u>1,944,376</u>	<u>2,056,171</u>	<u>2,101,907</u>	<u>(45,736)</u>
Correction:				
County detention center maintenance	190,524	193,418	189,229	4,189
County detention center	7,290,220	7,467,110	7,514,337	(47,227)
Juvenile service grant	-	-	4,094	(4,094)
Alternative sentencing	185,820	188,201	181,382	6,819
Home detention grant	152,283	152,283	141,462	10,821
Total Correction	<u>7,818,847</u>	<u>8,001,012</u>	<u>8,030,504</u>	<u>(29,492)</u>
Other Protection:				
Permits & enforcement	257,071	257,071	295,488	(38,417)
Emergency Management Agency	243,649	245,208	213,216	31,992
Local emergency planning	1,000	1,000	-	1,000
Animal control	360,918	360,918	362,098	(1,180)
911	2,231,481	2,236,096	2,421,944	(185,848)
Hazardous materials operations	69,513	69,513	51,594	17,919
Public safety department	133,058	136,536	149,926	(13,390)
Domestic preparedness grant	91,051	91,051	217,498	(126,447)
Building Codes	48,451	48,451	40,061	8,390
Code Enforcement	84,675	84,675	74,208	10,467
Flood control	4,000	4,000	3,625	375
Transportation planning	112,811	112,811	109,881	2,930
Total Other Protection	<u>3,637,678</u>	<u>3,647,330</u>	<u>3,939,539</u>	<u>(292,209)</u>
Total Public Safety	<u>16,633,683</u>	<u>17,066,224</u>	<u>17,295,896</u>	<u>(229,672)</u>
<u>Public Works:</u>				
Public Services:				
Highway department	7,697,513	7,796,097	8,295,585	(499,488)
Airport	230,000	230,000	230,000	-
Waste collection:				
Solid waste disposal	397,651	397,651	365,403	32,248
Solid waste recycling	192,350	192,350	143,202	49,148
UPRC	399,028	399,028	399,028	-
County engineer	966,195	969,099	890,813	78,286
Total Public Works	<u>9,882,737</u>	<u>9,984,225</u>	<u>10,324,031</u>	<u>(339,806)</u>

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Health and Hospitals:</u>				
Brook Building	150,000	150,000	121,641	28,359
Willowbrook Office	291,000	291,000	258,251	32,749
Health Department supplemental	28,268	28,268	21,019	7,249
Western Maryland Health Planning	9,500	9,500	9,847	(347)
HRDC-SCOF Grant			41,678	(41,678)
Total Health and Hospitals	478,768	478,768	452,436	26,332
<u>Social Services:</u>				
Nursing Home costs	327,500	327,500	196,075	131,425
Pauper's burials	1,300	1,300	-	1,300
Human Resources Devel. Comm.	737,570	737,570	737,568	-
Emergency shelter grant	82,767	82,767	170,916	(88,149)
Child abuse coordinator	126,134	126,134	126,272	(138)
Family Crisis Center	88,000	88,000	88,000	-
Food distribution to the needy	-	-	-	-
Total Social Services	1,363,271	1,363,271	1,318,831	44,438
<u>Recreation and Culture:</u>				
Agriculture Expo	13,000	13,000	13,000	-
Allegany County Arts Council	35,000	35,000	35,000	-
Allegany County fair	451,310	451,310	515,337	(64,027)
Highland trail operations	93,207	93,207	112,108	(18,901)
Cumberland Summer Theatre	8,000	8,000	8,000	-
Program Open Space	160,000	160,000	249,355	(89,355)
Total Recreation and Culture	760,517	760,517	932,800	(172,283)
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	147,038	147,038	146,341	697
Soil conservation services	90,566	120,461	94,793	25,668
Gypsy moth control	10,000	10,000	3,840	6,160
Total Conservation of Natural Resources	247,604	277,499	244,974	32,525
<u>Community Development & Housing</u>				
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	8,000	8,000	8,000	-
<u>Economic Development:</u>				
Department of Economic Development	219,008	225,936	299,686	(73,750)
Scenic railroad development	140,000	140,000	140,000	-
Tri-County Council	40,000	40,000	40,000	-
Tourism department	547,054	547,054	554,265	(7,211)
Toll House	2,650	2,650	346	2,304
Thrasher Museum	15,000	15,000	26,533	(11,533)
Community promotion	9,000	9,000	7,255	1,745
Canal Place Preservation	-	-	-	-
Total Economic Development	972,712	979,640	1,068,085	(88,445)

(continued)

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,447,906	1,447,906	1,447,906	-
Department of Social Services	9,800	9,800	-	9,800
Total Appropriations to Other Gov't Units:	1,486,410	1,486,410	1,476,610	9,800
<u>Miscellaneous:</u>				
Miscellaneous	29,484	29,484	38,599	(9,115)
Total Miscellaneous	29,484	29,484	38,599	(9,115)
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	29,837,545	29,837,545	29,837,545	-
Allegany College	7,555,000	7,555,000	7,555,000	-
Allegany County Library	947,500	947,500	947,500	-
Information Technology	261,943	261,943	261,943	-
Total payments to component units	38,601,988	38,601,988	38,601,988	-
Total Expenditures	80,453,813	81,079,166	80,820,751	258,413
Excess (deficiency) of revenues over (under) expenditures	2,605,573	2,623,226	5,064,710	2,441,482
OTHER FINANCING SOURCES (USES)				
<u>Unexpended balance - prior years</u>	949,319	7,121,286	-	(7,121,286)
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds			-	-
Transfers from Debt Service Fund	540,351	540,351	-	-
Transfers from enterprise funds	28,608	28,608	22,665	(5,943)
Total Transfers In	568,959	568,959	22,665	(5,943)
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Transit Fund	(309,733)	(312,806)	(261,778)	51,028
Housing & Section 8 fund	-	-	-	-
Narcotics Task Force	(6,500)	(6,500)	(3,146)	3,354
Gaming fund	-	(1,016)	-	1,016
RBF	-	-	-	-
Debt service Fund:				
From General government	(3,715,834)	(3,715,834)	(2,375,733)	1,340,101
From Bureau of Police				-
Capital Projects Fund				
Pay-Go Fund		(250,000)	(335,000)	(85,000)
Capital Projects Fund		(5,921,967)	(5,921,967)	-
Enterprise funds:				
Allconet				-
Sanitary fund/Water fund	(91,784)	(105,348)	(94,861)	10,487
Total operating transfers to other funds	(4,123,851)	(10,313,471)	(8,992,485)	1,320,986
<u>Sale of capital assets</u>	-	-	39,790	39,790
Total Other Financing Sources and Uses	(2,605,573)	(2,623,226)	(8,930,030)	(5,766,453)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	(3,865,320)	\$ (3,324,969)
Fund balance, beginning, restated			29,118,262	
Fund balance, ending			\$ 25,252,942	

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
REVOLVING BUILDING FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
REVENUES:				
Miscellaneous	\$ 3,327,848	\$ 3,327,848	\$ 3,290,688	\$ (37,160)
Total Revenues	3,327,848	3,327,848	3,290,688	(37,160)
EXPENDITURES				
Economic development	13,627,738	13,627,738	4,413,598	9,214,140
Total Expenditures	13,627,738	13,627,738	4,413,598	9,214,140
Excess (deficiency) of revenues over (under) expenditures	(10,299,890)	(10,299,890)	(1,122,910)	9,176,980
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	11,373,051	11,373,051	-	(11,373,051)
Transfers to other funds	(1,073,161)	(1,073,161)	(1,484,125)	(410,964)
Sale of capital assets	-	-	23,796	23,796
Total Other Financing Sources and Uses	10,299,890	10,299,890	(1,460,329)	(11,760,219)
Net change in fund balances	\$ -	\$ -	(2,583,239)	\$ (2,583,239)
Fund balance, beginning			11,637,890	
Fund balance, ending			\$ 9,054,651	

Notes to Required Supplementary Information

June 30, 2016

Budgetary Basis

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

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
PUBLIC IMPROVEMENT BOND FUND-CAPITAL PROJECTS FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
REVENUES:				
Interest	\$ -	\$ -	\$ 20,661	\$ 20,661
Total Revenues	-	-	20,661	20,661
EXPENDITURES				
Capital Outlay-General Govt			1,572	(1,572)
Capital Outlay-Education	8,344,000	12,344,000	1,079,342	11,264,658
Payments to Component Units			109,710	(109,710)
Total Expenditures	-	-	1,190,624	11,153,376
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,169,963)	11,174,037
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	6,000,000	6,000,000	-	(6,000,000)
Transfer from other funds	-	4,000,000	4,000,000	-
Debt issued	2,344,000	2,344,000		(2,344,000)
Total Other Financing Sources and Uses	8,344,000	12,344,000	4,000,000	(8,344,000)
Net change in fund balances	\$ 8,344,000	\$ 12,344,000	2,830,037	\$ 2,830,037
Fund balance, beginning			8,793,240	
Fund balance, ending			\$ 11,623,277	

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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.

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.

Rocky Gap Slots Revenue Fund - this fund accounts for the receipt of slots revenue from the Rocky Gap Casino and the distribution of funds to various agencies.

Debt Service Fund

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

Capital Projects Funds

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

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

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	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	Sheriff Narcotics Task Force	Gaming Fund
ASSETS:								
Cash	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ 1,000	-	\$ -
Cash - restricted	-	-	-	-	62,375	-	-	-
Investments	756,298	-	-	-	-	100,000	-	-
Investments-Restricted								
Receivables								
Notes and loans	-	-	-	289,771	-	-	-	-
Other	634	757,863	-	-	-	167	-	19,714
Due from other funds	-	-	9,739	42,221	127,327	206,012	15,814	202,635
Inventory	-	45,460	-	-	-	-	-	-
Total Assets	<u>756,932</u>	<u>803,473</u>	<u>9,739</u>	<u>331,992</u>	<u>189,702</u>	<u>307,179</u>	<u>15,814</u>	<u>222,349</u>
LIABILITIES:								
Accounts payable	194,299	28,359	-	60	124,072	2,537	550	14,400
Accrued payroll	-	39,742	-	-	-	1,561	-	5,657
Accrued payroll fringe	-	21,360	-	-	-	140	-	1,567
Due to other funds	273,161	492,190	-	-	-	-	-	-
Amounts held in escrow	-	-	-	-	65,630	213,552	-	-
Unavailable Revenue	-	-	-	289,771	-	-	-	-
Total Liabilities	<u>467,460</u>	<u>581,651</u>	<u>-</u>	<u>289,831</u>	<u>189,702</u>	<u>217,790</u>	<u>550</u>	<u>21,624</u>
DEFERRED INFLOWS of RESOURCES:								
Grant Reimbursement not Available	-	221,822	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>221,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	45,460	-	-	-	-	-	-
Restricted	289,472	-	9,739	42,161	-	89,389	15,264	-
Committed	-	-	-	-	-	-	-	200,725
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(45,460)	-	-	-	-	-	-
Total Fund Balances	<u>289,472</u>	<u>-</u>	<u>9,739</u>	<u>42,161</u>	<u>-</u>	<u>89,389</u>	<u>15,264</u>	<u>200,725</u>
Total Liabilities, deferred inflows of resources and fund balances	<u>\$ 756,932</u>	<u>\$ 803,473</u>	<u>\$ 9,739</u>	<u>\$ 331,992</u>	<u>\$ 189,702</u>	<u>\$ 307,179</u>	<u>\$ 15,814</u>	<u>\$ 222,349</u>

**ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016**

Special Revenue Funds			Debt Service	Capital Project Funds			Total Nonmajor Governmental Funds
State Fire, Rescue & Public Safety Fund	Rocky Gap Slots Revenue Fund	Total	Debt Service Fund	Capital Project Fund	PAYGO Capital Project Fund	Total Capital Projects Funds	
\$ -		\$ 1,150	\$ -	\$ -	\$ -	\$ -	\$ 1,150
-		62,375		-	-	-	62,375
301,489		1,157,787		-	1,688,384	1,688,384	2,846,171
						-	-
-		289,771	-		-	-	289,771
5,877	206,066	990,321	-	430,800	88,502	519,302	1,509,623
352,934	236,284	1,192,966		492,193	134,865	627,058	1,820,024
-		45,460	-	-	-	-	45,460
<u>660,300</u>	<u>442,350</u>	<u>3,739,830</u>	<u>-</u>	<u>922,993</u>	<u>1,911,751</u>	<u>2,834,744</u>	<u>6,574,574</u>
3,680	442,350	810,307	-	112,790	81,632	194,422	1,004,729
-		46,960	-	-	-	-	46,960
-		23,067	-	-	-	-	23,067
-		765,351	355,364	-	-	-	1,120,715
-		279,182	-	-	-	-	279,182
-		289,771	-	441,008	-	441,008	730,779
<u>3,680</u>	<u>442,350</u>	<u>2,214,638</u>	<u>355,364</u>	<u>553,798</u>	<u>81,632</u>	<u>635,430</u>	<u>3,205,432</u>
		221,822		387,404	7,590	394,994	616,816
<u>-</u>	<u>-</u>	<u>221,822</u>	<u>-</u>	<u>387,404</u>	<u>7,590</u>	<u>394,994</u>	<u>616,816</u>
-		45,460	-	-	-	-	45,460
656,620		1,102,645	-	-	-	-	1,102,645
-		200,725	-	-	479,550	479,550	680,275
-		-	-		1,342,979	1,342,979	1,342,979
-	-	(45,460)	(355,364)	(18,209)	-	(18,209)	(419,033)
<u>656,620</u>	<u>-</u>	<u>1,303,370</u>	<u>(355,364)</u>	<u>(18,209)</u>	<u>1,822,529</u>	<u>1,804,320</u>	<u>2,752,326</u>
<u>\$ 660,300</u>	<u>\$ 442,350</u>	<u>\$ 3,739,830</u>	<u>\$ -</u>	<u>\$ 922,993</u>	<u>\$ 1,911,751</u>	<u>\$ 2,834,744</u>	<u>\$ 6,574,574</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	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	Sheriff Narcotics Task Force	Gaming Fund
REVENUES:								
Other local taxes	\$ 59,128	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 362,035
Intergovernmental:								
Federal	-	735,642	-	756	939,998	-		-
State/Other	-	379,281	-	-	52,216	30,000		-
Service charges	-	389,021	-	-	-	-		31,108
Fines and forfeitures	-	-	-	-	-	123,953	9,166	-
Interest	1,616	-	-	-	-	308		-
Miscellaneous	-	1,450	-	31,902	-	28,510	19,006	-
Total Revenues	<u>60,744</u>	<u>1,505,394</u>	<u>-</u>	<u>32,658</u>	<u>992,214</u>	<u>182,771</u>	<u>28,172</u>	<u>393,143</u>
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	137,024
Public safety	-	-	-	-	-	132,372	12,908	57,995
Public works	-	1,764,597	-	-	-	-	-	-
Highways	194,299	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	162,727	992,214	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital Outlay:								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	13,699	-	-
Public works	152,081	2,575	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units:								
Board of Education/ACC	-	-	-	-	-	-	-	176,622
Total Expenditures	<u>346,380</u>	<u>1,767,172</u>	<u>-</u>	<u>162,727</u>	<u>992,214</u>	<u>146,071</u>	<u>12,908</u>	<u>371,641</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(285,636)</u>	<u>(261,778)</u>	<u>-</u>	<u>(130,069)</u>	<u>-</u>	<u>36,700</u>	<u>15,264</u>	<u>21,502</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	-	261,778	-	-	-	3,146		-
Transfers out	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and uses	<u>-</u>	<u>261,778</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,146</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(285,636)	-	-	(130,069)	-	39,846	15,264	21,502
Fund balance, beginning,	575,108	-	9,739	172,230	-	49,543	-	179,223
Fund balance, ending	<u>\$ 289,472</u>	<u>\$ -</u>	<u>\$ 9,739</u>	<u>\$ 42,161</u>	<u>\$ -</u>	<u>\$ 89,389</u>	<u>\$ 15,264</u>	<u>\$ 200,725</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

Special Revenue Funds			Debt Service	Capital Project Funds			Total Nonmajor Governmental Funds
State Fire, Rescue & Public Safety Fund	Rocky Gap Slots Revenue Fund	Total Special Revenue Funds	Debt Service Fund	Capital Project Fund	PAYGO Capital Project Fund	Total Capital Projects Funds	
\$ -		\$ 421,163	\$ -			\$ -	\$ 421,163
-		1,676,396	-	85,223		85,223	1,761,619
300,133	1,136,702	1,898,332	-	1,600,984	78,538	1,679,522	3,577,854
31,504		451,633	-	9,235	-	9,235	460,868
-		133,119	-	-	-	-	133,119
750		2,674	-	-	4,470	4,470	7,144
41,269		122,137	-	5,210	6,840	12,050	134,187
<u>373,656</u>	<u>1,136,702</u>	<u>4,705,454</u>	<u>-</u>	<u>1,700,652</u>	<u>89,848</u>	<u>1,790,500</u>	<u>6,495,954</u>
-	15,000	152,024	-	-	-	-	152,024
315,127	401,702	920,104	-	-	-	-	920,104
-		1,764,597	-	-	-	-	1,764,597
-		194,299	-	-	-	-	194,299
-		1,154,941	-	-	-	-	1,154,941
-		-	-	-	-	-	-
-		-	-	-	-	-	-
-		-	3,213,641	-	-	-	3,213,641
-		-	762,344	-	-	-	762,344
-		-	-	805,239	263,205	1,068,444	1,068,444
-		13,699	-	1,763,439	78,500	1,841,939	1,855,638
-		154,656	-	890,895	127,762	1,018,657	1,173,313
-	200,000	200,000	-	-	-	-	200,000
-		-	-	-	45,828	45,828	45,828
-		-	-	-	-	-	-
-		-	-	-	-	-	-
-		-	-	-	-	-	-
-	360,000	536,622	-	-	-	-	536,622
<u>315,127</u>	<u>976,702</u>	<u>5,090,942</u>	<u>3,975,985</u>	<u>3,459,573</u>	<u>515,295</u>	<u>3,974,868</u>	<u>13,041,795</u>
<u>58,529</u>	<u>160,000</u>	<u>(385,488)</u>	<u>(3,975,985)</u>	<u>(1,758,921)</u>	<u>(425,447)</u>	<u>(2,184,368)</u>	<u>(6,545,841)</u>
-		264,924	3,810,510	1,921,967	619,042	2,541,009	6,616,443
-	(160,000)	(160,000)	-	(65,510)	(84,914)	(150,424)	(310,424)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(160,000)	104,924	3,810,510	1,856,457	534,128	2,390,585	6,306,019
58,529	-	(280,564)	(165,475)	97,536	108,681	206,217	(239,822)
598,091	-	1,583,934	(189,889)	(115,745)	1,713,848	1,598,103	2,992,148
<u>\$ 656,620</u>	<u>\$ -</u>	<u>\$ 1,303,370</u>	<u>\$ (355,364)</u>	<u>\$ (18,209)</u>	<u>\$ 1,822,529</u>	<u>\$ 1,804,320</u>	<u>\$ 2,752,326</u>

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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds

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

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

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

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
June 30, 2016

		Allegany County Loan Fund	
ASSETS	Allconet II		Total
Current Assets:			
Cash:			
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	5,269		5,269
Other	29,122	44,930	74,052
Due from other funds	323,467	692,413	1,015,880
Miscellaneous assets	-	-	-
Total current assets	<u>357,858</u>	<u>737,343</u>	<u>1,095,201</u>
Non-current Assets:			
Advances to other funds	-	301,512	301,512
Capital assets subject to depreciation	4,646,461	-	4,646,461
Accumulated depreciation	<u>(3,964,331)</u>	<u>-</u>	<u>(3,964,331)</u>
Total noncurrent assets	<u>682,130</u>	<u>301,512</u>	<u>983,642</u>
Total Assets	<u>1,039,988</u>	<u>1,038,855</u>	<u>2,078,843</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	5,434	-	5,434
Due to other funds	-	-	-
Miscellaneous liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>5,434</u>	<u>-</u>	<u>5,434</u>
Noncurrent Liabilities:			
Long term debt:			
Compensated absences	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>5,434</u>	<u>-</u>	<u>5,434</u>
NET POSITION			
Net investment in capital assets	682,130	-	682,130
Unrestricted	<u>352,426</u>	<u>1,038,854</u>	<u>1,391,280</u>
Total Net Position	<u>\$ 1,034,556</u>	<u>\$ 1,038,854</u>	<u>\$ 2,073,410</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

		Allegany County Loan Fund	Total
OPERATING REVENUES:	Allconet II		
Service charges	106,300	-	106,300
Total operating Revenues	106,300	-	106,300
OPERATING EXPENSES:			
Rent Expense	11,575	-	11,575
Utilities	7,632	-	7,632
Repairs & maintenance	28,276	-	28,276
Professional services	53,794	-	53,794
Materials and supplies	-	-	-
Insurance	1,117	-	1,117
Miscellaneous			-
Depreciation	123,395	-	123,395
Total operating expenses	225,789	-	225,789
Operating Income (Loss)	(119,489)	-	(119,489)
NON-OPERATING REVENUE (EXPENSES):			
Interest income	1,954	-	1,954
Other income (expense)	-	-	-
Total non-operating revenue (expenses)	1,954	-	1,954
Income (Loss) before contributions and transfers	(117,535)	-	(117,535)
Federal grants	100,000		100,000
Other agency grants			-
Transfer in		30,000	30,000
Transfer out	-	(22,665)	(22,665)
Change in net position	(17,535)	7,335	(10,200)
Total net position - beginning	1,052,091	1,031,519	2,083,610
Total net position - ending	\$ 1,034,556	\$ 1,038,854	\$ 2,073,410

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Allconet II	Allegany County Loan Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 109,065	\$ (7,335)	\$ 101,730
Cash payments for goods and services	(158,600)		(158,600)
Other operating revenues	-	-	-
Net cash provided by operating activities	(49,535)	(7,335)	(56,870)
Cash flows from noncapital financing activities:			
Advances from other funds	330,509	2,625	333,134
Advances to other funds	(178,870)	(2,625)	(181,495)
Transfers from other funds	-	30,000	30,000
Transfers to other funds	-	(22,665)	(22,665)
Net cash provided by noncapital financing activities	151,639	7,335	158,974
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(204,058)	-	(204,058)
Grant Revenue/Other agency revenue	100,000	-	100,000
Net cash used for capital and related financing activities	(104,058)	-	(104,058)
Cash flows from investing activities:			
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest on investments	1,954	-	1,954
Net cash used in investing activities	1,954	-	1,954
Net increase (decrease) in cash	-	-	-
Cash at beginning of the year	-	-	-
Cash at end of year	\$ -	\$ -	\$ -
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (119,489)	\$ -	\$ (119,489)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	123,395	-	123,395
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	2,765	(7,335)	(4,570)
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in acc'ts payable	(56,206)	-	(56,206)
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	69,954	(7,335)	62,619
Net cash provided by operating activities	\$ (49,535)	\$ (7,335)	\$ (56,870)

**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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<u>Expenditures:</u>				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Debt Service:				
Principal payments on :				
General obligation debt	3,558,027	3,558,027	2,979,215	578,812
State loans	208,951	208,951	234,426	(25,475)
Total principal payments	<u>3,766,978</u>	<u>3,766,978</u>	<u>3,213,641</u>	<u>553,337</u>
Interest payments on:				
General obligation debt	961,565	961,565	740,558	221,007
State loans	16,104	16,104	21,786	(5,682)
Total interest payments	<u>977,669</u>	<u>977,669</u>	<u>762,344</u>	<u>215,325</u>
Total Expenditures	<u>4,769,647</u>	<u>4,769,647</u>	<u>3,975,985</u>	<u>793,662</u>
Deficiency of revenues under expenditures	<u>(4,769,647)</u>	<u>(4,769,647)</u>	<u>(3,975,985)</u>	<u>(793,662)</u>
<u>Other Financing Sources and (Uses):</u>				
Unexpended Fund Balance	540,351	540,351	-	(540,351)
Transfers from other funds:				
From the General Fund	3,715,834	3,715,834	2,375,733	(1,340,101)
From the Revolving Building Fund	1,053,813	1,053,813	1,434,777	380,964
Transfer to General Fund	<u>(540,351)</u>	<u>(540,351)</u>		
Total Other Financing Sources and Uses	<u>4,769,647</u>	<u>4,769,647</u>	<u>3,810,510</u>	<u>(1,499,488)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	(165,475)	<u>\$ (705,826)</u>
Fund balance, beginning			<u>(189,889)</u>	
Fund balance, ending			<u>\$ (355,364)</u>	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUN 30, 2016

	Coal Haul Roads Fund				Transit Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	100,000	100,000	59,128	(40,872)	-	-	-	-
Intergovernmental:	-	-	-	-	-	-	-	-
Federal	-	-	-	-	779,806	779,806	735,642	(44,164)
State	-	-	-	-	416,510	416,510	379,281	(37,229)
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	387,000	387,000	389,021	2,021
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	5,000	5,000	1,616	(3,384)	-	-	-	-
Miscellaneous	-	-	-	-	1,020	1,020	1,450	430
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>60,744</u>	<u>(44,256)</u>	<u>1,584,336</u>	<u>1,584,336</u>	<u>1,505,394</u>	<u>(78,942)</u>
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	105,000	105,000	346,380	(241,380)	1,894,073	1,897,142	1,767,172	129,970
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	<u>105,000</u>	<u>105,000</u>	<u>346,380</u>	<u>(241,380)</u>	<u>1,894,073</u>	<u>1,897,142</u>	<u>1,767,172</u>	<u>129,970</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(285,636)</u>	<u>(285,636)</u>	<u>(309,737)</u>	<u>(312,806)</u>	<u>(261,778)</u>	<u>51,028</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	309,737	312,806	261,778	(51,028)
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>309,737</u>	<u>312,806</u>	<u>261,778</u>	<u>(51,028)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(285,636)</u>	<u>\$ (285,636)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning,			575,108				-	
Fund balance, ending			<u>\$ 289,472</u>				<u>\$ -</u>	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

Community Development Block Grant Fund					Block Grant Program Income Fund			
				Variance With Final Budget Positive (Negative)				Variance With Final Budget Positive (Negative)
REVENUES:	Original Budget	Final Budget	Actual		Original Budget	Final Budget	Actual	
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	-	-	756	756
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	31,902	31,902
Total Revenues	-	-	-	-	-	-	32,658	32,658
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	162,727	(162,727)
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	162,727	(162,727)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	(130,069)	(130,069)
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-	-
Net change in fund balances	\$ -	\$ -	-	\$ -	\$ -	\$ -	(130,069)	\$ (130,069)
Fund balance, beginning,			9,739				172,230	
Fund balance, ending			\$ 9,739				\$ 42,161	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Community Development & Housing Fund				Drug Task Force				Drug Task Force			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:												
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:												
Federal	-	-	939,998	939,998	-	-	-	-	-	-	-	-
State	-	-	52,216	52,216	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	30,000	30,000
Service charges	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	9,166	9,166	78,500	78,500	123,953	45,453
Interest	-	-	-	-	-	-	-	-	-	-	308	308
Miscellaneous	-	-	-	-	-	-	19,006	19,006	-	-	28,510	28,510
Total Revenues	-	-	992,214	992,214	-	-	28,172	28,172	78,500	78,500	182,771	104,271
EXPENDITURES:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	12,908	(12,908)	78,500	78,500	146,071	(67,571)
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	992,214	(992,214)	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	992,214	(992,214)	-	-	12,908	(12,908)	78,500	78,500	146,071	(67,571)
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	15,264	15,264	-	-	36,700	36,700
OTHER FINANCING SOURCES AND (USES):												
Unexpended balance - prior	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-	-	-	-	-	3,146	3,146
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-	-	-	-	3,146	3,146
Net change in fund balances	\$ -	\$ -	-	\$ -	\$ -	\$ -	15,264	\$ 15,264	\$ -	\$ -	39,846	\$ 39,846
Fund balance, beginning,			-				-				49,543	
Fund balance, ending			\$ -				\$ 15,264				\$ 89,389	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016

	Gaming Fund				Revolving Building Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	300,788	300,788	362,035	61,247	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	31,000	31,000	31,108	108	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	3,327,848	3,327,848	3,290,688	(37,160)
Total Revenues	<u>331,788</u>	<u>331,788</u>	<u>393,143</u>	<u>61,355</u>	<u>3,327,848</u>	<u>3,327,848</u>	<u>3,290,688</u>	<u>(37,160)</u>
EXPENDITURES:								
General government	150,155	150,155	137,024	13,131	-	-	-	-
Public safety	46,253	46,253	57,995	(11,742)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	13,627,738	13,627,738	4,413,598	9,214,140
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	136,396	136,396	176,622	(40,226)	-	-	-	-
Total Expenditures	<u>332,804</u>	<u>332,804</u>	<u>371,641</u>	<u>(38,837)</u>	<u>13,627,738</u>	<u>13,627,738</u>	<u>4,413,598</u>	<u>9,214,140</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,016)</u>	<u>(1,016)</u>	<u>21,502</u>	<u>22,518</u>	<u>(10,299,890)</u>	<u>(10,299,890)</u>	<u>(1,122,910)</u>	<u>9,176,980</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior ye	-	-	-	-	11,373,051	11,373,051	-	(11,373,051)
Transfer from other funds	1,016	1,016	-	(1,016)	-	-	-	-
Transfers to other funds	-	-	-	-	(1,073,161)	(1,073,161)	(1,484,125)	(410,964)
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	23,796	23,796
Total Other Financing Sources and Uses	<u>1,016</u>	<u>1,016</u>	<u>-</u>	<u>(1,016)</u>	<u>10,299,890</u>	<u>10,299,890</u>	<u>(1,460,329)</u>	<u>(11,760,219)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>21,502</u>	<u>\$ 21,502</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(2,583,239)</u>	<u>\$ (2,583,239)</u>
Fund balance, beginning,			<u>179,223</u>				<u>11,637,890</u>	
Fund balance, ending			<u>\$ 200,725</u>				<u>\$ 9,054,651</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, 2016

	Fire, Rescue & Public Safety Fund				Rocky Gap Slots Revenue 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)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:												
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-	400,788	400,788	421,163	20,375
Intergovernmental:												
Federal	-	-	-	-	-	-	-	-	779,806	779,806	1,676,396	896,590
State	271,792	271,792	300,133	28,341	1,096,306	1,096,306	1,136,702	40,396	688,302	1,784,608	1,868,332	83,724
Other	-	-	-	-	-	-	-	-	-	-	30,000	30,000
Service charges	37,000	37,000	31,504	(5,496)	-	-	-	-	455,000	455,000	451,633	(3,367)
Fines and forfeitures	-	-	-	-	-	-	-	-	78,500	78,500	133,119	54,619
Interest	-	-	750	750	-	-	-	-	5,000	5,000	2,674	(2,326)
Miscellaneous	37,000	37,000	41,269	4,269	-	-	-	-	3,365,868	3,365,868	3,412,825	46,957
Total Revenues	345,792	345,792	373,656	27,864	1,096,306	1,096,306	1,136,702	40,396	5,773,264	6,869,570	7,996,142	1,126,572
EXPENDITURES:												
General government	-	-	-	-	-	-	15,000	15,000	150,155	150,155	152,024	1,869
Public safety	345,792	345,792	315,127	30,665	376,306	376,306	401,702	(25,396)	470,545	846,851	933,803	86,952
Public works	-	-	-	-	-	-	-	-	1,999,073	2,002,142	2,113,552	111,410
Health & hospitals	-	-	-	-	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-	-	-	1,154,941	1,154,941
Economic development	-	-	-	-	-	-	-	-	13,627,738	13,627,738	4,413,598	(9,214,140)
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	560,000	560,000	560,000	-	136,396	696,396	736,622	40,226
Total Expenditures	345,792	345,792	315,127	30,665	936,306	936,306	976,702	(10,396)	16,383,907	17,323,282	9,504,540	(7,818,742)
Excess (deficiency) of revenues over (under) expenditures	-	-	58,529	58,529	160,000	160,000	160,000	160,000	(10,610,643)	(10,453,712)	(1,508,398)	(6,692,170)
OTHER FINANCING SOURCES AND (USES):												
Unexpended balance - prior ye	-	-	-	-	-	-	-	-	11,373,051	11,373,051	-	(11,373,051)
Transfer from other funds	-	-	-	-	-	-	-	-	310,753	313,822	264,924	(48,898)
Transfers to other funds	-	-	-	-	(160,000)	(160,000)	(160,000)	-	(1,073,161)	(1,233,161)	(1,644,125)	(410,964)
Debt issued	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	23,796	23,796
Total Other Financing Sources and Uses	-	-	-	-	(160,000)	(160,000)	(160,000)	-	10,610,643	10,453,712	(1,355,405)	(11,809,117)
Net change in fund balances	\$ -	\$ -	58,529	\$ 58,529	\$ -	\$ -	-	\$ 160,000	\$ -	\$ -	\$ (2,863,803)	\$ (18,501,287)
Fund balance, beginning,			598,091				-				13,221,824	
Fund balance, ending			<u>\$ 656,620</u>				<u>\$ -</u>				<u>\$ 10,358,021</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, 2016

	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			\$ 85,223	\$ 85,223	\$ -	\$ -		\$ -
State grants			1,600,984	1,600,984	-	-	78,538	78,538
Other			9,235	9,235			-	-
Other Taxes				-	-	-		-
Miscellaneous:								
Interest	-	-	-	-	-	-	4,470	4,470
Miscellaneous	-	-	5,210	5,210	-	-	6,840	6,840
Total Revenues	-	-	1,700,652	1,700,652	-	-	89,848	89,848
EXPENDITURES:								
General Government			805,239	(805,239)	-	-	263,205	(263,205)
Public Safety	1,921,967	1,921,967	1,763,439	158,528	-	-	78,500	(78,500)
Public Works			890,895	(890,895)	710,500	795,500	127,762	667,738
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	45,828	(45,828)
Education	50,000	50,000		50,000	-	-		-
Recreation, Culture & Libraries	-	-	-	-				-
Conservation of Natural Resourc	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-
Total Expenditures	1,971,967	1,971,967	3,459,573	(1,487,606)	710,500	795,500	515,295	280,205
Excess (deficiency) of revenues over (under) expenditures	(1,971,967)	(1,971,967)	(1,758,921)	213,046	(710,500)	(795,500)	(425,447)	370,053
OTHER FINANCING SOURCES AND USES:								
Unexpended fund balance	50,000	50,000		(50,000)	460,500	460,500	-	(460,500)
Transfers In:								
From other funds	1,921,967	1,921,967	1,921,967	-	250,000	335,000	619,042	284,042
Transfers Out:								
To other funds	-	-	(65,510)	(65,510)	-	-	(84,914)	(84,914)
Debt issued			-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Uses	1,971,967	1,971,967	1,856,457	(115,510)	710,500	795,500	534,128	(261,372)
Net change in fund balances	\$ -	\$ -	97,536	\$ 97,536	\$ -	\$ -	108,681	\$ 108,681
Fund balance, beginning			(115,745)				1,713,848	
Fund balance, ending			<u>\$ (18,209)</u>				<u>\$ 1,822,529</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, 2016

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,223	\$ 85,223
-	-	-	-	-	-	1,679,522	1,679,522
-	-	-	-	-	-	9,235	9,235
-	-	-	-	-	-	-	-
-	-	20,661	20,661	-	-	25,131	25,131
-	-	-	-	-	-	12,050	12,050
-	-	20,661	20,661	-	-	1,811,161	1,811,161
-	-	1,571	(1,571)	-	-	1,070,015	(1,070,015)
-	-	-	-	1,921,967	1,921,967	1,841,939	80,028
-	-	-	-	710,500	795,500	1,018,657	(223,157)
-	-	-	-	-	-	-	-
8,344,000	12,344,000	1,189,052	11,154,948	8,344,000	12,344,000	1,234,880	11,109,120
-	-	-	-	50,000	50,000	-	50,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,344,000	12,344,000	1,190,623	11,153,377	11,026,467	15,111,467	5,165,491	9,945,976
(8,344,000)	(12,344,000)	(1,169,962)	11,174,038	(11,026,467)	(15,111,467)	(3,354,330)	11,757,137
6,000,000	6,000,000	-	(6,000,000)	6,510,500	6,510,500	-	(6,510,500)
-	4,000,000	4,000,000	-	2,171,967	6,256,967	6,541,009	284,042
-	-	-	-	-	-	(150,424)	(150,424)
2,344,000	2,344,000	-	(2,344,000)	2,344,000	2,344,000	-	(2,344,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
8,344,000	12,344,000	4,000,000	(8,344,000)	11,026,467	15,111,467	6,390,585	(8,720,882)
\$ -	\$ -	2,830,038	\$ 2,830,038	\$ -	\$ -	3,036,255	\$ 3,036,255
		8,793,240				10,391,343	
		<u>\$ 11,623,278</u>				<u>\$ 13,427,598</u>	

CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2016

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

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	Proj. No.	Project Length Budget	Revenues and other Sources					Revenues and other Source	
			Federal Grants	State Grants	Other Intergov'l	Service Charges	Miscellaneous. Revenues	Debt Proceeds	Transfers In
Capital Improvement Projects Fund									
Bureau of Mines	4082	683,000							
New Hope Bridge	4083	130,000	121,853	-	-	-	-	-	46,613
Cash Valley Road	4084	675,100	674,237	-	-	-	-	-	863
Diaster Recovery	4085	250,000	304,773						
AC Auto Tech Building	4086	500,000	-	-	-	-	-	-	500,000
Flood buyouts	4087	10,797	-	-	-	-	-	-	11,591
Emergency Mgmt Console	4088	1,921,967							1,921,967
Detention Center HVAC	408A	435,000	433,692						2,227
Orleans Road Bridge	408B	6,939,000	-	-	-	-	69,893	-	-
Bridge Industrial Park	408C	250,000							
Fairgrounds	408F	150,000					23,555		
Allegany High School	408H	2,000							
Potomac Hollow Road Bridge	408P	795,000	733,778						251,693
Evitts Creek	408Q	86,350							
Takoma Drainage	408T	375,000		384,864					
Tree Planting Grant	408U	175,000		251,063					
Emergency Watershed	408V	50,000		127,591					72,462
Rural Legacy	408W	327,526		894,615					
Shaft	408X	50,538		50,538					
Frostburg Pond	408Y	800,000		795,439					
Dry Run Phase II	409L	520,000	292,086	-	-	-	-	-	94,527
Flood Gate, Savage Dam	409S	3,715,000	3,265,061	401,372		328,590	-	-	220,000
Potomac River Water	409T	70,000	15,000	-	-	-	-	-	123,360
Flood Mitigation, PDM Scattered	409X	211,247	158,247	-	-	-	-	-	53,000
Highland Trail	410X	10,606,000	3,224,644	5,976,572	6,772	-	220,916	-	376,791
			9,223,371	8,882,054	6,772	328,590	314,364	-	3,675,094
Pay-As-You-Go Capital Project Fund									
Computer Network	418I	350,000	-	-	-	-	-	-	365,039
Roads Paving Program	418R	5,331,608	-			40,000	10,000	-	6,096,272
LaVale Blvd Storm Drain	420O	1,500,000	-	110,435	-	-	137,653	-	982,612
Software upgrade	420S	805,309	230,856	-	-	-	-	-	805,309
Disaster Emergency Capital	420V	200,000	-	-	-	-	-	-	400,000
Animal Shelter Quarantine Addn	420X	271,084	-	-	-	-	64,460	-	206,624
Caretaker House	420Y	50,000							155,300
OP Roads Improvements	4203	733,123	-	-	-	16,392	-	-	767,818
Bridge Street bridge	4207	416,000	-	-	-	-	-	-	416,000
Drainage improvements	4208	25,000	-	-	-	-	-	-	48,913
Fiber infrastructure	421A	200,000	-	-	-	-	-	-	200,000
Dans Mt Tower	421B	75,000		30,000					50,000
Library Repairs	421F	200,000			168,538				100,000
Sheriff Building	421H	800,000					4,000		880,000
Allconet	421J	100,000							50,000
Rocky Gap Slots-Fire Companies	421L	79,775							79,775
Rocky Gap Slots-Bd of ED	421M	159,775							239,775
Rocky Gap Slots-County	421N	159,775							239,775
County bldg improvements	418I	251,681	18,981	-	-	-	126,074	-	401,030
			249,837	140,435	168,538	56,392	342,187	-	12,484,242
Public Improvement Bonds Capital Project Fund									
Computer aided dispatcher	432B	702,000	-	21,363	-	-	-	702,000	-
BOE Central Office Roof	432D	273,000							
Bond Interest	432Z	15,444	-	-	-	-	21,513	-	-
Library - LaVale parking lot	4322	34,000	-	-	-	-	-	33,588	-
Braddock Run Restoration	4323	800,000	82,500	500,000	-	-	500	300,000	-
Jennings Run Restoration	4324	800,000	-	500,000	-	-	-	300,000	-
AC Geothermal Project	4327	327,000	-	-	-	-	-	326,800	-
2013 PIB Closing Costs	4331							226,935	
2013 Taxable Bond Closing Costs	4333							56,017	
2013 PIB Bond Interest	433Y								1,096
2014 PIB Educational Bond Closing	4341	150,000					28,341	146,446	
2014 PIB Educational Bond Costs	4342	13,593,905						9,593,905	4,000,000
Courthouse roof	4239	342,000	-	-	-	-	-	250,000	92,000
			82,500	1,021,363	-	-	50,354	11,935,691	4,093,096
Total Capital Project Funds			\$ 9,555,708	\$ 10,043,852	\$ 175,310	\$ 384,982	\$ 706,905	\$ 11,935,691	\$ 20,252,432

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2016

28	Expenditures and other Uses			Remaining	
	Total Sources	Transfers Out	Total Uses	Project Balance	Project Budget
	-		335,569	(335,569)	347,431
168,466	168,466	-	168,466	-	(38,466)
675,100	675,100	-	675,100	-	-
304,773	304,973		304,973	(200)	(54,973)
500,000	439,197	-	439,197	60,803	60,803
11,591	378	11,213	11,591	-	(794)
1,921,967	1,345,377		1,345,377	576,590	576,590
435,919	435,919		435,919	-	(919)
69,893	326,490	-	326,490	(256,597)	6,612,510
-	35,531		35,531	(35,531)	214,469
23,555			-	23,555	150,000
-	1,941		1,941	(1,941)	59
985,471	985,471		985,471	-	(190,471)
-	202		202	(202)	86,148
384,864	374,653	10,211	384,864	-	(9,864)
251,063	251,063		251,063	-	(76,063)
200,053	200,053		200,053	-	(150,053)
894,615	867,021		867,021	27,594	(539,495)
50,538	50,538		50,538	-	-
795,439	789,020		789,020	6,419	10,980
386,613	387,328	-	387,328	(715)	132,672
4,215,023	4,079,612	135,411	4,215,023	-	(500,023)
138,360	118,773	-	118,773	19,587	(48,773)
211,247	209,738	794	210,532	715	715
9,805,695	9,908,412	-	9,908,412	(102,717)	697,588
22,430,245	22,290,825	157,629	22,448,454	(18,209)	7,280,071
365,039	159,314	5,725	165,039	200,000	184,961
6,146,272	5,593,220	26,384	5,619,604	526,668	(287,996)
1,230,700	1,014,121	-	1,014,121	216,579	485,879
1,036,165	1,056,441	-	1,056,441	(20,276)	(251,132)
400,000	4,428	200,000	204,428	195,572	(4,428)
271,084	271,084		271,084	-	-
155,300	45,828	-	45,828	109,472	4,172
784,210	809,210	-	809,210	(25,000)	(76,087)
416,000	445,672	-	445,672	(29,672)	(29,672)
48,913	46,006	-	46,006	2,907	(21,006)
200,000	110,123	-	110,123	89,877	89,877
80,000	153,500		153,500	(73,500)	(78,500)
268,538	247,047		247,047	21,491	(47,047)
884,000	825,470	58,530	884,000	-	(84,000)
50,000	80		80	49,920	99,920
79,775	79,775		79,775	-	-
239,775			-	239,775	159,775
239,775			-	239,775	159,775
546,085	467,145	-	467,145	78,940	(215,464)
13,441,631	11,328,464	290,639	11,619,103	1,822,529	89,027
723,363	691,319	-	691,319	32,044	10,681
-	273,000		273,000	(273,000)	-
21,513	20,449	-	20,449	1,064	(5,005)
33,588	33,588	-	33,588	-	412
883,000	713,113	-	713,113	169,887	86,887
800,000	656,647	-	656,647	143,353	143,353
326,800	326,800	-	326,800	-	200
226,935	225,456	-	225,456	1,479	(225,456)
56,017	52,109	-	52,109	3,908	(52,109)
1,096	1,666	-	1,666	(570)	(1,666)
174,787	154,852		154,852	19,935	(4,852)
13,593,905	1,995,380		1,995,380	11,598,525	11,598,525
342,000	415,349	-	415,349	(73,349)	(73,349)
17,183,004	5,559,728	-	5,559,728	11,623,277	11,477,621
\$ 53,054,880	\$ 39,179,017	\$ 448,268	\$ 39,627,285	\$ 13,427,598	\$ 18,846,719

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CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

	Diaster Recovery (4085)	Emergency Mgmt Console (4088)	Orleans Rd Bridge (408B)	Potomac Hollow Rd Bridge (408P)	Evitts Creek (408Q)	Takoma Drainage (408T)	Shaft (408X)	Bridge Ind Park (408C)
REVENUES:								
Intergovernmental:								
Federal:								
FEMA	\$ 14,583	\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
CDBG	70,640							
State:								
Dept of Natural Resources								
State Highway	-	-	-					-
MDE							50,538	
Service charges	-	-	-	-	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	<u>85,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,538</u>	<u>-</u>
EXPENDITURES:								
Public Safety	82,641	1,345,377	-	-	-	-	-	-
Public Works			2,666		202		50,538	18,573
General Govt	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Total Expenditures	<u>82,641</u>	<u>1,345,377</u>	<u>2,666</u>	<u>-</u>	<u>202</u>	<u>-</u>	<u>50,538</u>	<u>18,573</u>
OTHER FINANCING SOURCES and (USES):								
Transfers-in from:								
General Fund		1,921,967	-	-	-	-	-	-
Other funds		-	-		-	-	-	
Transfer Out		-	-	-	-	(10,211)	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>1,921,967</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,211)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,582	576,590	(2,666)	-	(202)	(10,211)	-	(18,573)
Fund Balance, beginning	(2,782)	-	(253,931)	-	-	10,211	-	(16,958)
Fund Balance, Ending	<u>\$ (200)</u>	<u>\$ 576,590</u>	<u>\$ (256,597)</u>	<u>\$ -</u>	<u>\$ (202)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (35,531)</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, 2016

Allegany High School (408H)	AC Auto Tech Bldg (4086)	Bureau of Mines (4082)	Fairgrounds (408F)	UPRC Flood Gate (409S)	Potomac River Water Study (409T)	Frostburg Pond (408Y)	Tree Planting Grant (408U)	Rural Legacy (408W)	Highland Trail (410X)	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ 14,583
										70,640
-	-	-	-	-	-	795,439	31,638	576,318	147,051	1,403,395
-	-	-	9,235	-	-	-	-	-	-	147,051
-	-	-	-	-	-	-	-	-	-	50,538
-	-	-	-	-	-	-	-	-	-	9,235
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	5,210	5,210
-	-	-	9,235	-	-	795,439	31,638	576,318	152,261	1,700,652
-	-	335,421	-	-	-	-	-	-	-	1,763,439
-	-	-	-	-	-	787,278	31,638	-	-	890,895
-	-	-	-	-	-	-	-	550,470	254,769	805,239
-	-	-	-	-	-	-	-	-	-	-
-	-	335,421	-	-	-	787,278	31,638	550,470	254,769	3,459,573
-	-	-	-	-	-	-	-	-	-	1,921,967
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(55,299)	-	-	-	-	-	(65,510)
-	-	-	-	(55,299)	-	-	-	-	-	1,856,457
-	-	(335,421)	9,235	(55,299)	-	8,161	-	25,848	(102,508)	97,536
(1,941)	60,803	(148)	14,320	55,299	19,587	(1,742)	-	1,746	(209)	(115,745)
\$ (1,941)	\$ 60,803	\$ (335,569)	\$ 23,555	\$ -	\$ 19,587	\$ 6,419	\$ -	\$ 27,594	\$ (102,717)	\$ (18,209)

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, 2016

	Computer Network (418I)	Roads Paving Program (418R)	Dan's Mountain Tower (421B)	LaVale Storm Drains (420O)	Gen Ledger Software Upgrades (420S)	Public Safety Emergency Capital (420V)	Caretaker House (420Y)	Road Improv (420Z)
REVENUES:								
Intergovernmental:								
Federal grants:								
RDA grant	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Homeland Security								
State grants:								
Maryland highway grant	-			-	-	-	-	-
Misc State Grant	-	-		-	-	-	-	-
State Highway Users Tax								
Other Agency	-	-	-	-	-	-	-	-
Miscellaneous:								
Interest		-	-	-	-	-	-	-
Miscellaneous	-	2,000		4,840	-	-	-	-
Total Revenues	-	2,000	-	4,840	-	-	-	-
EXPENDITURES:								
General Government		-	-	-	2,199	-	-	-
Public safety	-	-	78,500	-	-	-	-	-
Public works	-	45,694		55,018	-	-	-	25,000
Recreation & culture	-	-	-	-	-	-	45,828	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	-	45,694	78,500	55,018	2,199	-	45,828	25,000
OTHER FINANCING SOURCES and (USES):								
Transfers-in from:								
General fund	-	85,000		250,000	-	-		
Other funds	-			10,212	-	-	55,300	
Transfers -out to:								
Other funds	-	(26,384)		-	-	-	-	-
Debt proceeds, capital lease	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	58,616	-	260,212	-	-	55,300	-
Net change in fund balances	-	14,922	(78,500)	210,034	(2,199)	-	9,472	(25,000)
Fund Balance, beginning	200,000	511,746	5,000	6,545	(18,077)	195,572	100,000	-
Fund Balance, Ending	\$ 200,000	\$ 526,668	\$ (73,500)	\$ 216,579	\$ (20,276)	\$ 195,572	\$ 109,472	\$ (25,000)

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

Bridge St Bridge (4207)	Drainage Improvements (4208)	Fiber Infrastructure (421A)	Library (421F)	Sheriff Bldg (421H)	Allconet (421J)	County Building Improv (4181)	Rocky Gap Slots Fire Co (421L)	Rocky Gap Slots Bd of Ed (421M)	Rocky Gap Slots County (421N)	Total PAYGO Capital Projects Fund
\$ -	\$ -	\$ -	\$ -			\$ -				\$ -
-	-	-	-			-				-
-	-	-	-			-				-
-	-	-	-			-				-
			78,538							78,538
-	-	-	-			4,470				4,470
-	-	-	-			-				6,840
-	-	-	78,538	-	-	4,470	-	-	-	89,848
-	-	65,423	41,195	-		154,388	-	-	-	263,205
-	-	-	-			-		-	-	78,500
	2,050	-	-	-	-	-	-	-	-	127,762
-	-	-	-	-	-	-	-	-	-	45,828
-	-	-	-	-	-	-	-	-	-	-
-	2,050	65,423	41,195	-	-	154,388	-	-	-	515,295
-	-	-	-							335,000
-	-	-	-	-	-	58,530		80,000	80,000	284,042
-	-	-	-	(58,530)	-	-	-	-	-	(84,914)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	(58,530)	-	58,530	-	80,000	80,000	534,128
-	(2,050)	(65,423)	37,343	(58,530)	-	(91,388)	-	80,000	80,000	108,681
(29,672)	4,957	155,300	(15,852)	58,530	49,920	170,328	-	159,775	159,775	1,713,848
<u>\$ (29,672)</u>	<u>\$ 2,907</u>	<u>\$ 89,877</u>	<u>\$ 21,491</u>	<u>\$ -</u>	<u>\$ 49,920</u>	<u>\$ 78,940</u>	<u>\$ -</u>	<u>\$ 239,775</u>	<u>\$ 239,775</u>	<u>\$ 1,822,529</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PUBLIC IMPROVEMENT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2016

	2008 Public Improvement Bond							2013 PIB			2015 PIB			Totals	
	Computer Aided Dispatcher (432B)	Bond Interest (432Z)	Braddock Run Restoration (4323)	Jennings Run Restoration (4324)	BOE Central Office Roof (432D)	Court House Roof (4329)	Total 2008 Public Improvement Bond	Bond Closing Costs (4331)	Taxable Bond Closing Costs (4333)	Bond Interest (433Y)	Bond Closing (4341)	Bond Costs (4342)	PIB Fund		
REVENUES:															
Intergovernmental:															
State grants:															
MD Emergency Mgmt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-	-	-	-	-	\$ -	-	
MD Dept of Environment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous:	-	-	-	-	-	-	-	-	-	-	20,661	-	-	-	
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenues	-	-	-	-	-	-	-	-	-	-	20,661	-	-	20,661	
EXPENDITURES:															
General government	-	-	-	-	-	-	-	-	-	846	726	-	-	1,572	
Public Works	-	-	-	-	-	-	-	-	-	-	-	1,189,052	-	-	
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditures	-	-	-	-	-	-	-	-	-	846	726	1,189,052	-	1,189,052	
														1,190,624	
OTHER FINANCING SOURCES and (USES):															
Transfer from General Fund	-	-	-	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000	
Total Other Financing Sources and Uses	-	-	-	-	-	-	-	-	-	-	-	4,000,000	-	4,000,000	
Net change in fund balances	-	-	-	-	-	-	-	-	-	(846)	19,935	2,810,948	-	2,830,037	
Fund Balance, beginning	32,044	1,064	169,888	143,353	(273,000)	(73,349)	-	1,479	3,908	276	-	8,787,578	-	8,793,241	
Fund Balance, Ending	\$ 32,044	\$ 1,064	\$ 169,888	\$ 143,353	\$ (273,000)	\$ (73,349)	\$ -	\$ 1,479	\$ 3,908	\$ (570)	\$ 19,935	\$ 11,598,526	\$ -	\$ 11,623,278	

**ENTERPRISE FUNDS
COMBINING SCHEDULES**

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

**SANITARY DISTRICTS
COMBINING SCHEDULE
OF NET POSITION**

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

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2016

	General Operating 501I	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F	Bowman's Addition 501G	Cresaptown 501H
OPERATING REVENUES:									
Service charges	\$ 27,611	\$ 130,194	\$ 36,152	\$ 19,196	\$ 814,759	\$ 40,952	\$ 450,074	\$ 154,106	\$ 762,397
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Operating Revenues	<u>27,611</u>	<u>130,194</u>	<u>36,152</u>	<u>19,196</u>	<u>814,759</u>	<u>40,952</u>	<u>450,074</u>	<u>154,106</u>	<u>762,397</u>
OPERATING EXPENSES:									
Salaries	-	15,432	5,133	69	10,688	1,648	53,970	15,257	52,083
Fringe benefits	-	8,547	2,863	31	4,287	745	29,468	8,675	28,541
Office expenses	-	-	-	-	-	-	-	-	-
Utilities	-	43,977	10,559	19,021	61,881	20,857	221,807	68,951	528,703
Repairs and maintenance	-	1,592	2,891	144	1,078	15,054	60,760	1,704	33,189
Rent Equipment	-	-	-	-	-	3,300	57	-	-
Professional fees	-	360	103	-	244	5,634	15,573	385	1,104
Materials and supplies	-	1,710	490	-	1,158	237	7,869	1,830	7,888
Insurance	-	-	-	-	-	-	-	-	-
Indirect cost	-	5,166	1,628	3,016	5,713	1,328	12,773	7,864	29,355
Miscellaneous	-	-	-	-	-	-	-	-	-
Depreciation	-	39,771	18,267	44,422	52,855	14	46,511	72,938	42,655
Total Operating Expenses	<u>-</u>	<u>116,555</u>	<u>41,934</u>	<u>66,703</u>	<u>137,904</u>	<u>48,817</u>	<u>448,788</u>	<u>177,604</u>	<u>723,518</u>
Operating Income (Loss)	<u>27,611</u>	<u>13,639</u>	<u>(5,782)</u>	<u>(47,507)</u>	<u>676,855</u>	<u>(7,865)</u>	<u>1,286</u>	<u>(23,498)</u>	<u>38,879</u>
NON-OPERATING REVENUE (EXPENSES):									
Interest income	-	2,995	857	-	2,028	143	9,565	3,206	9,192
Interest expense	(5,243)	(22,246)	(4,047)	(14,070)	(15,732)	-	-	(34,272)	(37,124)
Total Non-operating Revenue (Expenses)	<u>(5,243)</u>	<u>(19,251)</u>	<u>(3,190)</u>	<u>(14,070)</u>	<u>(13,704)</u>	<u>143</u>	<u>9,565</u>	<u>(31,066)</u>	<u>(27,932)</u>
Income Before Contributions and Transfers	22,368	(5,612)	(8,972)	(61,577)	663,151	(7,722)	10,851	(54,564)	10,947
Capital Contributions:									
Federal grants	-	-	-	-	-	-	1,234,688	-	-
State grants	-	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-
Transfers in:									
General fund	-	-	-	3,077	-	-	-	-	-
Pay go	-	-	-	-	-	-	26,384	-	-
Revolving Building Fund	-	-	-	19,348	-	-	-	-	-
Change in Net Position	<u>\$ 22,368</u>	<u>\$ (5,612)</u>	<u>\$ (8,972)</u>	<u>\$ (39,152)</u>	<u>\$ 663,151</u>	<u>\$ (7,722)</u>	<u>\$ 1,271,923</u>	<u>\$ (54,564)</u>	<u>\$ 10,947</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2016

Mt. Savage 501J	Bedford Road 501K	MF Industrial 501P	Rawlings Water 501R	Oldtown Road 5012	McCoole 5013	Ellerslie 5014	Eckhart 5015	Hoffman 5016	Route 36 Vale Summit 5017	Borden/ Zhilman/ Morantown 5018	Carlos/Shaft/ Klondike 5019	Total
\$ 187,542	\$ 34,378	66,353	\$ 149,132	189,713	\$ 152,946	\$ 362,466	\$ 303,617	\$ 7,715	\$ 61,110	\$ 128,608	\$ 178,296	\$ 4,257,317
-	-	-	-	-	-	-	-	-	-	-	-	0
187,542	34,378	66,353	149,132	189,713	152,946	362,466	303,617	7,715	61,110	128,608	178,296	4,257,317
28,400	3,673	948	19,809	19,594	22,120	40,398	26,840	927	6,321	15,621	20,698	359,629
14,741	2,331	792	10,844	10,948	11,353	21,493	14,804	490	3,332	8,633	11,198	194,116
-	-	-	-	-	-	-	-	-	-	-	-	-
69,087	15,206	536,885	1,162	100,101	56,423	148,619	85,279	2,613	36,251	45,255	78,761	2,151,397
4,915	257	-	2,820	27,185	55,800	7,574	31,420	101	1,391	2,313	21,152	271,340
25	-	-	-	-	-	-	-	-	-	-	-	3,382
580	58	-	1,316	464	477	9,427	1,419	23	150	381	490	38,188
6,802	276	-	2,468	2,208	2,494	4,766	3,671	109	983	1,811	2,448	49,219
-	-	-	-	-	-	158	158	-	-	-	-	316
6,244	1,199	21,859	482	8,725	9,378	18,250	10,434	254	3,053	4,648	9,212	160,581
-	-	-	-	-	-	-	50	-	-	-	-	50
37,692	11,927	-	189,684	80,624	97,966	195,320	111,602	2,348	28,688	34,839	87,465	1,195,588
168,486	34,927	560,484	228,585	249,849	256,011	446,005	285,677	6,865	80,169	113,501	231,424	4,423,805
19,056	(549)	(494,131)	(79,453)	(60,136)	(103,065)	(83,539)	17,940	850	(19,059)	15,107	(53,128)	(166,488)
4,824	483	-	4,322	3,866	3,968	8,050	5,567	190	1,245	3,172	4,084	67,757
(79,830)	(583)	-	(9,842)	(15,855)	(38,175)	-	(20,889)	-	-	(17,833)	(32,594)	(348,335)
(75,006)	(100)	-	(5,520)	(11,989)	(34,207)	8,050	(15,322)	190	1,245	(14,661)	(28,510)	(280,578)
(55,950)	(649)	(494,131)	(84,973)	(72,125)	(137,272)	(75,489)	2,618	1,040	(17,814)	446	(81,638)	(447,066)
330,748	-	-	932,061	-	-	-	-	-	-	-	-	2,497,497
392,459	-	-	264,432	-	-	-	-	-	-	-	-	656,891
-	-	-	-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-	-	-	3,077
-	-	-	-	-	-	-	-	-	-	-	-	26,384
-	-	-	-	-	-	-	-	-	-	-	-	19,348
\$ 667,257	\$ (649)	(494,131)	\$ 1,111,520	(72,125)	(137,272)	(75,489)	\$ 2,618	\$ 1,040	\$ (17,814)	\$ 446	\$ (81,638)	2,756,131
Total net position - beginning, restated												34,006,202
Total net position - ending												\$ 36,762,333

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2016

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
ASSETS							
Current Assets:							
Cash:							
Cash	\$ 306,277	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	181,836	-	-	-
Investments	205,500	-	-	-	-	-	-
Receivables:							
Accounts (net)	1,776	102,392	87,890	462,055	135,247	134,632	22,789
Taxes - restricted	-	22,430	18,181	2,980	15,554	8,290	1,458
Accounts (net) - restricted	116,331	-	-	-	-	2,579	-
Other	1,891,771	-	-	-	-	-	-
Due from other funds	-	369,852	1,307,267	-	-	-	-
Inventory	77,956	-	-	-	-	-	-
Total current assets	<u>2,599,611</u>	<u>494,674</u>	<u>1,413,338</u>	<u>646,871</u>	<u>150,801</u>	<u>145,501</u>	<u>24,247</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	6,691,264	-	-	-	-	-	-
Capital assets subject to depreciation	4,310,461	4,828,368	4,100,180	7,538,862	7,992,182	10,036,059	2,289,639
Less: Accumulated depreciation	<u>(3,009,013)</u>	<u>(2,669,819)</u>	<u>(2,141,684)</u>	<u>(3,287,775)</u>	<u>(3,955,993)</u>	<u>(4,843,248)</u>	<u>(1,565,818)</u>
Total noncurrent assets	<u>7,997,712</u>	<u>2,159,549</u>	<u>1,963,496</u>	<u>4,251,587</u>	<u>4,037,189</u>	<u>5,194,311</u>	<u>723,821</u>
Total Assets	<u>10,597,323</u>	<u>2,654,223</u>	<u>3,376,834</u>	<u>4,898,458</u>	<u>4,187,990</u>	<u>5,339,812</u>	<u>748,068</u>
Deferred Outflows of Resources							
Deferred Outflows Related to Pensions	712	8,675	6,430	22,428	11,483	10,755	2,038
Total Deferred Outflows of Resources	<u>712</u>	<u>8,675</u>	<u>6,430</u>	<u>22,428</u>	<u>11,483</u>	<u>10,755</u>	<u>2,038</u>
LIABILITIES							
Current liabilities:							
Accounts payable	1,204,230	1,621	1,666	235,502	133,668	133,825	8,044
Accrued wages payable	32,094	5,426	712	1,749	916	1,102	1,070
Accrued payroll fringe benefits	12,770	2,259	329	833	446	345	374
Accrued interest payable	6,724	1,198	1,106	5,473	2,318	5,467	-
Current portion of long term debt							
Bonds & loans	148,630	17,304	15,973	62,374	34,511	25,545	-
Other loans	-	-	-	-	-	-	-
Compensated absences	165,159	-	-	-	-	-	-
Due to other funds	4,771,886	-	-	1,797,011	1,518,791	3,226,062	926,350
Accrued health claims	-	-	-	-	-	-	-
Miscellaneous liabilities	107,076	-	-	134,999	-	-	-
Total current liabilities	<u>6,448,569</u>	<u>27,808</u>	<u>19,786</u>	<u>2,237,941</u>	<u>1,690,650</u>	<u>3,392,346</u>	<u>935,838</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	800,000	-
Net Pension Liability	3,244	47,613	36,517	128,597	65,318	61,637	10,373
Long term debt:							
Bonds & loans	1,278,641	1,043,337	963,078	737,778	1,228,354	968,464	-
Other loans	-	-	-	-	-	-	-
Compensated absences	326,307	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,608,192</u>	<u>1,090,950</u>	<u>999,595</u>	<u>866,375</u>	<u>1,293,672</u>	<u>1,830,101</u>	<u>10,373</u>
Total Liabilities	<u>8,056,761</u>	<u>1,118,758</u>	<u>1,019,381</u>	<u>3,104,316</u>	<u>2,984,322</u>	<u>5,222,447</u>	<u>946,211</u>
Deferred Inflows of Resources							
Deferred Inflows Related to Pensions	(395)	104	822	3,599	1,531	1,712	125
Total Deferred Inflows of Resources							
NET POSITION							
Net investment in capital assets	6,570,441	1,098,908	984,445	3,451,435	2,774,324	4,200,302	723,821
Restricted for debt service	116,331	22,430	18,181	2,980	15,554	10,869	1,458
Unrestricted	<u>(4,145,103)</u>	<u>422,698</u>	<u>1,360,435</u>	<u>(1,641,444.00)</u>	<u>(1,576,258)</u>	<u>(4,084,763)</u>	<u>(921,509)</u>
Total Net Position	<u>\$ 2,541,669</u>	<u>\$ 1,544,036</u>	<u>\$ 2,363,061</u>	<u>\$ 1,812,971</u>	<u>\$ 1,213,620</u>	<u>\$ 126,408</u>	<u>\$ (196,230)</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2016

Oldtown 522	Flintstone 523	Georges Creek 524	Franklin/ Brophytown 525	Celanese Treatment Plant 526	Mexico Farms 527	Cash Valley Road 528	Oldtown Road 529	Barton Industrial Park 530	Total All Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	306,277
-	-	-	-	-	-	-	-	-	181,836
-	-	-	-	-	-	-	-	-	205,500
6,447	12,718	377,076	14,079	70,099	63,299	7,755	28,340	5,239	1,531,833
34	512	52,831	172	-	1,178	1,712	3,127	-	128,459
-	-	-	-	-	-	-	-	-	118,910
-	-	-	-	-	-	-	-	-	1,891,771
-	-	1,922,321	544,675	781,673	1,708,013	-	163,123	-	6,796,924
-	-	-	-	-	-	-	-	-	77,956
<u>6,481</u>	<u>13,230</u>	<u>2,352,228</u>	<u>558,926</u>	<u>851,772</u>	<u>1,772,490</u>	<u>9,467</u>	<u>194,590</u>	<u>5,239</u>	<u>11,239,466</u>
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282
-	-	73,804	-	-	-	-	-	-	6,765,068
892,947	1,279,023	49,677,042	561,727	21,854,889	2,051,939	813,331	2,816,920	2,430,653	123,474,222
<u>(610,265)</u>	<u>(842,272)</u>	<u>(17,182,431)</u>	<u>(378,480)</u>	<u>(6,068,419)</u>	<u>(972,904)</u>	<u>(406,666)</u>	<u>(1,329,822)</u>	<u>(492,376)</u>	<u>(49,756,985)</u>
<u>283,182</u>	<u>439,751</u>	<u>32,614,697</u>	<u>183,247</u>	<u>15,786,470</u>	<u>1,081,535</u>	<u>406,665</u>	<u>1,488,098</u>	<u>1,938,277</u>	<u>80,549,587</u>
<u>289,663</u>	<u>452,981</u>	<u>34,966,925</u>	<u>742,173</u>	<u>16,638,242</u>	<u>2,854,025</u>	<u>416,132</u>	<u>1,682,688</u>	<u>1,943,516</u>	<u>91,789,053</u>
5,056	5,301	36,404	1,191	26,849	2,328	633	2,532	4,840	147,655
<u>5,056</u>	<u>5,301</u>	<u>36,404</u>	<u>1,191</u>	<u>26,849</u>	<u>2,328</u>	<u>633</u>	<u>2,532</u>	<u>4,840</u>	<u>147,655</u>
276	2,060	33,890	3	35,205	46,279	-	1,448	2,986	1,840,703
1,555	939	8,648	169	11,909	383	-	527	1,724	68,923
632	322	4,242	59	5,615	194	-	255	985	29,660
-	-	20,818	-	16,116	-	713	2,707	-	62,640
-	-	423,513	-	448,111	-	3,348	12,721	-	1,192,030
-	-	-	-	-	-	-	479	-	479
-	-	-	-	-	-	-	-	-	165,159
511,685	615,981	-	-	-	-	98,954	-	626,731	14,093,451
-	-	-	-	-	-	-	-	-	0
-	-	-	-	28,184	-	-	-	-	270,259
<u>514,148</u>	<u>619,302</u>	<u>491,111</u>	<u>231</u>	<u>545,140</u>	<u>46,856</u>	<u>103,015</u>	<u>18,137</u>	<u>632,426</u>	<u>17,723,304</u>
-	-	-	-	-	-	-	-	-	800,000
29,174	29,984	207,150	6,780	151,703	13,133	3,646	14,421	27,209	836,499
-	-	5,582,571	-	3,730,436	-	100,026	379,315	-	16,012,000
-	-	-	-	-	-	-	15,397	-	15,397
-	-	-	-	-	-	-	-	-	326,307
<u>29,174</u>	<u>29,984</u>	<u>5,789,721</u>	<u>6,780</u>	<u>3,882,139</u>	<u>13,133</u>	<u>103,672</u>	<u>409,133</u>	<u>27,209</u>	<u>17,990,203</u>
<u>543,322</u>	<u>649,286</u>	<u>6,280,832</u>	<u>7,011</u>	<u>4,427,279</u>	<u>59,989</u>	<u>206,687</u>	<u>427,270</u>	<u>659,635</u>	<u>35,713,507</u>
332	602	4,949	160	2,959	245	107	349	459	17,660
283,182	439,751	26,608,613	183,247	11,607,923	1,081,535	303,291	1,080,186	1,938,277	63,329,681
34	512	52,831	172	-	1,178	1,712	3,127	-	247,369
<u>(532,151)</u>	<u>(631,869)</u>	<u>2,056,104</u>	<u>552,774</u>	<u>626,930</u>	<u>1,713,406</u>	<u>(95,032)</u>	<u>174,288</u>	<u>(650,015)</u>	<u>(7,371,509)</u>
<u>\$ (248,935)</u>	<u>\$ (191,606)</u>	<u>\$ 28,717,548</u>	<u>\$ 736,193</u>	<u>\$ 12,234,853</u>	<u>\$ 2,796,119</u>	<u>\$ 209,971</u>	<u>\$ 1,257,601</u>	<u>\$ 1,288,262</u>	<u>\$ 56,205,541</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
OPERATING REVENUES:							
Service charges	\$ 11,569	\$ 404,720	\$ 386,584	\$ 1,429,110	\$ 516,164	\$ 440,655	\$ 70,622
Miscellaneous						980	
Total Operating Revenues	<u>11,569</u>	<u>404,720</u>	<u>386,584</u>	<u>1,429,110</u>	<u>516,164</u>	<u>441,635</u>	<u>70,622</u>
OPERATING EXPENSES:							
Wages and salaries	1,859	84,775	47,062	152,426	83,180	72,986	14,653
Employee benefits	1,920	43,584	25,695	83,634	46,047	39,260	7,658
Office expenses	308	8,808	7,335	26,358	13,745	12,589	1,906
Utilities	707	20,897	13,846	45,252	16,488	12,330	4,515
Repairs and maintenance	621	41,921	16,516	60,055	36,914	47,240	5,178
Contractual services	100	2,868	2,389	8,583	4,279	4,088	621
Water/Sewage treatment costs	-	155,521	123,040	1,287,667	703,930	544,044	77,997
Professional fees	94	3,234	2,278	9,430	4,083	3,900	592
Materials and supplies	670	21,470	16,993	62,101	28,909	29,641	6,670
Insurance	308	8,847	7,368	26,476	13,199	19,211	1,914
Indirect cost	1,231	35,194	29,309	105,314	52,503	50,157	7,616
Miscellaneous	32	2,722	1,704	1,692	3,013	3,570	124
Depreciation	3,138	87,542	87,472	161,839	196,985	222,238	51,310
Total Operating Expenses	<u>10,988</u>	<u>517,383</u>	<u>381,007</u>	<u>2,030,827</u>	<u>1,203,275</u>	<u>1,061,254</u>	<u>180,754</u>
Operating Income (Loss)	<u>581</u>	<u>(112,663)</u>	<u>5,577</u>	<u>(601,717)</u>	<u>(687,111)</u>	<u>(619,619)</u>	<u>(110,132)</u>
NON-OPERATING REVENUE (EXPENSES):							
Real and personal property taxes	-	195,995	186,114	30,160	134,271	52,429	4,662
Interest & Penalties, taxes	-	5,788	6,678	783	3,559	1,578	250
Discounts, taxes	-	(1,027)	(888)	(161)	(730)	(265)	(19)
Collection fees	-	(4,529)	(4,384)	(689)	(3,055)	(1,179)	(102)
Front footage assessments	-	-	-	-	-	15,512	-
Interest income	302	8,655	7,208	25,929	12,911	12,334	1,873
Interest income, debt service	-	-	-	-	-	-	-
Interest expense	(16,308)	(44,163)	(40,764)	(7,870)	(23,023)	(22,348)	-
Allocated debt service revenue	163,394	(14,653)	(12,203)	(43,847)	(21,859)	(20,883)	(3,171)
Gain (Loss) on disposal of assets	-	-	-	-	-	-	-
Total Nonoperating revenue (expenses)	<u>147,388</u>	<u>146,066</u>	<u>141,761</u>	<u>4,305</u>	<u>102,074</u>	<u>37,178</u>	<u>3,493</u>
Income Before Contributions and Transfers	<u>147,969</u>	<u>33,403</u>	<u>147,338</u>	<u>(597,412)</u>	<u>(585,037)</u>	<u>(582,441)</u>	<u>(106,639)</u>
Capital Contributions:							
Federal	-	-	-	-	-	-	-
State	1,000,000	-	-	371,799	717,984	-	-
Other	-	-	-	-	-	-	-
Transfers in:							
General Fund	-	-	-	-	-	-	-
Revolving Building Fund	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-
Change in Net Position	<u>1,147,969</u>	<u>33,403</u>	<u>147,338</u>	<u>(225,613)</u>	<u>132,947</u>	<u>(582,441)</u>	<u>(106,639)</u>
Net position - beginning	<u>1,393,700</u>	<u>1,510,633</u>	<u>2,215,723</u>	<u>2,038,584</u>	<u>1,080,673</u>	<u>708,849</u>	<u>(89,591)</u>
Net position - ending	<u>\$ 2,541,669</u>	<u>\$ 1,544,036</u>	<u>\$ 2,363,061</u>	<u>\$ 1,812,971</u>	<u>\$ 1,213,620</u>	<u>\$ 126,408</u>	<u>\$ (196,230)</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2016

Oldtown 522	Flintstone 523	Georges Creek 524	Franklin/ Brophytown 525	Celanese Treatment Plant 526	Mexico Farms 527	Cash Valley Road 528	Oldtown Road 529	Barton Industrial Park 530	Total All Districts
\$ 18,409	\$ 38,743	\$ 1,022,322	\$ 52,445	\$ 1,060,730	\$ 482,433	\$ 28,691	\$ 109,428	\$ 8,767	\$ 6,081,392
								-	980
<u>18,409</u>	<u>38,743</u>	<u>1,022,322</u>	<u>52,445</u>	<u>1,060,730</u>	<u>482,433</u>	<u>28,691</u>	<u>109,428</u>	<u>8,767</u>	<u>6,082,372</u>
2,791	4,460	127,930	8,662	208,549	19,032	4,192	17,766	6,114	856,437
1,262	2,319	70,254	4,578	112,108	9,875	2,298	10,036	4,024	464,552
424	753	19,345	1,367	6,708	2,643	751	2,976	66	106,082
6,338	10,892	72,216	399	162,738	13,686	197	7,056	2,960	390,517
1,355	2,674	52,778	2,758	81,142	21,253	1,515	9,264		381,184
138	229	6,295	445	2,315	852	244	953	-	34,399
82,397	87,879	435,668	6,784	-	309,993	35,947	7,041	95,159	3,953,067
131	218	6,006	425	1,460	814	233	1,024	500	34,422
922	1,529	42,093	2,975	89,663	6,783	1,634	8,531		320,584
425	3,965	38,168	1,373	-	2,630	754	6,200	-	130,838
1,692	2,807	77,236	5,462	-	10,462	3,000	11,693	-	393,676
28	46	1,569	88	4	167	56	215		15,030
<u>20,205</u>	<u>30,551</u>	<u>1,032,104</u>	<u>13,505</u>	<u>453,302</u>	<u>44,343</u>	<u>21,589</u>	<u>73,749</u>	<u>48,558</u>	<u>2,548,430</u>
<u>118,108</u>	<u>148,322</u>	<u>1,981,662</u>	<u>48,821</u>	<u>1,117,989</u>	<u>442,533</u>	<u>72,410</u>	<u>156,504</u>	<u>157,381</u>	<u>9,629,218</u>
<u>(99,699)</u>	<u>(109,579)</u>	<u>(959,340)</u>	<u>3,624</u>	<u>(57,259)</u>	<u>39,900</u>	<u>(43,719)</u>	<u>(47,076)</u>	<u>(148,614)</u>	<u>(3,546,846)</u>
955	1,155	311,300	1,765	-	9,545	12,991	35,537	-	976,879
30	415	11,985	50	-	217	655	983	-	32,971
(6)	(6)	(1,546)	(13)	-	(47)	(58)	(197)	-	(4,963)
(23)	(68)	(7,198)	(41)	-	(212)	(317)	(822)	-	(22,619)
	-	323	-	-	-	-	-	-	15,835
416	690	19,197	1,343	24,585	2,572	738	2,875	-	121,628
	-	-	-	-	-	-	-	-	0
-	-	(118,594)	-	(39,498)	-	(4,720)	(18,638)	-	(335,926)
(705)	(1,169)	(32,157)	(2,274)	-	(4,356)	(1,249)	(4,868)	-	-
				-				-	-
<u>667</u>	<u>1,017</u>	<u>183,310</u>	<u>830</u>	<u>(14,913)</u>	<u>7,719</u>	<u>8,040</u>	<u>14,870</u>	<u>-</u>	<u>783,805</u>
<u>(99,032)</u>	<u>(108,562)</u>	<u>(776,030)</u>	<u>4,454</u>	<u>(72,172)</u>	<u>47,619</u>	<u>(35,679)</u>	<u>(32,206)</u>	<u>(148,614)</u>	<u>(2,763,041)</u>
-	-	-	-	-	-	-	-	-	0
-	-	-	-	60,000	-	-	-	-	2,149,783
-	-	-	-	-	-	-	-	-	0
				43,784				48,000	91,784
-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-
<u>(99,032)</u>	<u>(108,562)</u>	<u>(776,030)</u>	<u>4,454</u>	<u>31,612</u>	<u>47,619</u>	<u>(35,679)</u>	<u>(32,206)</u>	<u>(100,614)</u>	<u>(521,474)</u>
<u>(149,903)</u>	<u>(83,044)</u>	<u>29,493,578</u>	<u>731,739</u>	<u>12,203,241</u>	<u>2,748,500</u>	<u>245,650</u>	<u>1,289,807</u>	<u>1,388,876</u>	<u>56,727,015</u>
									0
<u>\$ (248,935)</u>	<u>\$ (191,606)</u>	<u>\$ 28,717,548</u>	<u>\$ 736,193</u>	<u>\$ 12,234,853</u>	<u>\$ 2,796,119</u>	<u>\$ 209,971</u>	<u>\$ 1,257,601</u>	<u>\$ 1,288,262</u>	<u>\$ 56,205,541</u>

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AGENCY FUND

STATEMENT OF CHANGES IN ASSETS and LIABILITIES

ALLEGANY COUNTY, MARYLAND
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2016

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
ASSETS:				
Taxes levied for State:				
Taxes receivable - State	\$ 489,391	\$ 4,008,007	\$ 4,004,302	\$ 493,096
Bay restoration fee	329,149	708,438	701,978	335,609
Other receivables	25	-	-	25
Taxes levied for Special Areas:				
Lonaconing, Town of	19,233	123,575	117,297	25,511
Midland, Town of	5,733	38,406	37,682	6,457
Westernport, Town of	65,707	375,528	376,966	64,269
Cumberland differential	738	-	-	738
Bel Air Special Tax Area	1,614	33,027	33,014	1,627
Bowling Green Fire Co.	4,204	32,341	32,339	4,206
Bedford Road Fire Co.	5,396	43,819	44,012	5,203
Bowling Green Special Tax Area	3,465	25,384	25,646	3,203
Cresaptown Ambulance	13,137	139,493	139,623	13,007
Cresaptown Civic Imp. Assoc.	4,729	32,051	33,066	3,714
Cresaptown Fire Co.	15,084	186,486	187,390	14,180
Corriganville Light & Imp.	2,285	19,675	19,544	2,416
Ellerslie Special Tax Area	781	9,124	8,803	1,102
LaVale Volunteer Fire Dept.	15,792	177,282	174,389	18,685
LaVale Rescue Squad	7,899	88,631	87,194	9,336
LaVale Sanitary District	26,124	247,949	249,181	24,892
McCoole Special Tax Area	1,228	4,473	4,054	1,647
Moscow Light	641	3,967	3,763	845
Mt. Savage Special Tax Area	2,220	10,672	10,195	2,697
Potomac Park Special Tax Area	2,360	15,363	15,404	2,319
Rawlings Fire Co.	4,590	56,150	53,319	7,421
Sub-total special areas	202,960	1,663,398	1,652,881	213,474
Due from other funds	274,552	6,685,910	6,692,947	267,514
Total Assets	<u>\$ 1,296,079</u>	<u>\$ 13,065,753</u>	<u>\$ 13,052,108</u>	<u>\$ 1,309,721</u>
LIABILITIES:				
Accounts payable	\$ 274,577	\$ 359,437	\$ 366,475	\$ 267,540
A/P Special Areas	202,961	1,663,396	1,652,880	213,474
Taxes payable - State	489,391	4,008,007	4,004,302	493,096
A/P Bay restoration fee	329,149	708,438	701,978	335,609
Total Liabilities	<u>\$ 1,296,079</u>	<u>\$ 6,739,278</u>	<u>\$ 6,725,635</u>	<u>\$ 1,309,721</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, 2016 and 2015

ASSETS	Primary Government			
	At June 30, 2016			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2015
Land	\$ 24,068,695	\$ -	\$ 24,068,695	\$ 22,371,965
Construction in progress	4,931,054	-	4,931,054	879,676
Buildings	59,809,307	26,055,301	33,754,006	35,181,774
Infrastructure	49,673,813	32,126,767	17,547,046	18,254,607
Furniture & fixtures	1,054,110	880,204	173,906	215,088
Machinery & equipment	12,170,128	8,908,965	3,261,163	2,187,954
Vehicles	10,846,149	8,838,847	2,007,302	2,062,046
Heavy equipment	4,257,158	3,801,467	455,691	376,854
Other capital assets	1,254,935	668,350	586,585	619,744
Total Assets	<u>\$ 168,065,348</u>	<u>\$ 81,279,902</u>	<u>\$ 86,785,446</u>	<u>\$ 82,149,708</u>
FUND EQUITY				
Investment in general capital assets acquired before July 1, 1993 - source unidentified			\$ 8,165,296	\$ 8,165,296
Investment in construction in progress			1,892,137	1,892,137
Investment in general capital assets by source:				
General Fund:				
General revenues			11,682,307	10,988,334
Federal grants			4,097,820	4,004,309
State grants			2,849,831	2,849,831
Miscellaneous revenues			765,526	765,526
Debt proceeds			1,063,415	1,063,415
Special Revenue Funds:				
General revenues			48,577,840	44,567,638
Federal grants			5,861,320	6,031,104
State grants			8,025,695	8,025,695
Miscellaneous revenues			194,574	194,574
Debt proceeds			8,926,043	8,926,043
Capital Project Funds:				
General revenues			17,992,022	16,256,251
Federal grants			9,764,850	9,750,850
State grants			24,817,380	22,997,160
Miscellaneous revenues			1,127,822	1,127,822
Debt proceeds			10,889,879	10,889,879
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(81,279,902)	(77,717,744)
Total Fund Equity			<u>\$ 86,785,446</u>	<u>\$ 82,149,708</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2016

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Capital Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 2,978,651	\$ 4,949,223	\$ 39,776	\$ 186,623	\$ 1,728,077	\$ 393,133	\$ 561,702	\$ 188,050	\$ 11,025,235	\$ (6,526,705)	\$ 4,498,530
Public Safety	2,359,864	19,648,103	2,647,360	330,345	9,266,676	1,625,018	200,558	335,421	36,413,345	(15,323,357)	21,089,988
Public Works	2,785,139	1,672,600	41,135,460	305,788	865,237	7,367,564	4,210,894	758,691	59,101,373	(42,144,763)	16,956,610
Health	575,119	6,553,202	-	-	-	-	4,121	-	7,132,442	(1,988,285)	5,144,157
Social Services	116	3,250	24,331	199,288	89,080	1,300,653	39,200	-	1,655,918	(1,340,618)	315,300
Recreation & Culture	837,292	2,627,765	214,288	21,911	59,943	36,162	409,288	-	4,206,649	(1,715,804)	2,490,845
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(851,318)	785,715
Natural Resources	-	-	-	-	15,839	15,999	-	-	31,838	(31,838)	-
Urban Development	-	-	-	-	-	-	-	-	-	-	-
& Housing	56,637	426,508	-	4,160	35,846	9,302	-	-	532,453	(412,219)	120,234
Economic Development	14,469,877	22,297,623	5,612,598	5,995	109,430	98,318	86,330	3,648,892	46,329,063	(10,944,995)	35,384,068
Total General											
Capital Assets	\$ 24,068,695	\$ 59,809,307	\$ 49,673,813	\$ 1,054,110	\$ 12,170,128	\$ 10,846,149	\$ 5,512,093	\$ 4,931,054	\$ 168,065,348	\$ (81,279,902)	\$ 86,785,446

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Function	General Capital Assets June 30, 2015	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Cost	Accumulated Depreciation June 30, 2015	Less Current Year Depreciation	Add Depreciation on Disposals	General Capital Assets June 30, 2015
General Government	\$ 10,326,046	\$ -	\$ -	\$ 699,189	\$ (230,307)	\$ 11,025,235	\$ (6,364,779)	\$ (161,926)	\$ 227,637	\$ 4,498,530
Public Safety	34,447,982	-	-	2,195,670	-	36,413,345	(14,206,644)	(1,344,350)	-	21,089,988
Public Works	57,536,020	-	-	1,565,353	-	59,101,373	(41,165,417)	(979,346)	-	16,956,610
Health	7,132,442	-	-	-	-	7,132,442	(1,769,845)	(218,440)	-	5,144,157
Social Services	1,655,918	-	-	-	-	1,655,918	(1,200,998)	(139,620)	-	315,300
Recreation & Culture	3,903,451	-	-	303,198	-	4,206,649	(1,609,131)	(106,673)	-	2,490,845
Libraries	1,637,033	-	-	-	-	1,637,033	(809,309)	(42,009)	-	785,715
Natural Resources	31,838	-	-	-	-	31,838	(31,838)	-	-	-
Urban Development & Housing	532,453	-	-	-	-	532,453	(398,255)	(13,964)	-	120,234
Economic Development	42,664,269	-	-	3,664,794	-	46,329,063	(10,161,528)	(783,467)	-	35,384,068
Total General Capital Assets	\$ 159,867,452	\$ -	\$ -	\$ 8,428,204	\$ (230,307)	\$ 168,065,348	\$ (77,717,744)	\$ (3,789,795)	\$ 227,637	\$ 86,785,446

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STATISTICAL SECTION

Statistical Section

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

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Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

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Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax

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These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

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These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

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

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FINANCIAL TRENDS

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities										
Net Investment in										
Capital Assets	\$ 70,105,110	\$ 76,516,700	78,593,428	79,922,549	81,231,372	82,834,048	78,548,257	77,576,485	78,386,353	84,396,712
Restricted	13,043,675	5,939,861	4,418,898	3,963,136	3,009,835	1,921,413	3,083,383	3,030,834	11,975,277	16,354,328
Unrestricted	(4,635,623)	(6,346,388)	(2,368,710)	2,817,886	4,485,252	9,060,676	18,220,459	24,060,546	9,739,329	3,585,497
Total governmental activities net position	\$ 78,513,162	\$ 76,110,173	\$ 80,643,616	\$ 86,703,571	\$ 88,726,459	\$ 93,816,137	\$ 99,852,099	\$ 104,667,865	\$ 100,100,959	\$ 104,336,537
Business-type activities										
Net Investment in										
Capital Assets	\$ 62,978,258	\$ 64,244,563	76,553,963	80,104,054	82,056,523	81,346,531	82,603,601	88,732,280	93,011,267	97,611,312
Restricted	170,832	175,654	184,204	198,240	246,463	239,902	288,615	261,383	442,291	247,369
Unrestricted	878,952	(20,398)	(3,714,137)	(307,597)	723,061	1,520,472	1,783,058	1,016,651	(633,330)	(2,817,398)
Total business-type activities net position	\$ 64,028,042	\$ 64,399,819	\$ 73,024,030	\$ 79,994,697	\$ 83,026,047	\$ 83,106,905	\$ 84,675,274	\$ 90,010,314	\$ 92,820,228	\$ 95,041,283
Primary Government										
Net Investment in										
Capital Assets	\$ 133,083,368	\$ 140,761,263	\$ 155,147,391	\$ 160,026,603	\$ 163,287,895	\$ 164,180,579	\$ 161,151,858	\$ 166,308,765	\$ 171,397,620	\$ 182,008,024
Restricted	13,214,507	6,115,515	4,603,102	4,161,376	3,256,298	2,161,315	3,371,998	3,292,217	12,417,568	16,601,697
Unrestricted	(3,756,671)	(6,366,786)	(6,082,847)	2,510,289	5,208,313	10,581,148	20,003,517	25,077,197	9,105,999	768,099
Total primary government net position	\$ 142,541,204	\$ 140,509,992	\$ 153,667,646	\$ 166,698,268	\$ 171,752,506	\$ 176,923,042	\$ 184,527,373	\$ 194,678,179	\$ 192,921,187	\$ 199,377,820

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

Expenses	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government activities:									
General Government:	\$ 7,517,730	\$ 9,121,475	\$ 9,072,487	8,846,071	8,485,854	9,275,767	9,087,290	8,745,293	8,971,206
Payment to data processing	311,568	328,464	350,334	348,334	348,334	358,754	358,754	332,996	313,562
Public Safety	13,998,396	15,612,059	16,626,793	18,650,183	17,290,112	16,887,997	16,640,877	17,406,223	18,606,877
Public Works	11,366,688	12,280,040	12,000,493	15,378,566	13,596,902	12,565,697	12,250,869	13,699,606	13,039,773
Health	1,778,704	2,083,410	1,902,151	1,902,425	1,452,867	2,279,912	1,966,200	1,967,479	2,073,143
Social Services	2,371,360	2,312,169	1,932,208	2,285,943	1,497,708	1,682,412	1,553,618	1,568,214	1,277,778
Education:	437,620	1,274,899	317,766	207,903	417,181	562,642	640,888	682,409	623,625
Payment to public school system	29,699,591	36,171,292	28,883,694	28,518,587	29,005,829	28,240,000	29,391,958	29,770,045	30,224,471
Payments to community college	6,382,000	7,175,000	7,425,000	7,425,000	7,425,000	7,425,000	7,425,000	7,555,000	7,555,000
Recreation, culture & libraries:	1,072,292	1,050,609	1,041,683	712,201	1,078,718	868,620	884,822	722,533	749,376
Payment to public library system	875,000	905,000	905,000	905,000	905,000	905,000	905,000	940,000	947,500
Conservation of natural resources	293,066	327,747	506,897	289,487	309,166	201,107	240,204	287,362	254,450
Community development & housing	1,556,909	1,774,905	2,002,596	1,527,343	1,260,818	884,528	1,033,325	915,289	1,042,086
Economic Development	3,083,041	4,113,586	2,407,460	2,296,740	3,099,936	2,879,427	2,548,509	3,602,112	2,672,959
Interest on long term debt	1,351,127	1,810,725	1,810,688	1,678,376	1,438,754	1,290,789	987,503	581,199	650,717
Total governmental activities expenses	<u>\$ 82,095,092</u>	<u>\$ 96,341,380</u>	<u>\$ 87,185,250</u>	<u>\$ 90,972,159</u>	<u>\$ 87,612,179</u>	<u>\$ 86,307,652</u>	<u>\$ 85,914,814</u>	<u>\$ 88,775,760</u>	<u>\$ 89,002,523</u>
Business-type activities:									
Water	1,798,200	2,977,733	3,272,629	3,699,321	4,184,704	4,018,864	4,270,963	4,344,329	4,429,254
Sewer	7,900,344	7,249,045	7,220,779	7,251,103	7,914,948	8,485,797	8,622,450	8,986,494	9,354,485
Nursing Home	10,292,274	10,425,903	11,034,410	-	-	749,976	353,648	187,465	334,585
Other Funds	446,058	578,996	597,356	613,458	716,643	13,254,637	13,247,061	13,518,288	14,118,324
Total business-type activities expenses	<u>20,436,876</u>	<u>21,231,677</u>	<u>22,125,174</u>	<u>11,563,882</u>	<u>12,816,295</u>	<u>13,254,637</u>	<u>13,247,061</u>	<u>13,518,288</u>	<u>14,118,324</u>
Total primary government expenses	<u>\$ 102,531,968</u>	<u>\$ 117,573,057</u>	<u>\$ 109,310,424</u>	<u>\$ 102,536,041</u>	<u>\$ 100,428,474</u>	<u>\$ 99,562,289</u>	<u>\$ 99,161,875</u>	<u>\$ 102,294,048</u>	<u>\$ 103,120,847</u>
Program Revenues									
Governmental activities:									
Charges For services:									
Public safety	\$ 2,385,029	\$ 2,230,875	\$ 2,193,379	1,854,301	1,503,049	1,394,969	1,263,372	1,247,166	416,243
Public works	957,924	940,444	874,542	1,002,656	842,854	931,374	952,807	999,315	1,403,788
Economic development	2,179,128	2,090,151	2,976,731	3,208,431	3,368,034	3,458,473	3,446,157	3,336,528	1,004,159
Other activities	783,227	898,153	819,558	756,974	781,680	779,869	739,760	804,327	3,786,001
Operating grants and contributions	5,564,276	5,130,297	5,111,876	5,468,828	4,309,939	4,123,606	5,100,079	4,470,054	4,320,955
Capital grants and contributions	5,205,639	6,009,919	2,193,383	6,597,432	480,667	2,770,368	368,323	1,296,010	1,086,127
Total governmental activities program revenues	<u>17,075,223</u>	<u>17,299,839</u>	<u>14,169,469</u>	<u>18,888,622</u>	<u>11,286,223</u>	<u>13,458,659</u>	<u>11,870,498</u>	<u>12,153,400</u>	<u>12,017,273</u>
Business-type activities:									
Charges For services:									
Water	1,313,974	2,530,078	2,809,168	3,385,635	3,792,949	3,646,217	3,688,155	3,957,267	4,182,774
Sanitary	5,671,545	4,653,216	4,835,519	5,007,377	5,265,246	5,411,747	5,444,477	5,735,194	5,905,018
Nursing Home	9,455,148	9,922,523	10,900,432	-	-	-	-	-	-
Other Funds	13,448	439,381	62,018	124,134	271,440	255,457	281,017	269,480	316,477
Operating grants and contributions	-	-	-	-	-	-	-	-	-
Capital grants and contributions	803,391	3,290,107	10,872,588	7,412,463	4,545,246	2,547,845	3,908,635	7,473,345	6,016,661
Total business-type activities program revenues	<u>17,257,506</u>	<u>20,835,305</u>	<u>29,479,725</u>	<u>15,929,609</u>	<u>13,874,881</u>	<u>11,861,266</u>	<u>13,322,284</u>	<u>17,435,286</u>	<u>16,420,930</u>
Total primary government program revenues	<u>\$ 34,332,729</u>	<u>\$ 38,135,144</u>	<u>\$ 43,649,194</u>	<u>\$ 34,818,231</u>	<u>\$ 25,161,104</u>	<u>\$ 25,319,925</u>	<u>\$ 25,192,782</u>	<u>\$ 29,588,686</u>	<u>\$ 28,438,203</u>

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue									
Governmental activities	\$ (65,019,869)	\$ (79,041,541)	\$ (73,015,781)	\$ (72,083,537)	\$ (76,325,956)	\$ (72,848,993)	\$ (74,044,316)	\$ (76,622,360)	\$ (76,985,250)
Business-type activities	(3,179,370)	(396,372)	7,354,551	4,365,727	1,058,586	(1,393,371)	75,223	3,916,998	2,302,606
Total primary government net expense	<u>\$ (68,199,239)</u>	<u>\$ (79,437,913)</u>	<u>\$ (65,661,230)</u>	<u>\$ (67,717,810)</u>	<u>\$ (75,267,370)</u>	<u>\$ (74,242,364)</u>	<u>\$ (73,969,093)</u>	<u>\$ (72,705,362)</u>	<u>\$ (74,682,644)</u>
 General Revenues And Other Changes in Net Position									
Governmental Activities:									
Taxes									
Property taxes	\$ 30,141,707	\$ 32,492,011	\$ 34,266,623	39,552,052	41,236,282	41,271,372	40,882,732	41,334,050	40,209,077
Income taxes	23,177,237	24,990,613	26,338,493	22,821,267	24,239,325	24,657,767	24,460,225	24,169,537	26,099,413
Other local taxes	8,975,907	8,752,593	7,160,132	3,260,020	3,360,863	2,965,592	4,011,282	4,339,620	4,669,338
Licenses	323,025	332,774	342,819	353,375	355,176	415,086	415,158	414,862	425,841
Unrestricted grants	7,570,738	7,173,715	6,966,889	7,341,783	7,346,258	7,359,609	8,940,541	9,172,991	9,165,836
Investment earnings	1,634,969	1,923,408	1,303,210	1,082,485	1,184,451	1,163,443	868,087	1,745,196	1,353,238
Gain/(loss) on sale/retirement of capital assets	707,145			-	243,845	81,820	387,597	18,915	-
Miscellaneous	392,063	1,288,442	1,259,689	573,688	591,353	191,234	208,120	323,216	342,101
Transfers	(430,187)	(315,004)	(88,631)	3,158,822	(208,709)	(167,252)	(93,464)	(167,799)	(89,824)
Special item	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>\$ 72,492,604</u>	<u>\$ 76,638,552</u>	<u>\$ 77,549,224</u>	<u>\$ 78,143,492</u>	<u>\$ 78,348,844</u>	<u>\$ 77,938,671</u>	<u>\$ 80,080,278</u>	<u>\$ 81,350,588</u>	<u>\$ 82,175,020</u>
Business-type activities:									
Property taxes	\$ 884,340	\$ 819,542	\$ 891,363	901,613	1,414,497	996,575	986,573	1,019,069	997,240
Investment earnings	196,246	202,249	179,171	183,601	183,350	175,200	309,448	208,641	201,738
Miscellaneous	192,372	116,816	110,495	108,761	166,208	5,924	103,661	22,533	21,003
Gain/(loss) on sale/retirement of capital assets	-	(685,462)	-	4,569,787	208,709	129,278	-	-	-
Transfers	430,187	315,004	88,631	(3,158,822)	208,709	167,252	93,464	167,799	89,824
Total business-type activities	<u>\$ 1,703,145</u>	<u>\$ 768,149</u>	<u>\$ 1,269,660</u>	<u>\$ 2,604,940</u>	<u>\$ 1,972,764</u>	<u>\$ 1,474,229</u>	<u>\$ 1,493,146</u>	<u>\$ 1,418,042</u>	<u>\$ 1,309,805</u>
Total primary government	<u>\$ 74,195,749</u>	<u>\$ 77,406,701</u>	<u>\$ 78,818,884</u>	<u>\$ 80,748,432</u>	<u>\$ 80,321,608</u>	<u>\$ 79,412,900</u>	<u>\$ 81,573,424</u>	<u>\$ 82,768,630</u>	<u>\$ 83,484,825</u>
 Change in Net Position									
Governmental activities, restated	\$ 7,472,735	\$ (2,402,989)	\$ 4,533,443	\$ 6,059,955	\$ 2,022,888	\$ 5,089,678	\$ 6,035,962	\$ 4,728,943	\$ 5,189,770
Business-type activities	(1,476,225)	371,777	8,624,211	6,970,667	3,031,350	80,858	1,588,369	5,335,040	3,612,411
Total primary government	<u>\$ 5,996,510</u>	<u>\$ (2,031,212)</u>	<u>\$ 13,157,654</u>	<u>\$ 13,030,622</u>	<u>\$ 5,054,238</u>	<u>\$ 5,170,536</u>	<u>\$ 7,604,331</u>	<u>\$ 10,063,983</u>	<u>\$ 8,802,181</u>

Note: Expenses include indirect cost allocation.

(Continued)

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

Explanation of Significant Variances:

a	Increase due to Allegany County's portion of new school construction.
b	Increase due to an increase in personnel salaries and fringe
c	Increase in grants due to significant grants received for Allegany Highlands Trail and Barton Business Park
d	Increase in grants due to grants received for Celenese Wastewater Treatment Plant
e	Increase due to donation of land from the State of Maryland for the Allegany Highlands Trail
f	Increase due to revenue growth from sources such as increase in tax rate, income tax increase, charges from boarding federal/state prisoners while expenses remained relatively the same.
g	Increase due expenditures for new High School
h	Increases/decreases due to separating water districts from combined sewer/water districts, therefore increasing water revenues and decreasing sewer.
i	Increase due to revenue collected for capital replacement of allconet switches
j	Increase due to donation of 911 assets from the State of Maryland in the amount of \$ 851,686
k	Increase due to an increase in personnel salaries and fringe due to new Bureau of Police Department and additional public safety grant expenditures
l	Decrease due to decrease in construction project expenditures.
m	Decrease in grants due to large education construction grant/loans being spent in prior years and not in FY 09 due to completion of project
n	Increase in grants due to grants received for Georges Creek WWTP Upgrade
o	Decrease in other taxes due to economic recession which affected recordation and transfer taxes.
p	Sold County owned Nursing Home.
q	Increase due to over \$ 4 million in ARRA federal grant money received
r	Decrease due to less grant money received in FY 2010 for the Georges Creek WWTP Upgrade which is near completion
s	Decrease due to dramatic decrease in highway users revenue and recordation/transfer taxes.
t	Increase due to decrease in highway users tax revenue therefore transfers to highway fund increased.
u	Decrease in grants largely due to the decrease in American Recovery & Reinvestment Act Grants that were received in 2010
v	Decrease largely due to a large construction project being completed (Georges Creek Wastewater Plant)
x	Increase largely due to contribution related to donation of building
y	Decrease due to grant related projects being completed and projects financed more with loans
z	Decrease due to donation of building in FY 2012 in the amount of \$ 1.6 million and no such donation in FY 13
aa	Increase due to increase in federal and state funding for the Mount Savage Water/Sewer project
ab	Increase due to expenditures largely due to additional road and "Pot-hole" work
	Increase due to increase in federal and state funding for the Mt Savage & Rawlings Water projects and Jennings Run Sewer project

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Nonspendable					1,202,021	1,200,453	1,201,255	1,200,000	1,200,000	1,200,000
Restricted					110,767	129,902	148,863	148,863	148,863	1,796,530
Committed					2,649,697	-	-	-	949,319	150,000
Assigned					1,868,295	881,313	447,970	3,414,000	5,664,000	4,014,000
Unassigned					11,394,352	15,679,397	17,901,696	18,695,272	19,642,136	18,092,412
Reserved	\$ 3,586,015	\$ 3,825,655	\$ 3,907,309	1,210,859						
Unreserved	10,361,286	11,675,991	11,892,393	15,761,591						
Total General Fund	<u>\$ 13,947,301</u>	<u>\$ 15,501,646</u>	<u>\$ 15,799,702</u>	<u>\$ 16,972,450</u>	<u>\$ 17,225,132</u>	<u>\$ 17,891,065</u>	<u>\$ 19,699,784</u>	<u>\$ 23,458,135</u>	<u>\$ 27,604,317</u>	<u>\$ 25,252,942</u>
All Other Governmental Funds										
Nonspendable					1,217,476	1,719,061	3,050,872	2,966,644	10,197,951	45,460
Restricted					6,714,291	5,458,432	8,901,702	10,738,989	12,136,663	12,725,923
Committed					2,340,790	2,695,550	2,442,285	1,497,237	1,394,298	9,734,927
Assigned					(551,089)	43,002	(11,060)	(191,236)	(305,634)	1,342,978
Unassigned										(419,033)
Reserved	\$424,349	\$10,240,090	\$3,778,869	1,209,131						
Unreserved, reported in:										
Special revenue funds	5,001,124	5,182,529	5,890,017	8,196,602						
Capital project funds	2,487,471	2,817,863	1,148,208	3,015,176						
Debt service funds	1,517,200	1,687,610	1,654,049	315,232						
Total all other governmental funds	<u>\$ 9,430,144</u>	<u>\$ 19,928,092</u>	<u>\$ 12,471,143</u>	<u>\$ 12,736,141</u>	<u>\$ 9,721,468</u>	<u>\$ 9,916,045</u>	<u>\$ 14,383,799</u>	<u>\$ 15,011,634</u>	<u>\$ 23,423,278</u>	<u>\$ 23,430,255</u>

Note: Changes to fund balance classifications beginning in FY 2011 are due to changes required by GASB Statement Number 54

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

	2007	2008	2009	2010	#	2011	2012	2013	2014	2015	2016
Revenues											
Property taxes	30,740,703	32,434,205	35,262,339	39,691,592		42,100,002	42,049,578	40,302,290	43,948,120	41,737,685	41,018,799
Income taxes	23,977,520	24,859,124	25,429,319	23,824,268		24,248,781	24,854,127	24,249,252	24,112,733	25,910,575	26,880,919
Highway user taxes	4,823,654	4,643,174	4,023,284	227,622		317,590	229,448	424,914	671,589	466,089	547,328
Other local taxes	4,837,769	4,622,525	3,529,059	3,669,846		3,539,070	3,223,768	4,087,133	4,088,216	3,579,491	4,043,446
Licenses and permits	616,222	621,136	611,328	609,877		613,729	659,513	664,287	686,233	678,422	700,480
Intergovernmental:											
Federal	5,206,553	4,889,944	4,046,367	8,381,233		2,892,586	3,617,971	2,991,120	2,044,238	3,250,446	2,372,945
State	14,134,749	13,132,681	9,961,957	10,014,893		9,518,068	8,681,983	10,909,579	12,151,477	12,255,365	13,546,119
Other	399,757	328,351	354,708	362,352		515,474	514,765	537,554	467,561	600,745	306,747
Service charges	2,878,752	3,245,344	2,875,791	2,602,221		2,000,673	2,232,599	1,758,235	1,740,331	1,898,021	1,805,043
Fines and forfeitures	109,022	71,133	98,463	114,372		74,177	141,890	96,119	170,927	150,249	152,942
Interest	948,856	1,215,979	440,827	247,564		162,578	121,670	126,522	103,748	152,354	237,085
Miscellaneous	2,908,467	2,504,957	3,469,990	3,832,288		4,005,045	3,644,693	3,902,225	3,949,663	4,142,621	4,080,911
Total revenues	\$ 91,582,024	\$ 92,568,553	\$ 90,103,432	\$ 93,578,128		\$89,987,773	\$ 89,972,005	\$ 90,049,230	\$ 94,134,836	\$94,822,063	\$95,692,764
Expenditures											
General government											
Public safety	7,203,861	7,394,222	8,507,964	8,368,897		8,277,780	8,622,096	8,436,402	7,999,532	8,532,724	9,210,525
Public works	13,340,006	14,769,517	15,177,619	14,903,570		16,224,735	16,110,171	16,144,972	16,216,972	17,572,571	18,216,000
Health and Hospitals	10,483,049	12,772,343	11,598,782	11,752,219		12,123,968	11,496,843	11,118,747	11,806,708	11,465,679	12,282,927
Social Services	668,436	639,555	477,204	479,537		460,030	425,309	438,291	411,510	432,996	452,436
Education	2,267,955	2,199,074	1,825,634	2,911,063		1,449,501	1,497,113	1,378,693	1,483,664	1,283,500	1,318,831
Recreation, culture and libraries	296,339	33,511	28,261	25,261		24,511	23,761	29,754	-	-	-
Conservation of natural resources	785,391	785,287	818,848	555,124		863,290	712,577	736,413	616,169	628,708	932,800
Community Development and Housing	286,942	321,258	505,126	286,273		353,689	201,090	239,976	319,102	254,682	244,974
Economic development	1,535,517	1,790,426	1,987,093	1,566,289		1,299,107	870,841	1,018,262	900,783	1,027,692	1,162,941
Miscellaneous	4,093,940	9,649,364	5,048,205	2,017,520		3,774,604	3,260,393	1,690,366	2,084,527	1,936,365	5,481,683
Appropriation to other governments	25,749	28,742	27,755	20,869		114,855	27,089	34,803	31,222	33,046	38,599
Capital Outlay	1,162,444	1,243,264	1,245,011	1,242,952		1,242,369	1,245,199	1,347,973	1,376,033	1,461,027	1,476,610
Debt Service:	10,789,035	11,882,463	3,704,254	8,092,983		3,209,772	1,741,884	2,320,671	3,076,325	4,096,958	6,070,469
Interest	1,317,568	1,791,147	1,830,204	1,732,167		1,491,130	1,271,904	1,083,631	666,802	558,774	762,344
Principal	4,213,086	4,892,495	4,728,665	4,887,794		5,082,830	4,593,988	16,833,941	3,937,149	4,397,552	3,213,641
Payments to Component Units	34,948,568	36,788,464	37,130,334	36,878,334		36,918,334	36,928,754	38,080,712	39,280,450	38,234,206	38,601,988
Total expenditures	\$ 93,417,886	\$106,981,132	\$ 94,640,959	\$ 95,720,852		\$92,910,505	\$ 89,029,012	\$ 100,933,607	\$ 90,206,948	\$91,916,480	\$99,466,768
Excess of revenues over (under)	\$ (1,835,862)	\$ (14,412,579)	\$ (4,537,527)	\$ (2,142,724)		(\$2,922,732)	\$ 942,993	\$ (10,884,377)	\$ 3,927,888	\$ 2,905,583	\$ (3,774,004)
Other Financing Sources (Uses)											
Proceeds from borrowing	\$ 14,141,516	\$ 5,237,697	4,663,719	63,719						9,740,351	
Payments to refinancing	-	-	-	-				14,736,467			
Payments to escrow agent	-	-	-	-							
Transfers in	12,204,383	11,082,801	13,684,810	19,552,823		7,823,754	7,293,320	5,877,961	6,239,177	4,368,114	10,639,108
Transfers from component units	-	-	-	-							
Transfers out	(12,634,570)	(11,397,805)	(13,773,441)	(16,393,999)		(8,032,465)	(7,460,574)	(5,971,428)	(6,406,976)	(4,457,938)	(10,787,034)
Sale of capital assets	358,874	2,330,993	102,838	217,528		369,452	84,771	2,517,850	626,097	1,716	63,586
Total Other Financing Sources (Uses)	\$ 14,070,203	\$ 7,253,686	\$ 4,677,926	\$ 3,440,071		\$160,741	\$ (82,483)	\$ 17,160,850	\$ 458,298	\$ 9,652,243	\$ (84,340)
Net Change in fund balances	\$ 12,234,341	\$ (7,158,893)	\$ 140,399	\$ 1,297,347		(\$2,761,991)	\$ 860,510	\$ 6,276,473	\$ 4,386,186	\$ 12,557,826	\$ (3,858,344)
Debt service as a percentage of noncapital expenditures	6.7%	6.9%	7.4%	7.2%		7.40%	6.8%	18.1%	5.2%	5.5%	4.4%

REVENUE CAPACITY

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Allegany County, Maryland

Assessed Value and Actual Value Of Taxable Property

Last Ten Fiscal Years

Fiscal Year	Real Property		Real Property Total Direct Tax Rate	Personal Property		Corporate Personal Property		Totals		Personal & Corporate Personal Total Direct Tax Rate
	Market Value	Assessed Value		Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	
2007	2,542,803,943	2,542,803,943	1.0233	8,701,450	8,701,450	358,861,080	358,861,080	2,910,366,473	2,910,366,473	2.5583
2008	2,762,960,350	2,762,960,350	1.0275	9,994,750	9,994,750	329,523,214	329,523,214	3,102,478,314	3,102,478,314	2.5688
2009	3,014,146,982	3,014,146,982	1.0249	6,519,060	6,519,060	320,952,870	320,952,870	3,341,618,912	3,341,618,912	2.5623
2010	3,141,346,303	3,141,346,303	1.0191	6,100,480	6,100,480	424,375,697	424,375,697	3,571,822,480	3,571,822,480	2.5478
2011	3,360,795,103	3,360,795,103	1.0305	6,596,150	6,596,150	347,045,160	347,045,160	3,714,436,413	3,714,436,413	2.5763
2012	3,547,448,518	3,547,448,518	0.9997	5,747,720	5,747,720	353,272,590	353,272,590	3,906,468,828	3,906,468,828	2.4993
2013	3,532,084,432	3,532,084,432	0.9877	5,694,540	5,694,540	346,092,240	346,092,240	3,883,871,212	3,883,871,212	2.4693
2014	3,511,729,354	3,511,729,354	0.9880	5,028,930	5,028,930	358,164,980	358,164,980	3,874,923,264	3,874,923,264	2.4700
2015	3,469,830,592	3,469,830,592	1.0035	4,997,740	4,997,740	345,858,616	345,858,616	3,820,686,948	3,820,686,948	2.5088
2016	3,487,280,029	3,487,280,029	0.9899	6,494,120	6,494,120	337,155,996	337,155,996	3,830,930,145	3,830,930,145	2.4748

Source: Allegany County Finance Office & Allegany Tax Office

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

Allegany County, Maryland

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<u>Municipal Direct Tax Rates (1.2)</u>										
Barton	0.1718	0.1728	0.1649	0.1662	0.1709	0.1699	0.1835	0.1981	0.2156	0.2220
Cumberland	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9479	0.9479
Frostburg	0.6200	0.5820	0.5665	0.5665	0.5665	0.5500	0.5500	0.5540	0.5500	0.5500
Lonaconing	0.3527	0.5552	0.3400	0.3400	0.3400	0.3700	0.3400	0.3400	0.3400	0.3400
Luke	1.0600	0.7500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000
Midland	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2708	0.2800
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
<u>Allegany County Direct Tax Rates (1.3)</u>										
Barton	0.8938	0.8976	0.8910	0.8892	0.9038	0.9475	0.9545	0.9552	0.9551	0.9494
Cumberland	0.8486	0.8530	0.8424	0.8371	0.8519	0.8999	0.9016	0.9074	0.9090	0.9087
Frostburg	0.8560	0.8597	0.8497	0.8436	0.8579	0.9065	0.9086	0.9107	0.9136	0.9111
Lonaconing	0.8714	0.8761	0.8675	0.8655	0.8834	0.9328	0.9305	0.9336	0.9333	0.9283
Luke	0.8687	0.8735	0.8645	0.8620	0.8799	0.9289	0.9266	0.9304	0.9302	0.9227
Midland	0.8938	0.8976	0.8910	0.8892	0.9038	0.9475	0.9545	0.9552	0.9551	0.9474
Westernport	0.8938	0.8847	0.8745	0.8702	0.8854	0.9328	0.9305	0.9336	0.9333	0.9263
Unincorporated	0.9780	0.9790	0.9800	0.9810	0.9820	0.9829	0.9829	0.9829	0.9829	0.9829
<u>Special Taxing Areas (1.4)</u>										
<u>Sanitary Districts</u>										
Bedford Road	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Bowling Green	0.2500	0.2500	0.2500	0.2500	0.2500	0.2900	0.2900	0.2530	0.2530	0.2530
Braddock Run	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0040	0.0040	0.0040
Cresaptown	0.2500	0.2500	0.2500	0.2500	0.2500	0.2900	0.2900	0.3000	0.3000	0.3000
Jennings Run - Wills Creek	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520
Cash Valley Subdistrict	0.1860	0.1860	0.1860	0.1860	0.1860	0.1860	0.1860	0.2200	0.2200	0.2200
McCoole	0.0310	0.0310	0.0310	0.0310	0.0310	0.0700	0.0700	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.1600	0.1500	0.1500	0.1500	0.1500	0.1700	0.1700	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0920	0.0920	0.0920
Oldtown	0.0330	0.0330	0.0330	0.0330	0.0330	0.0800	0.0800	0.0960	0.0960	0.0960
George's Creek	0.2100	0.2100	0.2100	0.2100	0.2100	0.4700	0.1600	0.1600	0.1600	0.1600
Mexico Farms	0.0510	0.0510	0.0510	0.0510	0.0510	0.0600	0.0600	0.1840	0.1840	0.1840
Oldtown Road	0.1300	0.1300	0.1040	0.0770	0.0770	0.0770	0.0770	0.2400	0.2400	0.2400
<u>Other Special Districts</u>										
Bedford Road Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bel Air Special Tax Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bowling Green and Roberts Place	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0320
Bowling Green Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Corriganville Light & Imp Assoc.	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Cresaptown Ambulance Taxing Area	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280
Cresaptown Civic Improvement Assoc	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0400	0.0400	0.0400
Cresaptown Special Fire Tax Area	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520
Ellerslie Special Taxing Area	0.0300	0.0300	0.0300	0.0300	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Sanitary Commission	0.0420	0.0520	0.0520	0.0530	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
LaVale Fire Department	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Volunteer Rescue Squad	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
McCoole Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Moscow Special Taxing Area	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
Mt Savage Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Potomac Park Citizens Committee	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600	0.0600
Total County Direct Rate (1.5)	0.9899	1.0035	0.9880	0.9877	0.9997	1.0305	1.0191	1.0249	1.0275	1.0233

Notes:

- (1) All tax rates are per \$ 100 of assessed value
- (2) Municipal tax rates are presented for informative purpose only and are not included in the Total County Direct Rate
- (3) County tax rates vary as a result of tax differentials provided to taxpayers residing in municipal jurisdictions.
- (4) Thirty special taxing areas have been established in the County. As provided by various statutes, taxes are levied and assessed within the special taxing areas to provide revenues for the amortization of bonded indebtedness of sanitary districts and to pay for the protection, street lighting and other civil services.
- (5) County direct rate includes County taxes levied for the County and the special taxing areas, it does not include taxes levied by the municipalities. For taxes levied on behalf of special taxing districts, the direct rate includes a prorated portion of the tax rate that corresponds to the portion of the County's assessable base against which the tax is levied. Therefore, the total County direct rate presented above is not a mathematical sum of all of the individual rates presented.

Source: Allegany County Finance Department; Maryland State Assessment Office

Allegany County, Maryland

Principal Property Tax Payers

Current Year and Nine Years Ago

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value
AES WR Limited Partnership	\$ 62,969,716	1	1.64%	\$ 125,977,000	1	4.33%
Potomac Edison Co	57,813,970	2	1.51%	51,977,800	3	1.79%
CSX Transportation	39,438,706	3	1.03%	19,891,394	7	0.68%
New Page (Mead/Westvaco)	36,647,360	4	0.96%	67,367,348	2	2.31%
LaVale Associates	34,100,430	5	0.89%	28,752,280	5	0.99%
Trans-Allegheny Interstate Line	33,070,800	6	0.86%			
Columbia Gas of Maryland	28,615,490	7	0.75%	22,590,600	6	0.78%
Verizon-Maryland (Bell Atlantic)	17,211,330	8	0.45%	38,768,500	4	1.33%
Hunter Douglas Northeast, Inc.	15,866,100	9	0.41%	14,328,250	8	0.49%
Allegany Coal-Land	13,925,522	10	0.36%	9,059,315	10	0.31%
American Woodmark				9,907,800	9	0.34%
Total	\$ 339,659,424		8.86%	\$ 388,620,287		13.35%

Source: Allegany County Tax and Utility Office

Note: Total county taxable assessed value includes real estate and personal property

Largest assessed properties are not necessarily the largest taxpayer due to tax exemptions

Allegany County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years

Real Property

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
2007	24,152,164	22,574,066	93.47%	(37,176)	1,540,570	24,114,988	24,114,636	100.00%
2008	26,296,828	24,418,173	92.86%	(54,137)	1,823,544	26,242,691	26,241,717	100.00%
2009	28,732,488	26,710,075	92.96%	(54,330)	1,968,083	28,678,158	28,678,158	100.00%
2010	31,122,925	28,546,101	91.72%	(43,281)	2,533,543	31,079,644	31,079,644	100.00%
2011	32,868,341	30,352,908	92.35%	(58,163)	2,438,004	32,810,178	32,790,912	99.94%
2012	33,037,418	30,557,037	92.49%	(39,566)	2,404,055	32,997,852	32,961,092	99.89%
2013	32,760,110	30,023,529	91.65%	(22,552)	2,668,502	32,737,558	32,692,031	99.86%
2014	32,615,476	30,189,373	92.56%	(20,368)	1,312,236	32,595,108	31,501,609	96.65%
2015	32,363,414	29,837,271	92.19%	(109,414)	2,317,344	32,254,000	32,154,615	99.69%
2016	32,407,750	29,866,195	92.16%			32,407,750	29,866,195	92.16%

Personal Property

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
2007	208,932	186,368	89.20%	(7,244)	9,289	201,688	195,657	97.01%
2008	240,950	143,066	59.38%	(69,162)	21,204	171,788	164,270	95.62%
2009	156,136	131,719	84.36%	(762)	12,286	155,374	144,005	92.68%
2010	145,616	119,211	81.87%	(6,980)	11,856	138,636	131,067	94.54%
2011	157,764	119,985	76.05%	(13,839)	10,292	143,925	130,277	90.52%
2012	134,221	117,375	87.45%	(4,842)	4,902	129,379	122,277	94.51%
2013	133,495	114,347	85.66%	(6,866)	4,428	126,629	118,775	93.80%
2014	115,658	104,621	90.46%	(2,014)	5,241	113,644	109,862	96.67%
2015	113,785	99,147	87.14%	(2,625)	5,437	111,160	104,584	94.08%
2016	180,540	158,918	88.02%			180,540	158,918	88.02%

Corporate Personal Property

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
2007	8,210,266	8,094,923	98.60%	(16,650)	52,378	8,193,616	8,147,301	99.43%
2008	7,921,091	7,814,936	98.66%	272,369	328,284	8,193,460	8,143,219	99.39%
2009	7,710,088	7,559,542	98.05%	1,241,442	1,340,769	8,951,530	8,900,311	99.43%
2010	9,076,556	8,244,551	90.83%	(93,328)	687,560	8,983,228	8,932,111	99.43%
2011	8,147,312	7,948,859	97.56%	(69,807)	103,946	8,077,505	8,052,805	99.69%
2012	8,147,310	7,377,461	90.55%	(28,930)	651,033	8,118,380	8,028,494	98.89%
2013	7,893,890	7,089,831	89.81%	20,134	749,602	7,914,024	7,839,433	99.06%
2014	8,178,512	7,666,345	93.74%	(312,032)	138,901	7,866,480	7,805,246	99.22%
2015	7,909,034	7,583,185	95.88%	(13,984)	260,670	7,895,050	7,843,855	99.35%
2016	7,651,663	7,492,029	97.91%			7,651,663	7,492,029	97.91%

Total Taxes Levied

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Levy Changes in Subsequent Years	Collections in Subsequent Years	Grand Total Information		
		Amount	Percentage of Levy			Levy	Collections	Percentage of Levy
2007	32,571,362	30,855,357	94.73%	(61,071)	1,602,237	32,510,291	32,457,594	99.84%
2008	34,458,868	32,376,175	93.96%	149,070	2,173,031	34,607,939	34,549,206	99.83%
2009	36,598,711	34,401,336	94.00%	1,186,350	3,321,138	37,785,061	37,722,474	99.83%
2010	40,345,097	36,909,863	91.49%	(143,589)	3,232,959	40,201,508	40,142,822	99.85%
2011	41,173,417	38,421,752	93.32%	(141,809)	2,552,242	41,031,608	40,973,994	99.86%
2012	41,318,949	38,051,873	92.09%	(73,338)	3,059,990	41,245,611	41,111,863	99.68%
2013	40,787,495	37,227,707	91.27%	(9,284)	3,422,532	40,778,211	40,650,239	99.69%
2014	40,909,646	37,960,339	92.79%	(334,414)	1,456,378	40,575,232	39,416,717	97.14%
2015	40,386,233	37,519,603	92.90%			40,386,233	37,519,603	92.90%
2016	40,239,953	37,517,142	93.23%			40,239,953	37,517,142	93.23%

Source: Allegany County Tax and Utility Office & Allegany County Finance Office

DEBT CAPACITY

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Allegany County, Maryland
Ratios Of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business -Type Activities								Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Term Notes	Capital Leases	State Loans	Water Term Notes	Water		Sanitary Term Notes	Sanitary State Loans	Sanitary Federal Loans	Nursing Home Loans				
						Federal Loans	State Loans								
2007	28,532,000	5,610,818	126,929	5,941,976	475,717	4,161,123	-	19,503	10,012,618	3,790,944	475,926	59,147,554	3.00%	815	
2008	24,949,597	10,253,745	288,444	5,065,139	445,537	4,449,625	-	19,169	9,489,761	3,363,826	449,448	58,774,291	2.70%	809	
2009	25,787,011	9,815,243	259,423	4,630,302	414,419	4,379,776	-	18,819	13,269,238	3,323,335	421,585	62,319,151	2.70%	859	
2010	21,920,544	9,365,495	206,094	4,175,771	397,734	4,306,768	-	18,453	15,666,339	3,281,112	-	59,338,310	2.60%	790	
2011	17,861,152	8,895,326	131,177	3,697,419	380,516	5,047,339	-	18,070	15,840,547	3,237,076	-	55,108,622	2.30%	734	
2012	14,215,926	8,502,021	74,090	3,199,049	362,737	7,588,062	-	17,670	15,108,960	3,664,134	-	52,732,649	3.20%	706	
2013	20,948,078	219,629	36,080	2,203,357	344,380	10,928,261	-	17,251	14,519,950	4,968,713	-	54,185,699	3.40%	732	
2014	17,922,268	212,915	18,560	1,765,300	325,424	10,859,917	130,265	16,814	13,698,637	4,902,290	-	49,852,390	3.10%	678	
2015	23,531,007	205,809	0	1,471,847	305,853	10,710,507	236,488	16,355	12,726,747	4,833,387	-	54,038,000	3.40%	741	
2016	20,487,355	205,809	0	1,237,420	301,066	10,934,967	285,640	15,876	12,461,588	4,742,446	-	50,672,167	3.20%	699	

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

Source: Allegany County Finance Office and Bureau Of Economic Analysis

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

General Obligation Debt Outstanding

Fiscal Year	General Obligation Bonds	Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Debt Per Capita
2007	28,532,000	2,910,366,473	0.98%	72,603	392.99
2008	24,949,597	3,102,478,314	0.80%	72,658	343.38
2009	25,787,011	3,341,618,912	0.77%	72,532	355.53
2010	21,920,544	3,571,822,480	0.61%	75,101	291.88
2011	17,861,152	3,714,436,413	0.48%	75,059	237.96
2012	14,215,926	3,906,468,828	0.36%	74,692	190.33
2013	20,948,078	3,883,871,212	0.54%	74,012	283.04
2014	17,922,268	3,874,923,264	0.46%	73,521	243.77
2015	22,594,789	3,820,686,948	0.59%	72,952	309.72
2016	19,615,574	3,835,441,204	0.51%	72,528	270.46

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements
Long-term compensated absences payable balances are not included in this schedule
Table above does not include premium on bond payable in the amount of \$ 936,218 for FY 15
and \$ 871,781 for FY 16

Source: Allegany County Finance Office and Bureau Of Economic Analysis

Allegany County, Maryland **Legal Debt Margin Information** **Last Ten Fiscal Years**

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population	72,603	72,658	72,532	75,101	75,059	74,692	74,012	73,521	72,952
Inmate population excluded	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279
Net population for debt limit	69,324	69,379	69,253	71,822	71,780	71,413	70,733	70,242	69,673
Debt Per Capita	585	585	585	585	585	585	585	585	585
Debt Limit	40,554,540	40,586,715	40,513,005	42,015,870	41,991,300	41,776,605	41,378,805	41,091,570	40,758,705
Total Net Debt applicable to limit	40,211,723	40,556,925	40,491,979	35,667,904	30,585,074	25,991,086	23,407,144	19,469,995	24,272,444
Legal Debt Margin	342.817	29,790	21,026	6,347,966	11,406,226	15,785,519	17,971,661	21,621,575	16,486,261
Total net debt applicable to the limit as a percentage of debt limit	99.2%	99.9%	99.9%	84.9%	72.8%	62.2%	56.6%	47.4%	59.6%

Source: Bureau of Economic Analysis, U.S. Census Bureau & Allegany County Finance Office

County debt policy dated May 1996

Allegany County, Maryland

Pledged-Revenue Coverage

Last Ten Fiscal Years

SANITARY DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2016	7,202,103	7,080,788	121,315	1,187,281	335,926	1,523,207	0.08
2015	7,056,321	6,576,768	479,553	1,114,763	338,240	1,453,003	0.33
2014	6,910,702	6,208,477	702,225	1,086,079	352,416	1,438,495	0.49
2013	6,710,671	5,793,480	917,191	1,117,642	352,578	1,470,220	0.62
2012	6,663,036	5,697,183	965,853	1,112,180	321,865	1,434,045	0.67
2011	6,944,595	5,641,225	1,303,370	1,113,166	336,551	1,449,717	0.90
2010	6,166,813	5,053,655	1,113,158	725,634	315,904	1,041,538	1.07
2009	5,947,874	5,114,760	833,114	727,580	283,759	1,011,339	0.82
2008	5,756,775	(4) 5,221,279	535,496	786,386	233,002	1,019,388	0.53
2007	6,800,108	5,835,667	964,441	750,057	233,277	983,334	0.98

WATER DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2016	4,325,074	3,228,218	1,096,856	269,427	348,335	617,762	1.78
2015	4,250,167	3,127,808	1,122,359	173,006	333,202	506,208	2.22
2014	4,030,154	3,058,543	971,611	164,640	335,939	500,579	1.94
2013	3,819,651	3,095,376	724,275	158,655	290,816	449,471	1.61
2012	3,708,484	2,960,296	748,188	112,458	235,508	347,966	2.15
2011	3,863,485	3,194,883	668,602	97,647	221,780	319,427	2.09
2010	3,442,520	2,805,180	637,340	89,693	207,391	297,084	2.15
2009	2,866,797	2,395,589	471,208	100,967	211,276	312,243	1.51
2008	2,585,222	(4) 2,099,680	485,542	97,009	215,232	312,241	1.56
2007	1,417,547	1,053,569	363,978	60,953	195,878	256,831	1.42

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

2 - Total operating expenses less depreciation and interest expense

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

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Population	Personal Income In 000s	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
2007	72,603	1,974,017	27,189	9,526	5.20%
2008	72,658	2,204,237	30,337	9,221	5.80%
2009	72,532	2,310,845	31,860	9,157	8.90%
2010	75,101	2,292,903	30,531	9,152	8.93%
2011	75,059	2,352,416	31,341	9,022	8.88%
2012	74,692	1,628,286	21,800	8,913	8.02%
2013	74,012	1,609,761	21,750	8,929	8.60%
2014	73,521	1,595,406	21,700	8,872	7.20%
2015	72,952	1,581,162	21,674	8,751	7.30%
2016	72,528	1,570,449	21,653	8,812	6.40%

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

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

Employer	2016			2007		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Western Maryland Health Systems	2,200	1	6.14%	2,400	1	7.18%
Allegany County Board Of Education	1,346	2	3.76%	1,421	2	4.25%
ATK Tactical Systems	1,050	3	2.93%	1,032	4	3.09%
Frostburg State University	977	4	2.73%	904	6	2.70%
CSX Transportation	900	5	2.51%	925	5	2.77%
Hunter Douglas	860	6	2.40%	570	8	1.71%
Allegany College	800	7	2.23%	507	9	1.52%
New Page Corporation (VERSO)	700	8	1.95%	1,100	3	3.29%
Western Correctional Institution	588	9	1.64%			
North Branch Correctional Institution	574	10	1.60%			
Allegany County Government				589	7	1.76%
Spherix				475	10	1.42%
Total	9,995		27.90%	9,923		29.69%

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

OPERATING INFORMATION

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

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Commissioners & Staff	8.0	8.0	8.0	8.0	7	6	5	5	5.75	5.75
Judicial	28.0	28.6	28.6	29.1	28.1	27.9	27.9	29.05	28.75	28.75
Finance	9.6	9.6	9.6	9.6	9.3	9	8	6	5	5
Tax Office	7.5	7.5	7.5	7.7	7.7	7.7	7.7	7.7	7.7	7.7
Maintenance	16.4	16.2	15.7	15.7	14.7	15	14	13.9	13.9	13.9
Other	38.6	40.8	43.7	42.6	39.7	38.3	36.9	37.45	40.8	40.5
Public Safety										
Sheriff/Bureau of Police	33.2	29.4	28.3	32.4	34.4	34.4	34.4	34.5	34.4	34.4
Detention Center	85.0	85.5	86.0	85.4	84	85.8	85.8	85.8	81	81
911	24.6	25.2	26.2	25.9	25.9	25.9	25.9	26.55	29.05	29.05
Other	13.4	21.9	23.5	31.3	32.3	31.1	30.1	26.6	24.714	24.714
Public Works										
Roads division	74.5	75.7	75.7	74.7	74.4	68.4	67.4	67.4	66.4	66.4
Engineering	16.5	16.3	16.3	14.5	13.5	12	12	9.9	9.9	9.9
Solid Waste	5.3	5.3	5.3	5.3	5.3	4.3	4.3	5.05	5.46	5.46
Transit	32.7	33.0	31.9	30.2	29	27.9	27.9	27.9	27.76	27.76
Health and Hospitals	2.3	2.0	2.0	2.0	2.0	2	2.0	2	2.0	2.0
Social Services	1.0	1.0	1.0	1.0	1.0	1	1.0	1	1.0	1.0
Recreation, culture, libraries, tourism	2.0	2.0	2.0	2.0	1.4	1.4	1.4	1.4	1.4	1.4
Conservation of natural resources	2.0	2.0	2.0	2.0	2.0	1	1.0	1	1.0	1.0
Community Development and Housing	4.3	4.3	4.3	3.7	2.3	-	-	-	-	-
Economic Development	7.2	7.5	8.3	7.7	7.5	7.7	6.3	5.7	5.7	5.0
Sanitary	25.0	25.0	26.0	31.8	33.8	34	34.0	34	36.0	36.0
Nursing Home	152.1	150.5	147.5	-	-	-	-	-	-	-
Total	589.2	597.3	599.4	462.6	455.3	440.8	433.0	427.9	427.6	426.7

Source: Allegany County Finance Office-Budget

Allegany County, Maryland

Operating Indicators By Function/Program

Last Ten Fiscal Years

Function/Program	2007	2008	2009	2010	2011	#	2012	2013	2014	2015	2016
General Government											
Average number of tax bills issued	38,124	38,419	38,454	38,532	38,518		38,529	38,530	38,535	38,475	38,625
Public Safety											
Total Number of arrests	608	1,060	1,491	1,608	1,285		1,593	1,860	1,792	not avail	not avail
Total Number of traffic stops	1,153	1,167	1,840	1,640	1,579		1,782	1,492	1,558	not avail	not avail
Average number of inmates	179	203	168	157	170		150	153	150	134	142
Number of Volunteer Fire Stations	23	23	23	23	23 #		22	21	21	21	19
Public Works											
Miles of roads maintained	544	544	544	544	544 #		544	544	544	544	544
Social Services											
Transit route miles	675,570	502,317	446,420	384,182	332,324		381,238	376,369	409,383	** N/A	** N/A
Transit passengers	138,131	179,555	189,004	189,708	187,522		219,995	210,601	205,090	** N/A	** N/A
Community Development and Housing											
Number of families' rent subsidized	267	190	198	** N/A	** N/A	N	** N/A	** N/A	** N/A	** N/A	** N/A
Low-Income Housing loans issued	43	21	35	7	** N/A	N	** N/A	** N/A	** N/A	** N/A	** N/A
Sanitary											
Average number of sanitary/water customers	8,500	8,500	8,500	9,250	9,250		9,500	9,750	9,850	10,130	10,280
Nursing Home											
Total Number of Beds Available, Annually	55,845	55,998	55,845	0	0 0		0	0	0	0	0
Number of Beds Occupied Annually	48,400	47,512	48,692	0	0 0		0	0	0	0	0
Occupancy Rate, Annual	86%	85%	87%	0	0 0		0	0	0	0	0
Gaming											
Games Sold	* 48,800	43,056	36,206	35,357	33,395		32,701	30,699	27,437	26,013	25,754
Operators Licensed	* 79	83	85	92	88 #		100	81	80	70	63
Inspections Conducted	* 965	972	921	860	672 #		851	610	748	701	701

* Only in operation for 7 months of the fiscal year

** Local nonprofit agency absorbed the County's Section 8 program during FY 2010

Source: Various County Departments

Allegany County, Maryland **Capital Asset Statistics by Function/Program** **Last Ten Fiscal Years**

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Number of major buildings maintained	11	11	11	11	11	11	11	11	11	11
Public Safety										
Number of police stations	1	1	2	4	4	4	4	4	4	4
Number of patrol vehicles	20	20	29	34	38	36	40	33	33	33
Public Works										
Miles of roads maintained	544	544	544	544	544	544	544	544	544	544
Average number of highway vehicles	140	140	140	140	140	140	140	140	140	140
Number of Garages-Roads Dept	4	5	5	5	5	5	5	5	5	5
Number of operating transit buses	10	11	14	21	22	22	22	22	22	22
Economic Development										
Number of Industrial parks	8	8	8	8	8	8	8	8	8	8
Number of Buildings leases	15	12	10	13	13	13	12	11	11	11
Sanitary										
Sanitary/Water (miles)	175	175	175	175	175	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6	6	6	6	6	6
Nursing Home										
Number of buildings maintained	1	1	1	0	0	0	0	0	0	0

Source: Various County Departments