

# Allegany County, Maryland Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2017

# 2017



## **Allegany County Board of County Commissioners**

Jacob C. Shade, *President*

Creade V. Brodie, Jr., *Commissioner*

William R. Valentine, *Commissioner*

David A. Eberly, *County Administrator*



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

**FOR THE FISCAL YEAR**  
**JULY 1, 2016 - JUNE 30, 2017**

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

# ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

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# **INTRODUCTORY SECTION**

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# ALLEGANY COUNTY, MARYLAND

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### BOARD OF COMMISSIONERS

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

Jason Bennett, CPA, *Director of Finance*

January 17, 2018

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, 2017, including the report of our independent Certified Public Accountants is presented herewith. This report has been prepared by the Allegany County Finance Department in accordance with Article 19 of the Annotated Code of the State of Maryland and with Part I, Chapter 26, Article 26-3 of the Allegany County code. This report is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The County's financial statements have been audited by Turnbull, Hoover & Kahl, P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Allegany County for the fiscal year ended June 30, 2017, 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 unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2017, 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, 2016 at 6.4% to 5.8% for June 30, 2017. 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 32,471. 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 2017 the County issued \$9 million in new general obligation debt to fund a new EMS Communications project along with several other capital projects and incurred \$1,403,622 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, 2016. This was the twenty-fourth 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,

A handwritten signature in blue ink, appearing to read 'J. Bennett', is written over a horizontal line.

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, 2016**

*Christopher P. Morill*

Executive Director/CEO

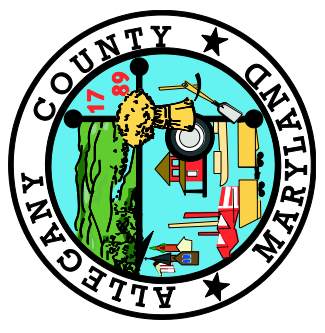
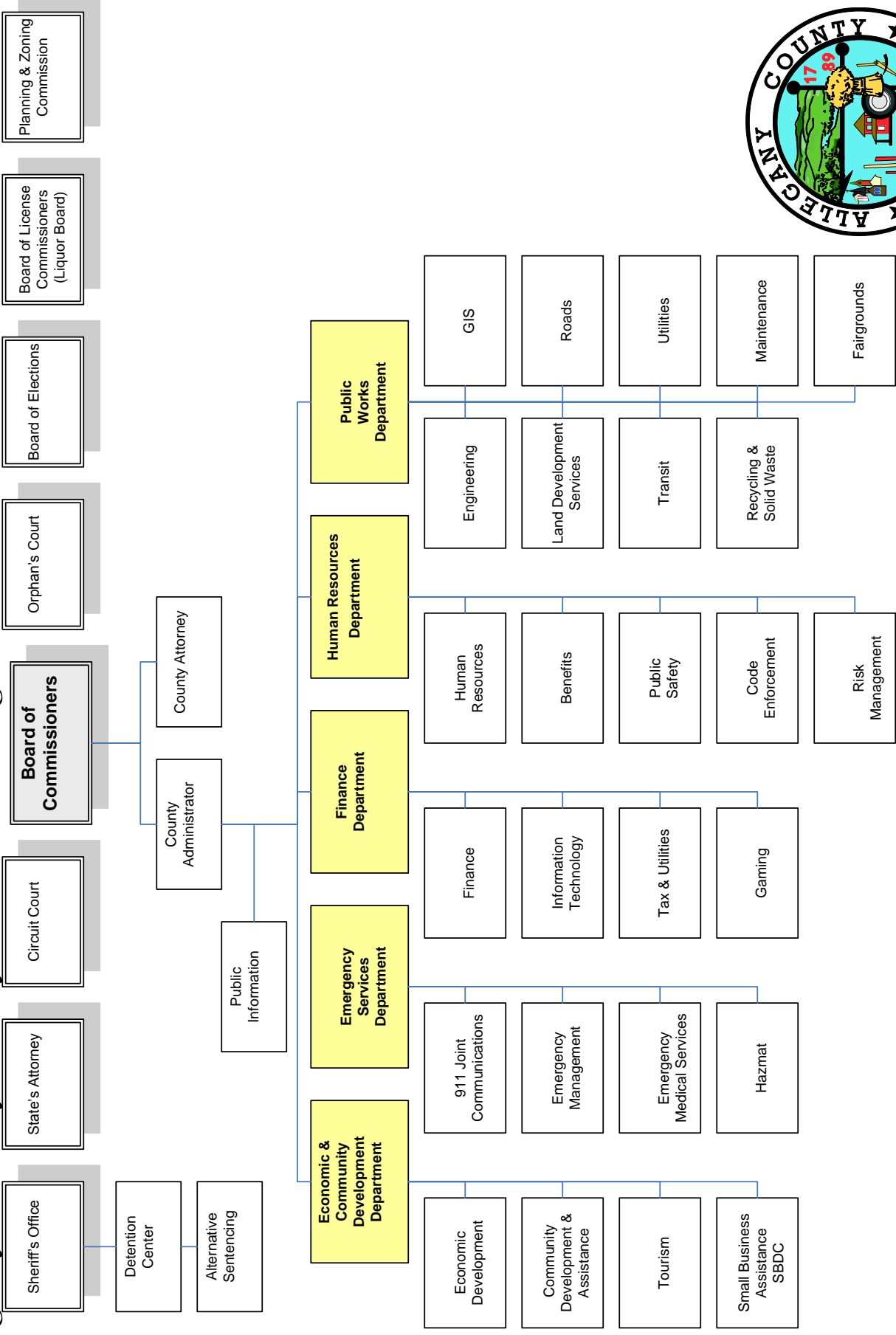
Allegany County, Maryland  
Summary of Certain Officials  
June 30, 2017

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	Jeff Barclay
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 2017 Organization Chart





# **FINANCIAL SECTION**

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



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

## **INDEPENDENT AUDITORS' REPORT**

### **Report on the Financial Statements**

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, 2017, 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 and the Allegany County Library System, which represent 66 percent, 66 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 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, 2017, 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 Matter**

### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2017, Allegany County, Maryland 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* and GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. 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 non-pension post employment benefit trust schedule of funding progress, schedule of changes in net pension liability, County's proportionate share of the net pension liability, and County's contributions on page D-3, schedule of changes in post retirement benefits liability, County's post retirement benefits contributions, and County's post retirement benefits investment returns on page D-4, notes to required supplementary information on page D-5, and the budgetary comparison information on pages D-6 through D-14 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 schedules, 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 schedules 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 schedules 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 January 17, 2018, 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.

 Tammie L. Hoover; Kahl, P.C.

Cumberland, Maryland  
January 17, 2018

## 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, 2017. 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 \$199.5 million (*net position*). Of this amount, \$184.7 million is net investment in capital assets and \$16.5 million is restricted for specific purposes (restricted net position). The County's total unrestricted net position is (\$1.7 million). This total unrestricted net position amount includes \$2.5 million from governmental activities, and unrestricted net position balance from business-type activities of (\$4.2 million).
- The government's total net position decreased by \$1.8 million or .9%, disregarding the restatement of beginning net position. The governmental net position increased \$2.6 million (or 2.6%). Business-type net assets decreased by \$ 879,653 (or .9%) during the year. Beginning net position for the governmental funds was restated by (\$ 2 million) largely due to recognizing LOSAP liability, see footnotes for detail.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$53.3 million, an increase of \$ 4.6 million in comparison with the prior year. The increase was due largely to nearly \$ 3 million in unspent general obligation proceeds. Approximately 34% of the ending fund balance, \$18.3 million, *is available for spending* at the government's discretion (*unassigned fund balance*), \$1.2 million is nonspendable, \$16 million is restricted, \$9.7 million is committed to certain programs and \$8.2 million is assigned to specific programs.
- Allegany County's governmental activity outstanding debt increased by \$5.6 million (or 25.6%) during the current fiscal year. The County's business-type debt decreased by \$ .09 million (or 3.1%).

### 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 or objectives. Allegany County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Allegany County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

Allegany County maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the 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 C21-77 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, the Revolving Building and the PIB Fund which are reported as major funds. Required supplementary information can be found on pages D4-14 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 \$199.5 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net position (\$185 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.

<b>ALLEGANY COUNTY'S NET POSITION</b>						
	Governmental Activities		Business-type Activities		Total	
	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016
<b>Assets:</b>						
Current and other assets	\$ 65,023,534	\$ 63,038,792	\$ 160,948	\$ 2,310,656	\$ 65,184,482	\$ 65,349,448
Capital assets	<u>92,453,670</u>	<u>86,785,446</u>	<u>126,016,483</u>	<u>126,352,895</u>	<u>218,470,153</u>	<u>213,138,34</u>
Total assets	<u>157,477,204</u>	<u>149,824,238</u>	<u>126,177,431</u>	<u>128,663,551</u>	<u>283,654,635</u>	<u>278,487,789</u>
Deferred Outflows of Resources	<u>3,673,957</u>	<u>2,369,840</u>	<u>287,077</u>	<u>194,923</u>	<u>3,961,034</u>	<u>2,564,763</u>
<b>Liabilities:</b>						
Current and other liabilities	10,660,006	12,806,705	3,455,382	4,161,850	14,115,388	16,968,555
Long-term liabilities outstanding	<u>44,770,596</u>	<u>34,776,174</u>	<u>28,817,221</u>	<u>29,632,752</u>	<u>73,587,817</u>	<u>64,408,926</u>
Total liabilities	<u>55,430,602</u>	<u>47,582,879</u>	<u>32,272,602</u>	<u>33,794,601</u>	<u>87,703,204</u>	<u>81,377,481</u>
Deferred Inflows of Resources	<u>412,445</u>	<u>274,662</u>	<u>30,278</u>	<u>22,590</u>	<u>442,723</u>	<u>297,252</u>
<b>Net position:</b>						
Net investment in capital assets	86,497,352	84,396,712	98,160,878	97,611,312	184,658,230	182,008,024
Restricted	16,237,133	16,354,328	240,345	247,369	16,477,478	16,601,697
Unrestricted	<u>2,573,629</u>	<u>3,585,497</u>	<u>(4,239,595)</u>	<u>(2,817,398)</u>	<u>(1,665,966)</u>	<u>768,099</u>
Total net position	<u>\$ 105,308,114</u>	<u>\$ 104,336,537</u>	<u>\$ 94,161,628</u>	<u>\$ 95,041,283</u>	<u>\$ 199,469,742</u>	<u>\$ 199,377,820</u>

An additional portion of Allegany County's net position (8.9%) represents resources that are subject to external restrictions on how they may be used. The County has a negative *unrestricted net position* balance of (\$1.7 million). The *unrestricted net position* balance for the governmental activities was \$2.5 million and the business-type activities have a balance of (\$4.2 million).

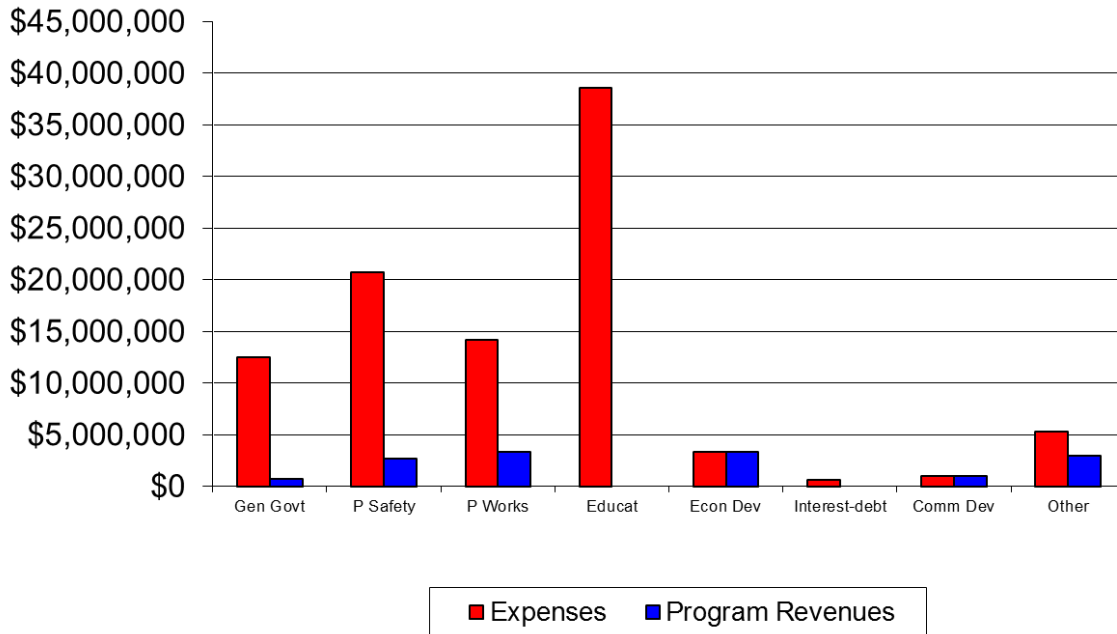
During the current fiscal year, the government's net position increased by \$1.8 million. Revenues increased by \$178,609 to \$113.8 million while expenses increased by \$3.8 million from the prior year to \$112 million.

<b>ALLEGANY COUNTY'S CHANGES IN NET POSITION</b>						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2016</u>
Revenues:						
Program revenues:						
Charges for services	\$ 6,321,653	\$ 6,543,369	\$ 10,652,809	\$ 10,445,989	\$ 16,974,462	\$ 16,989,358
Operating grants and contributions	4,507,723	4,230,909	-	-	4,507,723	4,230,909
Capital grants and contributions	3,235,959	2,076,835	2,827,122	5,404,171	6,063,081	7,481,006
General revenues:						
Property taxes	40,900,084	40,285,516	993,937	982,268	41,894,021	41,267,784
Income taxes	25,911,041	26,836,166	-	-	25,911,041	26,836,166
Other local taxes	6,195,089	5,343,333	-	-	6,195,089	5,343,333
Franchise taxes	447,143	441,304	-	-	447,143	441,304
Grants and contributions not restricted to specific programs	9,205,270	9,210,566	-	-	9,205,270	9,210,566
Unrestricted fees	-	-	-	-	-	-
Unrestricted investment earnings	1,375,762	1,181,160	195,916	191,339	1,571,678	1,372,499
Gain on sale/retirement of capital assets	13,706	116,610	3,800	-	17,506	116,610
Miscellaneous	983,392	286,427	-	15,835	983,392	302,262
Total revenues	<u>99,096,822</u>	<u>96,552,195</u>	<u>14,673,584</u>	<u>17,039,602</u>	<u>113,770,406</u>	<u>113,591,797</u>
Expenses:						
General government	12,288,649	10,098,884	-	-	12,288,649	10,098,884
Payment to data processing	182,712	261,943	-	-	182,712	261,943
Public safety	20,723,459	20,125,044	-	-	20,723,459	20,125,044
Public works	14,148,806	13,263,932	-	-	14,148,806	13,263,932
Health	2,093,988	2,131,859	-	-	2,093,988	2,131,859
Social services	1,387,194	1,467,194	-	-	1,387,194	1,467,194
Education	797,321	1,279,342	-	-	797,321	1,279,342
Payment to public school system	30,169,985	30,123,877	-	-	30,169,985	30,123,877
Payment to community college	7,630,550	7,915,000	-	-	7,630,550	7,915,000
Recreation, culture & libraries	583,538	826,930	-	-	583,538	826,930
Payment to public library system	956,975	947,500	-	-	956,975	947,500
Conservation of natural resources	265,253	249,936	-	-	265,253	249,936
Community development & housing	1,026,337	1,176,904	-	-	1,026,337	1,176,904
Economic development	3,355,189	2,674,595	-	-	3,355,189	2,674,595
Interest on long-term debt	677,774	659,875	-	-	677,774	659,875
Water	-	-	4,723,474	4,772,141	4,723,474	4,772,141
Sewer	-	-	10,782,299	9,965,144	10,782,299	9,965,144
Nursing Home	-	-	-	-	-	-
Other proprietary funds	-	-	202,991	225,788	202,991	225,788
Total expenses	<u>96,287,730</u>	<u>93,202,815</u>	<u>15,708,764</u>	<u>14,963,073</u>	<u>111,996,494</u>	<u>108,165,888</u>
Increase in net position before transfers	2,809,092	3,349,380	(1,035,180)	2,076,529	1,773,912	5,425,909
Transfers	(155,527)	(147,927)	155,527	147,927	-	-
Increase (decrease) in net position	2,653,565	3,201,453	(879,653)	2,224,456	1,773,912	5,425,909
Net position, beginning, restated	<u>102,654,549</u>	<u>101,135,084</u>	<u>95,041,283</u>	<u>92,816,827</u>	<u>197,695,832</u>	<u>193,951,91</u>
Net position, ending	<u>\$ 105,308,114</u>	<u>\$ 104,336,537</u>	<u>\$ 94,161,630</u>	<u>\$ 95,041,283</u>	<u>\$ 199,469,744</u>	<u>\$ 199,377,820</u>

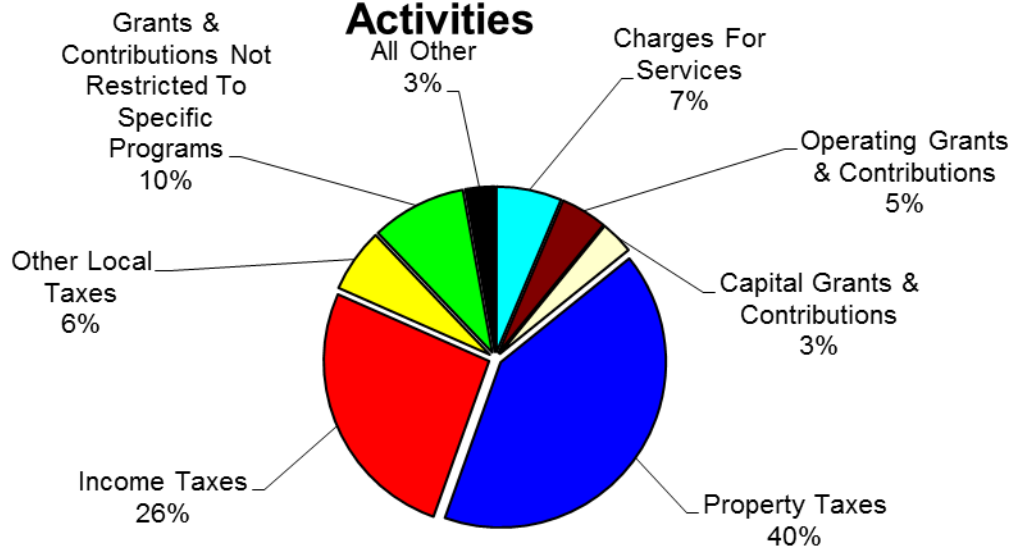
**Governmental activities.** Governmental activities increased Allegany County's net assets by \$2.6 million. Total revenues increased \$ 2.5 million (or 2.6%) and expenses increased \$ 3.1 million (or 3.2%). Key elements of the changes in governmental net assets are as follows:

- Increase in local taxes from FY 2016 to FY 2017 nearly \$ .8 million.
- Increase in grants from FY 2016 to FY 2017 of \$ 1.2 million.
- Economic development expenses increased \$ .7 million due to major road and paving enhancements.
- General government expenses increased \$ 2.2 million largely due to \$ 1.7 expenditures for local library repairs. Other increases include pension expense, health care costs, 2% raise for employees and election year additional workers.

## Expenses and Program Revenues - Governmental Activities

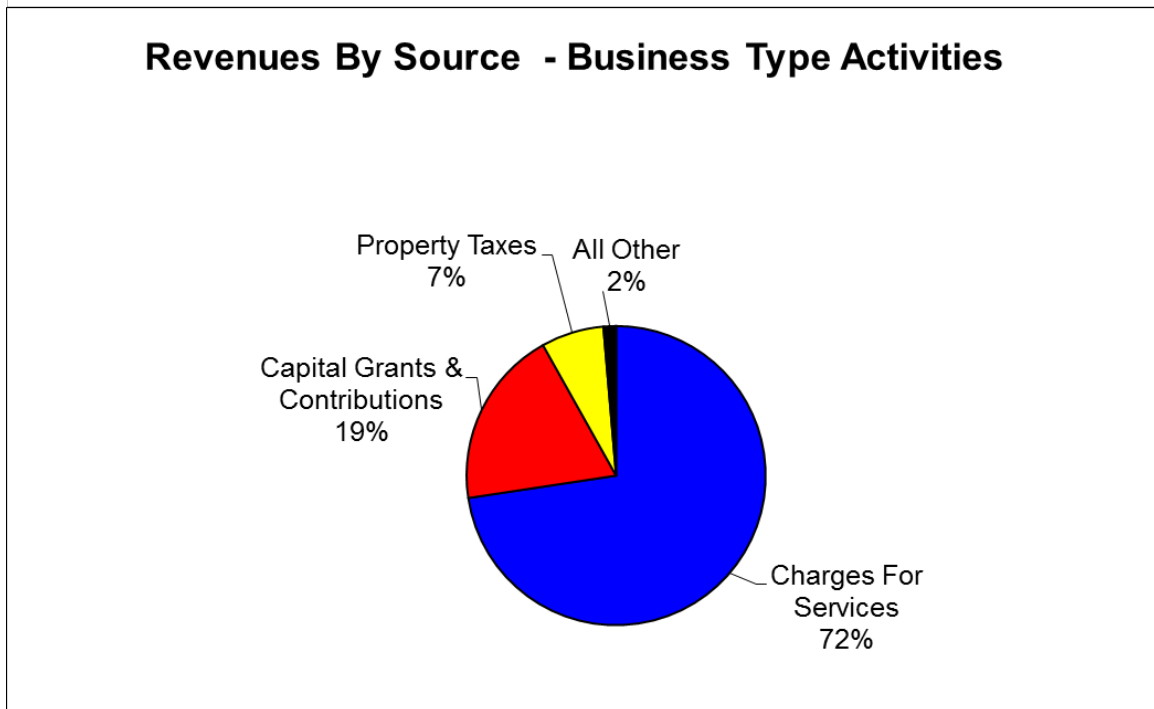
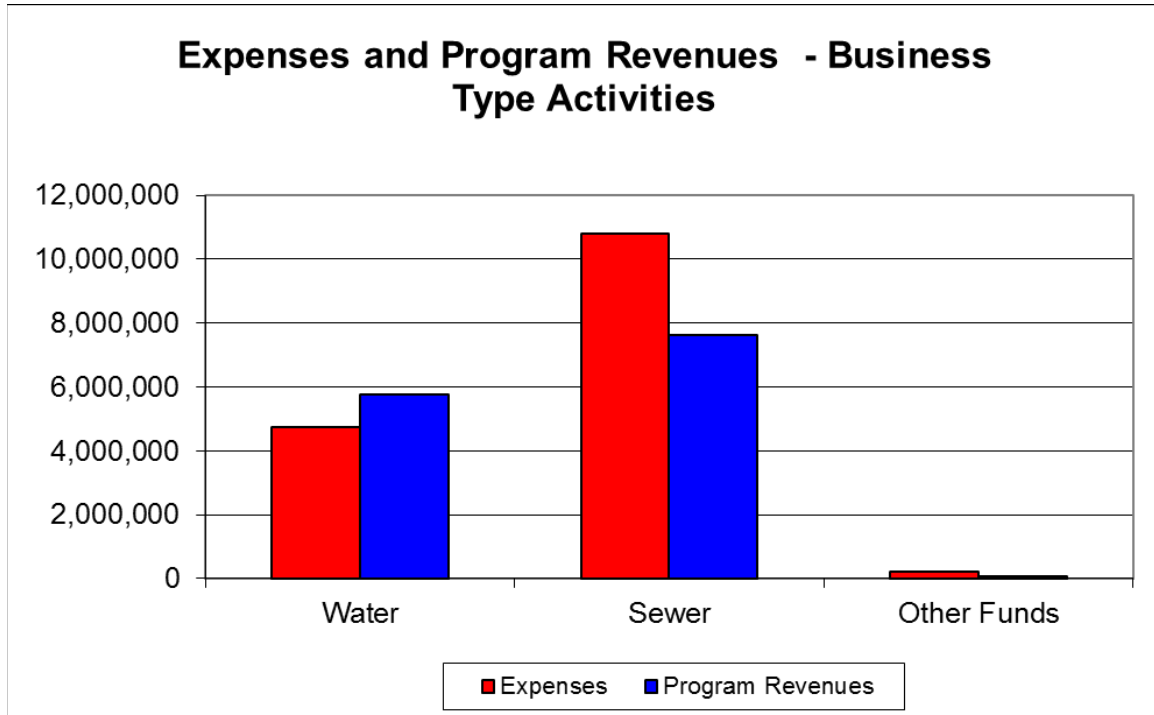


## Revenues By Source - Governmental Activities



**Business-type activities.** The net position of the County's business-type activities decreased by \$ 879,653 after transfers. Key elements of the increase were:

- Capital grants decreased \$ 2.6 million due to fewer major water/sewer projects.
- Overall expenses increased .7 million. Water and sewer costs combined increased \$ 770,000 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 \$53.3 million, an increase of \$ 4.6 million in comparison with the prior year. Approximately 34 percent of this total amount (\$18.2 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 - \$16 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. - \$ 9.7 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 - \$8.2 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 \$18.6 million, out of a total fund balance of \$26.9 million. As a measure of the general fund's liquidity, it may be useful to compare both *unassigned fund balance* and total fund balance to total fund expenditures. *Unassigned fund balance* represents 22.8 percent of total general fund expenditures, while total fund balance represents 32.9 percent of that same amount.

Key factors in the \$ 4.6 million increase in the governmental fund balances are:

The fund balance of Allegany County's general fund increased \$1.4 million; which was the result of:

- Departments kept spending at a minimum.

The PIB fund's (a major governmental fund) fund balance increased \$ 2.9 million. The increase was due to 2.9 million of the \$ 9 million general obligation loan that was still unspent at June 30.

**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	\$ 34,089,989	\$ 63,538,688	\$ 532,201	\$ 98,160,878
Restricted for debt service	-	240,345	-	240,345
Unrestricted	3,824,771	(9,504,477)	1,440,110	(4,239,595)
Total net position	<u>\$ 37,914,760</u>	<u>\$ 54,274,556</u>	<u>\$ 1,972,311</u>	<u>\$ 94,161,628</u>
Change in net position during the year, increase (decrease)	<u>\$ 1,152,428</u>	<u>\$ (1,930,984)</u>	<u>\$ (101,098)</u>	<u>\$ (879,653)</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 \$ 1.8 million (includes other sources and uses) to a revised total of \$88 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 \$1.4 million in order to increase for \$ 1 million worth of public safety radio equipment and \$ .4 million for increase in health insurance costs and other costs.
- Budget was increased \$ 499,000 for increase in grant revenue and taxes, which was used to pay for employee vacation buy-back program and workers compensation claims as well as grant costs.

Actual revenues exceeded budgeted revenues estimates by \$ 1.2 million and actual expenditures were less than budgetary estimates by \$ 1.3 million.

- Budgeted income taxes exceeded actual by \$ .7 million The decrease was largely due to a decrease in income tax revenue that was not anticipated.
- Almost all operating departments finished well within budget and overall personnel cuts were made across departments. In particular, the highway department was able to underspend their budget by \$ 470,000

## **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, 2017 was \$218 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, furniture and fixtures, equipment, vehicles, heavy equipment and other miscellaneous assets. The total increase in Allegany County's investment in capital assets for the current fiscal year was 1.4 percent (a 6 percent increase for governmental activities and a 2 percent decrease for business-type activities).

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

- Increase in governmental activities largely due to purchase of land in the amount of 2.6 million and purchase of new 911 radio system for 6.2 million

Additional information on Allegany County's capital assets can be found in the notes to the financial statements, note 8 on pages C-45 through C-46 of this report.

**Long-term debt.** At the end of the current fiscal year, Allegany County had total debt outstanding of \$55.4 million. Governmental activities debt consists of \$26.3 million in general obligation bonds including premium and \$1.2 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$27.9 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	
	2017	2016	2017	2016	2017	2016
General obligation	\$ 25,536,021	\$ 19,615,574	\$ -	\$ -	\$ 25,536,021	\$ 19,615,574
Notes	203,466	205,808	-	-	203,466	205,808
Capital leases	-	-	-	-	-	-
State loans	994,296	1,237,421	12,025,418	12,762,659	13,019,714	14,000,080
Federal loans	-	-	15,550,052	15,677,413	15,550,052	15,677,413
Other loans	-	-	280,136	301,516	280,136	301,516
Premium on Bonds	807,345	871,781	-	-	807,345	871,781
Total	<u>\$ 27,541,128</u>	<u>\$ 21,930,584</u>	<u>\$ 27,855,606</u>	<u>\$ 28,741,588</u>	<u>\$ 55,396,734</u>	<u>\$ 50,672,172</u>

Allegany County issued \$ 9,000,000 in general obligation debt during the fiscal year and retired \$ 3.4 million in total during the current fiscal year as debt outstanding increased 5.6 percent.

Revenue debt in the amount of \$ 294,931 was incurred for the sewer districts and new debt for the water districts included \$300,000. 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-51 through C-55 of this report.

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

- The unemployment rate for June 2017 for Allegany County was 5.8 percent, which decreased from 6.4 percent when compared to June 2016.

All of these factors were considered in preparing Allegany County's budget for the 2018 fiscal year.

During the current fiscal year, spendable fund balance in the general fund decreased to \$18.6 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 2018 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](mailto: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, 2017**

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library	LaVale Sanitary Commission
<b>ASSETS:</b>							
Current Assets:							
Cash	\$ 24,176,646	\$ 301,771	\$ 24,478,417	\$ 20,880,556	\$ 10,972,251	\$ 321,878	\$ 1,414,188
Investments	11,530,889	414,342	11,945,231	-	202,968	577,799	-
Property taxes receivable	4,534,336	-	4,534,336	-	-	-	-
Receivables:							
Accounts	-	2,903,411	2,903,411	16,224,341	318,817	316,406	305,304
Other	7,968,989	1,319,072	9,288,061	450	348,431	-	348,209
Internal balances	5,299,280	(5,299,280)	-	-	-	-	-
Inventory	42,233	81,565	123,798	217,473	321,278	-	217,308
Prepaid expenses	-	-	-	-	38,252	7,804	32,092
Deferred charges	-	-	-	-	-	-	-
Miscellaneous	185,672	-	185,672	-	-	-	-
Restricted Assets:							
Cash	18,787	199,722	218,509	-	69,384	-	344,966
Investments	10,476,008	-	10,476,008	-	13,238,287	-	-
Taxes - receivable	-	126,445	126,445	-	-	-	-
Receivables	-	113,900	113,900	-	-	-	-
Total current assets	<u>64,232,840</u>	<u>160,948</u>	<u>64,393,788</u>	<u>37,322,820</u>	<u>25,509,668</u>	<u>1,223,887</u>	<u>2,662,067</u>
Non-current Assets:							
Long term Investment, Market	-	-	-	-	1,267,821	-	-
Other investments	-	-	-	-	699,277	-	216,851
OPEB Net Asset	790,694	-	790,694	-	-	-	-
Pension Net Asset	-	-	-	-	-	-	510,050
Land	25,584,437	192,532	25,776,969	4,208,336	1,564,352	-	234,830
Work In Progress	904,597	7,801,001	8,705,598	27,478,069	345,245	-	432,712
Other non-depreciable assets	-	-	-	86,522	135,866	-	-
Capital assets subject to depreciation/amortization	151,010,601	190,112,479	341,123,080	188,992,332	57,298,554	9,345,037	29,511,319
Accumulated depreciation	(85,045,965)	(72,089,529)	(157,135,494)	(117,770,147)	(33,107,201)	(4,696,284)	(13,236,690)
Total non-current assets	<u>93,244,364</u>	<u>126,016,483</u>	<u>219,260,847</u>	<u>102,995,112</u>	<u>28,203,914</u>	<u>4,648,753</u>	<u>17,669,072</u>
<b>Total Assets</b>	<u>157,477,204</u>	<u>126,177,431</u>	<u>283,654,635</u>	<u>140,317,932</u>	<u>53,713,582</u>	<u>5,872,640</u>	<u>20,331,139</u>
<b>Deferred Outflows of Resources</b>							
Deferred Outflows for Pensions	3,673,957	287,077	3,961,034	1,993,261	217,384	26,469	267,664
<b>Total Def Outflows of Resources</b>	<u>3,673,957</u>	<u>287,077</u>	<u>3,961,034</u>	<u>1,993,261</u>	<u>217,384</u>	<u>26,469</u>	<u>267,664</u>
<b>LIABILITIES:</b>							
Current Liabilities:							
Accounts payable	3,060,042	1,396,338	4,456,380	5,690,291	494,435	317,558	311,613
Accrued wages payable	374,692	29,384	404,076	860,717	669,321	19,262	-
Accrued fringe benefits payable	179,110	13,231	192,341	-	212,895	-	-
Accrued interest	317,909	87,799	405,708	-	-	-	24,113
Current portion of long-term debt:							
Bonds and loans	2,280,105	1,481,822	3,761,927	-	33,259	-	179,287
Capital leases	-	-	-	143,115	68,917	-	-
Compensated absences	1,161,670	163,985	1,325,655	162,587	191,185	-	-
Due to Agency Fund	231,269	-	231,269	-	-	-	-
Due to Trust Fund	800,854	-	800,854	-	-	-	-
OPEB Liability	-	-	-	-	-	-	271,671
Unearned Revenue	536,950	-	536,950	2,455,260	361,346	-	-
Accrued health claims	-	-	-	3,397,010	313,094	-	-
Miscellaneous liabilities	1,717,405	282,823	2,000,228	1,593,265	321,575	-	-
Total current liabilities	<u>10,660,006</u>	<u>3,455,382</u>	<u>14,115,388</u>	<u>14,302,245</u>	<u>2,666,027</u>	<u>336,820</u>	<u>786,684</u>
Non-current liabilities:							
Cash advance due general fund	(1,200,000)	1,200,000	-	-	-	-	-
Bonds and loans	25,261,023	26,093,647	51,354,670	-	-	-	4,528,643
Capital leases	-	-	-	247,798	263,784	-	-
Annuity payment liability	-	-	-	-	29,662	-	-
Termination benefits	-	-	-	-	508,692	-	-
Net pension liability	17,129,043	1,211,724	18,340,767	6,932,618	908,494	92,970	-
Post-employment benefits	-	-	-	-	-	87,710	-
Compensated absences	3,580,530	311,850	3,892,380	2,302,066	-	65,582	-
Total non-current liabilities	<u>44,770,596</u>	<u>28,817,221</u>	<u>73,587,817</u>	<u>9,482,482</u>	<u>1,710,632</u>	<u>246,262</u>	<u>4,528,643</u>
<b>Total Liabilities</b>	<u>55,430,602</u>	<u>32,272,602</u>	<u>87,703,204</u>	<u>23,784,727</u>	<u>4,376,659</u>	<u>583,082</u>	<u>5,315,327</u>
<b>Deferred Inflows of Resources</b>							
Deferred Inflows for Pensions	412,445	30,278	442,723	498,587	23,104	6,501	120,991
<b>Total Def Inflows of Resources</b>	<u>412,445</u>	<u>30,278</u>	<u>442,723</u>	<u>498,587</u>	<u>23,104</u>	<u>6,501</u>	<u>120,991</u>
<b>NET POSITION</b>							
Net investment in Capital Assets	86,497,352	98,160,878	184,658,230	102,517,677	25,904,115	4,648,753	12,234,241
Restricted for:							
Public safety	1,236,052	-	1,236,052	-	-	-	-
Highways	269,189	-	269,189	-	-	-	-
Education	150,543	-	150,543	-	-	-	-
Community development & housing	53,151	-	53,151	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital projects	14,528,198	-	14,528,198	12,348,067	2,495	-	-
Other purposes	-	240,345	240,345	217,473	14,934,303	503,312	548,403
Unrestricted	\$ 2,573,629	\$ (4,239,595)	\$ (1,665,966)	\$ 2,944,662	\$ 8,690,290	\$ 157,462	\$ 2,379,841
<b>Total Net Position</b>	<u>105,308,114</u>	<u>94,161,628</u>	<u>199,469,742</u>	<u>118,027,879</u>	<u>49,531,203</u>	<u>5,309,527</u>	<u>15,162,485</u>

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

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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	
<b>Primary government::</b>							
Governmental activities:							
General government:	\$ 12,867,195	\$ (578,546)	\$ 12,288,649	\$ 369,971	\$ 406,259	\$ -	
Payment to data processing	182,712	-	182,712	-	-	-	
Public safety	20,723,459	-	20,723,459	1,181,723	1,128,910	356,894	
Public works	14,148,806	-	14,148,806	1,020,139	1,649,085	656,440	
Health	2,093,988	-	2,093,988	-	16,006	-	
Social services	1,387,194	-	1,387,194	23,472	139,027	-	
Education:	797,321	-	797,321	-	-	-	
Payment to public school system	30,169,985	-	30,169,985	-	-	-	
Payment to community college	7,630,550	-	7,630,550	-	-	-	
Recreation, culture & libraries:	583,538	-	583,538	410,494	98,997	2,222,625	
Payment to public library system	956,975	-	956,975	-	-	-	
Conservation of natural resources	265,253	-	265,253	14,743	29,896	-	
Community development and	-	-	-	-	-	-	
housing	1,026,337	-	1,026,337	678	980,407	-	
Economic development	3,355,189	-	3,355,189	3,300,433	59,136	-	
Interest on long term debt	677,774	-	677,774	-	-	-	
Total governmental activities	<u>96,866,276</u>	<u>(578,546)</u>	<u>96,287,730</u>	<u>6,321,653</u>	<u>4,507,723</u>	<u>3,235,959</u>	
Business-type activities:							
Water	4,553,534	169,940	4,723,474	4,197,525	-	1,569,907	
Sewer	10,373,693	408,606	10,782,299	6,382,842	-	1,257,215	
Other funds	202,991	-	202,991	72,442	-	-	
Total business-type activities	<u>15,130,218</u>	<u>578,546</u>	<u>15,708,764</u>	<u>10,652,809</u>	<u>-</u>	<u>2,827,122</u>	
Total primary government	<u>\$ 111,996,494</u>	<u>\$ -</u>	<u>\$ 111,996,494</u>	<u>\$ 16,974,462</u>	<u>\$ 4,507,723</u>	<u>\$ 6,063,081</u>	
<b>Component units:</b>							
Board of Education			\$ 132,234,248	\$ 1,586,317	\$ 21,071,389	\$ 27,332,657	
Allegany College of Md.			34,399,834	10,320,762	16,510,810	161,459	
County Library			2,134,050	231,907	106,203	1,751,560	
LaVale Sanitary Commission			6,002,272	4,598,977	-	1,009,854	
Total component units			<u>\$ 174,770,404</u>	<u>\$ 16,737,963</u>	<u>\$ 37,688,402</u>	<u>\$ 30,255,530</u>	

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, 2017**

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
\$ (11,512,419)	\$ -	\$ (11,512,419)	\$ -	\$ -	\$ -	\$ -
(182,712)	-	(182,712)	-	-	-	-
(18,055,932)	-	(18,055,932)	-	-	-	-
(10,823,142)	-	(10,823,142)	-	-	-	-
(2,077,982)	-	(2,077,982)	-	-	-	-
(1,224,695)	-	(1,224,695)	-	-	-	-
(797,321)	-	(797,321)	-	-	-	-
(30,169,985)	-	(30,169,985)	-	-	-	-
(7,630,550)	-	(7,630,550)	-	-	-	-
2,148,578	-	2,148,578	-	-	-	-
(956,975)	-	(956,975)	-	-	-	-
(220,614)	-	(220,614)	-	-	-	-
(45,252)	-	(45,252)	-	-	-	-
4,380	-	4,380	-	-	-	-
(677,774)	-	(677,774)	-	-	-	-
(82,222,395)	-	(82,222,395)	-	-	-	-
-	1,043,958	1,043,958	-	-	-	-
-	(3,142,242)	(3,142,242)	-	-	-	-
-	(130,549)	(130,549)	-	-	-	-
-	(2,228,833)	(2,228,833)	-	-	-	-
(82,222,395)	(2,228,833)	(84,451,228)	-	-	-	-
-	-	-	(82,243,885)	-	-	-
-	-	-	-	(7,406,803)	-	-
-	-	-	-	-	(44,380)	-
-	-	-	-	-	-	(393,441)
-	-	-	(82,243,885)	(7,406,803)	(44,380)	(393,441)
40,900,084	993,937	41,894,021	-	-	-	269,266
25,911,041	-	25,911,041	-	-	-	392,613
-	-	-	-	-	-	-
1,650,813	-	1,650,813	-	-	-	-
388,940	-	388,940	-	-	-	-
539,372	-	539,372	-	-	-	-
1,092,324	-	1,092,324	-	-	-	-
2,155,436	-	2,155,436	-	-	-	-
234,175	-	234,175	-	-	-	-
134,029	-	134,029	-	-	-	-
-	-	-	30,169,985	7,630,550	956,975	-
447,143	-	447,143	-	-	-	-
9,205,270	-	9,205,270	78,368,746	-	792,274	-
1,375,762	195,916	1,571,678	26,618	1,505,253	14,532	10,066
13,706	3,800	17,506	-	-	-	-
983,392	-	983,392	221,851	-	28,168	1,245
(155,527)	155,527	-	-	-	-	-
84,875,960	1,349,180	86,225,140	108,787,200	9,135,803	1,791,949	673,190
2,653,565	(879,653)	1,773,912	26,543,315	1,729,000	1,747,569	279,749
102,654,549	95,041,283	197,695,832	91,484,564	47,802,203	3,561,958	14,882,736
-	-	-	-	-	-	-
\$ 105,308,114	\$ 94,161,630	\$ 199,469,744	\$ 118,027,879	\$ 49,531,203	\$ 5,309,527	\$ 15,162,485

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, 2017**

<b>ASSETS:</b>	General Fund	Revolving Building Fund	Public Improve Bond Fund	Other Governmental Funds	Total
Cash	\$ 24,175,496	\$ -		\$ 1,150	\$ 24,176,646
Cash -restricted	-	-		18,787	18,787
Investments	8,812,204	-		2,718,685	11,530,889
Investments-Restricted	1,882,328		8,593,680		10,476,008
Property tax receivable	4,658,336	-		-	4,658,336
Receivables					
Notes and loans	-	-		270,593	270,593
Other receivables	4,760,481	237,239	558,695	1,900,374	7,456,789
Due from other funds		8,608,817	5,682,761	2,576,717	16,868,295
Advances to other funds	1,200,000	-		-	1,200,000
Inventory	-	-		42,233	42,233
Prepays		-		-	-
Miscellaneous assets	185,672	-		-	185,672
Total Assets	\$ 45,674,517	\$ 8,846,056	14,835,136	\$ 7,528,539	\$ 76,884,248

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:**

Liabilities:

Accounts payable	\$ 1,244,833	\$ 459,520	73,378	\$ 1,282,311	\$ 3,060,042
Accrued payroll	350,714	4,269		19,709	374,692
Accrued payroll fringe	168,040	1,629		9,441	179,110
Due to other funds	11,168,036	-		1,433,102	12,601,138
Amounts held in escrow	1,212,138	-		320,597	1,532,735
Unearned Revenue	95,939	-		711,601	807,540
Miscellaneous liabilities	173,170	11,500		-	184,670
Total Liabilities	14,412,870	476,918	73,378	3,776,761	18,739,927

Deferred inflows of resources:

Unavailable Revenue	4,374,991	-	233,560	262,917	4,871,468
Total Deferred inflows of resources	4,374,991	-	233,560	262,917	4,871,468

Fund Balances:

Nonspendable	1,200,000	-		42,233	1,242,233
Restricted	173,170		14,528,198	1,224,475	15,925,843
Committed	967,195	8,369,138		331,029	9,667,362
Assigned	5,896,328			2,288,721	8,185,049
Unassigned	18,649,963	-		(397,597)	18,252,366

Total Fund Balances	26,886,656	8,369,138	14,528,198	3,488,861	53,272,853
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Total Liabilities, deferred inflows of  
resources and fund balance

\$ 45,674,517	\$ 8,846,056	14,835,136	\$ 7,528,539
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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.	92,453,669
Other long -term assets are not available to pay current -period expenditures and are deferred in the funds.	1,822,260
Deferred Inflows of Resources	
Deferred Outflows for Pension benefits	3,673,955
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(32,283,328)
Deferred Inflows for Pension benefits	(412,445)
Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(12,942,376)

Net position of governmental activities	\$ 105,584,588
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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, 2017**

	General Fund	Revolving Building Fund	Public Improve Bond Fund	Other Governmental Funds	Total
<b>REVENUES:</b>					
Taxes:					
Property taxes	\$ 42,106,441	\$ -		\$ -	\$ 42,106,441
Income taxes	26,435,017	-		-	26,435,017
Other local taxes	4,460,624	-		458,858	4,919,482
Licenses and permits	672,859	-		-	672,859
Intergovernmental:					
Federal	631,945	-	356,894	1,641,547	2,630,386
State	10,651,994	-	296,951	5,174,753	16,123,698
Other	178,297	-			178,297
Service charges	1,521,333	-		417,589	1,938,922
Fines and forfeitures	32,181	-		48,726	80,907
Interest	231,817	-	61,055	19,989	312,861
Miscellaneous	823,758	3,327,500		190,810	4,342,068
Total Revenues	<u>87,746,266</u>	<u>3,327,500</u>	<u>714,900</u>	<u>7,952,272</u>	<u>99,740,938</u>
<b>EXPENDITURES:</b>					
Current:					
General government	9,145,648	-		155,538	9,301,186
Public safety	18,121,850	-		1,362,858	19,484,708
Public works	9,936,319	-		1,798,416	11,734,735
Health and Hospitals	425,494	-			425,494
Social Services	1,276,688	-		-	1,276,688
Education	-	-		-	-
Recreation, culture and libraries	795,045	-		-	795,045
Conservation of natural resources	263,677	-		-	263,677
Community Development and Housing	8,000	-		1,004,374	1,012,374
Economic development	1,007,375	949,585		-	1,956,960
Miscellaneous	44,631	-			44,631
Appropriation to other governments	1,495,989	-		-	1,495,989
Payments to component units	38,940,222	-		-	38,940,222
Debt Service:					
Principal	-	-		3,325,019	3,325,019
Interest	-	-		649,037	649,037
Capital Outlay:					
General government	-	-	102,461	2,489,054	2,591,515
Public safety	-	-	6,212,464	181,671	6,394,135
Public works	-	-	1,494,855	515,338	2,010,193
Education	-	-	200	300,983	301,183
Recreation, culture and libraries	-	-		101,335	101,335
Economic development	-	1,613,384		-	1,613,384
Miscellaneous	-	-		-	-
Payments to component units	-	-	-	496,168	496,168
Total Expenditures	<u>81,460,938</u>	<u>2,562,969</u>	<u>7,809,980</u>	<u>12,379,791</u>	<u>104,213,678</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,285,328</u>	<u>764,531</u>	<u>(7,095,080)</u>	<u>(4,427,519)</u>	<u>(4,472,740)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	21,375	-	1,000,000	5,413,985	6,435,360
Transfers out	(4,890,912)	(1,450,044)		(249,931)	(6,590,887)
Debt issued-Bond Proceeds	-	-	9,000,000		9,000,000
Sale of capital assets	13,706	-		-	13,706
Total Other Financing Sources and uses	<u>(4,855,831)</u>	<u>(1,450,044)</u>	<u>10,000,000</u>	<u>5,164,054</u>	<u>8,858,179</u>
Net change in fund balances	1,429,497	(685,513)	2,904,920	736,535	4,385,439
Fund balance, beginning, restated	25,457,159	9,054,651	11,623,278	2,752,326	48,887,414
Fund balance, ending	<u>\$ 26,886,656</u>	<u>\$ 8,369,138</u>	<u>\$ 14,528,198</u>	<u>\$ 3,488,861</u>	<u>\$ 53,272,853</u>

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

**ALLEGANY COUNTY, MARYLAND**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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) \$ (4,385,439)

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	\$ 9,472,687	
Depreciation	<u>(3,804,463)</u>	5,668,224

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

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (876,580)

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	(9,000,000)	
Payment of principal	<u>3,325,019</u>	(5,674,981)

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. 2,818,560

Change in net position of governmental activities (pages C6-C7) \$ (2,450,216)

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, 2017**

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
<b>ASSETS</b>				
Current Assets:				
Cash:				
Cash	\$ -	\$ 301,771	\$ -	\$ 301,771
Cash - restricted	-	199,722	-	199,722
Investments	206,451	207,891	-	414,342
Receivables:				
Accounts (net)	1,271,259	1,590,280	41,872	2,903,411
Taxes - restricted	-	126,445	-	126,445
Accounts (net) - restricted	-	113,900	-	113,900
Other	1,475	1,234,344	83,253	1,319,072
Due from other funds	3,244,988	7,034,104	1,039,140	11,318,232
Prepaid expenses	-	-	-	-
Inventory	-	81,565	-	81,565
Total current assets	<u>4,724,173</u>	<u>10,890,022</u>	<u>1,164,265</u>	<u>16,778,460</u>
Non-current Assets:				
Other receivables	-	-	280,136	280,136
Land	125,250	67,282	-	192,532
Construction in Progress	1,579,470	6,221,531	-	7,801,001
Capital assets subject to depreciation	59,582,861	125,883,157	4,646,461	190,112,479
Accumulated depreciation	<u>(15,647,962)</u>	<u>(52,327,307)</u>	<u>(4,114,260)</u>	<u>(72,089,529)</u>
Total noncurrent assets	<u>45,639,619</u>	<u>79,844,663</u>	<u>812,337</u>	<u>126,296,619</u>
Total Assets	<u>50,363,792</u>	<u>90,734,685</u>	<u>1,976,602</u>	<u>143,075,079</u>
<b>Deferred Outflows of Resources</b>				
Deferred Outflows Related to Pension	67,192	219,885	-	287,077
Total Deferred Outflows of Resources	<u>67,192</u>	<u>219,885</u>	<u>-</u>	<u>287,077</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	238,114	1,153,933	4,291	1,396,338
Accrued payroll	2,449	26,935	-	29,384
Accrued payroll fringe	960	12,271	-	13,231
Accrued interest	28,347	59,452	-	87,799
Current portion of long-term debt				
Revenue debt:				
Bonds and loans	260,106	1,221,716	-	1,481,822
Other loans	21,557	524	-	22,081
Compensated absences	-	163,985	-	163,985
Due to other funds	-	16,617,515	-	16,617,515
Miscellaneous liabilities	-	282,822	-	282,822
Total current liabilities	<u>551,533</u>	<u>19,539,153</u>	<u>4,291</u>	<u>20,094,977</u>
Noncurrent Liabilities:				
Cash advance due to General Fund	400,000	800,000	-	1,200,000
Long term debt:				
Net Pension Liability	290,110	921,614	-	1,211,724
Revenue debt:				
Bonds and loans	11,024,763	15,068,884	-	26,093,647
Other loans	243,204	14,851	-	258,055
Compensated absences	-	311,849	-	311,849
Total noncurrent liabilities	<u>11,958,077</u>	<u>17,117,198</u>	<u>-</u>	<u>29,075,275</u>
Total Liabilities	<u>12,509,610</u>	<u>36,656,351</u>	<u>4,291</u>	<u>49,170,252</u>
<b>Deferred Inflows of Resources</b>				
Deferred Inflows Related to Pension	6,615	23,663	-	30,278
Total Deferred Inflows of Resources	<u>6,615</u>	<u>23,663</u>	<u>-</u>	<u>30,278</u>
<b>NET POSITION</b>				
Net investment in capital assets	34,089,989	63,538,688	532,201	98,160,878
Restricted for debt service	-	240,345	-	240,345
Unrestricted	<u>3,824,771</u>	<u>(9,504,477)</u>	<u>1,440,110</u>	<u>(4,239,595)</u>
Total Net Position	<u>\$ 37,914,760</u>	<u>\$ 54,274,556</u>	<u>\$ 1,972,311</u>	<u>\$ 94,161,628</u>

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

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
<b>OPERATING REVENUES:</b>				
Service charges	\$ 4,197,525	\$ 6,382,842	\$ 72,442	\$ 10,652,809
Federal Grant-ARC				-
Other Agency Revenue				-
Miscellaneous				-
Total Operating Revenues	<u>4,197,525</u>	<u>6,382,842</u>	<u>72,442</u>	<u>10,652,809</u>
<b>OPERATING EXPENSES:</b>				
Salaries	323,153	862,185	-	1,185,338
Employee benefits	182,270	456,427	-	638,697
Office expenses	617	93,425	11,473	105,515
Utilities	2,140,447	415,589	7,016	2,563,052
Repairs & maintenance	198,399	585,899	33,135	817,433
Contractual services	-	13,583	-	13,583
Treatment costs		4,476,118	-	4,476,118
Professional services	64,760	45,057	336	110,153
Materials and supplies	64,174	366,071	-	430,245
Insurance	-	130,212	1,102	131,314
Indirect cost	169,940	408,606	-	578,546
Miscellaneous		13,439		13,439
Depreciation	1,263,430	2,596,605	149,929	4,009,964
Total operating expenses	<u>4,407,190</u>	<u>10,463,217</u>	<u>202,991</u>	<u>15,073,397</u>
Operating Income (Loss)	<u>(209,665)</u>	<u>(4,080,375)</u>	<u>(130,549)</u>	<u>(4,420,588)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>				
Real and personal property taxes	-	974,065	-	974,065
Interest & penalties on taxes	-	31,319	-	31,319
Discounts on taxes	-	(5,102)	-	(5,102)
Enterprise/industrial exemptions	-	-	-	-
Collection fees	-	(22,604)	-	(22,604)
Front footage assessments	-	16,255	-	16,255
Interest income	73,351	121,740	825	195,916
Interest income, debt service	-	-	-	-
Interest expense	(316,284)	(319,082)	-	(635,366)
Gain (Loss) on sale of capital assets	-	3,800	-	3,800
Total non-operating revenue (expenses)	<u>(242,933)</u>	<u>800,391</u>	<u>825</u>	<u>558,283</u>
Income (Loss) before contributions and transfers	<u>(452,598)</u>	<u>(3,279,984)</u>	<u>(129,724)</u>	<u>(3,862,305)</u>
Capital contributions:				
Federal grants	1,187,896	562,116		1,750,012
State grants	382,011	361,261	-	743,272
Other		333,838	-	333,838
Transfers:				
Transfers in	52,425	91,784	50,000	194,209
Transfers out	<u>(17,307)</u>	<u></u>	<u>(21,375)</u>	<u>(38,682)</u>
Change in net position	<u>1,152,427</u>	<u>(1,930,985)</u>	<u>(101,099)</u>	<u>(879,656)</u>
Total net position - beginning	36,762,333	56,205,541	2,073,410	95,041,284
Total net position - ending	<u>\$ 37,914,760</u>	<u>\$ 54,274,556</u>	<u>\$ 1,972,311</u>	<u>\$ 94,161,628</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, 2017**

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total
<b>Cash flows from operating activities:</b>				
Cash received from customers	\$ 4,105,387	\$ 6,312,679	\$ 26,613	\$ 10,444,679
Cash payments for goods and services	(2,634,452)	(7,238,379)	(54,205)	(9,927,036)
Cash payments to employees for services	(505,423)	(1,377,989)	-	(1,883,412)
Other operating revenues		-	-	-
Net cash provided (used) by operating activities	965,512	(2,303,689)	(27,592)	(1,365,769)
<b>Cash flows from noncapital financing activities:</b>				
Advances from other funds	6,463,119	34,783,093	103,335	41,349,547
Advances to other funds	(7,036,798)	(32,511,451)	(105,193)	(39,653,442)
Transfers from other funds	52,425	91,784	50,000	194,209
Transfers to other funds	(17,307)	-	(21,375)	(38,682)
Net cash provided (used) by noncapital financing activities	(538,561)	2,363,426	26,767	1,851,632
<b>Cash flows from capital and related financing activities:</b>				
Proceeds from capital debt	300,000	294,931	-	594,931
Acquisition and construction of capital assets	(1,781,883)	(1,865,398)	-	(3,647,281)
Principal paid on capital debt	(272,042)	(1,208,866)	-	(1,480,908)
Interest paid on capital debt	(316,284)	(322,270)	-	(638,554)
Grant revenues	1,569,907	1,926,358	-	3,496,265
Debt fees	-	1,004,757	-	1,004,757
Net cash used for capital and related financing activities	(500,302)	(170,488)	-	(670,790)
<b>Cash flows from investing activities:</b>				
Purchase of investments		2,391	-	2,391
Sale of investments			-	-
Interest on investments	73,351	121,740	825	195,916
Net cash used in investing activities	73,351	124,131	825	198,307
Net increase (decrease) in cash	-	13,380	-	13,380
Cash at beginning of the year	-	488,113	-	488,113
Cash at end of year	\$ -	\$ 501,493	\$ -	\$ 501,493
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income (loss)	\$ (209,665)	\$ (4,080,375)	\$ (130,549)	\$ (4,420,589)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,263,430	2,596,605	149,929	4,009,964
Provision for uncollectible accounts		-	-	-
Change in assets & liabilities:				
(Increase) decrease in receivables	(92,138)	(70,163)	(45,829)	(208,130)
(Increase) decrease in inventory	-	(3,609)	-	(3,609)
(Increase) decrease in prepaids	-	-	-	-
Increase (decrease) in acc'ts payable	18,540	(686,770)	(1,143)	(669,373)
Increase (decrease) in accrued payroll	(14,655)	(59,377)	-	(74,032)
Total adjustments	1,175,177	1,776,686	102,957	3,054,820
Net cash provided (used) by operating activities	\$ 965,512	\$ (2,303,689)	\$ (27,592)	\$ (1,365,769)

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

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**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2017**

	Health Insurance Trust Fund	OPEB Trust Fund	Total Health Ins and OPEB Funds	Agency Fund
<b>ASSETS:</b>				
Cash	\$ -	\$ 447,538	\$ 447,538	\$ -
Investments, at fair value				
Pooled Cash-MACO		2,214,735	2,214,735	
Certificates of Deposit	1,120,091		1,120,091	
Accounts receivable	1,844		1,844	1,065,875
Due from other funds	800,854		800,854	231,269
Prepaid Expenses	32,800		32,800	
Hospital deposit	277,600		277,600	
Total Assets	<u>2,233,189</u>	<u>2,662,273</u>	<u>4,895,462</u>	<u>1,297,144</u>
<b>LIABILITIES:</b>				
Health claim reserves	472,839		472,839	-
Other Liabilities	103,983		103,983	1,297,144
Total Liabilities	<u>576,822</u>	<u>-</u>	<u>576,822</u>	<u>1,297,144</u>
<b>NET POSITION:</b>				
Restricted for Health and OPEB	<u>\$ 1,656,367</u>	<u>\$ 2,662,273</u>	<u>\$ 4,318,640</u>	<u>\$ -</u>

**ALLEGANY COUNTY, MARYLAND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

	Health Insurance Trust Fund	OPEB Trust Fund	Total Health Ins and OPEB Funds
<b>ADDITIONS:</b>			
<b>Contributions:</b>			
Employer contributions	\$ 7,327,901	\$ 1,162,096	\$ 8,489,997
Employee contributions	633,700		633,700
Plan Members		90,491	90,491
Subsidized equivalent premiums			-
Total contributions	<u>7,961,601</u>	<u>1,252,587</u>	<u>9,214,188</u>
<b>Other additions:</b>			
Interest	7,938		7,938
Investment activity	-	211,281	211,281
Less: Investment expense	-	(15,511)	(15,511)
Total other additions	<u>7,938</u>	<u>195,770</u>	<u>203,708</u>
Total additions	<u>7,969,539</u>	<u>1,448,357</u>	<u>9,417,896</u>
<b>DEDUCTIONS:</b>			
Benefits	6,871,118	1,235,135	8,106,253
Administrative expenses	721,188	17,453	738,641
Subsidized equivalent claims			-
Total deductions	<u>7,592,306</u>	<u>1,252,588</u>	<u>8,844,894</u>
Net increase in net position	377,233	195,769	573,002
Net position restricted - beginning	1,279,134	2,466,504	3,745,638
Net position restricted- ending	<u>\$ 1,656,367</u>	<u>\$ 2,662,273</u>	<u>\$ 4,318,640</u>

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

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**Notes**  
**to the**  
**Financial Statements**  
**June 30, 2017**

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies

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*A. Introduction*

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

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

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

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

*B. Reporting Entity*

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

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

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

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2017**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2017**

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 2017 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, 2017**

Note 1. Summary of Significant Accounting Policies - continued

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

Additionally, the government reports the following fund types:

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

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

The OPEB Trust Fund accounts for the Allegany County Non-Pension Post-Employment Benefits Plan (ACBP), which provides medical benefits to eligible retired County employees and their beneficiaries.

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, 2017**

Note 1. Summary of Significant Accounting Policies - continued

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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, 2017**

Note 1. Summary of Significant Accounting Policies - continued

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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 2017 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9770	2.4425
Barton	.8935	2.2338
Cumberland	.8452	2.1129
Frostburg	.8530	2.1325
Lonaconing	.8696	2.1739
Luke	.8670	2.1675
Midland	.8935	2.2338
Westernport	.8935	2.2338

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, 2017**

Note 1. Summary of Significant Accounting Policies - continued

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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. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

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, 2017**

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

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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, 2017, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 1,161,670	\$ 3,580,531	\$ 4,742,201
Sanitary Districts	163,985	311,850	475,835
	<u>\$ 1,325,655</u>	<u>\$ 3,892,381</u>	<u>\$ 5,218,036</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

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**7. Long-term obligations:**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net 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 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, 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, 2017**

Note 1. Summary of Significant Accounting Policies - continued

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The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in the fund.

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.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

The governmental funds reports unavailable revenues from the following sources:

	General Fund	PIB Fund	NonMajor Governmental Funds	Total
Property taxes	4,233,967			4,233,967
Mass Transit Grant	-		262,917	262,917
State Highway Grant		233,560		233,560
Child Abuse Grant	8,620			8,620
Public Safety Grants	97,592			97,592
Refuse fees	11,250			11,250
EMS fees	19,311			19,311
Other	4,251	-		4,251
Total	4,374,991	233,560	262,917	4,871,468

**14 Implementation of New Accounting Principles**

The GASB has issued Statement No. 73, *Accounting and Financial Reporting for Pension and Related Assets that are not within the scope of GASB Statement 68 and Amendments to Certain Provisions of GASB Statements No. 67 & 68*, Statement No. 74, *Financial Reporting for Post-Retirement Benefit Plans other than Pension Plans*, Statement No. 77 *Tax Abatement Disclosures* and Statement No. 82, *Pension Issues, an amendment of GASB Statements No. 67, 68 and 73*. The County implemented these statements and has provided the required footnote disclosures. GASB Statement No. 73 had a material effect on the financial statements, See Note 21.

The GASB also issued Statement No. 75, *Accounting and Financial Reporting for Post-Retirement Benefit Plans other than Pension Plans*, which requires adoption in FY 18 and will have a material effect on the financial statements once implemented.

**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 \$32,283,328 are as follows:

Bonds payable (including premiums)	\$26,343,366
Notes payable	203,466
State loans	994,295
Compensated absences	<u>4,742,201</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$32,283,328</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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

- B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net 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 (\$ 5,668,224) difference are as follows:

Capital outlay	\$9,472,687
Depreciation expense	<u>(3,804,463)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$5,668,224</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 (\$ 0) difference is as follows:

In the statement of activities, only the <i>gain</i> on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold.	<u>0</u>
Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental act</i>	<u>0</u>

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

The details of this \$ (5,674,981) difference are as follows:

Bond Proceeds	(9,000,000)
Principal repayments:	
Principal payments	<u>3,325,019</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>(\$5,674,981)</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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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 \$ 2,818,560 difference are as follows:

Compensated absences	(\$97,344)
OPEB Net Obligation	\$0
Pension Expense	\$2,944,641
Accrued interest adjustment, net	<u>(28,737)</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u><u>\$2,818,560</u></u>

**Note 3. Stewardship, Compliance, and Accountability**

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**A. Budgetary Information**

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

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

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

1. Prior to January 15, the County Administrator submits recommended budget guidelines to the Board of Commissioners for their approval.
2. After receiving approval of the budget guidelines, the County Administrator and the Director of Finance meet with the various departments and agencies to explain and distribute the guidelines.
3. The County Administrator and the Director of Finance compile all budget requests; after making departmental and agency review of the requests, a recommended budget is presented to the Board of County Commissioners for review and approval.
4. A public hearing is held to obtain public input and opinion of a preliminary budget.
5. Under Local Code Home Rule, the property tax rate must be set by June 30, and by that time, the budget is publicly adopted by the County Commissioners.
6. During the year supplemental appropriations shall be made by public approval of the Board of Commissioners. Supplemental appropriations in the governmental funds for fiscal year 2017 were increased by \$ 1,799,129 primarily due to increase in use of unexpended fund balance of 1.0 million to transfer for 911 radio console

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 3. Stewardship, Compliance, and Accountability - continued

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equipment and 250,000 for increase in health insurance costs, increase in grant revenue in the amount of \$ 366,000 and an increase in taxes in the amount of \$133,000 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, 2017, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

<b>Fund</b>	<b>Excess</b>
Block Grant Fund	23,967
Community Develop & Housing Fund	980,407
Gaming Fund	6,394
Coal Haul Funds	5,920
Sheriff Drug Task Force Fund	91,785
Rocky Gap Slots Revenue Fund	95,812
Pay Go Fund	763,702
PIB Fund	6,809,980

- 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 Rocky Gap Slots Funds' excess expenditures over budget were funded by revenues not budgeted.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 3. Stewardship, Compliance and Accountability -continued**

- The Pay Go Fund and PIB Fund expenditures over budget were funded with unexpended fund balance and revenues and bond proceeds not budgeted.
- Coal Haul Roads and Sheriff Drug Force excess was funded with unexpended fund balance.
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**C. Deficit Fund Equity**

At June 30, 2017, one governmental funds, the Debt Service Fund had a deficit fund balance in the amount of (\$ 355,364).

**Note 4. Deposits and Investments**

***Allegany County Primary Government:***

As of June 30, 2017, 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	\$ 1,882,328	\$ 1,882,328			
Certificates of Deposit	20,538,911	3,030,916	10,159,000	4,911,995	2,437,000
Total Stmt of Net Position	<u>\$22,421,239</u>	<u>\$ 4,913,244</u>	<u>\$ 10,159,000</u>	<u>\$4,911,995</u>	<u>\$2,437,000</u>
Health Insurance Trust CD	<u>\$ 1,120,091</u>	<u>\$ 7,091</u>	<u>\$ -</u>		<u>\$1,113,000</u>
OPEB MACO Trust	<u>\$ 2,214,735</u>	<u>\$ 2,214,735</u>	<u>\$ -</u>		

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

**Credit Risk -** The County investment policy 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

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 4. Deposits and Investments-continued

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(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.

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 \$ 1,882,328.

The MACO Trust investment is an "Other Post-Employment Benefits" membership trust established to help local governments invest current funds toward future obligations for retiree health insurance, a.k.a. "other post-employment benefits." Both county and municipal governments, and other county-funded entities (like libraries and community colleges), are welcome to join the MACO OPEB Trust.

Investing through an entity like the MACO Pooled OPEB Trust offers governments an opportunity under state law to invest funds in a manner suitable for longer term assets, and outside the laws generally governing "public funds." The Trust arrangement ensures that the funds may not be extracted for purposes other than the intended benefits, making that distinction clear. The trust shall be invested consistent with Section 17-102 of the Local Government Article of the Annotated Code of Maryland, as amended from time to time.

Overall, the Trustees have adopted a fairly conservative mixed portfolio, with 65% in equities and 35% in fixed income investments. The target rate of return for the Trust is 7% annually, set generally in keeping with industry trends given in the diversified portfolio construction. Further information including audited financial statements is available at [www.mdcounties.org/index.aspx?nid=250](http://www.mdcounties.org/index.aspx?nid=250).

*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 \$20,880,556 and the bank balances were \$21,369,685. Of the bank balances, \$537,405 was covered by depository insurance; \$20,832,280 was covered by collateral held at various banks in the Board's name. Total market value of these pledged securities at June 30, 2017 was \$ 23,004,910.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, all was covered by federal depository insurance. As of June 30, 2017, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
	Total	Less than 1	1-6	6-12	More than 12
Certificates of Deposit	\$ 542,510	\$ -	\$ 58,537	\$ 103,473	\$ 380,500
	<u>\$ 542,510</u>	<u>\$ -</u>	<u>\$ 58,537</u>	<u>\$ 103,473</u>	<u>\$ 380,500</u>

**Allegany County Library System**

**Cash – Risks and Policies**

As of June 30, 2017, the carrying amount of the Library's deposits was \$321,878 and the bank balances were \$ 1,042,182.

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, 2017 are fully collateralized with securities held by the Library's agent in the Library's name.

**Investments – Risks and Policies**

As of June 30, 2017, 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	\$ 20,772	\$ -		\$ 20,722	N/A
Other Federal Government Obligations	328,810	-	-	328,810	N/A
Investment in MD Local Government Fund Pool	228,217	228,217	-	-	AAA
	<u>\$ 577,799</u>	<u>\$ 228,217</u>	<u>\$ -</u>	<u>\$ 349,532</u>	

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

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



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 4. Deposits and Investments - continued

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**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 \$1,951,239 and the bank balance was \$ 2,071,330. Demand deposit funds are insured by FDIC and NCUA up to \$ 250,000 per institution. Government securities are pledged to secure the deposits in the repurchase investment account. These securities are part of a pool which is held in the bank's name. 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 \$ 2,352,825 and the bank balance was \$2,535,906.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017, the College had the following investments and maturities:

Investment Type	Total	Less Than 90 Days	90 Days To One Year
Certificates of deposit	\$ 202,968	\$ -	\$ 202,968
Maryland Local Government Investment Pool	8,525,620	8,525,620	-
	<u>\$ 8,728,588</u>	<u>\$ 8,525,620</u>	<u>\$ 202,968</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, 2017 are as follows:

		Fair Value Measurements at Reporting Date Using:		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2017</u>				
Group Annuity Fixed	\$1,882,328	\$1,882,328	\$0	\$0
Certificate of Deposit	20,124,569	20,124,569		
Health Insurance Trust CD	1,120,091	\$1,120,091	\$0	\$0
OPEB MACO Trust (a)	<u>2,214,735</u>			
Total	<u>\$25,341,723</u>	<u>\$23,126,988</u>	<u>\$0</u>	<u>\$0</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 5: Fair Value Measurements (continued)

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- (a) In accordance with Subtopic 820-10 certain investments are measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in the table above are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of financial position.

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, 2017:

- Certificates of deposit are valued based on net asset value at year-end.
- Fixed income securities are valued at market quotations obtained from published sources.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017, 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, 2017 was \$4,658,336 (before an allowance of \$124,000) of which 2,555,413 were current year's taxes receivable and the balance of \$2,102,923 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	\$ 112,977		\$ -	\$ 32,391	\$ 145,368
Income taxes	2,899,344		-	-	2,899,344
Other taxes	175,823		-	28,825	204,648
Current:					
Accrued revenues	1,813,945	530,511	237,238	1,867,342	4,449,036
Loans, notes	-	-	-	-	-
Leases, capital	-	-	-	-	-
Long-term:					
Accrued revenues	-	-	-	-	-
Loans, notes	-	-	-	270,593	270,593
Leases, capital	-	-	-	-	-
Total receivables	\$ 5,002,089	\$ 530,511	\$ 237,238	\$ 2,199,151	\$ 7,968,989

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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	-	1,222,628	41,872	1,264,500
Accounts, trade	1,468,766	1,835,797	27,175	3,331,738
Less allowance	(196,032)	(233,801)	-	(429,833)
Net accounts, trade	1,272,734	1,601,996	27,175	2,901,905
Accounts, restricted	-	240,345	-	240,345
Less allowance	-	-	-	-
Net accounts, restricted	-	240,345	-	240,345
Loans	-	-	406,078	406,078
Less allowance	-	-	(350,000)	(350,000)
Net loans	-	-	56,078	56,078
Total receivables	\$ 1,272,734	\$ 3,064,969	\$ 125,125	\$ 4,462,828

*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
2018	3,269,696
2019	3,330,171
2020	3,238,427
2021	3,155,112
2022	2,340,324
Totals	\$ 15,333,730

The gross value of buildings with operating leases at June 30, 2017 is \$19,744,629 and the accumulated depreciation is \$ 8,222,971

**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, 2017**

**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	95,939
Long term housing loans receivable	270,593
	<u>\$ 807,540</u>

*Loans receivable:*

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2017:

Entity	Source of funds	Balance June 30, 2017
County Loan Fund loans:		
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	\$ 250,000
YMCA	General Fund	100,000
Paving project	General Fund	13,200
Employee loan	General Fund	12,878
WebRestaurant Loan	RBF Fund	30,000
Allowance for doubtful accounts		(350,000)
Sub-total		\$ 56,078
Allconet II Fund loans:		
TWR loan	General Fund	27,175
Total		<u>\$ 83,253</u>

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

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 8. Capital Assets**

Capital asset activity for the year ended June 30, 2017 for the primary government was as follows:

<b>Primary Government:</b> Governmental activities:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 24,068,695	\$ 1,515,741	\$ -		\$ 25,584,436
Work in Progress	4,931,054	947,457	(4,973,910)		904,601
Total capital assets not being depreciated	28,999,749	2,463,198	(4,973,910)	-	26,489,037
Capital assets, being depreciated:					
Buildings	59,809,307	4,371,342			64,180,649
Infrastructure	49,673,813		-		49,673,813
Furniture & Fixtures	1,054,110		-		1,054,110
Equipment	12,170,128	6,801,215			18,971,343
Vehicles	10,846,149	412,778	(38,400)		11,220,527
Heavy Equipment	4,257,158	398,068			4,655,226
Other Capital Assets	1,254,935				1,254,935
Total capital assets, being depreciated:	139,065,600	11,983,403	(38,400)	-	151,010,601
Less accumulated depreciation for:					
Buildings	(26,055,301)	(1,654,011)		-	(27,709,312)
Infrastructure	(32,126,767)	(697,700)	-	-	(32,824,467)
Furniture & Fixtures	(880,204)	(44,170)	-	-	(924,374)
Equipment	(8,908,965)	(705,270)		-	(9,614,235)
Vehicles	(8,838,847)	(560,691)	38,400	-	(9,361,138)
Heavy Equipment	(3,801,467)	(89,581)			(3,891,048)
Other Capital Assets	(668,350)	(53,038)	-		(721,388)
Total accumulated depreciation	(81,279,901)	(3,804,461)	38,400	-	(85,045,962)
Total capital assets, being depreciated, net	57,785,699	8,178,942	-	-	65,964,639
Governmental activities capital assets, net	\$ 86,785,447	\$ 10,642,140	\$ (4,973,910)	\$ -	\$ 92,453,675

<b>Primary Government:</b> 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	11,341,232	3,628,387	(7,168,618)		7,801,001
Total capital assets not being depreciated	11,533,764	3,628,387	(7,168,618)	-	7,993,533
Capital assets, being depreciated:					
Buildings	256,346		-		256,346
Infrastructure	170,463,812	7,074,873			177,538,685
Furniture & Fixtures	17,681	-	-	-	17,681
Equipment	6,447,836		-		6,447,837
Vehicles	1,364,809	138,937	(26,296)		1,477,450
Heavy Equipment	1,537,421		-		1,537,421
Other Capital Assets	2,837,063		-	-	2,837,063
Total capital assets, being depreciated:	182,924,968	7,213,810	(26,296)	-	190,112,482
Less accumulated depreciation for:					
Buildings	(173,800)	(7,367)	-	-	(181,167)
Infrastructure	(58,656,598)	(3,449,127)	-	-	(62,105,725)
Furniture & Fixtures	(17,680)	-	-	-	(17,680)
Equipment	(5,463,513)	(218,618)	-	-	(5,682,131)
Vehicles	(1,121,609)	(83,319)	26,296	-	(1,178,632)
Heavy Equipment	(768,747)	(124,886)	-	-	(893,633)
Other Capital Assets	(1,903,887)	(126,647)	-	-	(2,030,534)
Total accumulated depreciation	(68,105,834)	(4,009,964)	26,296	-	(72,089,529)
Total capital assets, being depreciated, net	114,819,134	3,203,846	0	-	118,022,953
Business-type activities capital assets, net	\$ 126,352,892	\$ 6,832,233	\$ (7,168,618)	\$ -	\$ 126,016,511

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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, 2017 as follows:

<u>Governmental activities:</u>	
General government	\$ 172,650
Public safety	1,403,594
Public works	955,850
Health	218,440
Social services	111,672
Recreation, culture and libraries	146,784
Community development and housing	13,963
Economic development	781,507
Total depreciation expense - governmental activities	<u>\$ 3,804,460</u>
<u>Business type activities:</u>	
Water districts	\$ 1,263,430
Sewer districts	2,596,605
Allconet II	149,929
Total depreciation expense - governmental activities	<u>\$ 4,009,964</u>

*Construction Commitments*

The County has active construction projects as of June 30, 2017. 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
Frostburg Access Road	589,710	283,029
North Branch Paving	95,280	526,478
Creek Road Water Project	822,776	244,450
Sunnyside Water Project	507,380	828,309
Barton Park Shell Building	3,926,968	84,395
Totals	<u>8,580,939</u>	<u>1,991,661</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, 2017**

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, 2017 (not including component units), was as follows:

<b>Board of Education</b> Governmental activities:	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,208,336	\$ -		\$ 4,208,336
Work in process	7,055,220	21,071,465	(648,616)	27,478,069
Total capital assets not being depreciated:	11,263,556	21,071,465	(648,616)	31,686,405
Capital assets, being depreciated:				
Land Improvements	9,474,574	6,000		9,480,574
Buildings & Improvements	157,264,354	1,116,211	613,764	158,994,329
Furniture, Equipment & Vehicles	19,820,115	541,883	(328,515)	20,033,483
Total capital assets, being depreciated:	186,559,043	1,664,094	285,249	188,508,386
Less accumulated depreciation for:				
Land Improvements	(3,428,262)	(473,954)	-	(3,902,216)
Buildings & Improvements	(94,658,444)	(4,036,633)	4,254	(98,690,823)
Furniture, Equipment & Vehicles	(13,734,146)	(1,272,029)	279,503	(14,726,672)
Total accumulated depreciation	(111,820,852)	(5,782,616)	283,757	(117,319,711)
Total capital assets, being depreciated, net:	74,738,191	(4,118,522)	569,006	71,188,675
Governmental activities capital assets, net	\$ 86,001,747	\$ 16,952,943	\$ (79,610)	102,875,080

<b>Board of Education</b> Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Work in process	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	483,946	-		483,946
Less accumulated depreciation	(435,658)	(14,778)		(450,436)
Total capital assets, being depreciated, net:	48,288	(14,778)	-	33,510
Business-type activities capital assets, net	\$ 48,288	\$ (14,778)	\$ -	\$ 33,510

Capital asset activity for the Library of Allegany County for the year ended June 30, 2017 was as follow

<b>Library</b> Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable assets:				
Construction in Progress	\$ 114,961		\$ (114,961)	\$ -
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,763,563	\$ 2,041,406	\$ (906,194)	\$ 4,898,775
Furniture & Equipment	750,679	135,285	(40,631)	845,333
Vehicles/Bookmobile	64,698	-	-	64,698
Library Books	3,580,611	180,372	(224,753)	3,536,231
Total capital assets, being depreciated:	8,159,551	2,357,063	(1,171,578)	9,345,038
Less accumulated depreciation for:				
Buildings & Improvements	(1,569,522)	(57,147)	607,151	(1,019,518)
Furniture & Equipment	(563,415)	(39,967)	30,871	(572,511)
Vehicles/Bookmobile	(37,183)	(4,399)	-	(41,582)
Library Books	(3,091,908)	(195,520)	224,752	(3,062,676)
Total accumulated depreciation	(5,262,028)	(297,033)	862,774	(4,696,287)
Total capital assets, being depreciated, net:	\$ 2,897,523	\$ 2,060,030	\$ (308,804)	\$ 4,648,753
Governmental activities capital assets, net	\$ 3,012,484	\$ 2,060,030	\$ (423,765)	\$ 4,648,753

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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, 2017 were as follows:

<b>Allegany College of Maryland</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,564,352	# \$ -	# \$ -	\$ 1,564,352
Library Collections	127,910	7,956	-	135,866
Work in Progress	3,555	# 341,690	# -	345,245
Total capital assets not being depreciated:	1,695,817	349,646	-	2,045,463
Capital assets, being depreciated:				
Buildings	46,171,683	# 79,395	# (356,177)	45,894,901
Equipment	10,198,292	# 266,682	# (377,008)	10,087,966
Auxiliary Equipment	214,428	# 20,330	# (105,611)	129,147
Library Books	1,242,667	# 27,577	# (83,704)	1,186,540
Total capital assets, being depreciated:	57,827,070	393,984	(922,500)	57,298,554
Less accumulated depreciation :	(31,988,048)	(2,030,744)	911,591	(33,107,201)
Total capital assets, being depreciated, net:	25,839,022	(1,636,760)	(10,909)	24,191,353
Business-type activities capital assets, net	\$27,534,839	\$ (1,287,114)	\$ (10,909)	\$26,236,816

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2017, was as follows:

<b>LaVale Sanitary Commission</b>	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 234,830		\$ -	\$ 234,830
Work in Progress	126,221	1,922,576	(1,616,085)	432,712
Total capital assets not being depreciated:	361,051	1,922,576	(1,616,085)	667,542
Capital assets, being depreciated:				
Buildings	803,233	-	-	803,233
Infrastructure	25,847,952	1,572,626		27,420,578
Machinery, Vehicles & Equipment,				
Office Furniture and Equipment	1,274,650	23,518	(10,660)	1,287,508
Total capital assets, being depreciated:	27,925,835	1,596,144	(10,660)	29,511,319
Less accumulated depreciation for:	(12,600,079)	(647,271)	10,660	(13,236,690)
Total capital assets, being depreciated, net:	15,325,756	948,873	0	16,274,629
Business-type activities capital assets, net	\$15,686,807	\$ 2,871,449	\$ (1,616,085)	\$16,942,171

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 9. Interfund Receivables, Payables, and Transfers**

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The composition of interfund balances as of June 30, 2017, is as follows:

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

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 11,168,036
Revolving Building Fund	8,608,817	-
PIB Fund	5,682,761	
Non-major Governmental Funds	2,576,717	1,433,102
Sub-total	16,868,295	12,601,138
Enterprise Funds:		
Water Districts	3,244,988	-
Sanitary Districts	7,034,104	16,617,515
Non-major Enterprise Funds	1,039,140	-
Sub-total	11,318,232	16,617,515
Fudiciary Funds:		
Agency Fund	231,269	-
Health Insurance Trust Fund	800,854	-
Sub-total	1,032,123	-
<b>TOTALS</b>	<b>\$ 29,218,653</b>	<b>\$ 29,218,653</b>

The interfund balances as of June 30, 2017 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	280,136	
Allegany County Sanitary Districts:		
Long-term debt-Bonds & Loans		14,851
Long-term debt-Other Loans		524
Allegany County Water Districts:		
Current portion of long-term debt		21,557
Long-term debt		243,204
	<b>\$ 1,480,136</b>	<b>\$ 1,480,136</b>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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, 2017 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Non-major funds governmental funds	\$ 4,746,051	
Enterprise funds:		
Alconet	50,000	
Water/Sewer fund	94,861	\$ 4,890,912
From the Revolving Building Fund To:		
General Fund	0	
Water Fund	19,348	
County Loan Fund		
Non-major funds governmental funds	1,430,696	1,450,044
From the Non-major Governmental Funds to:		
General Fund	-	
Other Non-major governmental fund	249,931	249,931
From the Water Fund to		
Non-major funds governmental funds	17,307	17,307
From the Non-major Enterprise Funds to:		
General Fund	21,375	21,375
<b>TOTALS</b>	<b>\$ 6,629,569</b>	<b>\$ 6,629,569</b>

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, 2017 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 30,169,985	
Board of Education, Data Processing	182,712	
Allegany College of Maryland	7,630,550	
Library	956,975	\$ 38,940,222
From the Rocky Gap Slots Fund to:		
Allegany College of MD Foundation	360,000	360,000
From the Gaming Fund to:		
Board of Education:-Braddock Roof	136,168	136,168
<b>Total</b>	<b>\$ 39,436,390</b>	<b>\$ 39,436,390</b>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 10. Short-term Debt**

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2017 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, 2017, was as follows:

<b>Long-term Debt</b>					
<b>Governmental Activities</b>					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
General Obligation	\$ 19,615,574	\$ 9,000,000	\$ (3,079,551)	\$ 25,536,022	\$ 2,054,114
Notes	205,808	-	(2,342)	203,465	8,423
Capital Leases*	-	-	0	0	-
State Loans	1,237,421	-	(243,125)	994,296	217,568
Premium on Bonds Payable	871,781	-	(64,437)	807,344	64,437
Total	<u>\$ 21,930,584</u>	<u>\$ 9,000,000</u>	<u>\$ (3,389,455)</u>	<u>\$ 27,541,127</u>	<u>\$ 2,344,542</u>
<b>Business-type activities</b>					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
Water districts:					
Rural development loans	\$ 10,934,967	\$ 200,000	\$ (237,015)	\$ 10,897,952	\$ 245,355
Maryland water quality loans	301,066	100,000	(14,148)	386,918	14,751
County loans	285,640	-	(20,879)	264,761	21,557
Total water districts	<u>11,521,673</u>	<u>300,000</u>	<u>(272,042)</u>	<u>11,549,631</u>	<u>281,663</u>
Sewer districts:					
Maryland water quality loans	558,131	-	(50,436)	507,695	50,436
Maryland environmental loans	11,903,457	294,931	(1,067,583)	11,130,805	1,078,126
Rural development loans	4,742,446	-	(90,346)	4,652,100	93,154
Other loans	15,876	-	(501)	15,375	524
Total sewer districts	<u>17,219,910</u>	<u>294,931</u>	<u>(1,208,866)</u>	<u>16,305,975</u>	<u>1,222,240</u>
Total business-type activities:					
Maryland water quality loans	859,197	100,000	(64,584)	894,613	65,187
Maryland environmental loans	11,903,457	294,931	(1,067,583)	11,130,805	1,078,126
Rural development loans	15,677,413	200,000	(327,361)	15,550,052	338,509
Other loans	301,516	-	(21,380)	280,136	22,081
Total business-type activities	<u>\$ 28,741,583</u>	<u>\$ 594,931</u>	<u>\$ (1,480,908)</u>	<u>\$ 27,855,606</u>	<u>\$ 1,503,903</u>
<b>Other Long-term Liabilities</b>					
	Beginning Balance	Current Year Changes	Payments	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Compensated Absences	\$ 4,644,856	\$ 388,245	\$ (290,900)	\$ 4,742,201	\$ 1,161,670
Net Pension Liability-St of MD	13,411,766	1,536,735		14,948,501	
Net Pension Liability-LOSAP	<u>1,886,203</u>	<u>294,339</u>		<u>2,180,542</u>	
<b>Business-type activities</b>					
Water & sewer districts					
Compensated absences	\$ 491,467	\$ 24,344	\$ (39,979)	\$ 475,833	\$ 163,985
Net Pension Liability	<u>1,103,132</u>	<u>108,592</u>		<u>1,211,724</u>	

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017 are as follows:

Year Ending June 30,	General Obligation Bonds		Notes		Capital Leases		State Loans		Premium	Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Bond Pay	Principal	Interest
2018	2,054,114	787,147	8,423	10,824	-	-	217,568	13,973	64,437	2,344,542	811,944
2019	2,098,908	726,689	8,915	10,333	-	-	337,701	10,075	64,437	2,509,961	747,097
2020	1,637,000	670,689	9,435	9,813	-	-	207,955	4,972	64,437	1,918,827	685,474
2021	1,502,000	615,017	9,985	9,262	-	-	115,675	1,578	64,437	1,692,097	625,857
2022	1,552,000	563,090	10,567	8,680	-	-	84,925	635	64,437	1,711,929	572,405
2023-2027	8,576,000	1,976,469	62,832	33,405	-	-	30,471	236	322,185	8,991,488	2,010,110
2028-2032	6,151,000	828,199	93,309	13,029	-	-	-	-	172,513	6,416,822	841,228
2033-2037	1,965,000	97,024	0	0	-	-	-	-	54,898	2,019,898	97,024
	<u>\$ 25,536,022</u>	<u>\$ 6,264,324</u>	<u>\$ 203,466</u>	<u>\$ 95,346</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 994,295</u>	<u>\$ 31,469</u>	<u>\$ 871,781</u>	<u>\$ 27,605,564</u>	<u>\$ 6,391,139</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2017 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2017 are:

Year Ending June 30,	Farmers Home Admin. Loans		Water Quality/MDE Loans		Other Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2018	245,355	312,213	14,751	5,078	21,557	9,928	281,663	327,219
2019	253,301	304,840	14,911	4,918	22,263	9,223	290,475	318,981
2020	261,018	296,550	15,073	4,756	22,993	8,493	299,084	309,799
2021	269,508	288,060	15,236	4,593	23,747	7,739	308,491	300,392
2022	277,885	279,683	15,401	4,427	24,527	6,959	317,813	291,069
2023-2027	1,530,247	1,257,595	79,556	19,588	62,174	24,521	1,671,977	1,301,704
2028-2032	1,778,598	915,058	84,007	15,157	27,779	17,148	1,890,384	947,363
2033-2037	1,833,628	698,106	68,026	9,478	34,780	9,852	1,936,434	717,436
2038-2042	1,645,637	427,590	36,934	4,843	24,941	2,018	1,707,512	434,451
2043-2047	1,354,609	230,024	14,088	2,947	0	0	1,368,697	232,971
2048-2052	1,275,395	84,467	15,274	1,762	0	0	1,290,669	86,229
2053-2057	172,771	3,994	13,660	490	0	0	186,431	4,484
Totals	<u>\$ 10,897,952</u>	<u>\$ 5,098,180</u>	<u>\$ 386,917</u>	<u>\$ 78,037</u>	<u>\$ 264,761</u>	<u>\$ 95,881</u>	<u>\$ 11,549,633</u>	<u>\$ 5,272,098</u>

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2017 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
2018	50,436	6,852	1,078,126	149,811	93,154	154,916	524	692	1,222,240	312,271
2019	39,179	6,227	1,090,731	136,138	96,362	151,708	548	668	1,226,820	294,741
2020	27,637	5,752	1,104,889	122,280	99,693	148,377	573	643	1,232,792	277,052
2021	27,962	5,427	1,118,637	108,231	103,151	144,919	600	617	1,250,350	259,194
2022	28,290	5,098	1,132,892	93,976	106,742	141,328	627	589	1,268,551	240,991
2023-2027	146,540	20,423	4,506,108	261,259	592,609	647,738	3,594	2,485	5,248,851	931,905
2028-2032	145,690	11,124	955,132	34,095	705,708	520,861	4,500	1,735	1,811,030	567,815
2033-2037	41,961	-	144,290	3,883	791,339	398,908	4,409	460	981,999	403,251
2038-2042	-	-	-	-	783,916	266,071	-	-	783,916	266,071
2043-2047	-	-	-	-	929,122	120,355	-	-	929,122	120,355
2048-2052	-	-	-	-	314,552	21,477	-	-	314,552	21,477
2053-2057	-	-	-	-	35,752	860	-	-	35,752	860
Totals	<u>\$ 507,695</u>	<u>\$ 60,903</u>	<u>\$ 11,130,800</u>	<u>\$ 909,673</u>	<u>\$ 4,652,100</u>	<u>\$ 2,717,511</u>	<u>\$ 15,375</u>	<u>\$ 7,889</u>	<u>\$ 16,305,975</u>	<u>\$ 3,695,983</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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 (%)	2017	2016
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	1,001,022	1,485,574
Bonds of 2013-Nontax	03/11/13	03/11/27	2.11	6,955,000	8,015,000
Bonds of 2013-Taxable	03/11/13	03/11/17	1.48	0	1,205,000
Bonds of 2014	12/16/14	12/16/35	2.88	8,580,000	8,910,000
Bonds of 2017	01/20/17	01/15/32	2.88	9,000,000	0
Premium on Bonds	03/11/13	03/11/27	n/a	336,788	374,208
Premium on Bonds	12/16/14	12/16/35	n/a	470,557	497,574
Notes:					
Farmers Home Admin	1992	2032	5.75	203,466	205,808
Capital Leases:					
Transit Bus	04/11/06	04/11/13	5.94	-	-
State Loans:					
Md Industrial Land Act:					
	1991	2017	6.90	0	34,449
Superfos Expansion	1994	2014	5.93		
Micro - Integration	1995	2014	5.93	0	0
Superfos III					
	01/05/96	2020	5.00	579,396	728,160
PPG Purchase	2001	2022	4.69	46,116	64,205
MD PPG Improvements	2000	2020	1.00	141,415	144,000
Md Environmental Loan	2003	2023	0.89	227,369	266,607
Total Long - Term General Obligation Debt				27,541,128	21,930,584
Compensated Absences				4,742,201	4,644,856
Total long-term liabilities				\$ 32,283,329	\$ 26,575,440

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Schedule of Business-type Debt						
Water Districts Debt:	Date of	Date of	Interest	June 30,		
	Issue	Maturity	Rate (%)	2017	2016	
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 71,309	\$ 74,459	
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	173,979	181,680	
Eckhart/Clarysville RDA Loan	04/17/11	2051	2.5	199,176	202,902	
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	244,413	251,561	
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	361,908	372,717	
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	170,770	175,867	
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	174,327	179,531	
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	479,306	489,863	
Consol FHA loan	2004	2044	4.5	87,453	89,118	
McCoole FHA Loan	1999	2039	4.5	815,027	837,169	
Barton Industrial Park	2005	2045	4.5	304,030	309,540	
Klondike FHA	2005	2045	4.5	396,822	403,897	
Morantown FHA Loan	2005	2046	4.25	145,840	148,437	
Mexico Farms	1992	2032	5.5	269,487	280,330	
Bowmans Addition RDA Loan	10/01/10	2051	3.75	552,076	560,221	
Bowmans Addition Phase 2 RDA	12/16/11	2052	2.00	567,519	578,310	
Bedford Rd/Shades Lane MDE	06/28/12	2052	1.00	38,801	40,195	
Cresaptown RDA Loan	06/28/12	2052	2.00	1,371,588	1,398,391	
Cresaptown RDA Loan 2	06/28/12	2052	2.00	425,071	433,397	
Mt Savage-FHA Loan	06/30/13	2053	2.00	3,264,085	3,327,682	
Mt Savage-MDE Loan	10/31/12	2042	1.00	79,235	81,967	
Rawlings	03/31/14	2054	2.00	179,340	182,700	
Rawlings-MDE Loan	2015	2020	2.00	170,226	178,901	
Rawlings-RDA Loan	2016	2057	2.00	449,512	457,208	
Oldtown Road -FHA Loan	2017	2057	2.00	99,591	-	
Route 36 District -FHA	2017	2057	2.00	95,325	-	
Route 36 District -MDE	2017	2036	2.00	98,654	-	
Sub-total				11,284,870	11,236,043	
Carlos/Shaft Loan	2006	2040	4.5	40,688	41,675	
Missick Road Loan	2006	2040	4.5	64,108	65,664	
Route 51 Loan	2006	2040	4.5	22,625	23,174	
PSC Rate case	2007	2024	4.5	137,340	155,122	
Sub - total				264,761	285,635	
Total debt				11,549,631	11,521,678	
Less: Current maturities of long - term debt				(281,663)	(265,604)	
Total Water Districts long - term debt				\$ 11,267,967	\$ 11,256,073	
Sanitary Districts Debt:						
Maryland Water Quality Loans						
Cresaptown	1986	2015	8.8	0	0	
Bedford Road	2013	2032	1.4	202,441	214,511	
Braddock Run	2013	2019	1.0	35,298	58,429	
Jennings Run	2014/2015	2036	1.0	272,082	286,699	
Braddock Run	2016	2034	1.0	866,458	741,723	
Bedford Road	2017	2031	1.2	114,592	-	
Sub - total				1,490,871	1,301,362	
Maryland Department of Environment						
Celanese Treatment Plant	1991	2010	3.705	-	-	
Celanese WWTP Upgrade	06/03	2023	0.40	3,353,509	3,761,590	
Inflow and Infiltration Study I	12/03	2023	0.40	381,532	455,798	
Celanese	2006	2026	0.40	376,927	416,957	
Inflow and Infiltration Study II	2008	2028	1.00	692,481	749,790	
George Creek WWTP Upgrd	2009	2029	0.40	5,138,263	5,554,406	
Inflow and Infiltration Study II	2010	2030	1.00	204,632	221,684	
Sub - total				10,147,344	11,160,225	
Farmers Home Administration Loans						
Georges Creek	2007	2047	4.125	444,309	451,678	
Cash Valley Road	1996	2036	4.50	100,026	103,373	
Oldtown Road	1996	2036	4.50	379,337	392,036	
Bowling Green/Cresaptown A	2007	2047	4.125	1,677,177	1,704,985	
Bowling Green/Cresaptown B	2007	2047	4.125	329,241	334,706	
Bedford Road	2012	2052	2.000	432,380	440,832	
Bedford Road	2013	2052	2.000	470,796	479,815	
Jennings Run	2013	2052	2.000	819,119	835,018	
Sub - total				4,652,385	4,742,443	
Oldtown	2006	2036	4.5	15,375	15,876	
Sub - total				15,375	15,876	
Total				16,305,975	17,219,906	
Less: Current maturities of long - term debt				(1,222,240)	(1,192,509)	
Total Sanitary Districts Long - term Debt				\$ 15,083,735	\$ 16,027,397	



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**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, 2017

Long-term Liabilities - Component Units						
Long-term debt activity for the year ended June 30, 2017:						
	Allegany College of Maryland			LaVale Sanitary Commission		
Payable at July 1, 2017	\$ 353,268			\$ 3,220,896		
Amount issued	42,844			1,803,000		
Amount retired	(63,411)			(315,966)		
Payable at June 30, 2017	<u>\$ 332,701</u>			<u>\$ 4,707,930</u>		
Annual debt service requirements to maturity:						
	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2018	68,917	5,135	74,052	179,287	151,131	330,418
2019	62,337	3,849	66,186	184,779	145,639	330,418
2020	59,407	2,846	62,253	190,483	139,935	330,418
2021	58,222	1,887	60,109	196,409	134,009	330,418
2022	54,252	1,005	55,257	202,563	127,855	330,418
2023-2027	29,566	175	29,741	1,017,860	538,769	1,556,629
2028-2032			-	1,186,062	346,678	1,532,740
2033-2037	-	-	-	1,101,228	126,372	1,227,600
2038-2042	-	-	-	272,282	27,976	300,258
2043-2047				176,977	9,114	186,091
	<u>\$ 332,701</u>	<u>\$ 14,897</u>	<u>\$ 347,598</u>	<u>\$ 4,707,930</u>	<u>\$ 1,747,478</u>	<u>\$ 6,455,408</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, 2017**

Note 12. Pension and Retirement Systems-continued

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**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 12.06% 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 8.32% 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, 2017, 2016 and 2015, were \$ 1,338,202, \$1,334,298, and \$1,472,135 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, 2017**

**Note 12. Pension and Retirement Systems-continued**

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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 1<sup>st</sup> of each year.

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

At June 30, 2017, the County reported total net pension liability of \$ 16,160,225 for its proportionate share of the MD State Retirement System's net pension liability. The net pension liability was measured as of June 30, 2016 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, 2016, the County's proportion was .0685 percent, which was a decrease of .0013 from its proportion measured as of June 30, 2015.

Pension expense for the pension plan for the year ended June 30, 2017 was \$ 2,139,038.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 12. Pension and Retirement Systems-continued**

At June 30, 2017, 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	\$ -	\$ 413,307
Change of assumptions	656,028	
Net difference between projected and actual earnings on pension plan investments	1,966,804	
County contributions subsequent to the measurement date	1,338,202	
<b>Total</b>	<u><u>\$ 3,961,034</u></u>	<u><u>\$ 413,307</u></u>

The amount \$ 1,338,202 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, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources
Year ended June 30:	
2018	\$ 513,929
2019	513,929
2020	772,123
2021	441,046
2022	(31,502)
<b>Total</b>	<u><u>2,209,525</u></u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 12. Pension and Retirement Systems-continued

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**Actuarial Assumptions**

The total pension liability in the June 30, 2016 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	2.7% general, 3.20% wage
Salary increases	3.30% to 9.2%, including inflation
Discount rate	7.55%
Investment rate of return	7.55%
Mortality	RP-2014 Mortality Table with generational mortality projections using Scale MP , 2014, calibrated to MSRPS experience

The actuarial assumptions used in both the June 30, 2016 and the June 30, 2015 valuations were based on the results of an actuarial experience study for the five year period of 2010-2014. Based on the 2016 experience study, the actuary recommended changes in the actuarial assumptions. The changes include 1) a decrease in the general inflation rate from 2.95% to 2.70%, 2) a decrease in the wage inflation rate from 3.45% to 3.20%, and 3) salary increases from 3.45% to 10.70% to 3.30% to 9.2%. Additionally, both the discount rate and investment rate of return remained the same at 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 geometric 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, 2017**

Note 12. Pension and Retirement Systems-continued

	Target	Long-Term
	Allocation	Expected Real
		Rate of Return
Public Equity	37%	6.60%
Private Equity	10%	7.40%
Rate Sensitive	20%	1.30%
Credit Opportunity	9%	4.20%
Real Assets	15%	4.70%
Absolute Return	9%	3.70%
Total	100%	

**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:

	1% Decrease	Current Discount	1% Increase
	6.55%	Rate 7.55%	8.55%
County's proportionate share of the net pension liability	22,197,514	16,160,225	11,136,354

**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, 2017**

Note 12. Pension and Retirement Systems-continued

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*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, 2017, there were 4 members enrolled in the plan.

The defined contribution plan requires the County to contribute 8.56% to the Management Contractual Employees Retirement Plan of annual covered payroll. The required contribution was \$ 18,261, 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, 2017.

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 17 in the amount of \$ 3,101,169 and the net pension liability recorded was \$ 6,932,618. Deferred outflows of resources was recorded in the amount of \$ 1,993,261, of which, \$ 316,153 was for change in assumptions, \$1,144,640 was for the net difference between projected and actual earnings and \$ 532,468 was for contributions made subsequent to the measurement date. Deferred inflows of resources was recorded in the amount of \$ 498,587 for the net difference between projected and actual experience.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 12. Pension and Retirement Systems-continued

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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, 2017. The Library's pension expense for the year was \$ 156,895. Net pension liability was \$ 92,970 at June 30, 2017. Deferred outflows of resources was \$ 17,813 of which \$ 1,157 was due to changes in assumptions, 9,084 was the net difference between projected and actual earnings on pension plan investments and \$ 7,572 was the Library's contributions subsequent to the measurement date. Deferred inflows of resources was recorded in the amount of \$ 1,382 for the net difference between expected and actual experience.

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, 2017. Allegany College's pension expense for FY 17 was \$ 77,433 and net pension liability was \$ 908,494. Deferred outflows of resources were recorded at \$ 217,384, of which \$ 37,582 was due to change in pension assumptions, \$102,369 was for the net difference between projected and actual earnings on pension investments and \$ 77,433 was attributed to contributions made subsequent to the measurement date. Deferred inflows of resources was recorded at (\$ 23,104) for the net difference between projected and actual experience.



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 12. Pension and Retirement Systems-continued**

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**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, 2017. LaVale Sanitary's pension expense for the fiscal year ended was \$ 70,714. Net pension liability was (\$ 510,050), pension contributions exceeding the required annual contributions are recorded as an asset in the Commission's financial statements; the balance at June 30, 2017 was \$ 510,050 and therefore, no net pension liability obligation exists.

At June 30, 2017, the Commission reported deferred outflows of resources in the amount of \$ 267,664 of which, \$ 161,053 was the difference between expected and actual experience, 92,460 was the change in assumption amount and 14,151 was the net difference between projected and actual earnings on pension plan investments. The deferred inflows of resources was \$ 120,991, which was attributed to change in assumptions.

**Note 13. Pension and Retirement Systems-Length of Service Award Program (LOSAP)**

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*Allegany County Primary Government*

**General Information about the LOSAP Pension Plan**

**Plan Descriptions**

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. The plan is administered by Allegany County and any and all changes made to the benefit terms of the plan are under the authority of Allegany County. There are no assets accumulated in a trust that meet the criteria in GASB No. 73, paragraph 4. No trust is established, contributions are not irrevocable, and assets are not legally protected from creditors. No separate financial report is issued for the plan.

**Participants Covered by Benefit Terms**

At year end, the program membership consisted of 552 eligible active members and no retirees. There are no inactive members that currently receive benefits nor are there any inactive members that are entitled to but not receiving benefits.

**Funding Policy and Benefits Provided**

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 the 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. No benefits have been paid.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 13. Pension and Retirement Systems-Length of Service Award Program (LOSAP) (continued)**

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

At June 30, 2017, the County reported total net pension liability of \$ 2,180,542. The net pension liability was measured as of December 31, 2016 and the total pension liability was determined by an actuarial valuation as of January 1, 2016, the results of which were rolled forward to the December 31, 2016 measurement date, in accordance with actuarial standards of practice.

Pension expense for the plan for FY 17 was \$ 330,574

At June 30, 2017, 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	\$ -	
Change of assumptions		29,416
<b>Total</b>	<u>\$ -</u>	<u>\$ 29,416</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	Deferred Outflows (Inflows) of Resources
Year ended December 31:	
2017	\$ (2,101)
2018	(2,101)
2019	(2,101)
2020	(2,101)
2021	(2,101)
2022 and Thereafter	(18,911)
<b>Total</b>	<u>(29,416)</u>

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 13. Pension and Retirement Systems-LOSAP-continued**

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**Actuarial Assumptions**

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following key actuarial assumptions, (no experience studies) applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	0%
Salary increases	Not Applicable
Discount rate	3.81%
Investment rate of return	3.81%, net of pension plan investment expense, including inflation
Mortality	1984 Unisex Pensioners with 1 setback
Retirement	First Eligible
Turnover	T6
Disability	None

**Discount Rate**

The discount rate used to measure the total pension liability was 3.81%. This single discount rate was based on the expected rate of return on pension plan investments of 3.81%. The discount rate of 3.81% is based on the 20-year AA general obligation bond rate as of December 31, 2016. The projection of cash flows used to determine the discount rate assumed that contributions from the employer will be made at contractually required rates (actuarially determined). 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 Net Pension Liability to Changes in the Discount Rate**

The following presents the County's net pension liability calculated using the discount rate of 3.81%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower(2.81%) or 1% higher (4.81%) than the current rate:

	1% Decrease 2.81%	Current Discount Rate 3.81%	1% Increase 4.81%
Net Pension Liability	2,332,300	2,180,542	2,025,422

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 13. Pension and Retirement Systems-LOSAP-continued**

**Changes in Net Pension Liability**

Balance at 1/1/16	\$ 1,886,203
Changes for the year:	
Service Cost	260,811
Interest	71,864
Changes in benefit terms	-
Differences between expected and actual experience	1
Changes in assumptions	(31,517)
Benefit payments and expenses	(6,820)
Net Changes for the Year	<u>294,339</u>
Balance at 12/31/16	<u>\$ 2,180,542.00</u>

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

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Fiscal Year 2017 Fund Balance Classifications					
Fund Balances:	General Fund	Major Special Revenue Fund Revolving Building	Major Capital Projects Fund Public Imprv Fund	Other Funds	Total
Nonspendable					
Long term receivables	\$ 1,200,000	\$ -	-	\$ -	\$ 1,200,000
Inventory				42,233	42,233
Restricted for:					
Transit bus replacement	173,170	-	-	-	173,170
Housing programs	-	-	-	53,151	53,151
Coal Haul Roads	-	-	-	269,189	269,189
Drug task Force	-	-	-	74,149	74,149
Inmate activities/fire companies	-	-	-	778,169	778,169
High School Construction	-	-	14,528,198		14,528,198
Sheriff Task Force				49,817	49,817
Committed to:					
Economic development	-	8,369,138		-	8,369,138
FY 2018 Budget	967,195				967,195
School capital\Fire Co	-	-	-	331,029	331,029
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	1,882,328				1,882,328
Technology Enhancements	-	-	-	304,720	304,720
Public Works projects				407,461	407,461
Public Safety				586,602	586,602
School projects				722,429	722,429
County building improvements	-	-	-	267,508	267,508
Unassigned:	18,649,963	-	-	(397,597)	18,252,366
	<u>\$ 26,886,656</u>	<u>\$ 8,369,138</u>	<u>14,528,198</u>	<u>\$ 3,488,860</u>	<u>\$ 53,272,853</u>

**Note 15. Postemployment Healthcare Plan**

**Plan Description.** The County's single-employer 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. Management of the ACMBT is vested in the ACMBT Board of Trustees which consists of four trustees. One trustee is appointed by the LaVale Sanitary Commission (the other employer in the trust) and the other three are appointed by virtue of the position they hold in the Allegany County government. The authority to establish and amend the benefit provisions in the ACMBT rests with the respective employer entities. For Allegany County, the authority rests with the Board of Commissioners. The plan does not issue financial reports separately.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 15. Postemployment Healthcare Plan-continued**

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The assets, income and expenses for the trust that holds the assets are reported in the County's fiduciary funds.

**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 5.9 percent of annual covered payroll, and is an actuarially determined amount.

Plan membership consists of 373 active members and 263 inactive plan members or beneficiaries currently receiving benefit payments and there are no inactive plan members that are entitled to but not receiving benefits.

**Investment Policy.** The Trust has adopted the County's investment policy. The Board of Commissioners have authority to amend the policy. Currently, the Trust invests in the MACO Trust Fund. The Maryland Association of Counties Pooled OPEB Trust (the "Trust") is an "Other Post-Employment Benefits" membership trust established to help local governments invest current funds toward future obligations for retiree health insurance, a.k.a. "other post-employment benefits." Both county and municipal governments, and other county-funded entities (like libraries and community colleges), are welcome to join the MACO OPEB Trust.

Investing through an entity like the MACO Pooled OPEB Trust offers governments an opportunity under state law to invest funds in a manner suitable for longer term assets, and outside the laws generally governing "public funds." The Trust arrangement ensures that the funds may not be extracted for purposes other than the intended benefits, making that distinction clear. The trust shall be invested consistent with Section 17-102 of the Local Government Article of the Annotated Code of Maryland, as amended from time to time.

Overall, the Trustees have adopted a fairly conservative mixed portfolio, with 65% in equities and 35% in fixed income investments. The target rate of return for the Trust is 7% annually, set generally in keeping with industry trends given the diversified portfolio construction. Further information including audited financial statements is available at [www.mdcounties.org/index.aspx?nid=250](http://www.mdcounties.org/index.aspx?nid=250)

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 15. Postemployment Healthcare Plan-continued**

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

Annual Required Contribution (ARC)	\$ 1,273,835
Interest on Net OPEB Obligation	(74,702)
Adjustment to ARC	<u>58,570</u>
Annual OPEB cost (expense)	1,257,703
Contribution Towards OPEB Cost	<u>(981,229)</u>
Increase (Decrease) in Net OPEB Obligation (asset)	276,474
Net OPEB Obligation (Asset)-Beginning of the year	<u>(1,067,168)</u>
Net OPEB Obligation (Asset)-End of the year	<u><u>\$ (790,694)</u></u>

For fiscal year 2017, the County's annual OPEB cost (expense) of \$1,257,703 for ACBP was more 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 2017 and the preceding fiscal year are as follows:

Fiscal Year Ended	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
06/30/17	1,257,703	78.0%	\$ (790,694)
06/30/16	889,381	121.0%	\$ (1,067,168)
06/30/15	891,362	117.0%	\$ (879,516)

**Funding Status and Funding Progress.** The funded status of the plan as of June 30, 2017 (the date of the latest actuarial valuation) was as follows:

Actuarial accrued liability (AAL)	\$ 21,207,922
Actuarial value of plan assets	<u>2,662,273</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 18,545,649</u></u>
Funded ratio (actuarial value of plan assets/AAL)	12.60%
Covered payroll (active plan members)	\$ 16,680,326
UAAL as a percentage of covered payroll	111.20%

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

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 15. Postemployment Healthcare Plan-continued**

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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 Non-Pension Postemployment Benefits Plan
Valuation and Measurement Date	6/30/2017
Actuarial cost method	Entry Age
Amortization method	Level percentage of pay (3% annual payroll increase assumed)
Remaining amortization period	30 Years
Actuarial assumptions:	
Discount Rate	The expected trust return of 7% is blended with the 20 year Aa municipal bond rate of 3.56%. The blended rate is 5.31%
Investment rate of return	7%, net of investment expense and including inflation
Healthcare cost trend rate	7% for 2017, reduced linearly to an ultimate rate of 4.5% in 2022
Mortality	RP 2000 gender-specific projected to 2027 with scale BB, for disabled mortality RP2000 disabled gender-specific projected to 2027 with scale BB



**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 15. Postemployment Healthcare Plan-continued**

In the June 30, 2017 actuarial valuation, the entry age 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 7 percent initially, reduced by decrements to an ultimate rate of 4.5 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 a closed basis. The remaining amortization period at June 30, 2017, was thirty years. The County has elected to apply GASB Statement No. 45 prospectively and as a result the liability at transition was \$0.

**Expected Return:** The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017, and the final investment return assumption, are summarized in the following table:

	<b>Long-Term Expected Real Rate of Return</b>	<b>Long-Term Weighted Real Rate of Return</b>
Domestic Equity	5.75%	48.00%
International funds	6.25%	13.00%
Fixed Income-US	2.75%	33.00%
Global Funds	5.00%	6.00%
Cash Equivalents	0.85%	0.00%
Total Weighted Average Real Return	4.78%	100.00%
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.28%	
Risk Adjustment	-0.28%	
Total Expected Return	7.00%	

The money-weighted rate of return for FY 17 was 7.64%

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

Note 15. Postemployment Healthcare Plan-continued

**The components of the net OPEB liability are as follows:**

Total OPEB Liability	24,183,719
Plan Fiduciary Net Position	<u>2,662,273</u>
Net OPEB Liability	<u>21,521,446</u>
Plan Fiduciary Net Position as a percentage of Total OPEB Liability	11.01%

**Discount Rate:** The discount rate used to measure the total OPEB liability was 5.31%. The County's funding expectations/policy is to contribute the Actuarially Determined Contribution to their OPEB trust (if greater than annual benefits), in addition to paying benefits for retirees. It is expected that benefits will be paid from the trust when a 40% funding level is reached. Based on this information, we project that benefits will be financed on a pay as you basis through 2031, then from the trust there forward (from 2032 on).

Therefore, the expected trust return of 7% is blended with the 20 year Aa bond rate (Source: Fidelity general obligation municipal bond index) of 3.56%. The blended rate is 5.31%.

**Sensitivity of the net OPEB liability to changes in the discount rates:** The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% lower (4.31%) or 1% higher (6.31%) than the current discount rate:

	<u>Discount Rate</u> <u>At 4.31%</u>	<u>Discount Rate</u> <u>At 5.31%</u>	<u>Discount Rate</u> <u>At 6.31%</u>
Net OPEB Liability	23,630,377	21,521,446	19,681,019

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates:** The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower (5% decreasing to 3.5%) or 1% higher (8% decreasing to 6.5%) than the current healthcare cost trend rates:

	<u>1% Decrease</u> <u>(6% decreasing</u> <u>to 3.5%)</u>	<u>Healthcare Cost</u> <u>Trend Rates</u> <u>(7% decreasing</u> <u>to 4.5%)</u>	<u>1% Increase</u> <u>(8% decreasing</u> <u>to 5.5%)</u>
Net OPEB Liability	19,624,230	21,521,446	23,718,775

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 16. Tax Abatements**

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The County is subject to Enterprise Zone Credits granted by the State of Maryland by authority of Section 9-103 of the Tax Property Article of the Annotated Code of Maryland. The Enterprise Zone tax credit is available to businesses that locate in designated areas of Allegany County and is designed to spur economic growth in these areas. This real property tax credit is available only for nonresidential properties located within the Enterprise Zones and is based on growth in property assessment. Personal property is not included under the Enterprise Zone law. The “base year assessment” is the real property assessment for the year before any new construction or refurbishing is done. The credit is based on the increase in the assessment for each of the next 10 years compared to the base-year assessment. The credit is given on the actual taxes that result from the increase in assessment, using the following rate schedule:

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Year	Percentage of Assessment Increase Credit
1-5	80%
6	70%
7	60%
8	50%
9	40%
10	30%

The State subsequently reimburses the County for 50% of the annual tax credit. The fiscal year 2017 enterprise zone credits amounted to \$ 182,894 and the State of Maryland reimbursed the County \$ 91,589.

In addition, the County also “piggybacks” on to the City of Cumberland’s Historic Preservation tax credit program as follows:

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The City of Cumberland has a Historic Preservation tax program whereas property owners are eligible to receive property tax credits of up to 10% of properly documented expenses when the existing structure is renovated or preserved. By authority of Section 9-204 of the Tax Property Article of the Annotated Code of Maryland, state law provides that a tax credit of up to 5% may be provided for the new construction costs of architecturally compatible structures and allows a property owner of program structure to have the assessed value of the property frozen for up to 10 years at the pre-renovation value. A property must be a certified historic structure meaning that it must possess one of the following designations:

- a. Listed individually in the National Register of Historic Places
- b. Listed in a National Register historic or landmark district
- c. Listed in a property or district designated as an historic property or district under local law
- d. Included within the boundaries of a certified heritage area

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 16. Tax Abatements-continued**

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The following table is utilized by the City of Cumberland (and therefore Allegany County) to determine the length of the property tax assessment freeze for approved properties:

Improvement Cost as Percentage of Base  Assessment	Available Tax Exempt Status of Improvement
10%	1 Year
20%	2 Year
30%	2 Year
40%	3 Year
50%	3 Year
60%	4 Year
70%	4 Year
80%	5 Year
90%	6 Year
100%	7 Year
200%	8 Year
300%	9 Year
400%	9 Year
500%	10 Year

The amount of historic tax credit issued by Allegany County for FY 17 was \$ 32,306. The County does not provide for the recapture of abated taxes in the event an abatement recipient does not fulfill the commitment it makes in return for the tax abatement

Also, Allegany County grants tax credits to several nonprofit organizations that were named in Section 9-302 of the Tax Property Article of the Annotated Code of Maryland.

**Note 17. State Income Tax Revenue Repayment Forgiveness**

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

The County was notified by the State of Maryland (the State) that the State had over allocated state income tax revenue to the County covering a period of several years. The County recorded a long-term liability in the amount of \$ 479,820 and related restatement of net positions at June 30, 2016 in the Governmental Activities section of the government-wide financial statements. On May 25, 2017, the Governor of Maryland approved Senate Bill 397, forgiving the repayment of the \$ 479,820 in overpaid income tax revenue. The \$ 479,820 forgiveness of repayment is reported as miscellaneous revenue in the Governmental Activities section of the FY 17 government-wide financial statements.

**Note 18. Risk Management**

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**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, 2017. 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 2017 are as follows:

Balance at July 1, 2016	\$	745,609
Claims and changes in estimates		(272,769)
Claim payments		-
Balance at June 30, 2017	\$	<u>472,840</u>

**Note 19. Pending Claims and Litigation**

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**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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 20. Contingent Liabilities**

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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, 2017, such debt includes loans with the U.S. Department of Agriculture of \$4,566,675.

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

**Note 21. Accounting Changes and Restatement of Net Position**

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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, which it was. An additional adjustment was needed in FY 17 to correctly reflect the balance at 6/30/16 in the amount of \$ 204,217.

During FY 17, the County was required by GASB No. 73 to record the net pension liability. The prior year pension liability was recorded as a decrease in fund balance in the amount of \$ 1,886,203.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

**Note 21. Accounting Changes and Restatement of Net Position (continued)**

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

	<b>Governmental</b>
	<b>Activities</b>
	<hr/>
Net Position at June 30, 2016, as previously stated	\$104,336,537
Adjust LOSAP investment	\$204,217
Record LOSAP Net Pension Liability as of 6/30/16	<u>(\$1,886,203)</u>
Net Position at June 30, 2016, restated	<u>\$102,654,549</u>
	<b>General Fund</b>
	<hr/>
Fund Balance, June 30, 2016, as previously stated	\$25,252,942
Adjust LOSAP investment	<u>\$204,217</u>
Fund Balance, June 30, 2016, as restated	<u>25,457,159</u>

**Note 22. Related Party**

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The Willowbrook Health Center Condominium (the Association) is a statutory condominium association organized for the purposes of operating and maintaining the common property of the Willowbrook Health Center Condominium. The Willowbrook Health Center Condominium consists of four units occupying a site of approximately 4.6 acres located in Cumberland, MD. The Condominium is jointly owned by the Allegany County Commissioners at 46.7 percent and the Western Maryland Health System at 53.3 percent. During FY 17, Allegany County paid \$ 259,209 in fees to the Willowbrook Health Center Condominium. Of this amount, \$ 13,298 in included in accounts payable at year-end.

**Note 23. Subsequent Events**

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On July 1, 2017 the Allegany County Commissioners started a 24 hour emergency medical services operation in the Frostburg Area as a result of a need that had arisen for this service in Frostburg. As a result, Allegany County acquired a building and two ambulances that will be utilized to provide this service. Each ambulance will be staffed with a two person crew on a 24 hour basis utilizing a mix of full-time and part-time employees.

As an offset to these costs Allegany County will bill the associated health insurance for those requiring transport and will also initiate a subscription service for the residents of the Frostburg Area. Allegany County has applied for and received a Medicare provider number in order to charge insurance companies for this service and has retained a medical billing company to assist in billing and processing these charges. The general fund will supplement the billing revenue received to pay for this operation.

**ALLEGANY COUNTY, MARYLAND**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2017**

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**REQUIRED  
SUPPLEMENTARY  
INFORMATION**

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**ALLEGANY COUNTY, MARYLAND  
REQUIRED SUPPLEMENTARY INFORMATION**

**NON-PENSION POST EMPLOYMENT BENEFITS TRUST (OPEB)-SCHEDULE OF FUNDING PROGRESS**

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, 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%
June 30, 2017	2,662,273	21,207,922	12.55%	18,545,649	\$16,680,326	111.20%

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

**LOSAP-SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**

**Last Ten Fiscal Years \***

	2017
Total Net Pension Liability	
Service Cost	260,811
Interest	71,864
Changes in Benefit terms	-
Differences between expected and actual experience	1
Changes in assumptions, including discount rate	(31,517)
Benefit payments and expenses	(6,820)
Net Change in total pension liability	294,339
Total Net Pension Liability-beginning	1,886,203
Total Net Pension Liability-ending	2,180,542

No covered payroll-plan members are all volunteer fire fighters.

\*This schedule is designed to present information for a 10 year period beginning FY 17. Until a full 10 year trend is compiled, the County will be presenting information only for those years for which information is available.

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

Year Ended	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
30-Jun					
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%
2017	6.85%	16,160,225	15,109,085	106.96%	65.79%

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	Contractually required contribution	Contributions relative to Contractually Req contribution	Contribution Deficiency	County's Covered Payroll	Contributions as a % of covered employee payroll
30-Jun					
2015	1,472,135	\$1,472,135	-	13,959,828	10.55%
2016	1,334,298	1,334,298		15,109,085	8.83%
2017	1,338,202	1,338,202		15,410,092	7.61%

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

**Allegany County**  
**Required Supplementary Information**

**Schedule of Changes in the County's Net Other Post Retirement  
Benefits Liability and Related Ratios-Last Ten Fiscal Years**

	2017
Total OPEB Liability	
Service Cost	361,268
Interest	1,250,947
Change in benefit terms	
Differences between expected and actual experience	
Changes in assumptions, including discount rate	
Benefit payments	(1,235,135)
Net Change in total OPEB Liability	377,080
Total OPEB liability-beginning	23,806,639
Total OPEB liability-ending	24,183,719
Plan fiduciary net position	
Contributions-employer	1,162,096
Contributions-member	90,491
Net investment income	195,770
Benefit payments	(1,235,135)
Administrative expenses	(17,453)
Net change in plan fiduciary net position	195,769
Plan fiduciary net position-beginning	2,466,504
Plan fiduciary net position-ending	2,662,273
Net OPEB liability beginning	21,340,135
Net OPEB liability ending	21,521,446
Fiduciary net position as a percentage of total OPEB liability	11.01%
Covered employee payroll	16,680,326
Net OPEB Liability as a percentage of covered payroll	129%

**Schedule of the County's Other Post Retirement Benefits Contributions-Last Ten Fiscal Years \***

Actuarially determined contribution	1,273,835
Contributions in relation to the actuarially determined contributions	981,229
Contribution deficiency (excess)	292,606
County's covered-employee payroll	16,680,326
Contributions as percentage of covered-employee payroll	5.90%

**Schedule of the County's Other Post Employment Benefits Investment Returns-Last 10 Fiscal Yrs**

Annual money-weighted rate of return, net of investment expense	7.64%
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\*This schedule is designed to present information for a 10 year period beginning with fiscal year 2017  
Until a full 10 year trend is compiled the County will be presenting information only for those years for  
which information is available.

**Allegany County**  
**Notes to Required Supplementary Information**  
**June 30, 2017**

**Note 1: LOSAP Pension Information**

Actuarial Assumptions

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Fiscal Year End	June 30, 2017
Measurement Date	December 31, 2016
Annual Discount Rate	3.81%-based on 20 year AA general bond rate at 12/31/16. The projection of cash flows used to determine the discount rate assumed that contributions from the employer will be made at contractually required rates (actuarially determined)
Annual salary increases	Does not apply
Assumed retirement Age	First Eligible
Mortality	Mortality rates are based on 1984 Unisex Pensioners with 1 setback
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Form of Benefit	Monthly benefits at a rate of \$7 multiplied by the years of service, max \$ 105 No changes in benefits during FY 17
Changes in assumptions	None
Assets accumulated in trust	None

**Note 2: Other Post Employment Benefits Information**

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Fiscal Year End	June 30, 2017
Measurement Date	June 30, 2017
Annual Discount Rate	5.31%-the expected trust return of 7% is blended with the 20 year Aa bond rate (Source: Fidelity general obligation municipal bond index) of 3.56%
Annual salary increases	3%
Mortality	RP 2000 gender-specific projected to 2027 with scale BB, for disabled mortality RP2000 disabled gender-specific projected to 2027 with scale BB
Actuarial Cost Method	Entry Age
Amortization Method	Level percentage of pay
Investment Rate of Return	7% net of investment expense and including inflation
Health Care trend rate	7% for 2017, reduced linearly to an ultimate rate of 4.5% in 2022
Changes in assumptions	None

**Note 3: State of Maryland Pension Information**

Changes in assumptions:

Inflation assumption	Changed from 2.95% to 2.7%
Wage inflation assumption	Changed from 3.45% to 3.2%
Salary increases	Changed from 3.45% to 10.7% to 3.3% to 9.2%
Change in Benefit Terms	No change during the fiscal year
Change in Size/Composition of Population	No significant change during the fiscal year

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES</b>				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 40,728,935	\$ 40,728,935	\$ 40,913,333	\$ 184,398
Payments in lieu of taxes:				
Coal companies	150,000	150,000	155,373	5,373
Housing Authorities	38,500	38,500	46,240	7,740
Rocky Gap	295,000	295,000	295,000	-
Interest on Delinquent taxes	1,200,000	1,200,000	1,075,825	(124,175)
Sub-total	<u>42,412,435</u>	<u>42,412,435</u>	<u>42,485,771</u>	<u>73,336</u>
Less:				
Prompt payment discounts	185,000	185,000	180,180	4,820
Deferred revenues	500,000	500,000	(109,227)	609,227
Industrial exemptions	100,000	100,000	148,205	(48,205)
Enterprise zone exemptions	140,000	140,000	91,304	48,696
Residential development tax credit	-	-	-	-
Tax increment financing	-	-	14,582	(14,582)
Historic tax credit	65,000	65,000	32,306	32,694
Real estate tax set-aside	-	-	-	-
PILOT abatement	11,400	11,400	21,980	(10,580)
Sub-total	<u>1,001,400</u>	<u>1,001,400</u>	<u>379,330</u>	<u>622,070</u>
Total Net Property Taxes	<u>41,411,035</u>	<u>41,411,035</u>	<u>42,106,441</u>	<u>695,406</u>
Income Taxes	27,149,213	27,149,213	26,435,017	(714,196)
Other Local Taxes:				
Hotel/motel tax	1,024,345	1,024,345	1,092,324	67,979
Admissions	250,000	250,000	234,175	(15,825)
Recordation	1,100,000	1,100,000	1,527,249	427,249
911 Fees	390,000	390,000	375,207	(14,793)
Trailer court	72,000	72,000	64,109	(7,891)
Transfer tax	400,000	400,000	628,188	228,188
Highway users taxes	478,127	478,127	539,372	61,245
Total Local Taxes	<u>3,714,472</u>	<u>3,714,472</u>	<u>4,460,624</u>	<u>746,152</u>
Total Taxes	<u>72,274,720</u>	<u>72,274,720</u>	<u>73,002,082</u>	<u>727,362</u>
Licenses and Permits				
Alcoholic beverage licenses	99,000	99,000	95,966	(3,034)
Amusement licenses	5,000	5,000	3,534	(1,466)
Traders licenses	95,000	95,000	93,458	(1,542)
Occupational licenses	-	-	-	-
Building permits	35,000	35,000	13,660	(21,340)
Marriage licenses	5,500	5,500	4,355	(1,145)
Cable franchise fees	420,000	420,000	447,143	27,143
Sediment control permits	20,000	20,000	14,743	(5,257)
Total Licenses and Permits	<u>679,500</u>	<u>679,500</u>	<u>672,859</u>	<u>(6,641)</u>

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES (Continued):</b>				
<u>Intergovernmental:</u>				
Federal Funds:				
Homeland security grant	92,556	92,556	140,178	47,622
Civil defense	83,574	83,574	83,441	(133)
FEMA grant	8,250	8,250	130,193	121,943
MTA Transportation planning	80,175	80,175	92,564	12,389
Emergency shelter grant	82,767	82,767	139,027	56,260
Masters program	73,742	73,742	38,431	(35,311)
Payments in lieu of property taxes	7,750	7,750	8,111	361
Sub-total Federal funds	428,814	428,814	631,945	203,131
State Funds:				
Public Health	14,000	14,000	16,006	2,006
Police protection	218,193	218,193	236,298	18,105
State 911 grant	2,000	2,000	-	(2,000)
State transportation planning	10,022	10,022	11,571	1,549
Maryland Department of Environment grant	1,000	1,000	-	(1,000)
Juvenile services grant			13,481	13,481
Department of Natural Resources	225,000	225,000	440,699	215,699
Conservation aid salary	29,895	29,895	29,895	-
Program Open Space grant	80,000	80,000	155,570	75,570
Disparity grant	8,930,611	8,930,611	8,930,611	-
State Jury Reimbursement	50,000	50,000	43,410	(6,590)
Tourism grant	40,000	40,000	59,136	19,136
Governors Office of Crime Control			25,557	25,557
Work Crew Supervisor				-
Miscellaneous	210,252	576,343	689,760	113,417
Sub-total State Funds	9,810,973	10,177,064	10,651,994	474,930
Other Intergovernmental:				
Other agencies	255,000	255,000	178,297	(76,703)
Sub-total Other Intergovernmental:	255,000	255,000	178,297	(76,703)
Total Intergovernmental	10,494,787	10,860,878	11,462,236	601,358

Continued

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES (Continued)				
Service Charges:				
General government charges:				
State civil process	50,000	50,000	47,026	(2,974)
Plans & specifications	5,000	5,000	865	(4,135)
Regulation & Maps			3,061	3,061
Tax sale fees	30,000	30,000	27,106	(2,894)
Election filing fees			50	50
Security interest filing fee	-	-	85	85
License application fees	8,500	8,500	8,210	(290)
Liquor License transfer fee	3,500	3,500	2,820	(680)
Bay restoration collection fee	5,000	5,000	-	(5,000)
Health Ins Admin fee	1,100	1,100	135	(965)
Other general government service charges	5,500	5,500	-	(5,500)
Tourism promotion charges	20,000	20,000	38,109	18,109
Collection fees-special areas	60,000	60,000	56,680	(3,320)
Liquor License Collection fee	3,600	3,600	3,686	86
Hotel/Motel collection fee	20,500	20,500	21,413	913
Partial payment fee	1,750	1,750	2,222	472
Engineering fees	40,000	40,000	111,997	71,997
Indirect cost allocation	675,586	675,586	13,754	(661,832)
Sub-total general government charges	930,036	930,036	337,219	(592,817)
Public safety charges:				
Police protection charges	10,000	10,000	87,650	77,650
Fingerprinting fee	200	200	-	(200)
Zoning Admin Fee	4,000	4,000	8,616	4,616
Jail work release	5,000	5,000	3,812	(1,188)
Boarding state prisoners	25,000	25,000	170,014	145,014
Community service fee	22,000	22,000	9,790	(12,210)
Home detention fee	35,000	35,000	23,670	(11,330)
Inmate Medical Copay	4,000	4,000	6,002	2,002
Building Inspection fees	15,000	15,000	7,719	(7,281)
Ambulance fees	120,000	120,000	119,443	(557)
Sub-total public safety charges	240,200	240,200	436,716	196,516
Sanitation and Waste Removal:				
Landfill fees	192,500	192,500	189,271	(3,229)
Recycling fees	80,000	80,000	134,934	54,934
Recycled material sales	15,000	15,000	12,710	(2,290)
Sub-total Sanitation and Waste	287,500	287,500	336,915	49,415

Continued



**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES (Continued):</b>				
<u>Service Charges (continued):</u>				
Public service enterprises:				
Upper Potomac River Commission	410,483	410,483	410,483	-
Road closing fees				-
Sub-total public service charges	410,483	410,483	410,483	-
Total Service Charges	1,868,219	1,868,219	1,521,333	(346,886)
<u>Fines and Forfeitures:</u>				
Circuit court fines	7,000	7,000	4,981	(2,019)
Contraband seizures				-
Liquor violation fines	8,000	8,000	16,750	8,750
Zoning fines	400	400	-	(400)
Fines and forfeitures	10,000	10,000	10,450	450
Total Fines and Forfeitures	25,400	25,400	32,181	6,781
<u>Miscellaneous:</u>				
Interest	172,759	172,759	231,817	59,058
Rents and concessions	357,385	357,385	434,977	77,592
Miscellaneous	201,100	251,100	388,781	137,681
Total Miscellaneous	731,244	781,244	1,055,575	274,331
Total Revenues	86,073,870	86,489,961	87,746,266	1,256,305

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

<b>EXPENDITURES:</b>	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>General Government:</u>				
Legislative:				
County Commissioners	158,225	159,263	161,349	(2,086)
County Commissioners Office	-	-	-	-
Total legislative	<u>158,225</u>	<u>159,263</u>	<u>161,349</u>	<u>(2,086)</u>
Judicial:				
Family Support Services	170,348	183,057	200,801	(17,744)
Alternative dispute resolution	5,388	5,942	6,392	(450)
Circuit court masters program	113,293	114,772	61,733	53,039
Circuit court	351,801	384,384	380,100	4,284
Orphans court	68,221	70,713	68,740	1,973
Family Law Master	77,352	79,312	78,240	1,072
State's attorney	1,439,436	1,467,407	1,486,312	(18,905)
Law library	22,000	22,000	22,000	-
Grand and petit juries	71,130	71,201	69,641	1,560
Total Judicial	<u>2,318,969</u>	<u>2,398,788</u>	<u>2,373,959</u>	<u>24,829</u>
Executive:				
Administrator	322,604	332,185	291,899	40,286
Elections:				
Registration and elections	756,405	762,690	615,389	147,301
Financial Administration:				
Finance Office	600,357	634,113	560,754	73,359
Tax Office	632,555	646,389	328,485	317,904
State Assessment Fee	388,768	388,768	375,713	13,055
Accounting Software	378,520	378,520	361,985	16,535
Professional services	59,000	59,000	75,915	(16,915)
Total Financial Administration	<u>2,059,200</u>	<u>2,106,790</u>	<u>1,702,852</u>	<u>403,938</u>
Legal:				
Legal counsel	208,362	210,176	181,322	28,854
Other legal/professional	108,000	108,000	193,671	(85,671)
Total legal	<u>316,362</u>	<u>318,176</u>	<u>374,993</u>	<u>(56,817)</u>
Personnel Administration:				
Human Resources department	411,243	411,243	300,183	111,060
Human resources board of appeals	3,551	3,551	-	3,551
Wellness/Employee recognition	10,413	10,413	4,688	5,725
Total personnel administration	<u>425,207</u>	<u>425,207</u>	<u>304,871</u>	<u>120,336</u>
Planning and Zoning:				
Planning and zoning department	335,523	340,548	324,226	16,322
Land use planning	-	-	-	-
Total Planning and Zoning	<u>335,523</u>	<u>340,548</u>	<u>324,226</u>	<u>16,322</u>
General Services:				
County Building Maintenance	1,168,468	1,179,964	1,079,918	100,046
Data Processing	315,086	316,926	288,890	28,036
Total general services	<u>1,483,554</u>	<u>1,496,890</u>	<u>1,368,808</u>	<u>128,082</u>
Other general government:				
Liquor control board	116,485	117,627	128,183	(10,556)
Insurance	385,000	385,000	365,484	19,516
Employee benefits	467,500	274,357	133,032	141,325
Post retirement benefits	890,800	890,800	1,000,603	(109,803)
Total Other General Government	<u>1,859,785</u>	<u>1,667,784</u>	<u>1,627,302</u>	<u>40,482</u>
Total General Government	<u>10,035,834</u>	<u>10,008,321</u>	<u>9,145,648</u>	<u>862,673</u>

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
<b>EXPENDITURES:</b>				
<b>EXPENDITURES (Continued):</b>				
<u>Public Safety:</u>				
Police:				
Police Department	1,942,344	2,083,204	2,057,834	25,370
Sheriffs department	1,435,895	1,519,160	1,463,844	55,316
C3I Unit	13,000	13,000	21,728	(8,728)
Safe School	119,062	142,149	136,627	5,522
Juvenile review board	76,547	76,547	391	76,156
Drug Seizures-Sheriff			50	(50)
Truancy Prevention	75,347	75,347	2,345	73,002
Coalition Out of School				-
Total Police	3,662,195	3,909,407	3,682,819	226,588
Fire and rescue:				
Emergency medical services	831,616	855,185	1,125,125	(269,940)
Frostburg area ambulance	-	203	19,946	(19,743)
Length of service award	210,000	210,000	6,520	203,480
Volunteer fire companies	1,066,206	1,066,206	1,058,954	7,252
Total Fire	2,107,822	2,131,594	2,210,545	(78,951)
Correction:				
County detention center maintenance	190,556	192,961	191,584	1,377
County detention center	7,367,208	7,459,875	7,710,788	(250,913)
Juvenile service grant	-	-	13,481	(13,481)
Alternative sentencing	187,901	192,490	184,199	8,291
Home detention grant	154,089	156,250	146,168	10,082
Total Correction	7,899,754	8,001,576	8,246,220	(244,644)
Other Protection:				
Permits & enforcement	263,914	267,056	253,627	13,429
Emergency Management Agency	246,197	249,851	192,305	57,546
Local emergency planning	1,000	1,000	1,500	(500)
Animal control	360,918	360,918	361,318	(400)
911	2,409,730	2,417,436	2,690,791	(273,355)
Hazardous materials operations	69,513	69,513	57,284	12,229
Public safety department	135,065	138,700	145,818	(7,118)
Domestic preparedness grant	92,556	92,556	120,458	(27,902)
Building Codes	59,346	59,346	32,253	27,093
Code Enforcement	84,931	85,792	58,300	27,492
Flood control	-	-	1,374	(1,374)
Transportation planning	110,749	113,702	67,238	46,464
Total Other Protection	3,833,919	3,855,870	3,982,266	(126,396)
Total Public Safety	17,503,690	17,898,447	18,121,850	(223,403)
<u>Public Works:</u>				
Public Services:				
Highway department	7,875,306	8,232,657	7,762,822	469,835
Airport	230,000	230,000	230,000	-
Waste collection:				
Solid waste disposal	400,742	401,418	361,092	40,326
Solid waste recycling	181,230	215,876	173,449	42,427
UPRC	513,104	513,104	521,305	(8,201)
County engineer	952,558	955,027	887,651	67,376
Total Public Works	10,152,940	10,548,082	9,936,319	611,763

Continued

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
<b>EXPENDITURES:</b>				
<b>EXPENDITURES (Continued):</b>				
<u>Health and Hospitals:</u>				
Brook Building	154,250	154,250	129,290	24,960
Willowbrook Office	299,350	299,350	259,209	40,141
Health Department supplemental	28,252	28,252	26,656	1,596
Western Maryland Health Planning	9,500	9,500	10,339	(839)
HRDC-SCOF Grant				-
Total Health and Hospitals	491,352	491,352	425,494	65,858
<u>Social Services:</u>				
Nursing Home costs	280,000	280,000	175,844	104,156
Pauper's burials	1,300	1,300	-	1,300
Human Resources Devel. Comm.	744,946	744,946	744,946	-
Emergency shelter grant	82,767	82,767	139,027	(56,260)
Child abuse coordinator	126,998	128,036	127,991	45
Family Crisis Center	88,880	88,880	88,880	-
Food distribution to the needy	-	-	-	-
Total Social Services	1,324,891	1,325,929	1,276,688	49,241
<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	483,932	485,146	522,782	(37,636)
Highland trail operations	98,590	98,590	82,697	15,893
Cumberland Summer Theatre	12,000	12,000	12,000	-
Program Open Space	80,000	80,000	129,566	(49,566)
Total Recreation and Culture	722,522	723,736	795,045	(71,309)
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	150,329	150,329	149,262	1,067
Soil conservation services	107,043	108,166	108,415	(249)
Gypsy moth control	10,000	10,000	6,000	4,000
Total Conservation of Natural Resources	267,372	268,495	263,677	4,818
<u>Community Development &amp; 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	247,177	256,134	309,416	(53,282)
Scenic railroad development	140,000	140,000	140,000	-
Tri-County Council	40,000	40,000	40,000	-
Tourism department	542,515	542,515	484,961	57,554
Toll House	2,650	2,650	469	2,181
Thrasher Museum	15,000	15,000	23,967	(8,967)
Community promotion	14,000	14,000	8,562	5,438
Canal Place Preservation	-	-	-	-
Total Economic Development	1,001,342	1,010,299	1,007,375	2,924

(continued)

**ALLEGANY COUNTY, MARYLAND**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
<b>EXPENDITURES:</b>				
<b>EXPENDITURES (Continued):</b>				
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,462,385	1,462,385	1,447,685	14,700
Department of Social Services	9,800	9,800	19,600	(9,800)
Total Appropriations to Other Gov't Units:	1,500,889	1,500,889	1,495,989	4,900
<u>Miscellaneous:</u>				
Miscellaneous	66,544	66,544	44,631	21,913
Total Miscellaneous	66,544	66,544	44,631	21,913
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	30,169,985	30,169,985	30,169,985	-
Allegany College	7,630,550	7,630,550	7,630,550	-
Allegany County Library	956,975	956,975	956,975	-
Information Technology	179,716	179,716	182,712	(2,996)
Total payments to component units	38,937,226	38,937,226	38,940,222	(2,996)
Total Expenditures	82,012,602	82,787,320	81,460,938	1,326,382
Excess (deficiency) of revenues over (under) expenditures	4,061,268	3,702,641	6,285,328	2,582,687
<b>OTHER FINANCING SOURCES (USES)</b>				
<u>Unexpended balance - prior years</u>	150,000	1,533,038	-	(1,533,038)
<u>Transfers In from other funds:</u>				
Transfers from special revenue funds			-	-
Transfers from Debt Service Fund			-	-
Transfers from enterprise funds	28,608	28,608	21,375	(7,233)
Total Transfers In	28,608	28,608	21,375	(7,233)
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Transit Fund	(309,733)	(311,154)	(349,192)	(38,038)
Housing & Section 8 fund	-	-	-	-
Narcotics Task Force	(6,500)	(6,500)	-	6,500
Gaming fund	-	(1,036)	-	1,036
RBF	-	-	-	-
Debt service Fund:				
From General government	(2,999,359)	(2,999,359)	(2,543,359)	456,000
From Bureau of Police				-
Capital Projects Fund				
Pay-Go Fund	(792,500)	(798,500)	(528,500)	270,000
Capital Projects Fund		(1,000,000)	(1,325,000)	(325,000)
Enterprise funds:				
Allconet	(50,000)	(50,000)	(50,000)	-
Sanitary fund/Water fund	(91,784)	(107,738)	(94,861)	12,877
Total operating transfers to other funds	(4,249,876)	(5,274,287)	(4,890,912)	383,375
<u>Sale of capital assets</u>	10,000	10,000	13,706	3,706
Total Other Financing Sources and Uses	(4,061,268)	(3,702,641)	(4,855,831)	(1,153,190)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	1,429,497	\$ 1,429,499
Fund balance, beginning, restated			25,457,159	
Fund balance, ending			\$ 26,886,656	

**ALLEGANY COUNTY, MARYLAND  
BUDGETARY COMPARISON SCHEDULE  
REVOLVING BUILDING FUND SPECIAL REVENUE FUND  
FOR THE YEAR ENDED JUNE 30, 2017**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Miscellaneous	\$ 3,423,962	\$ 3,423,962	\$ 3,327,500	\$ (96,462)
Total Revenues	<u>3,423,962</u>	<u>3,423,962</u>	<u>3,327,500</u>	<u>(96,462)</u>
<b>EXPENDITURES</b>				
Economic development	14,743,249	14,743,249	2,562,969	12,180,280
Total Expenditures	<u>14,743,249</u>	<u>14,743,249</u>	<u>2,562,969</u>	<u>12,180,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,319,287)</u>	<u>(11,319,287)</u>	<u>764,531</u>	<u>12,083,818</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Unexpended balance - prior years	12,355,881	12,355,881	-	(12,355,881)
Transfers to other funds	(1,036,594)	(1,036,594)	(1,450,044)	(413,450)
Sale of capital assets	-	-	-	-
Total Other Financing Sources and Uses	<u>11,319,287</u>	<u>11,319,287</u>	<u>(1,450,044)</u>	<u>(12,769,331)</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>-</u>	<u>(685,513)</u>	\$ <u>(685,513)</u>
Fund balance, beginning			9,054,651	
Fund balance, ending			<u>\$ 8,369,138</u>	

**Notes to Required Supplementary Information**

**June 30, 2017**

**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, 2017**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<b>REVENUES:</b>				
Federal			356,894	356,894
State			296,951	296,951
Interest	\$ -	\$ -	\$ 61,055	\$ 61,055
Total Revenues	<u>-</u>	<u>-</u>	<u>714,900</u>	<u>714,900</u>
<b>EXPENDITURES</b>				
Capital Outlay-General Govt			102,461	(102,461)
Capital Outlay-Public Safety		1,000,000	6,212,464	(5,212,464)
Capital Outlay-Public Works			1,494,855	(1,494,855)
Capital Outlay-Education			200	(200)
Payments to Component Units			-	-
Total Expenditures	<u>-</u>	<u>1,000,000</u>	<u>7,809,980</u>	<u>(6,809,980)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,000,000)</u>	<u>(7,095,080)</u>	<u>(6,095,080)</u>
<b>OTHER FINANCING SOURCES AND USES:</b>				
Unexpended balance - prior years			-	-
Transfer from other funds		1,000,000	1,000,000	-
Debt issued-Bond Proceeds			9,000,000	9,000,000
Total Other Financing Sources and Uses	<u>-</u>	<u>1,000,000</u>	<u>10,000,000</u>	<u>9,000,000</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>-</u>	<u>2,904,920</u>	\$ <u>2,904,920</u>
Fund balance, beginning			11,623,278	
Fund balance, ending			<u>\$ 14,528,198</u>	

**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, 2017**

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
<b>ASSETS:</b>								
Cash	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ 1,000		\$ -
Cash - restricted	-	-	-	-	18,787	-	-	-
Investments	752,275	-	-	-	-	100,950	8,500	-
Investments-Restricted								
Receivables								
Notes and loans	-	-	-	270,593	-	-	-	-
Other	3,120	746,588	-	-	-	790	450	28,825
Due from other funds	-	-	9,739	60,835	134,999	222,248	44,603	255,412
Inventory	-	42,233	-	-	-	-	-	-
Total Assets	<u>755,395</u>	<u>788,971</u>	<u>9,739</u>	<u>331,428</u>	<u>153,786</u>	<u>324,988</u>	<u>53,553</u>	<u>284,237</u>
<b>LIABILITIES:</b>								
Accounts payable	-	19,691	-	17,423	81,834	4,147	1,175	648
Accrued payroll	-	16,067	-	-	-	558		1,959
Accrued payroll fringe	-	8,687	-	-	-	50		601
Due to other funds	486,206	481,609	-	-	-	-	-	-
Amounts held in escrow	-	-	-	-	71,952	246,084	2,561	-
Unavailable Revenue	-	-	-	270,593	-	-	-	-
Total Liabilities	<u>486,206</u>	<u>526,054</u>	<u>-</u>	<u>288,016</u>	<u>153,786</u>	<u>250,839</u>	<u>3,736</u>	<u>3,208</u>
<b>DEFERRED INFLOWS of RESOURCES:</b>								
Grant Reimbursement not Available	-	262,917	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>262,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>								
Nonspendable	-	42,233	-	-	-	-	-	-
Restricted	269,189	-	9,739	43,412	-	74,149	49,817	-
Committed	-	-	-	-	-	-	-	281,029
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(42,233)	-	-	-	-	-	-
Total Fund Balances	<u>269,189</u>	<u>-</u>	<u>9,739</u>	<u>43,412</u>	<u>-</u>	<u>74,149</u>	<u>49,817</u>	<u>281,029</u>
Total Liabilities, deferred inflows of resources and fund balances	<u>\$ 755,395</u>	<u>\$ 788,971</u>	<u>\$ 9,739</u>	<u>\$ 331,428</u>	<u>\$ 153,786</u>	<u>\$ 324,988</u>	<u>\$ 53,553</u>	<u>\$ 284,237</u>

**ALLEGANY COUNTY, MARYLAND  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017**

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
-		18,787		-	-	-	18,787
310,167		1,171,892		-	1,546,793	1,546,793	2,718,685
						-	-
-		270,593	-		-	-	270,593
6,345	137,944	924,062	297	81,005	895,010	976,015	1,900,374
464,563	792,869	1,985,268		591,449		591,449	2,576,717
-		42,233	-	-	-	-	42,233
<u>781,075</u>	<u>930,813</u>	<u>4,413,985</u>	<u>297</u>	<u>672,454</u>	<u>2,441,803</u>	<u>3,114,257</u>	<u>7,528,539</u>
2,906	880,813	1,008,637	-	5,058	268,616	273,674	1,282,311
-		18,584	-	1,125	-	1,125	19,709
-		9,338	-	103	-	103	9,441
-		967,815	355,661	-	109,626	109,626	1,433,102
-		320,597	-	-	-	-	320,597
-		270,593	-	441,008	-	441,008	711,601
<u>2,906</u>	<u>880,813</u>	<u>2,595,564</u>	<u>355,661</u>	<u>447,294</u>	<u>378,242</u>	<u>825,536</u>	<u>3,776,761</u>
		262,917		-	-	-	262,917
<u>-</u>	<u>-</u>	<u>262,917</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>262,917</u>
-		42,233	-	-	-	-	42,233
778,169		1,224,475		-	-	-	1,224,475
-	50,000	331,029	-	-	-	-	331,029
-		-	-	225,160	2,063,561	2,288,721	2,288,721
-	-	(42,233)	(355,364)		-	-	(397,597)
<u>778,169</u>	<u>50,000</u>	<u>1,555,504</u>	<u>(355,364)</u>	<u>225,160</u>	<u>2,063,561</u>	<u>2,288,721</u>	<u>3,488,861</u>
<u>\$ 781,075</u>	<u>\$ 930,813</u>	<u>\$ 4,413,985</u>	<u>\$ 297</u>	<u>\$ 672,454</u>	<u>\$ 2,441,803</u>	<u>\$ 3,114,257</u>	<u>\$ 7,528,539</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

	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
<b>REVENUES:</b>								
Other local taxes	\$ 69,918	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 388,940
Intergovernmental:								
Federal	-	712,954	-	678	927,915	-		-
State/Other	-	350,671	-	-	52,492	29,200		-
Service charges	-	385,489	-	-	-	-		32,100
Fines and forfeitures	-	-	-	-	-	28,031	20,695	-
Interest	4,719	-	-	-	-	2,831		-
Miscellaneous	-	110	-	24,540	-	16,483	40,386	-
Total Revenues	<u>74,637</u>	<u>1,449,224</u>	<u>-</u>	<u>25,218</u>	<u>980,407</u>	<u>76,545</u>	<u>61,081</u>	<u>421,040</u>
<b>EXPENDITURES:</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	-	140,538
Public safety	-	-	-	-	-	84,285	26,528	64,030
Public works	-	1,798,416	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	23,967	980,407	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital Outlay:								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	7,500	-	-
Public works	94,920	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units:								
Board of Education/ACC	-	-	-	-	-	-	-	136,168
Total Expenditures	<u>94,920</u>	<u>1,798,416</u>	<u>-</u>	<u>23,967</u>	<u>980,407</u>	<u>91,785</u>	<u>26,528</u>	<u>340,736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,283)</u>	<u>(349,192)</u>	<u>-</u>	<u>1,251</u>	<u>-</u>	<u>(15,240)</u>	<u>34,553</u>	<u>80,304</u>
<b>OTHER FINANCING SOURCES (USES):</b>								
Transfers in	-	349,192	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and uses	<u>-</u>	<u>349,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(20,283)	-	-	1,251	-	(15,240)	34,553	80,304
Fund balance, beginning,	289,472	-	9,739	42,161	-	89,389	15,264	200,725
Fund balance, ending	<u>\$ 269,189</u>	<u>\$ -</u>	<u>\$ 9,739</u>	<u>\$ 43,412</u>	<u>\$ -</u>	<u>\$ 74,149</u>	<u>\$ 49,817</u>	<u>\$ 281,029</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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	
\$ -		\$ 458,858	\$ -			\$ -	\$ 458,858
-		1,641,547	-			-	1,641,547
348,030	1,650,812	2,431,205	-	1,209,607	1,533,941	2,743,548	5,174,753
-		417,589	-		-	-	417,589
-		48,726	-	-	-	-	48,726
2,169		9,719	-	-	10,270	10,270	19,989
93,553		175,072	-		15,738	15,738	190,810
443,752	1,650,812	5,182,716	-	1,209,607	1,559,949	2,769,556	7,952,272
-	15,000	155,538	-	-	-	-	155,538
322,203	865,812	1,362,858	-	-	-	-	1,362,858
-		1,798,416	-	-	-	-	1,798,416
-		-	-	-	-	-	-
-		1,004,374	-	-	-	-	1,004,374
-		-	-	-	-	-	-
-		-	-	-	-	-	-
-		-	3,325,019	-	-	-	3,325,019
-		-	649,037	-	-	-	649,037
-		-	-	749,928	1,739,126	2,489,054	2,489,054
-		7,500	-	174,171	-	174,171	181,671
-		94,920	-	284,677	135,741	420,418	515,338
-	200,000	200,000	-	100,983	-	100,983	300,983
-		-	-	-	101,335	101,335	101,335
-		-	-	-	-	-	-
-		-	-	-	-	-	-
-		-	-	-	-	-	-
-	360,000	496,168	-	-	-	-	496,168
322,203	1,440,812	5,119,774	3,974,056	1,309,759	1,976,202	3,285,961	12,379,791
121,549	210,000	62,942	(3,974,056)	(100,152)	(416,253)	(516,405)	(4,427,519)
-		349,192	3,974,056	345,978	744,759	1,090,737	5,413,985
-	(160,000)	(160,000)	-	(2,457)	(87,474)	(89,931)	(249,931)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(160,000)	189,192	3,974,056	343,521	657,285	1,000,806	5,164,054
121,549	50,000	252,134	-	243,369	241,032	484,401	736,535
656,620	-	1,303,370	(355,364)	(18,209)	1,822,529	1,804,320	2,752,326
\$ 778,169	\$ 50,000	\$ 1,555,504	\$ (355,364)	\$ 225,160	\$ 2,063,561	\$ 2,288,721	\$ 3,488,861

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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, 2017**

		Allegany County Loan Fund	
<b>ASSETS</b>	Allconet II	Fund	Total
Current Assets:			
Cash:			
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	41,872		41,872
Other	27,175	56,078	83,253
Due from other funds	357,875	681,265	1,039,140
Miscellaneous assets	-	-	-
Total current assets	<u>426,922</u>	<u>737,343</u>	<u>1,164,265</u>
Non-current Assets:			
Advances to other funds	-	280,136	280,136
Capital assets subject to depreciation	4,646,461	-	4,646,461
Accumulated depreciation	<u>(4,114,260)</u>	<u>-</u>	<u>(4,114,260)</u>
Total noncurrent assets	<u>532,201</u>	<u>280,136</u>	<u>812,337</u>
Total Assets	<u>959,123</u>	<u>1,017,479</u>	<u>1,976,602</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	4,291	-	4,291
Due to other funds	-	-	-
Miscellaneous liabilities	-	-	-
Total current liabilities	<u>4,291</u>	<u>-</u>	<u>4,291</u>
Noncurrent Liabilities:			
Long term debt:			
Compensated absences	-	-	-
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,291</u>	<u>-</u>	<u>4,291</u>
<b>NET POSITION</b>			
Net investment in capital assets	532,201	-	532,201
Unrestricted	422,631	1,017,479	1,440,110
Total Net Position	<u>\$ 954,832</u>	<u>\$ 1,017,479</u>	<u>\$ 1,972,311</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, 2017**

		Allegany County Loan Fund	Total
<b><u>OPERATING REVENUES:</u></b>	<b><u>Allconet II</u></b>		
Service charges	72,442	-	72,442
Total operating Revenues	<u>72,442</u>	<u>-</u>	<u>72,442</u>
<b><u>OPERATING EXPENSES:</u></b>			
Rent Expense	11,473	-	11,473
Utilities	7,016	-	7,016
Repairs & maintenance	33,135	-	33,135
Professional services	336	-	336
Materials and supplies	-	-	-
Insurance	1,102	-	1,102
Miscellaneous			-
Depreciation	<u>149,929</u>	<u>-</u>	<u>149,929</u>
Total operating expenses	<u>202,991</u>	<u>-</u>	<u>202,991</u>
Operating Income (Loss)	<u>(130,549)</u>	<u>-</u>	<u>(130,549)</u>
<b><u>NON-OPERATING REVENUE (EXPENSES):</u></b>			
Interest income	825	-	825
Other income (expense)	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenue (expenses)	<u>825</u>	<u>-</u>	<u>825</u>
Income (Loss) before contributions and transfers	(129,724)	-	(129,724)
Federal grants	-		-
Other agency grants			-
Transfer in	50,000		50,000
Transfer out	<u>-</u>	<u>(21,375)</u>	<u>(21,375)</u>
Change in net position	<u>(79,724)</u>	<u>(21,375)</u>	<u>(101,099)</u>
 Total net position - beginning	 <u>1,034,556</u>	 <u>1,038,854</u>	 <u>2,073,410</u>
Total net position - ending	<u>\$ 954,832</u>	<u>\$ 1,017,479</u>	<u>\$ 1,972,311</u>

**ALLEGANY COUNTY, MARYLAND**  
**COMBINING STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2017**

		Allegany County Loan Fund	Total
<b>Cash flows from operating activities:</b>	Allconet II	Fund	Total
Cash received from customers	\$ 37,788	\$ (11,175)	\$ 26,613
Cash payments for goods and services	(54,205)		(54,205)
Other operating revenues	-	-	-
Net cash provided by operating activities	(16,417)	(11,175)	(27,592)
<b>Cash flows from noncapital financing activities:</b>			
Advances from other funds	90,135	13,200	103,335
Advances to other funds	(124,543)	19,350	(105,193)
Transfers from other funds	50,000		50,000
Transfers to other funds	-	(21,375)	(21,375)
Net cash provided by noncapital financing activities	15,592	11,175	26,767
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	-	-	-
Grant Revenue/Other agency revenue	-	-	-
Net cash used for capital and related financing activities	-	-	-
<b>Cash flows from investing activities:</b>			
Purchase of investments	-	-	-
Sale of investments	-		-
Interest on investments	825	-	825
Net cash used in investing activities	825	-	825
Net increase (decrease) in cash	-	-	-
Cash at beginning of the year	-	-	-
Cash at end of year	\$ -	\$ -	\$ -
<b>Reconciliation of operating income to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (130,549)	\$ -	\$ (130,549)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	149,929	-	149,929
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	(34,654)	(11,175)	(45,829)
(Increase) decrease in prepaids	-		-
Increase (decrease) in acc'ts payable	(1,143)	-	(1,143)
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	114,132	(11,175)	102,957
Net cash provided by operating activities	\$ (16,417)	\$ (11,175)	\$ (27,592)

**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, 2017**

	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	3,079,551	3,079,551	3,079,551	-
State loans	256,149	256,149	245,468	10,681
Total principal payments	<u>3,335,700</u>	<u>3,335,700</u>	<u>3,325,019</u>	<u>10,681</u>
Interest payments on:				
General obligation debt	625,942	625,942	625,646	296
State loans	29,963	29,963	23,391	6,572
Total interest payments	<u>655,905</u>	<u>655,905</u>	<u>649,037</u>	<u>6,868</u>
Total Expenditures	<u>4,016,605</u>	<u>4,016,605</u>	<u>3,974,056</u>	<u>42,549</u>
Deficiency of revenues under expenditures	<u>(4,016,605)</u>	<u>(4,016,605)</u>	<u>(3,974,056)</u>	<u>(42,549)</u>
<u>Other Financing Sources and (Uses):</u>				
Unexpended Fund Balance	-	-	-	-
Transfers from other funds:				
From the General Fund	2,999,359	2,999,359	2,543,359	(456,000)
From the Revolving Building Fund	1,017,246	1,017,246	1,430,697	413,451
Transfer to General Fund	-	-	-	-
Total Other Financing Sources and Uses	<u>4,016,605</u>	<u>4,016,605</u>	<u>3,974,056</u>	<u>(42,549)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance, beginning			(355,364)	
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, 2017**

	<b>Coal Haul Roads Fund</b>				<b>Transit Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	84,000	84,000	69,918	(14,082)	-	-	-	-
Intergovernmental:	-	-	-	-	-	-	-	-
Federal	-	-	-	-	1,034,037	1,034,037	712,954	(321,083)
State	-	-	-	-	450,945	450,945	350,671	(100,274)
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	386,580	386,580	385,489	(1,091)
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	5,000	5,000	4,719	(281)	-	-	-	-
Miscellaneous	-	-	-	-	14,156	14,156	110	(14,046)
Total Revenues	89,000	89,000	74,637	(14,363)	1,885,718	1,885,718	1,449,224	(436,494)
<b>EXPENDITURES:</b>								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	89,000	89,000	94,920	(5,920)	2,195,451	2,196,872	1,798,416	398,456
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	89,000	89,000	94,920	(5,920)	2,195,451	2,196,872	1,798,416	398,456
Excess (deficiency) of revenues over (under) expenditures	-	-	(20,283)	(20,283)	(309,733)	(311,154)	(349,192)	(38,038)
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	309,733	311,154	349,192	38,038
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	309,733	311,154	349,192	38,038
Net change in fund balances	\$ -	\$ -	(20,283)	\$ (20,283)	\$ -	\$ -	-	\$ -
Fund balance, beginning,			289,472				-	
Fund balance, ending			<u>\$ 269,189</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, 2017

Community Development Block Grant Fund					Block Grant Program Income Fund				
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	
<b>REVENUES:</b>									
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other local taxes	-	-	-	-	-	-	-	-	
Intergovernmental:									
Federal	-	-	-	-	-	-	678	678	
State	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
Service charges	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	24,540	24,540	
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,218</u>	<u>25,218</u>	
<b>EXPENDITURES:</b>									
General government	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	-	-	
Health & hospitals	-	-	-	-	-	-	-	-	
Highway	-	-	-	-	-	-	-	-	
Social Services	-	-	-	-	-	-	-	-	
Community Development and Housing	-	-	-	-	-	-	23,967	(23,967)	
Economic development	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	
Payments to Component Units	-	-	-	-	-	-	-	-	
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,967</u>	<u>(23,967)</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,251</u>	<u>1,251</u>	
<b>OTHER FINANCING SOURCES AND (USES):</b>									
Unexpended balance - prior	-	-	-	-	-	-	-	-	
Transfer from other funds	-	-	-	-	-	-	-	-	
Transfers to other funds	-	-	-	-	-	-	-	-	
Debt issued	-	-	-	-	-	-	-	-	
Sale of capital assets	-	-	-	-	-	-	-	-	
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,251</u>	<u>\$ 1,251</u>	
Fund balance, beginning,			<u>9,739</u>				<u>42,161</u>		
Fund balance, ending			<u>\$ 9,739</u>				<u>\$ 43,412</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, 2017**

	<b>Community Development &amp; Housing Fund</b>				<b>Sheriff Drug Task Force</b>				<b>Narcotics Drug Task Force</b>			
	Original	Final		Variance With	Original	Final		Variance With	Original	Final		Variance With
	Budget	Budget	Actual	Final Budget	Budget	Budget	Actual	Final Budget	Budget	Budget	Actual	Final Budget
				Positive				Positive				Positive
				(Negative)				(Negative)				(Negative)
<b>REVENUES:</b>												
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:												
Federal	-	-	927,915	927,915	-	-	-	-	-	-	-	-
State	-	-	52,492	52,492	-	-	29,200	29,200	-	-	-	-
Other	-	-	-	-	-	-	-	-	31,596	31,596	-	(31,596)
Service charges	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	28,031	28,031	72,000	72,000	20,695	(51,305)
Interest	-	-	-	-	-	-	2,831	2,831	-	-	-	-
Miscellaneous	-	-	-	-	-	-	16,483	16,483	-	-	40,386	40,386
Total Revenues	-	-	980,407	980,407	-	-	76,545	76,545	103,596	103,596	61,081	(42,515)
<b>EXPENDITURES:</b>												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	91,785	(91,785)	110,096	110,096	26,528	83,568
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Community Development												
and Housing	-	-	980,407	(980,407)	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	980,407	(980,407)	-	-	91,785	(91,785)	110,096	110,096	26,528	83,568
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	(15,240)	(15,240)	(6,500)	(6,500)	34,553	41,053
<b>OTHER FINANCING SOURCES AND (USES):</b>												
Unexpended balance - prior	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from other funds	-	-	-	-	-	-	-	-	6,500	6,500	-	(6,500)
Transfers to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-	-	6,500	6,500	-	(6,500)
Net change in fund balances	\$ -	\$ -	-	\$ -	\$ -	\$ -	(15,240)	\$ (15,240)	\$ -	\$ -	34,553	\$ 34,553
Fund balance, beginning,			-				89,389				15,264	
Fund balance, ending			<u>\$ -</u>				<u>\$ 74,149</u>				<u>\$ 49,817</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, 2017**

	<b>Gaming Fund</b>				<b>Revolving Building Fund</b>			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	302,306	302,306	388,940	86,634	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Service charges	31,000	31,000	32,100	1,100	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	3,423,962	3,423,962	3,327,500	(96,462)
Total Revenues	<u>333,306</u>	<u>333,306</u>	<u>421,040</u>	<u>87,734</u>	<u>3,423,962</u>	<u>3,423,962</u>	<u>3,327,500</u>	<u>(96,462)</u>
<b>EXPENDITURES:</b>								
General government	152,015	153,051	140,538	12,513	-	-	-	-
Public safety	45,323	45,323	64,030	(18,707)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	14,743,249	14,743,249	2,562,969	12,180,280
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	135,968	135,968	136,168	(200)	-	-	-	-
Total Expenditures	<u>333,306</u>	<u>334,342</u>	<u>340,736</u>	<u>(6,394)</u>	<u>14,743,249</u>	<u>14,743,249</u>	<u>2,562,969</u>	<u>12,180,280</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,036)</u>	<u>80,304</u>	<u>81,340</u>	<u>(11,319,287)</u>	<u>(11,319,287)</u>	<u>764,531</u>	<u>12,083,818</u>
<b>OTHER FINANCING SOURCES AND (USES):</b>								
Unexpended balance - prior year	-	-	-	-	12,355,881	12,355,881	-	(12,355,881)
Transfer from other funds	-	1,036	-	(1,036)	-	-	-	-
Transfers to other funds	-	-	-	-	(1,036,594)	(1,036,594)	(1,450,044)	(413,450)
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>1,036</u>	<u>-</u>	<u>(1,036)</u>	<u>11,319,287</u>	<u>11,319,287</u>	<u>(1,450,044)</u>	<u>(12,769,331)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>80,304</u>	<u>\$ 80,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(685,513)</u>	<u>\$ (685,513)</u>
Fund balance, beginning,			200,725				9,054,651	
Fund balance, ending			<u>\$ 281,029</u>				<u>\$ 8,369,138</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, 2017**

	<b>Fire, Rescue &amp; Public Safety Fund</b>				<b>Rocky Gap Slots Revenue Fund</b>				<b>Total Special Revenue Funds</b>			
	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)
<b>REVENUES:</b>												
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-	386,306	386,306	458,858	72,552
Intergovernmental:												
Federal	-	-	-	-	-	-	-	-	1,034,037	1,034,037	1,641,547	607,510
State	271,792	271,792	348,030	76,238	1,475,000	1,475,000	1,650,812	175,812	722,737	2,197,737	2,402,005	204,268
Other	-	-	-	-	-	-	-	-	31,596	31,596	-	(31,596)
Service charges	29,000	29,000	-	(29,000)	-	-	-	-	446,580	446,580	417,589	(28,991)
Fines and forfeitures	-	-	-	-	-	-	-	-	72,000	72,000	48,726	(23,274)
Interest	-	-	2,169	2,169	-	-	-	-	5,000	5,000	6,888	1,888
Miscellaneous	37,000	37,000	93,553	56,553	-	-	-	-	3,475,118	3,475,118	3,502,572	27,454
<b>Total Revenues</b>	<b>337,792</b>	<b>337,792</b>	<b>443,752</b>	<b>105,960</b>	<b>1,475,000</b>	<b>1,475,000</b>	<b>1,650,812</b>	<b>175,812</b>	<b>6,173,374</b>	<b>7,648,374</b>	<b>8,478,185</b>	<b>829,811</b>
<b>EXPENDITURES:</b>												
General government	-	-	-	-	-	-	15,000	15,000	152,015	153,051	155,538	2,487
Public safety	337,792	337,792	322,203	15,589	755,000	755,000	865,812	(110,812)	493,211	1,248,211	1,370,358	122,147
Public works	-	-	-	-	-	-	-	-	2,284,451	2,285,872	1,893,336	(392,536)
Health & hospitals	-	-	-	-	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Community Development	-	-	-	-	-	-	-	-	-	-	-	-
and Housing	-	-	-	-	-	-	-	-	-	-	1,004,374	1,004,374
Economic development	-	-	-	-	-	-	-	-	14,743,249	14,743,249	2,562,969	(12,180,280)
Education	-	-	-	-	200,000	200,000	200,000	-	200,000	200,000	200,000	-
Payments to Component Units	-	-	-	-	360,000	360,000	360,000	-	135,968	495,968	496,168	200
<b>Total Expenditures</b>	<b>337,792</b>	<b>337,792</b>	<b>322,203</b>	<b>15,589</b>	<b>1,315,000</b>	<b>1,315,000</b>	<b>1,440,812</b>	<b>(95,812)</b>	<b>17,808,894</b>	<b>19,126,351</b>	<b>7,682,743</b>	<b>(11,443,608)</b>
Excess (deficiency) of revenues over (under) expenditures	-	-	121,549	121,549	160,000	160,000	210,000	210,000	(11,635,520)	(11,477,977)	795,442	(10,613,797)
<b>OTHER FINANCING SOURCES AND (USES):</b>												
Unexpended balance - prior year	-	-	-	-	-	-	-	-	12,355,881	12,355,881	-	(12,355,881)
Transfer from other funds	-	-	-	-	-	-	-	-	316,233	318,690	349,192	30,502
Transfers to other funds	-	-	-	-	(160,000)	(160,000)	(160,000)	-	(1,036,594)	(1,196,594)	(1,610,044)	(413,450)
Debt issued	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Financing Sources and Uses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(160,000)</b>	<b>(160,000)</b>	<b>(160,000)</b>	<b>-</b>	<b>11,635,520</b>	<b>11,477,977</b>	<b>(1,260,852)</b>	<b>(12,738,829)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>121,549</b>	<b>\$ 121,549</b>	<b>\$ -</b>	<b>\$ -</b>	<b>50,000</b>	<b>\$ 210,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (465,410)</b>	<b>\$ (23,352,626)</b>
Fund balance, beginning,			656,620				-				7,494,218	
Fund balance, ending			<u>\$ 778,169</u>				<u>\$ 50,000</u>				<u>\$ 7,028,808</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, 2017**

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
<b>REVENUES:</b>								
Intergovernmental								
Federal grants			\$ -	\$ -	\$ -	\$ -		\$ -
State grants			1,209,607	1,209,607	-	-	1,533,941	1,533,941
Other				-			-	-
Other Taxes				-	-	-		-
Miscellaneous:								
Interest	-	-	-	-	-	-	10,270	10,270
Miscellaneous	-	-	-	-	-	-	15,738	15,738
Total Revenues	-	-	1,209,607	1,209,607	-	-	1,559,949	1,559,949
<b>EXPENDITURES:</b>								
General Government			749,928	(749,928)	400,000	400,000	1,739,126	(1,339,126)
Public Safety	8,000,000	8,000,000	174,171	7,825,829	-	-		-
Public Works	730,000	730,000	284,677	445,323	457,500	457,500	135,741	321,759
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education	1,100,000	1,100,000	100,983	999,017	125,000	125,000		125,000
Recreation, Culture & Libraries	-	-	-	-	230,000	230,000	101,335	128,665
Conservation of Natural Resourc	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-
Total Expenditures	9,830,000	9,830,000	1,309,759	8,520,241	1,212,500	1,212,500	1,976,202	(763,702)
Excess (deficiency) of revenues over (under) expenditures	(9,830,000)	(9,830,000)	(100,152)	9,729,848	(1,212,500)	(1,212,500)	(416,253)	796,247
<b>OTHER FINANCING SOURCES AND USES:</b>								
Unexpended fund balance				-	420,000	420,000	-	(420,000)
Transfers In:								
From other funds			345,978	345,978	792,500	792,500	744,759	(47,741)
Transfers Out:								
To other funds	-	-	(2,457)	(2,457)	-	-	(87,474)	(87,474)
Debt issued	9,830,000	9,830,000	-	(9,830,000)	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Uses	9,830,000	9,830,000	343,521	(9,486,479)	1,212,500	1,212,500	657,285	(555,215)
Net change in fund balances	\$ -	\$ -	243,369	\$ 243,369	\$ -	\$ -	241,032	\$ 241,032
Fund balance, beginning			(18,209)				1,822,529	
Fund balance, ending			\$ 225,160				\$ 2,063,561	

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECT FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2017**

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)
\$ -	\$ -	\$ 356,894	\$ 356,894	\$ -	\$ -	\$ 356,894	\$ 356,894
-	-	296,951	296,951	-	-	3,040,499	3,040,499
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	61,055	61,055	-	-	71,325	71,325
-	-	-	-	-	-	15,738	15,738
-	-	714,900	714,900	-	-	3,484,456	3,484,456
-	-	102,461	(102,461)	400,000	400,000	2,591,515	(2,191,515)
1,000,000	1,000,000	6,212,464	(5,212,464)	9,000,000	9,000,000	6,386,635	2,613,365
-	-	1,494,855	(1,494,855)	1,187,500	1,187,500	1,915,273	(727,773)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	200	(200)	1,225,000	1,225,000	101,183	1,123,817
-	-	-	-	230,000	230,000	101,335	128,665
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,000,000	1,000,000	7,809,980	(6,809,980)	12,042,500	12,042,500	11,095,941	946,559
(1,000,000)	(1,000,000)	(7,095,080)	(6,095,080)	(12,042,500)	(12,042,500)	(7,611,485)	4,431,015
-	-	-	-	420,000	420,000	-	(420,000)
1,000,000	1,000,000	1,000,000	-	1,792,500	1,792,500	2,090,737	298,237
-	-	-	-	-	-	(89,931)	(89,931)
-	-	9,000,000	9,000,000	9,830,000	9,830,000	9,000,000	(830,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
1,000,000	1,000,000	10,000,000	9,000,000	12,042,500	12,042,500	11,000,806	(1,041,694)
\$ -	\$ -	2,904,920	\$ 2,904,920	\$ -	\$ -	3,389,321	\$ 3,389,321
		11,623,278				13,427,598	
		<u>\$ 14,528,198</u>				<u>\$ 16,816,919</u>	

**CAPITAL PROJECT FUNDS**

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

**FROM INCEPTION TO JUNE 30, 2017**

ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

	Proj. No.	Project Length Budget	Revenues and other Sources				
			Federal Grants	State Grants	Other Intergov'l	Service Charges	Miscellaneous. Revenues
Capital Improvement Projects Fund							
Bureau of Mines	4082	683,000		697,637			
New Hope Bridge	4083	130,000	121,853	-	-	-	-
Cash Valley Road	4084	675,100	674,237	-	-	-	-
Diaster Recovery	4085	250,000	304,773				
AC Auto Tech Building	4086	500,000	-	-	-	-	-
Flood buyouts	4087	10,797	-	-	-	-	-
Emergencny Mgmt Console	4088	1,921,967					
Detention Center HVAC	408A	435,000	433,692				
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				
Evitts Creek	408Q	86,350		164,268			
Takoma Drainage	408T	375,000		384,864			
Tree Planting Grant	408U	175,000		251,063			
Emergency Watershed	408V	50,000		127,591			
Rural Legacy	408W	327,526		1,186,030			
Shaft	408X	50,538		50,538			
Frostburg Pond	408Y	800,000		795,439			
Dry Run Phase II	409L	520,000	292,086	-	-	-	-
Flood Gate, Savage Dam	409S	3,715,000	3,265,061	401,372		328,590	-
Potomac River Water	409T	70,000	15,000	-	-	-	-
Flood Mitigation, PDM Scattered	409X	211,247	158,247	-	-	-	-
Highland Trail	410X	10,606,000	3,224,644	6,032,859	6,772	-	220,916
			9,223,371	10,091,661	6,772	328,590	314,364
Pay-As-You-Go Capital Project Fund							
Computer Network	418I	350,000	-	-	-	-	-
Roads Paving Program	418R	5,606,608	-			40,000	10,000
LaVale Blvd Storm Drain	420O	1,500,000	-	110,435	-	-	143,994
Software upgrade	420S	805,309	230,856	-	-	-	-
Disaster Emergency Capital	420V	200,000	-	-	-	-	-
Animal Shelter Quarantine Addn	420X	271,084	-	-	-	-	64,460
Caretaker House	420Y	100,000					
OP Roads Improvements	4203	733,123	-	-	-	16,392	-
Washington St Columns	4204						
Bridge Street bridge	4207	416,000	-	-	-	-	-
Drainage improvements	4208	87,500	-	-	-	-	3,997
Mt Savage Roof	4210	125,000					
Fiber infrastructure	421A	270,000	-		-	-	-
Dans Mt Tower	421B	75,000		30,000			
Library Repairs	421F	430,000			1,702,479		5,500
Sheriff Building	421H	800,000					4,000
Allconet	421J	100,000					
Rocky Gap Slots-Fire Companies	421L	79,775					
Rocky Gap Slots-Bd of ED	421M	159,775					
Rocky Gap Slots-County	421N	159,775					
Sheriff K-9	421S						
County bldg improvements	4181	651,681	18,981	-	-	-	136,344
			249,837	140,435	1,702,479	56,392	368,295
Public Improvement Bonds Capital Project Fund							
2013 PIB Closing Costs	4331						
2013 Taxable Bond Closing Costs	4333						
2013 PIB Bond Interest	433Y						
2014 PIB Educational Bond Closing	4341	150,000					26,532
2014 PIB Educational Bond Costs	4342	13,593,905					62,864
EMS Radio system	4351		356,894				
ACC Building	4352	-					
Woodcock	4353			296,951			
Bridge Rehab	4354						
Bowling Green Stormwater	4355						
Vacuum Truck	4356						
Bond Costs	4357						
BelAir Roof	4358						
Parkside Roof	4359						
			-	-	-	-	-
			356,894	296,951	-	-	89,396
Total Capital Project Funds			\$ 9,830,102	\$ 10,529,047	\$ 1,709,251	\$ 384,982	\$ 772,055

ALLEGANY COUNTY, MARYLAND  
CAPITAL PROJECT FUNDS  
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2017

Revenues and other Sources			Expenditures and other Uses			Project Balance	Remaining Project Budget
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses		
-	46,613	697,637	697,637	-	697,637	-	(14,637)
-	863	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	500,000	487,711	-	487,711	12,289	12,289
-	11,591	11,591	378	11,213	11,591	-	(794)
-	1,921,967	1,921,967	1,733,237	-	1,733,237	188,730	188,730
-	272,227	705,919	435,919	-	435,919	270,000	(919)
-	-	69,893	329,629	-	329,629	(259,736)	6,609,371
-		-	36,079	-	36,079	(36,079)	213,921
-	18,521	42,076	-	-	-	42,076	150,000
-		-	54,410	-	54,410	(54,410)	(52,410)
-	251,693	985,471	985,471	-	985,471	-	(190,471)
-		164,268	162,526	1,742	164,268	-	(77,918)
-		384,864	374,653	10,211	384,864	-	(9,864)
-	1,742	252,805	251,063	-	251,063	1,742	(76,063)
-	72,462	200,053	200,053	-	200,053	-	(150,053)
-		1,186,030	1,151,698	-	1,151,698	34,332	(824,172)
-		50,538	50,538	-	50,538	-	-
-	715	796,154	797,180	-	797,180	(1,026)	2,820
-	94,527	386,613	387,328	715	388,043	(1,430)	131,957
-	220,000	4,215,023	4,079,612	135,411	4,215,023	-	(500,023)
-	123,360	138,360	118,773	-	118,773	19,587	(48,773)
-	53,000	211,247	209,738	794	210,532	715	715
-	431,791	9,916,982	9,908,412	-	9,908,412	8,570	697,588
-	4,021,072	23,985,830	23,600,584	160,086	23,760,670	225,160	5,967,855
-	365,039	365,039	159,314	5,725	165,039	200,000	184,961
-	6,163,579	6,213,579	5,661,344	95,336	5,756,680	456,899	(150,072)
-	982,612	1,237,041	1,033,992	-	1,033,992	203,049	466,008
-	805,309	1,036,165	1,056,528	-	1,056,528	(20,363)	(251,219)
-	400,000	400,000	4,428	200,000	204,428	195,572	(4,428)
-	206,624	271,084	271,084	-	271,084	-	-
-	155,300	155,300	147,163	18,522	165,685	(10,385)	(65,685)
-	831,770	848,162	848,162	-	848,162	-	(115,039)
-	150,000	150,000	-	-	-	150,000	-
-	416,000	416,000	445,672	-	445,672	(29,672)	(29,672)
-	61,413	65,410	54,900	-	54,900	10,510	32,600
-	125,000	125,000	-	-	-	125,000	125,000
-	200,000	200,000	124,837	-	124,837	75,163	145,163
-	50,000	80,000	153,500	-	153,500	(73,500)	(78,500)
-	180,000	1,887,979	1,970,392	-	1,970,392	(82,413)	(1,540,392)
-	880,000	884,000	825,470	58,530	884,000	-	(84,000)
-	50,000	50,000	80	-	80	49,920	99,920
-	79,775	79,775	79,775	-	79,775	-	-
-	319,775	319,775	-	-	-	319,775	159,775
-	319,775	319,775	-	-	-	319,775	159,775
-	6,000	6,000	-	-	-	6,000	-
-	481,030	636,355	468,125	-	468,125	168,230	183,556
-	13,229,001	15,746,439	13,304,766	378,113	13,682,879	2,063,561	(762,249)
226,935		226,935	225,456	-	225,456	1,479	(225,456)
56,017		56,017	53,636	-	53,636	2,381	(53,636)
	1,096	1,096	1,666	-	1,666	(570)	(1,666)
146,446		172,978	156,302	-	156,302	16,676	(6,302)
9,593,905	4,000,000	13,656,769	1,995,380	-	1,995,380	11,661,389	11,598,525
5,000,000	1,000,000	6,356,894	6,212,464	-	6,212,464	144,430	(6,212,464)
1,100,000		1,100,000	-	-	-	1,100,000	-
1,000,000		1,296,951	1,494,855	-	1,494,855	(197,904)	(1,494,855)
680,000		680,000	-	-	-	680,000	-
300,000		300,000	-	-	-	300,000	-
250,000		250,000	-	-	-	250,000	-
250,000		250,000	99,484	-	99,484	150,516	(99,484)
235,000		235,000	-	-	-	235,000	-
185,000		185,000	200	-	200	184,800	(200)
19,023,303	5,001,096	24,767,640	10,239,443	-	10,239,443	14,528,198	3,504,462
\$ 19,023,303	\$ 22,251,169	\$ 64,499,909	\$ 47,144,793	\$ 538,199	\$ 47,682,992	\$ 16,816,920	\$ 8,710,068

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**CAPITAL PROJECT FUNDS**

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

**FOR THE YEAR ENDED JUNE 30, 2017**

**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, 2017**

	Diaster Recovery (4085)	Emergency Mgmt Console (4088)	Orleans Rd Bridge (408B)	Detention Center (408A)	Evitts Creek (408Q)	Dry Run (409L)	Shaft (408X)	Bridge Ind Park (408C)
<b>REVENUES:</b>								
Intergovernmental:								
Federal:								
FEMA		\$ -	\$ -		\$ -	\$ -	\$ -	\$ -
CDBG								
State:								
Dept of Natural Resources					164,268			
State Highway	-	-	-					-
Bureau of Mines								
Service charges	-	-	-	-	-	-	-	-
Miscellaneous:								
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	164,268	-	-	-
<b>EXPENDITURES:</b>								
Public Safety		387,860	-	-	-	-	-	-
Public Works			3,139		162,324			548
General Govt	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Total Expenditures	-	387,860	3,139	-	162,324	-	-	548
<b>OTHER FINANCING SOURCES and (USES):</b>								
Transfers-in from:								
General Fund		-	-	270,000	-	-	-	-
Other funds		-	-		-		-	
Transfer Out		-	-	-	(1,742)	(715)	-	-
Total Other Financing Sources and Uses	-	-	-	270,000	(1,742)	(715)	-	-
Net change in fund balances	-	(387,860)	(3,139)	270,000	202	(715)	-	(548)
Fund Balance, beginning	(200)	576,590	(256,597)	-	(202)	-	-	(35,531)
Fund Balance, Ending	\$ (200)	\$ 188,730	\$ (259,736)	\$ 270,000	\$ -	\$ (715)	\$ -	\$ (36,079)

**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, 2017**

Allegany High School (408H)	AC Auto Tech Bldg (4086)	Bureau of Mines (4082)	Fairgrounds (408F)	UPRC Frost Pond (408Y)	Potomac River Water Study (409T)	Frostburg Pond (408Y)	Tree Planting Grant (408U)	Rural Legacy (408W)	Highland Trail (410X)	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
								291,415		455,683
-	-	-	-	-	-	-	-		56,287	56,287
		697,637								697,637
-	-	-	-	-	-	-	-		-	-
-	-	-	-	-	-	-	-		-	-
-	-	-	-	-	-	-	-		-	-
-	-	697,637	-	-	-	-	-	291,415	56,287	1,209,607
-	-	362,068	-	-	-	-	-	-	-	749,928
-	-	-	-	8,160	-	-	-	-	-	174,171
		-	-					284,677		284,677
52,469	48,514	-	-	-	-	-	-	-	-	100,983
52,469	48,514	362,068	-	8,160	-	-	-	284,677	-	1,309,759
-	-	-	-	-	-	-	-	-	55,000	325,000
-	-	-	18,521	-	-	715	1,742	-	-	20,978
-	-	-	-	-	-	-	-	-	-	(2,457)
-	-	-	18,521	-	-	715	1,742	-	55,000	343,521
(52,469)	(48,514)	335,569	18,521	(8,160)	-	715	1,742	6,738	111,287	243,369
(1,941)	60,803	(335,569)	23,555	-	19,587	6,419		27,594	(102,717)	(18,209)
\$ (54,410)	\$ 12,289	\$ -	\$ 42,076	\$ (8,160)	\$ 19,587	\$ 7,134	\$ 1,742	\$ 34,332	\$ 8,570	\$ 225,160

**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, 2017**

	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 (4203)
<b>REVENUES:</b>								
Intergovernmental:								
Federal grants:								
RDA grant	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Homeland Security								
State grants:								
Maryland highway grant	-			-	-	-	-	-
Misc State Grant	-	-		-	-	-	-	-
State Highway Users Tax								
Other Agency	-	-	-	-	-	-	-	-
Miscellaneous:								
Interest		-	-	-	-	-	-	-
Miscellaneous	-			6,241	-	-	-	-
Total Revenues	-	-	-	6,241	-	-	-	-
<b>EXPENDITURES:</b>								
General Government		-	-	-	87	-	-	-
Public safety	-	-		-	-	-	-	-
Public works	-	68,124		19,771	-	-	-	38,952
Recreation & culture	-	-	-	-	-	-	101,335	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	-	68,124	-	19,771	87	-	101,335	38,952
<b>OTHER FINANCING SOURCES and (USES):</b>								
Transfers-in from:								
General fund	-	50,000			-	-		25,000
Other funds	-	17,307			-	-		38,952
Transfers -out to:								
Other funds	-	(68,952)		-	-	-	(18,522)	-
Debt proceeds, capital lease	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	(1,645)	-	-	-	-	(18,522)	63,952
Net change in fund balances	-	(69,769)	-	(13,530)	(87)	-	(119,857)	25,000
Fund Balance, beginning	200,000	526,668	(73,500)	216,579	(20,276)	195,572	109,472	(25,000)
Fund Balance, Ending	<u>\$ 200,000</u>	<u>\$ 456,899</u>	<u>\$ (73,500)</u>	<u>\$ 203,049</u>	<u>\$ (20,363)</u>	<u>\$ 195,572</u>	<u>\$ (10,385)</u>	<u>\$ -</u>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL PROJECTS FUND**  
**PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT**  
**FOR THE YEAR ENDED JUNE 30, 2017**

Sheriff K-9 (421S)	Bridge St Bridge (4207)	Drainage Improvements (4208)	Fiber Infrastructure (421A)	Library (421F)	Washington St Columns (4204)	Allconet (421J)	County Building Improv (4181)	Mt Savage Roof (4210)	Rocky Gap Slots Bd of Ed (421M)	Rocky Gap Slots County (421N)	Total PAYGO Capital Projects Fund
	\$ -	\$ -	\$ -	\$ -			\$ -				\$ -
											-
	-	-	-	-			-				-
	-	-	-	-			-				-
				1,533,941							1,533,941
	-	-	-	-			10,270				10,270
	-	3,997	-	5,500			-				15,738
-	-	3,997	-	1,539,441	-	-	10,270	-	-	-	1,559,949
-	-	-	14,714	1,723,345	-		980	-	-	-	1,739,126
-	-	-	-	-			-	-	-	-	-
		8,894	-	-	-	-	-	-	-	-	135,741
-	-	-	-	-	-	-	-	-	-	-	101,335
-	-	-	-	-	-	-	-	-	-	-	-
-	-	8,894	14,714	1,723,345	-	-	980	-	-	-	1,976,202
6,000	-	12,500	-	80,000	150,000		80,000	125,000			528,500
	-		-	-	-	-			80,000	80,000	216,259
-	-	-	-	-	-	-	-	-	-	-	(87,474)
-	-	-	-	-	-	-	-	-	-	-	-
6,000	-	12,500	-	80,000	150,000	-	80,000	125,000	80,000	80,000	657,285
6,000	-	7,603	(14,714)	(103,904)	150,000	-	89,290	125,000	80,000	80,000	241,032
	(29,672)	2,907	89,877	21,491	-	49,920	78,940	-	239,775	239,775	1,822,529
<u>\$ 6,000</u>	<u>\$ (29,672)</u>	<u>\$ 10,510</u>	<u>\$ 75,163</u>	<u>\$ (82,413)</u>	<u>\$ 150,000</u>	<u>\$ 49,920</u>	<u>\$ 168,230</u>	<u>\$ 125,000</u>	<u>\$ 319,775</u>	<u>\$ 319,775</u>	<u>\$ 2,063,561</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, 2017														
	2013 PIB			2015 PIB			2017 PIB					Totals		
	Bond Closing Costs (4331)	Taxable Bond Closing Costs (4333)	Bond Interest (433Y)	Bond Closing (4341)	Bond Costs (4342)	EMS Radio System (4351)	ACC Building (4352)	Woodcock (4353)	Bridge Rehab (4354)	B Green Stormwater (4355)	Vacuum Truck (4356)	Bond Costs (4357)	Bel Air Roof (4358)	Parkside Roof (4359)
REVENUES:														
Intergovernmental:														
Federal Grant:						356,894								
Homeland Security														
State grants:								296,951						
MD State Highway														
Miscellaneous:														
Interest				(1,809)	62,864									
Miscellaneous:														
Total Revenues	-	-	-	(1,809)	62,864	356,894	-	296,951	-	-	-	-	-	-
EXPENDITURES:														
General government		1,527		1,450		6,212,464						99,484		
Public Safety								1,494,855						
Public Works														
Education														
Total Expenditures	-	1,527	-	1,450	-	6,212,464	-	1,494,855	-	-	-	99,484	-	200
	-													200
OTHER FINANCING SOURCES and (USES):														
Transfer from General Fund			-											
Bond Proceeds						1,000,000	1,100,000	1,000,000	680,000	300,000	250,000	250,000	235,000	185,000
Total Other Financing Sources and Uses	-	-	-	-	-	6,000,000	1,100,000	1,000,000	680,000	300,000	250,000	250,000	235,000	185,000
Net change in fund balances	-	(1,527)	-	(3,259)	62,864	144,430	1,100,000	(197,904)	680,000	300,000	250,000	150,516	235,000	184,800
Fund Balance, beginning	1,479	3,908	(570)	19,935	11,598,526	-	-	-	-	-	-	-	-	-
Fund Balance, Ending	\$ 1,479	\$ 2,381	\$ (570)	\$ 16,676	\$ 11,661,390	\$ 144,430	\$ 1,100,000	\$ (197,904)	\$ 680,000	\$ 300,000	\$ 250,000	\$ 150,516	\$ 235,000	\$ 184,800

**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, 2017**

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F	Bowman's Addition 501G	Cresaptown 501H
<b>OPERATING REVENUES:</b>									
Service charges	\$ 27,980	\$ 139,434	\$ 35,638	\$ 15,728	\$ 721,178	\$ 43,789	\$ 493,889	\$ 140,425	\$ 737,515
Miscellaneous	295	-	-	-	-	-	-	-	-
Total Operating Revenues	<u>28,275</u>	<u>139,434</u>	<u>35,638</u>	<u>15,728</u>	<u>721,178</u>	<u>43,789</u>	<u>493,889</u>	<u>140,425</u>	<u>737,515</u>
<b>OPERATING EXPENSES:</b>									
Salaries	-	14,567	6,687	393	9,874	8,416	40,286	11,560	56,438
Fringe benefits	-	8,392	4,114	178	6,034	3,096	23,955	7,290	31,151
Office expenses	-	-	-	-	-	-	-	-	-
Utilities	-	59,218	12,791	13,640	72,500	24,574	244,322	64,356	446,370
Repairs and maintenance	-	2,541	21,093	1,299	1,775	18,424	16,373	2,654	39,715
Rent Equipment	-	-	-	-	-	-	-	-	-
Professional fees	-	290	84	-	198	7,544	16,946	291	906
Materials and supplies	-	865	251	-	589	1,540	42,992	869	2,701
Insurance	-	-	-	-	-	-	-	-	-
Indirect cost	-	4,951	1,639	2,876	5,475	1,738	16,009	7,553	27,112
Miscellaneous	-	-	-	-	-	-	-	-	-
Depreciation	-	40,199	18,394	44,422	54,348	34	80,451	73,349	43,702
Total Operating Expenses	<u>-</u>	<u>131,023</u>	<u>65,053</u>	<u>62,808</u>	<u>150,793</u>	<u>65,366</u>	<u>481,334</u>	<u>167,922</u>	<u>648,095</u>
Operating Income (Loss)	<u>28,275</u>	<u>8,411</u>	<u>(29,415)</u>	<u>(47,080)</u>	<u>570,385</u>	<u>(21,577)</u>	<u>12,555</u>	<u>(27,497)</u>	<u>89,420</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>									
Interest income	-	3,257	946	-	2,222	154	10,504	3,271	10,167
Interest expense	(4,718)	(21,780)	(3,973)	(13,828)	(15,153)	-	-	(33,731)	(36,430)
Total Non-operating									
Revenue (Expenses)	<u>(4,718)</u>	<u>(18,523)</u>	<u>(3,027)</u>	<u>(13,828)</u>	<u>(12,931)</u>	<u>154</u>	<u>10,504</u>	<u>(30,460)</u>	<u>(26,263)</u>
Income Before Contributions and Transfers	23,557	(10,112)	(32,442)	(60,908)	557,454	(21,423)	23,059	(57,957)	63,157
Capital Contributions:									
Federal grants	-	-	-	-	-	-	-	-	-
State grants	-	-	-	-	-	-	-	-	-
Other governments	-	-	-	-	-	-	-	-	-
Transfers in:									
General fund	-	-	-	3,077	-	-	-	-	-
Pay go	-	-	-	-	-	-	30,000	-	-
Revolving Building Fund	-	-	-	19,348	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(17,307)	-	-
Change in Net Position	<u>\$ 23,557</u>	<u>\$ (10,112)</u>	<u>\$ (32,442)</u>	<u>\$ (38,483)</u>	<u>\$ 557,454</u>	<u>\$ (21,423)</u>	<u>\$ 35,752</u>	<u>\$ (57,957)</u>	<u>\$ 63,157</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, 2017**

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
\$ 212,944	\$ 25,195	60,644	\$ 201,570	180,447	\$ 152,896	\$ 345,322	\$ 273,389	\$ 8,078	\$ 59,848	\$ 132,411	\$ 188,910	\$ 4,197,230
-	-	-	-	-	-	-	-	-	-	-	-	295
<u>212,944</u>	<u>25,195</u>	<u>60,644</u>	<u>201,570</u>	<u>180,447</u>	<u>152,896</u>	<u>345,322</u>	<u>273,389</u>	<u>8,078</u>	<u>59,848</u>	<u>132,411</u>	<u>188,910</u>	<u>4,197,525</u>
21,571	4,990	2,855	13,522	14,265	19,779	32,330	23,602	693	4,806	15,306	21,213	323,153
11,132	2,963	1,928	7,839	9,113	10,052	17,253	14,337	375	2,755	8,637	11,676	182,270
-	-	422	-	-	-	-	-	-	-	-	195	617
533	14,087	538,221	1,560	90,639	52,991	149,620	83,580	2,930	26,291	162,326	79,898	2,140,447
6,824	1,088	-	5,574	4,099	3,265	40,057	7,680	4,162	8,570	2,486	10,720	198,399
-	-	-	-	-	-	-	-	-	-	-	-	0
25,677	47	-	466	377	373	10,156	582	18	122	284	399	64,760
1,452	140	-	1,237	1,124	1,112	2,399	1,737	55	364	845	3,902	64,174
-	-	-	-	-	-	-	-	-	-	-	-	0
8,855	1,266	19,960	8,506	9,473	10,488	15,905	10,934	244	2,858	4,685	9,413	169,940
-	-	-	-	-	-	-	-	-	-	-	-	-
<u>55,009</u>	<u>11,996</u>	<u>-</u>	<u>197,152</u>	<u>82,478</u>	<u>98,506</u>	<u>196,343</u>	<u>112,505</u>	<u>2,375</u>	<u>28,870</u>	<u>35,235</u>	<u>88,062</u>	<u>1,263,430</u>
<u>131,053</u>	<u>36,577</u>	<u>563,386</u>	<u>235,856</u>	<u>211,568</u>	<u>196,566</u>	<u>464,063</u>	<u>254,957</u>	<u>10,852</u>	<u>74,636</u>	<u>229,804</u>	<u>225,478</u>	<u>4,407,190</u>
<u>81,891</u>	<u>(11,382)</u>	<u>(502,742)</u>	<u>(34,286)</u>	<u>(31,121)</u>	<u>(43,670)</u>	<u>(118,741)</u>	<u>18,432</u>	<u>(2,774)</u>	<u>(14,788)</u>	<u>(97,393)</u>	<u>(36,568)</u>	<u>(209,665)</u>
4,673	528	-	4,387	4,233	4,188	9,030	6,543	205	1,371	3,183	4,489	73,351
<u>(48,055)</u>	<u>(537)</u>	<u>-</u>	<u>(12,923)</u>	<u>(16,262)</u>	<u>(37,201)</u>	<u>-</u>	<u>(20,170)</u>	<u>-</u>	<u>(2,219)</u>	<u>(17,410)</u>	<u>(31,894)</u>	<u>(316,284)</u>
<u>(43,382)</u>	<u>(9)</u>	<u>-</u>	<u>(8,536)</u>	<u>(12,029)</u>	<u>(33,013)</u>	<u>9,030</u>	<u>(13,627)</u>	<u>205</u>	<u>(848)</u>	<u>(14,227)</u>	<u>(27,405)</u>	<u>(242,933)</u>
38,509	(11,391)	(502,742)	(42,822)	(43,150)	(76,683)	(109,711)	4,805	(2,569)	(15,636)	(111,620)	(63,973)	(452,598)
400,000	-	-	137,008	381,637	-	-	-	-	269,251	-	-	1,187,896
82,011	-	-	-	300,000	-	-	-	-	-	-	-	382,011
-	-	-	-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-	-	-	3,077
-	-	-	-	-	-	-	-	-	-	-	-	30,000
-	-	-	-	-	-	-	-	-	-	-	-	19,348
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,307)</u>
\$ <u>520,520</u>	\$ <u>(11,391)</u>	\$ <u>(502,742)</u>	\$ <u>94,186</u>	<u>638,487</u>	\$ <u>(76,683)</u>	\$ <u>(109,711)</u>	\$ <u>4,805</u>	\$ <u>(2,569)</u>	\$ <u>253,615</u>	\$ <u>(111,620)</u>	\$ <u>(63,973)</u>	1,152,427
Total net position - beginning												<u>36,762,333</u>
Total net position - ending												\$ <u><u>37,914,760</u></u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET POSITION**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2017**

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
<b>ASSETS</b>							
Current Assets:							
Cash:							
Cash	\$ 301,771	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	199,722	-	-	-
Investments	207,891	-	-	-	-	-	-
Receivables:							
Accounts (net)	2,037	98,736	93,709	469,584	137,112	140,435	21,769
Taxes - restricted	-	22,136	18,377	2,686	16,094	8,384	802
Accounts (net) - restricted	111,074	-	-	-	-	2,826	-
Other	1,234,344	-	-	-	-	-	-
Due from other funds	-	292,839	1,382,763	-	-	-	-
Inventory	81,565	-	-	-	-	-	-
Total current assets	<u>1,938,682</u>	<u>413,711</u>	<u>1,494,849</u>	<u>671,992</u>	<u>153,206</u>	<u>151,645</u>	<u>22,571</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	6,147,727	-	-	-	-	-	-
Capital assets subject to depreciation	4,327,882	4,828,368	4,100,179	8,947,085	8,975,474	10,036,059	2,289,639
Less: Accumulated depreciation	<u>(3,188,561)</u>	<u>(2,742,630)</u>	<u>(2,206,637)</u>	<u>(3,427,176)</u>	<u>(4,129,163)</u>	<u>(5,048,166)</u>	<u>(1,613,940)</u>
Total noncurrent assets	<u>7,292,048</u>	<u>2,086,738</u>	<u>1,898,542</u>	<u>5,520,409</u>	<u>4,847,311</u>	<u>4,989,393</u>	<u>675,699</u>
Total Assets	<u>9,230,730</u>	<u>2,500,449</u>	<u>3,393,391</u>	<u>6,192,401</u>	<u>5,000,517</u>	<u>5,141,038</u>	<u>698,270</u>
<b>Deferred Outflows of Resources</b>							
Deferred Outflows Related to Pensions	5,205	16,891	9,993	30,277	17,709	14,069	3,217
Total Deferred Outflows of Resources	<u>5,205</u>	<u>16,891</u>	<u>9,993</u>	<u>30,277</u>	<u>17,709</u>	<u>14,069</u>	<u>3,217</u>
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	837,499	12,848	1,415	83,975	47,734	38,588	14,549
Accrued wages payable	14,490	1,084	357	454	1,498	326	155
Accrued payroll fringe benefits	6,651	386	172	274	628	76	49
Accrued interest payable	6,648	1,179	1,088	6,062	3,029	1,696	-
Current portion of long term debt							
Bonds & loans	150,194	18,029	16,642	67,876	43,129	25,943	-
Other loans	-	-	-	-	-	-	-
Compensated absences	163,985	-	-	-	-	-	-
Due to other funds	3,590,664	-	-	3,194,774	2,926,339	3,745,971	1,035,682
Accrued health claims	-	-	-	-	-	-	-
Miscellaneous liabilities	100,518	-	-	154,120	-	-	-
Total current liabilities	<u>4,870,649</u>	<u>33,526</u>	<u>19,674</u>	<u>3,507,535</u>	<u>3,022,357</u>	<u>3,812,600</u>	<u>1,050,435</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	800,000	-
Net Pension Liability	8,539	57,294	40,716	137,847	72,655	65,542	11,762
Long term debt:							
Bonds & loans	1,128,448	1,025,308	946,439	833,885	1,299,818	942,520	-
Other loans	-	-	-	-	-	-	-
Compensated absences	311,849	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,448,836</u>	<u>1,082,602</u>	<u>987,155</u>	<u>971,732</u>	<u>1,372,473</u>	<u>1,808,062</u>	<u>11,762</u>
Total Liabilities	<u>6,319,485</u>	<u>1,116,128</u>	<u>1,006,829</u>	<u>4,479,267</u>	<u>4,394,830</u>	<u>5,620,662</u>	<u>1,062,197</u>
<b>Deferred Inflows of Resources</b>							
Deferred Inflows Related to Pensions	(22)	787	1,118	4,250	2,048	1,987	223
Total Deferred Inflows of Resources							
<b>NET POSITION</b>							
Net investment in capital assets	6,013,406	1,043,401	935,461	4,618,648	3,504,364	4,020,930	675,699
Restricted for debt service	111,074	22,136	18,377	2,686	16,094	11,210	802
Unrestricted	<u>(3,208,008)</u>	<u>334,888</u>	<u>1,441,599</u>	<u>(2,882,173.00)</u>	<u>(2,899,110)</u>	<u>(4,499,682)</u>	<u>(1,037,434)</u>
Total Net Position	<u>\$ 2,916,472</u>	<u>\$ 1,400,425</u>	<u>\$ 2,395,437</u>	<u>\$ 1,739,161</u>	<u>\$ 621,348</u>	<u>\$ (467,542)</u>	<u>\$ (360,933)</u>

**ALLEGANY COUNTY, MARYLAND**  
**ALLEGANY COUNTY SANITARY DISTRICTS**  
**COMBINING SCHEDULE OF NET POSITION**  
**PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)**  
**June 30, 2017**

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	301,771
-	-	-	-	-	-	-	-	-	199,722
-	-	-	-	-	-	-	-	-	207,891
6,731	13,464	386,304	13,980	73,442	91,183	7,953	32,654	1,187	1,590,280
82	197	52,130	78	-	1,003	1,912	2,564	-	126,445
-	-	-	-	-	-	-	-	-	113,900
-	-	-	-	-	-	-	-	-	1,234,344
-	-	2,153,339	560,028	754,411	1,697,203	-	193,521	-	7,034,104
-	-	-	-	-	-	-	-	-	81,565
<u>6,813</u>	<u>13,661</u>	<u>2,591,773</u>	<u>574,086</u>	<u>827,853</u>	<u>1,789,389</u>	<u>9,865</u>	<u>228,739</u>	<u>1,187</u>	<u>10,890,022</u>
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282
-	-	73,804	-	-	-	-	-	-	6,221,531
892,947	1,279,023	49,677,044	561,727	21,854,887	2,051,939	813,331	2,816,920	2,430,653	125,883,157
(629,233)	(867,966)	(18,181,706)	(389,699)	(6,522,949)	(1,012,869)	(426,999)	(1,398,678)	(540,935)	(52,327,307)
<u>264,214</u>	<u>414,057</u>	<u>31,615,424</u>	<u>172,028</u>	<u>15,331,938</u>	<u>1,041,570</u>	<u>386,332</u>	<u>1,419,242</u>	<u>1,889,718</u>	<u>79,844,663</u>
<u>271,027</u>	<u>427,718</u>	<u>34,207,197</u>	<u>746,114</u>	<u>16,159,791</u>	<u>2,830,959</u>	<u>396,197</u>	<u>1,647,981</u>	<u>1,890,905</u>	<u>90,734,685</u>
8,675	7,519	48,330	1,852	41,234	3,695	772	3,370	7,076	219,885
<u>8,675</u>	<u>7,519</u>	<u>48,330</u>	<u>1,852</u>	<u>41,234</u>	<u>3,695</u>	<u>772</u>	<u>3,370</u>	<u>7,076</u>	<u>219,885</u>
1,336	4,712	28,453	568	22,990	57,385	-	728	1,153	1,153,933
495	284	2,850	132	4,198	299	-	38	275	26,935
306	160	1,594	47	1,622	128	-	19	159	12,271
-	-	20,854	-	15,586	-	691	2,619	-	59,452
-	-	430,951	-	452,171	-	3,501	13,280	-	1,221,716
-	-	-	-	-	-	-	524	-	524
-	-	-	-	-	-	-	-	-	163,985
637,370	693,100	-	-	-	-	112,427	-	681,188	16,617,515
-	-	-	-	-	-	-	-	-	0
-	-	-	-	28,184	-	-	-	-	282,822
<u>639,507</u>	<u>698,256</u>	<u>484,702</u>	<u>747</u>	<u>524,751</u>	<u>57,812</u>	<u>116,619</u>	<u>17,208</u>	<u>682,775</u>	<u>19,539,153</u>
-	-	-	-	-	-	-	-	-	800,000
33,438	32,598	221,203	7,559	168,654	14,744	3,810	15,409	29,844	921,614
-	-	5,151,619	-	3,278,265	-	96,525	366,057	-	15,068,884
-	-	-	-	-	-	-	14,851	-	14,851
-	-	-	-	-	-	-	-	-	311,849
<u>33,438</u>	<u>32,598</u>	<u>5,372,822</u>	<u>7,559</u>	<u>3,446,919</u>	<u>14,744</u>	<u>100,335</u>	<u>396,317</u>	<u>29,844</u>	<u>17,117,198</u>
<u>672,945</u>	<u>730,854</u>	<u>5,857,524</u>	<u>8,306</u>	<u>3,971,670</u>	<u>72,556</u>	<u>216,954</u>	<u>413,525</u>	<u>712,619</u>	<u>36,656,351</u>
633	786	5,940	215	4,156	359	119	419	645	23,663
264,214	414,057	26,032,854	172,028	11,601,502	1,041,570	286,306	1,024,530	1,889,718	63,538,688
82	197	52,130	78	-	1,003	1,912	2,564	-	240,345
(658,172)	(710,657)	2,307,079	567,339	623,697	1,719,166	(108,322)	210,313	(705,001)	(9,504,477)
<u>\$ (393,876)</u>	<u>\$ (296,403)</u>	<u>\$ 28,392,063</u>	<u>\$ 739,445</u>	<u>\$ 12,225,199</u>	<u>\$ 2,761,739</u>	<u>\$ 179,896</u>	<u>\$ 1,237,407</u>	<u>\$ 1,184,717</u>	<u>\$ 54,274,556</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, 2017**

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
<b>OPERATING REVENUES:</b>							
Service charges	\$ 12,704	\$ 398,505	\$ 398,789	\$ 1,660,064	\$ 525,465	\$ 459,257	\$ 69,891
Miscellaneous							
Total Operating Revenues	<u>12,704</u>	<u>398,505</u>	<u>398,789</u>	<u>1,660,064</u>	<u>525,465</u>	<u>459,257</u>	<u>69,891</u>
<b>OPERATING EXPENSES:</b>							
Wages and salaries	2,640	127,460	57,824	123,289	96,832	52,604	18,357
Employee benefits	2,656	59,127	31,282	76,033	55,164	29,753	8,422
Office expenses	239	6,844	5,723	20,877	22,916	9,772	1,476
Utilities	858	21,050	19,622	60,331	11,708	12,246	5,986
Repairs and maintenance	551	38,111	32,290	59,732	75,628	24,526	8,163
Contractual services	39	-	934	3,355	1,683	1,594	241
Water/Sewage treatment costs	-	274,875	218,351	1,460,090	786,401	628,445	127,469
Professional fees	138	2,812	2,351	8,451	7,959	4,014	607
Materials and supplies	723	22,334	17,500	62,483	33,405	29,466	5,624
Insurance	296	8,463	7,079	25,599	12,766	20,249	1,830
Indirect cost	1,276	36,330	30,388	109,231	54,795	51,884	7,856
Miscellaneous	34	998	2,220	2,946	1,478	2,400	211
Depreciation	3,259	90,877	80,066	193,724	200,421	230,721	52,029
Total Operating Expenses	<u>12,709</u>	<u>689,281</u>	<u>505,630</u>	<u>2,206,141</u>	<u>1,361,156</u>	<u>1,097,674</u>	<u>238,271</u>
Operating Income (Loss)	<u>(5)</u>	<u>(290,776)</u>	<u>(106,841)</u>	<u>(546,077)</u>	<u>(835,691)</u>	<u>(638,417)</u>	<u>(168,380)</u>
<b>NON-OPERATING REVENUE (EXPENSES):</b>							
Real and personal property taxes	-	196,103	185,048	30,563	132,239	51,253	4,696
Interest & Penalties, taxes	-	6,120	4,500	856	4,039	1,909	425
Discounts, taxes	-	(1,070)	(1,020)	(160)	(718)	(246)	(21)
Collection fees	-	(4,554)	(4,246)	(713)	(3,024)	(1,191)	(130)
Front footage assessments	-	-	-	-	-	15,443	-
Interest income	307	8,766	7,331	26,360	13,220	12,518	1,896
Interest income, debt service	-	-	-	-	-	-	-
Interest expense	(15,682)	(43,465)	(40,125)	(8,791)	(23,415)	(14,219)	-
Allocated debt service revenue	164,312	(14,735)	(12,271)	(44,094)	(21,982)	(21,000)	(3,189)
Gain (Loss) on disposal of assets	3,800	-	-	-	-	-	-
Total Nonoperating revenue (expenses)	<u>152,737</u>	<u>147,165</u>	<u>139,217</u>	<u>4,021</u>	<u>100,359</u>	<u>44,467</u>	<u>3,677</u>
Income Before Contributions and Transfers	<u>152,732</u>	<u>(143,611)</u>	<u>32,376</u>	<u>(542,056)</u>	<u>(735,332)</u>	<u>(593,950)</u>	<u>(164,703)</u>
Capital Contributions:							
Federal	222,071	-	-	340,045	-	-	-
State	-	-	-	128,201	143,060	-	-
Other	-	-	-	-	-	-	-
Transfers in:							
General Fund	-	-	-	-	-	-	-
Revolving Building Fund	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Change in Net Position	<u>374,803</u>	<u>(143,611)</u>	<u>32,376</u>	<u>(73,810)</u>	<u>(592,272)</u>	<u>(593,950)</u>	<u>(164,703)</u>
Net position - beginning	<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>
Net position - ending	<u>\$ 2,916,472</u>	<u>\$ 1,400,425</u>	<u>\$ 2,395,437</u>	<u>\$ 1,739,161</u>	<u>\$ 621,348</u>	<u>\$ (467,542)</u>	<u>\$ (360,933)</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, 2017**

Oldtown 522	Flintstone 523	Georges Creek 524	Franklin/ Brophytown 525	Celanese Treatment Plant 526	Mexico Farms 527	Cash Valley Road 528	Oldtown Road 529	Barton Industrial Park 530	Total All Districts
\$ 17,992	\$ 36,756	\$ 1,010,143	\$ 53,612	\$ 1,165,651	\$ 426,406	\$ 26,024	\$ 112,338	\$ 9,245	\$ 6,382,842
								-	0
<u>17,992</u>	<u>36,756</u>	<u>1,010,143</u>	<u>53,612</u>	<u>1,165,651</u>	<u>426,406</u>	<u>26,024</u>	<u>112,338</u>	<u>9,245</u>	<u>6,382,842</u>
1,974	3,403	84,878	10,113	238,366	24,408	2,230	13,423	4,384	862,185
1,183	2,058	52,454	5,075	107,955	12,765	1,509	8,586	2,407	456,429
498	547	15,099	1,086	3,304	2,106	585	2,279	74	93,425
7,308	19,679	71,223	372	156,794	12,845	179	6,051	9,337	415,589
1,238	1,246	73,792	2,504	206,308	53,199	1,330	7,281		585,899
140	89	2,461	178	2,158	339	-	372	-	13,583
128,148	78,726	349,381	6,784	-	285,499	29,877	6,042	96,030	4,476,118
50	225	6,199	447	6,710	3,821	336	937	-	45,057
993	1,649	45,665	3,279	119,091	14,158	1,764	7,937		366,071
407	4,657	37,418	1,347	-	2,574	725	6,802	-	130,212
1,755	2,911	80,118	5,782	-	11,047	3,110	12,123	-	408,606
47	79	2,161	156		298	84	327		13,439
19,841	27,142	1,039,121	14,095	454,530	45,457	21,880	74,884	48,558	2,596,605
163,582	142,411	1,859,970	51,218	1,295,216	468,516	63,609	147,044	160,790	10,463,218
<u>(145,590)</u>	<u>(105,655)</u>	<u>(849,827)</u>	<u>2,394</u>	<u>(129,565)</u>	<u>(42,110)</u>	<u>(37,585)</u>	<u>(34,706)</u>	<u>(151,545)</u>	<u>(4,080,376)</u>
946	1,182	313,758	1,752	-	9,357	12,501	34,667	-	974,065
13	196	11,562	43	-	352	434	870	-	31,319
(5)	(6)	(1,559)	(3)	-	(46)	(61)	(187)	-	(5,102)
(20)	(40)	(7,332)	(42)	-	(218)	(286)	(808)	-	(22,604)
	-	812	-	-	-	-	-	-	16,255
423	702	19,127	1,395	23,355	2,665	750	2,925	-	121,740
			-	-	-	-	-	-	0
-	-	(113,527)	-	(37,228)	-	(4,572)	(18,058)	-	(319,082)
(708)	(1,176)	(32,337)	(2,287)		(4,380)	(1,256)	(4,897)	-	0
				-				-	3,800
<u>649</u>	<u>858</u>	<u>190,504</u>	<u>858</u>	<u>(13,873)</u>	<u>7,730</u>	<u>7,510</u>	<u>14,512</u>	<u>-</u>	<u>800,391</u>
<u>(144,941)</u>	<u>(104,797)</u>	<u>(659,323)</u>	<u>3,252</u>	<u>(143,438)</u>	<u>(34,380)</u>	<u>(30,075)</u>	<u>(20,194)</u>	<u>(151,545)</u>	<u>(3,279,985)</u>
-	-	-	-	-	-	-	-	-	562,116
-	-	-	-	90,000	-	-	-	-	361,261
-	-	333,838	-	-	-	-	-	-	333,838
				43,784				48,000	91,784
-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-
<u>(144,941)</u>	<u>(104,797)</u>	<u>(325,485)</u>	<u>3,252</u>	<u>(9,654)</u>	<u>(34,380)</u>	<u>(30,075)</u>	<u>(20,194)</u>	<u>(103,545)</u>	<u>(1,930,985)</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>
									0
<u>\$ (393,876)</u>	<u>\$ (296,403)</u>	<u>\$ 28,392,063</u>	<u>\$ 739,445</u>	<u>\$ 12,225,199</u>	<u>\$ 2,761,739</u>	<u>\$ 179,896</u>	<u>\$ 1,237,407</u>	<u>\$ 1,184,717</u>	<u>\$ 54,274,556</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, 2017**

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<b>ASSETS:</b>				
Taxes levied for State:				
Taxes receivable - State	\$ 493,096	\$ 4,046,148	\$ 4,067,778	\$ 471,466
Bay restoration fee	335,609	829,849	783,285	382,173
Other receivables	25	-	48	(23)
Taxes levied for Special Areas:				
Lonaconing, Town of	25,511	126,169	121,773	29,907
Midland, Town of	7,750	37,520	39,255	6,015
Westernport, Town of	60,551	376,412	376,254	60,709
Cumberland differential	738	-	-	738
Bel Air Special Tax Area	1,627	33,236	33,176	1,687
Bowling Green Fire Co.	4,206	32,466	32,767	3,905
Bedford Road Fire Co.	5,203	42,632	43,383	4,452
Bowling Green Special Tax Area	3,203	25,397	25,361	3,239
Cresaptown Ambulance	13,007	140,294	140,829	12,472
Cresaptown Civic Imp. Assoc.	3,724	32,197	31,930	3,991
Cresaptown Fire Co.	14,180	187,457	187,195	14,442
Corriganville Light & Imp.	2,416	19,191	18,622	2,985
Ellerslie Special Tax Area	1,102	8,809	8,895	1,016
LaVale Volunteer Fire Dept.	18,664	180,133	180,065	18,732
LaVale Rescue Squad	9,336	90,066	90,019	9,383
LaVale Sanitary District	24,911	279,781	279,064	25,628
McCoole Special Tax Area	1,647	4,534	5,389	792
Moscow Light	845	3,965	4,212	598
Mt. Savage Special Tax Area	2,697	10,464	10,730	2,431
Potomac Park Special Tax Area	2,319	15,482	15,552	2,249
Rawlings Fire Co.	7,421	56,727	57,262	6,886
Sub-total special areas	<u>211,058</u>	<u>1,702,934</u>	<u>1,701,733</u>	<u>212,256</u>
Due from other funds	<u>267,514</u>	<u>6,360</u>	<u>42,604</u>	<u>231,269</u>
Total Assets	<u>\$ 1,307,304</u>	<u>\$ 6,585,291</u>	<u>\$ 6,595,448</u>	<u>\$ 1,297,144</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 267,540	\$ 292,947	\$ 329,226	\$ 231,262
A/P Special Areas	211,058	1,654,062	1,652,880	\$ 212,241
Taxes payable - State	493,096	4,031,396	4,053,027	\$ 471,466
A/P Bay restoration fee	335,609	903,242	856,679	\$ 382,173
Total Liabilities	<u>\$ 1,307,304</u>	<u>\$ 6,881,647</u>	<u>\$ 6,891,812</u>	<u>\$ 1,297,144</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, 2017 and 2016**

ASSETS	Primary Government			
	At June 30, 2017			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2016
Land	\$ 25,584,437	\$ -	\$ 25,584,437	\$ 24,068,695
Construction in progress	904,602	-	904,602	4,931,054
Buildings	64,180,648	27,709,312	36,471,336	33,754,006
Infrastructure	49,673,812	32,824,468	16,849,344	17,547,046
Furniture & fixtures	1,054,110	924,374	129,736	173,906
Machinery & equipment	18,971,341	9,614,234	9,357,107	3,261,163
Vehicles	11,220,527	9,361,138	1,859,389	2,007,302
Heavy equipment	4,655,226	3,891,046	764,180	455,691
Other capital assets	1,254,935	721,389	533,546	586,585
Total Assets	<u>\$ 177,499,638</u>	<u>\$ 85,045,962</u>	<u>\$ 92,453,675</u>	<u>\$ 86,785,446</u>
<b>FUND EQUITY</b>				
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			12,639,241	11,682,307
Federal grants			4,219,248	4,097,820
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			49,591,779	48,577,840
Federal grants			5,861,320	5,861,320
State grants			8,120,615	8,025,695
Miscellaneous revenues			194,574	194,574
Debt proceeds			8,926,043	8,926,043
Capital Project Funds:				
General revenues			19,235,452	17,992,022
Federal grants			10,121,744	9,764,850
State grants			25,464,125	24,817,380
Miscellaneous revenues			1,127,822	1,127,822
Debt proceeds			15,889,879	10,889,879
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(85,045,964)	(81,279,902)
Total Fund Equity			<u>\$ 92,453,675</u>	<u>\$ 86,785,446</u>

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF ASSETS BY FUNCTION**  
**June 30, 2017**

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Capital Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 3,263,327	\$ 4,949,223	\$ 39,776	\$ 186,623	\$ 1,759,221	\$ 393,133	\$ 561,702	\$ 142,221	\$ 11,295,226	\$ (6,699,355)	\$ 4,595,871
Public Safety	2,359,864	19,648,103	2,647,360	330,345	16,036,744	1,887,799	200,558	-	43,110,773	(16,688,551)	26,422,222
Public Works	2,785,139	1,767,520	41,135,460	305,788	865,237	7,479,162	4,608,959	762,380	59,709,645	(43,100,613)	16,609,032
Health	575,119	6,553,202	-	-	-	-	4,121	-	7,132,442	(2,206,725)	4,925,717
Social Services	116	3,250	24,331	199,288	89,080	1,300,653	39,200	-	1,655,918	(1,452,291)	203,627
Recreation & Culture	1,534,781	2,774,928	214,288	21,911	59,943	36,162	409,288	-	5,051,301	(1,820,580)	3,230,721
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(893,326)	743,707
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	(426,182)	106,271
Economic Development	15,003,452	26,426,880	5,612,598	5,995	109,430	98,318	86,330	-	47,343,003	(11,726,502)	35,616,501
Total General Capital Assets	\$ 25,584,437	\$ 64,180,648	\$ 49,673,812	\$ 1,054,110	\$ 18,971,341	\$ 11,220,527	\$ 5,910,158	\$ 904,601	\$ 177,499,638	\$ (85,045,962)	\$ 92,453,675

**ALLEGANY COUNTY, MARYLAND**  
**CAPITAL ASSETS USED IN THE OPERATION OF**  
**GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Function	General Capital Assets June 30, 2016	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Cost	Accumulated Depreciation June 30, 2016	Less Current Year Depreciation	Add Depreciation on Disposals	General Capital Assets June 30, 2015
General Government	\$ 11,025,235	\$ -	\$ -	\$ 269,992	\$ (38,400)	\$ 11,295,227	\$ (6,526,705)	\$ (172,650)	\$ -	\$ 4,595,872
Public Safety	36,413,345	-	-	6,735,829	-	43,110,774	(15,323,357)	(1,403,594)	38,400	26,422,223
Public Works	59,101,373	-	-	608,274	-	59,709,647	(42,144,763)	(955,850)	-	16,609,034
Health	7,132,442	-	-	-	-	7,132,442	(1,988,285)	(218,440)	-	4,925,717
Social Services	1,655,918	-	-	-	-	1,655,918	(1,340,618)	(111,672)	-	203,628
Recreation & Culture	4,206,649	-	-	844,658	-	5,051,307	(1,715,804)	(104,776)	-	3,230,727
Libraries	1,637,033	-	-	-	-	1,637,033	(851,318)	(42,008)	-	743,707
Natural Resources	31,838	-	-	-	-	31,838	(31,838)	-	-	-
Urban Development & Housing	532,453	-	-	-	-	532,453	(412,219)	(13,963)	-	106,271
Economic Development	46,329,063	-	-	1,013,940	-	47,343,003	(10,944,995)	(781,507)	-	35,616,501
Total General Capital Assets	\$ 168,065,349	\$ -	\$ -	\$ 9,472,693	\$ (38,400)	\$ 177,499,638	\$ (81,279,902)	\$ (3,804,460)	\$ 38,400	\$ 92,453,675

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# **STATISTICAL SECTION**

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# 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 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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**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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental activities</b>										
Net Investment in										
Capital Assets	\$ 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	86,497,352
Restricted	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	16,237,133
Unrestricted	(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	2,573,629
Total governmental activities net position	\$ 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	\$ 105,308,114
<b>Business-type activities</b>										
Net Investment in										
Capital Assets	\$ 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	98,160,878
Restricted	175,654	184,204	198,240	246,463	239,902	288,615	261,383	442,291	247,369	240,345
Unrestricted	(20,398)	(3,714,137)	(307,597)	723,061	1,520,472	1,783,058	1,016,651	(633,330)	(2,817,398)	(4,239,595)
Total business-type activities net position	\$ 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	\$ 94,161,628
<b>Primary Government</b>										
Net Investment in										
Capital Assets	\$ 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	\$ 184,658,230
Restricted	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	16,477,478
Unrestricted	(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	(1,665,966)
Total primary government net position	\$ 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	\$ 199,469,742

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

<b>Expenses</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
<b>Governmental activities:</b>								
General Government:	\$ 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	328,464	350,334	348,334	348,334	358,754	358,754	332,996	313,562
Public Safety	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	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	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	2,312,169	1,932,208	2,285,943	1,497,708	1,682,412	1,553,615	1,568,214	1,277,778
Education:	1,274,899	317,766	207,903	417,181	562,642	640,888	682,409	623,625
Payment to public school system	36,171,292	<b>a</b> 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	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:	1,050,609	1,041,683	712,201	1,078,718	868,620	884,822	722,533	749,376
Payment to public library system	905,000	905,000	905,000	905,000	905,000	905,000	940,000	947,500
Conservation of natural resources	327,747	506,897	289,487	309,166	201,107	203,204	287,362	254,450
Community development & housing	1,774,905	2,002,596	1,527,343	1,260,818	884,528	1,033,325	915,289	1,042,086
Economic Development	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	1,810,725	1,810,688	1,678,376	1,438,754	1,290,789	987,503	581,199	650,717
Total governmental activities expenses	\$ 96,341,380	\$ 87,185,250	\$ 90,972,159	\$ 87,612,179	\$ 86,307,652	\$ 85,914,814	\$ 88,775,760	\$ 89,002,523
<b>Business-type activities:</b>								
Water	2,977,733	<b>b</b> 3,272,629	3,699,321	4,184,704	4,018,864	4,270,963	4,344,329	4,429,254
Sewer	7,249,045	<b>b</b> 7,220,779	7,251,103	7,914,948	8,485,797	8,622,450	8,986,494	9,354,485
Nursing Home	10,425,903	11,034,410	-	-	-	-	-	-
Other Funds	578,996	597,356	613,458	716,643	749,976	353,648	187,465	334,585
Total business-type activities expenses	21,231,677	22,125,174	11,563,882	12,816,295	13,254,637	13,247,061	13,518,288	14,118,324
Total primary government expenses	\$ 117,573,057	\$ 109,310,424	\$ 102,536,041	\$ 100,428,474	\$ 99,562,289	\$ 99,161,875	\$ 102,294,048	\$ 103,120,847
<b>Program Revenues</b>								
<b>Governmental activities:</b>								
Charges For services:								
Public safety	\$ 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	940,444	874,542	1,002,656	842,854	931,374	952,807	999,315	1,403,788
Economic development	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	888,153	819,558	756,974	781,680	779,869	739,760	804,327	3,786,001
Operating grants and contributions	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	6,009,919	2,193,383	<b>f</b> 6,597,432	480,667	<b>m</b> 2,770,368	<b>p</b> 368,323	1,296,010	1,086,127
Total governmental activities program revenues	17,299,839	14,169,469	18,888,622	11,286,223	13,458,659	11,870,498	12,153,400	12,017,273
<b>Business-type activities:</b>								
Charges For services:								
Water	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	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	9,922,523	10,900,432	-	-	-	-	-	-
Other Funds	439,381	62,018	124,134	271,440	255,457	281,017	269,480	316,477
Operating grants and contributions	-	-	-	-	-	-	-	-
Capital grants and contributions	3,290,107	10,872,588	<b>g</b> 7,412,463	4,545,246	<b>n</b> 2,547,845	<b>o</b> 3,908,635	<b>q</b> 7,473,345	<b>s</b> 6,016,661
Total business-type activities program revenues	20,835,305	29,479,725	15,929,609	13,874,881	11,861,266	13,322,284	17,435,286	16,420,930
Total primary government program revenues	\$ 38,135,144	\$ 43,649,194	\$ 34,818,231	\$ 25,161,104	\$ 25,319,925	\$ 25,192,782	\$ 29,588,686	\$ 28,438,203

(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)

<b>Net (Expense)/Revenue</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Governmental activities	\$ (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	(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>\$ (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	\$ 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	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	8,752,593	7,160,132	3,260,020	3,360,863	2,965,592	4,011,282	4,339,620	4,669,338
Licenses	332,774	342,819	353,375	355,176	415,086	415,158	414,862	425,841
Unrestricted grants	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	1,923,408	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				243,845	81,820	387,597	18,915	-
Miscellaneous	1,288,442	c 1,259,689	573,688	591,353	191,234	208,120	323,216	342,101
Transfers	(315,004)	(88,631)	3,158,822	(208,709)	(167,252)	(93,464)	(167,799)	(89,824)
Special item	-	-	-	-	-	-	-	-
Total governmental activities	<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	\$ 819,542	\$ 891,363	901,613	1,414,497	996,575	986,573	1,019,069	997,240
Investment earnings	202,249	179,171	183,601	183,350	175,200	309,448	208,641	201,738
Miscellaneous	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	i 208,709	129,278	-	-	-
Transfers	315,004	88,631	(3,158,822)	(208,709)	167,252	93,464	167,799	89,824
Total business-type activities	<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>\$ 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	\$ (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	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>\$ (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:**

<b>a</b>	Increase due expenditures for new High School
<b>b</b>	Increases/decreases due to separating water districts from combined sewer/water districts, therefore increasing water revenues and decreasing sewer.
<b>c</b>	Increase due to revenue collected for capital replacement of allconet switches
<b>d</b>	Increase due to an increase in personnel salaries and fringe due to new Bureau of Police Department and additional public safety grant expenditures
<b>e</b>	Decrease due to decrease in construction project expenditures.
<b>f</b>	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
<b>g</b>	Increase in grants due to grants received for Georges Creek WWTP Upgrade
<b>h</b>	Decrease in other taxes due to economic recession which affected recordation and transfer taxes.
<b>i</b>	Solid County owned Nursing Home.
<b>j</b>	Increase due to over \$ 4 million in ARRA federal grant money received
<b>j</b>	Decrease due to less grant money received in FY 2010 for the Georges Creek WWTP Upgrade which is near completion
<b>k</b>	Decrease due to dramatic decrease in highway users revenue and recordation/transfer taxes.
<b>l</b>	Increase due to decrease in highway users tax revenue therefore transfers to highway fund increased.
<b>m</b>	Decrease in grants largely due to the decrease in American Recovery & Reinvestment Act Grants that were received in 2010
<b>n</b>	Decrease largely due to a large construction project being completed (Georges Creek Wastewater Plant)
	Increase largely due to contribution related to donation of building
<b>o</b>	Decrease due to grant related projects being completed and projects financed more with loans
<b>p</b>	Decrease due to donation of building in FY 2012 in the amount of \$ 1.6 million and no such donation in FY 13
<b>q</b>	Increase due to increase in federal and state funding for the Mount Savage Water/Sewer project
<b>r</b>	Increase due to expenditures largely due to additional road and "Pot-hole" work
<b>s</b>	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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>General Fund</b>										
Nonspendable				1,202,021	1,200,453	1,201,255	1,200,000	1,200,000	1,200,000	1,200,000
Restricted				110,767	129,902	148,863	148,863	148,863	1,796,530	173,170
Committed				2,649,697	-	-	-	949,319	150,000	967,195
Assigned				1,868,295	881,313	447,970	3,414,000	5,664,000	4,014,000	5,896,328
Unassigned				11,394,352	15,679,397	17,901,696	18,695,272	19,642,135	18,092,412	18,649,963
Reserved	\$ 3,825,655	\$ 3,907,309	1,210,859							
Unreserved	11,675,991	11,892,393	15,761,591							
Total General Fund	<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>	<u>\$ 26,886,656</u>
<b>All Other Governmental Funds</b>										
Nonspendable										
Restricted				1,217,476	1,719,061	3,050,872	2,966,644	10,197,951	45,460	42,233
Committed				6,714,291	5,458,432	8,901,702	10,738,989	12,136,663	12,725,923	15,752,673
Assigned				2,340,790	2,695,550	2,442,285	1,497,237	1,394,298	9,734,927	8,700,167
Unassigned				(551,089)	43,002	(11,060)	(191,236)	(305,634)	1,342,978	2,288,721
Reserved										
Unreserved, reported in:	\$10,240,090	\$3,778,869	1,209,131							
Special revenue funds	5,182,529	5,890,017	8,196,602							
Capital project funds	2,817,863	1,148,208	3,015,176							
Debt service funds	1,687,610	1,654,049	315,232							
Total all other governmental funds	<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>	<u>\$ 26,386,197</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)

	2008	2009	2010	#	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>											
Property taxes	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	42,106,441
Income taxes	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	26,435,017
Highway user taxes	4,643,174	4,023,284	227,622		317,590	229,448	424,914	671,589	466,089	547,328	539,372
Other local taxes	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	4,380,110
Licenses and permits	621,136	611,328	609,877		613,729	659,513	664,287	686,233	678,422	700,480	672,859
Intergovernmental:											
Federal	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	2,630,386
State	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	16,123,698
Other	328,351	354,708	362,352		515,474	514,765	537,554	487,561	600,745	306,747	178,297
Service charges	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	1,938,922
Fines and forfeitures	71,133	98,463	114,372		74,177	141,890	96,119	170,927	150,249	152,942	80,907
Interest	1,215,979	440,827	247,564		162,578	121,670	126,522	103,748	152,354	237,085	312,861
Miscellaneous	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	4,342,068
Total revenues	\$ 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	\$ 99,740,938
<b>Expenditures</b>											
General government											
Public safety	7,394,222	8,507,984	8,368,897		8,277,780	8,622,096	8,436,402	7,999,532	8,532,724	9,210,525	9,301,186
Public works	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	19,484,708
Health and Hospitals	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	11,734,735
Social Services	639,555	477,204	479,537		460,030	425,309	438,291	411,510	432,996	452,436	425,494
Education	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	1,276,688
Recreation, culture and libraries	33,511	28,261	25,261		24,511	23,761	29,754	-	-	-	-
Conservation of natural resources	785,287	818,848	555,124		863,290	712,577	736,413	616,169	628,708	932,800	795,045
Community Development and Housir	321,258	505,126	286,273		353,689	201,090	239,976	319,102	254,682	244,974	263,677
Economic development	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	1,012,374
Miscellaneous	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	1,956,960
Appropriation to other governments	28,742	27,755	20,869		114,855	27,089	34,803	31,222	33,046	38,599	44,631
Capital Outlay	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	1,495,989
Debt Service:	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	13,507,913
Interest	1,791,147	1,830,204	1,732,167		1,491,130	1,271,904	1,083,631	666,802	558,774	762,344	649,037
Principal	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	3,325,019
Payments to Component Units	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	38,940,222
Total expenditures	\$ 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	\$ 104,213,678
Excess of revenues over (under)	\$ (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)	\$ (4,472,740)
Expenditures											
<b>Other Financing Sources (Uses)</b>											
Proceeds from borrowing	\$ 5,237,697	4,663,719	63,719						9,740,351		9,000,000
Proceeds from refinancing	-	-	-				14,736,467				
Payments to escrow agent	-	-	-								
Transfers in	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	6,435,360
Transfers from component units	-	-	-								
Transfers out	(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)	(6,590,887)
Sale of capital assets	2,330,993	102,838	217,528		369,452	84,771	2,517,850	626,097	1,716	63,586	13,706
Total Other Financing Sources (Uses)	\$ 7,253,686	\$ 4,677,926	\$ 3,440,071		\$160,741	\$ (82,483)	\$ 17,160,850	\$ 458,298	\$ 9,652,243	\$ (84,340)	\$ 8,858,179
Net Change in fund balances	\$ (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)	\$ 4,385,439
Debt service as a percentage of noncapital expenditures	6.9%	7.4%	7.2%		7.40%	6.8%	18.1%	5.2%	5.5%	4.4%	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		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	
<b>2008</b>	2,762,960,350	2,762,960,350	9,994,750	9,994,750	329,523,214	329,523,214	3,102,478,314	3,102,478,314	2.5688
<b>2009</b>	3,014,146,982	3,014,146,982	6,519,060	6,519,060	320,952,870	320,952,870	3,341,618,912	3,341,618,912	2.5623
<b>2010</b>	3,141,346,303	3,141,346,303	6,100,480	6,100,480	424,375,697	424,375,697	3,571,822,480	3,571,822,480	2.5478
<b>2011</b>	3,360,795,103	3,360,795,103	6,596,150	6,596,150	347,045,160	347,045,160	3,714,436,413	3,714,436,413	2.5763
<b>2012</b>	3,547,448,518	3,547,448,518	5,747,720	5,747,720	353,272,590	353,272,590	3,906,468,828	3,906,468,828	2.4993
<b>2013</b>	3,532,084,432	3,532,084,432	5,694,540	5,694,540	346,092,240	346,092,240	3,883,871,212	3,883,871,212	2.4693
<b>2014</b>	3,511,729,354	3,511,729,354	5,028,930	5,028,930	358,164,980	358,164,980	3,874,923,264	3,874,923,264	2.4700
<b>2015</b>	3,469,830,592	3,469,830,592	4,997,740	4,997,740	345,858,616	345,858,616	3,820,686,948	3,820,686,948	2.5088
<b>2016</b>	3,487,280,029	3,487,280,029	6,494,120	6,494,120	337,155,996	337,155,996	3,830,930,145	3,830,930,145	2.4748
<b>2017</b>	3,506,924,084	3,506,924,084	6,705,040	6,705,040	346,994,870	346,994,870	3,860,623,994	3,860,623,994	2.4733

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

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
<b><u>Municipal Direct Tax Rates (1.2)</u></b>										
Barton	0.1727	0.1718	0.1728	0.1649	0.1662	0.1709	0.1699	0.1835	0.1981	0.2156
Cumberland	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9479
Frostburg	0.6400	0.6200	0.5820	0.5665	0.5665	0.5665	0.5500	0.5500	0.5540	0.5500
Lonaconing	0.3498	0.3527	0.5552	0.3400	0.3400	0.3400	0.3700	0.3400	0.3400	0.3400
Luke	1.0600	1.0600	0.7500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000
Midland	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2708
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
<b><u>Allegany County Direct Tax Rates (1.3)</u></b>										
Barton	0.8935	0.8938	0.8976	0.8910	0.8892	0.9038	0.9475	0.9545	0.9552	0.9551
Cumberland	0.8452	0.8486	0.8530	0.8424	0.8371	0.8519	0.8999	0.9016	0.9074	0.9090
Frostburg	0.8530	0.8560	0.8597	0.8497	0.8436	0.8579	0.9065	0.9086	0.9107	0.9136
Lonaconing	0.8696	0.8714	0.8761	0.8675	0.8655	0.8834	0.9328	0.9305	0.9336	0.9333
Luke	0.8670	0.8687	0.8735	0.8645	0.8620	0.8799	0.9289	0.9266	0.9304	0.9302
Midland	0.8935	0.8938	0.8976	0.8910	0.8892	0.9038	0.9475	0.9545	0.9552	0.9551
Westernport	0.8935	0.8938	0.8847	0.8745	0.8702	0.8854	0.9328	0.9305	0.9336	0.9333
Unincorporated	0.9770	0.9780	0.9790	0.9800	0.9810	0.9820	0.9829	0.9829	0.9829	0.9829
<b><u>Special Taxing Areas (1.4)</u></b>										
<b>Sanitary Districts</b>										
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	0.2500	0.2900	0.2900	0.2530	0.2530
Braddock Run	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0040	0.0040
Cresaptown	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2900	0.2900	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	0.1860	0.2200	0.2200
McCoole	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0700	0.0700	0.1400	0.1400
Flintstone/ Gilpin	0.1600	0.1600	0.1500	0.1500	0.1500	0.1500	0.1700	0.1700	0.2000	0.2000
Franklin/ Brophytown	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0920	0.0920
Oldtown	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0800	0.0800	0.0960	0.0960
George's Creek	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.4700	0.1600	0.1600	0.1600
Mexico Farms	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	0.0600	0.0600	0.1840	0.1840
Oldtown Road	0.1300	0.1300	0.1300	0.1040	0.0770	0.0770	0.0770	0.0770	0.2400	0.2400
<b>Other Special Districts</b>										
Bedford Road Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bel Air Special Tax Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bowling Green and Roberts Place	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650	0.0650
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	0.0500	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	0.0300	0.0300	0.0400	0.0400	0.0400	0.0400
LaVale Sanitary Commission	0.0470	0.0420	0.0520	0.0520	0.0530	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	0.0450	0.0320
Rawlings Special Fire Tax Area	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0600
Total County Direct Rate (1.5)	0.9893	0.9899	1.0035	0.9880	0.9877	0.9997	1.0305	1.0191	1.0249	1.0275

**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	2017			2008		
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value
AES WR Limited Partnership	\$ 60,499,600	1	1.56%	\$ 120,064,736	1	3.82%
Potomac Edison Co	59,194,900	2	1.52%	53,261,440	3	1.70%
CSX Transportation	38,441,730	3	0.99%	20,554,238	7	0.65%
New Page (Mead/Westvaco)	36,568,220	4	0.94%	67,328,140	2	2.14%
LaVale Associates	32,312,167	5	0.83%	31,192,123	5	0.99%
Columbia Gas of Maryland	30,172,080	6	0.78%	22,397,900	6	0.71%
Trans-Allegheny Interstate Line	29,862,890	7	0.77%	-		0.00%
Verizon-Maryland (Bell Atlantic)	17,124,080	8	0.44%	37,648,260	4	1.20%
Hunter Douglas Northeast, Inc.	15,959,320	9	0.41%	14,946,439	8	0.48%
Allegany Coal-Land	13,940,457	10	0.36%	14,282,888	9	0.45%
American Woodmark				10,181,600	10	0.32%
<b>Total</b>	<b>\$ 334,075,444</b>		<b>8.59%</b>	<b>\$ 391,857,764</b>		<b>12.46%</b>

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
2008	26,296,828	24,418,173	92.86%	(54,185)	1,823,544	26,242,643	26,241,717	100.00%
2009	28,732,488	26,710,075	92.96%	(54,357)	1,968,089	28,678,131	28,678,164	100.00%
2010	31,122,925	28,546,101	91.72%	(43,308)	2,533,551	31,079,617	31,079,652	100.00%
2011	32,868,341	30,352,908	92.35%	(63,211)	2,438,108	32,805,130	32,791,016	99.96%
2012	33,037,418	30,557,037	92.49%	(45,860)	2,405,259	32,991,558	32,962,296	99.91%
2013	32,760,110	30,023,529	91.65%	(30,448)	2,672,213	32,729,662	32,695,742	99.90%
2014	32,615,476	30,189,373	92.56%	(37,226)	2,342,644	32,578,250	32,532,017	99.86%
2015	32,363,414	29,837,271	92.19%	(23,123)	2,448,979	32,340,291	32,286,250	99.83%
2016	32,407,750	29,866,195	92.16%	(17,087)	1,321,465	32,390,663	31,187,660	96.29%
2017	32,533,553	30,119,478	92.58%			32,533,553	30,119,478	92.58%

**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
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)	5,607	126,629	119,954	94.73%
2014	115,658	104,621	90.46%	(2,014)	5,241	113,644	109,862	96.67%
2015	113,785	99,147	87.14%	(2,779)	6,999	111,006	106,146	95.62%
2016	180,540	158,918	88.02%	(2,240)	5,910	178,300	164,828	92.44%
2017	153,252	143,728	93.79%			153,252	143,728	93.79%

**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
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	1,340,845	8,951,530	8,900,387	99.43%
2010	9,076,556	8,244,551	90.83%	(93,328)	687,651	8,983,228	8,932,202	99.43%
2011	8,147,312	7,948,859	97.56%	(69,807)	104,037	8,077,505	8,052,896	99.70%
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%	20,343	749,977	7,914,233	7,839,808	99.06%
2014	8,178,512	7,666,345	93.74%	(309,456)	143,154	7,869,056	7,809,499	99.24%
2015	7,909,034	7,583,185	95.88%	(5,510)	273,522	7,903,524	7,856,707	99.41%
2016	7,651,663	7,492,029	97.91%	8,774	123,575	7,660,437	7,615,604	99.41%
2017	7,701,323	7,574,994	98.36%			7,701,323	7,574,994	98.36%

**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
2008	34,458,868	32,376,175	93.96%	149,022	2,173,031	34,607,891	34,549,206	99.83%
2009	36,598,711	34,401,336	94.00%	1,186,323	3,321,220	37,785,034	37,722,556	99.83%
2010	40,345,097	36,909,863	91.49%	(143,616)	3,233,058	40,201,481	40,142,921	99.85%
2011	41,173,417	38,421,752	93.32%	(146,857)	2,552,437	41,026,560	40,974,189	99.87%
2012	41,318,949	38,051,873	92.09%	(79,632)	3,061,194	41,239,317	41,113,067	99.69%
2013	40,787,495	37,227,707	91.27%	(16,971)	3,427,797	40,770,524	40,655,504	99.72%
2014	40,909,646	37,960,339	92.79%	(348,696)	2,491,039	40,560,950	40,451,378	99.73%
2015	40,386,233	37,519,603	92.90%	(31,412)	2,729,500	40,354,821	40,249,103	99.74%
2016	40,239,953	37,517,142	93.23%	(10,553)	1,450,950	40,229,400	38,968,092	96.86%
2017	40,388,128	37,838,200	93.69%	-	-	40,388,128	37,838,200	93.69%

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										
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			
2017	26,343,366	203,465	0	994,296	264,761	10,897,952	386,918	15,375	11,638,500	4,652,100	-	55,396,733	3.50%	768			

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**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Taxable Value of Property</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Population</b>	<b>Debt Per Capita</b>
<b>2008</b>	24,949,597	3,102,478,314	0.80%	72,658	343.38
<b>2009</b>	25,787,011	3,341,618,912	0.77%	72,532	355.53
<b>2010</b>	21,920,544	3,571,822,480	0.61%	75,101	291.88
<b>2011</b>	17,861,152	3,714,436,413	0.48%	75,059	237.96
<b>2012</b>	14,215,926	3,906,468,828	0.36%	74,692	190.33
<b>2013</b>	20,948,078	3,883,871,212	0.54%	74,012	283.04
<b>2014</b>	17,922,268	3,874,923,264	0.46%	73,521	243.77
<b>2015</b>	22,594,789	3,820,686,948	0.59%	72,952	309.72
<b>2016</b>	19,615,574	3,835,441,204	0.51%	72,528	270.46
<b>2017</b>	25,536,022	3,860,623,994	0.66%	72,130	354.03

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 and \$ 807,344 for FY 17

Source: Allegany County Finance Office and Bureau Of Economic Analysis

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

	2008	2009	2010	2011	2012	2013	2014	2015
Population	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
Net population for debt limit	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
Debt Limit	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	40,556,925	40,491,979	35,667,904	30,585,074	25,991,086	23,407,144	19,469,995	24,272,444
Legal Debit Margin	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	99.9%	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
2017	7,498,515	7,866,612	(368,097)	1,208,866	319,082	1,527,948	(0.24)
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	5,221,279	535,496	786,386	233,002	1,019,388	0.53

## **WATER DISTRICTS**

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2017	4,270,876	3,143,760	1,127,116	272,042	316,284	588,326	1.92
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	2,099,680	485,542	97,009	215,232	312,241	1.56

- 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

# **DEMOGRAPHIC AND ECONOMIC INFORMATION**

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# Allegany County, Maryland

## Demographic and Economic Statistics

### Last Ten Calendar Years

<u>Year</u>	<u>Population</u>	<u>Personal Income In 000s</u>	<u>Per Capita Personal Income</u>	<u>Public School Enrollment</u>	<u>Unemployment Rate</u>
<b>2008</b>	72,658	2,204,237	30,337	9,221	5.80%
<b>2009</b>	72,532	2,310,845	31,860	9,157	8.90%
<b>2010</b>	75,101	2,292,903	30,531	9,152	8.93%
<b>2011</b>	75,059	2,352,416	31,341	9,022	8.88%
<b>2012</b>	74,692	1,628,286	21,800	8,913	8.02%
<b>2013</b>	74,012	1,609,761	21,750	8,929	8.60%
<b>2014</b>	73,521	1,595,406	21,700	8,872	7.20%
<b>2015</b>	72,952	1,581,162	21,674	8,751	7.30%
<b>2016</b>	72,528	1,570,449	21,653	8,812	6.40%
<b>2017</b>	72,130	1,588,952	22,029	8,812	5.80%

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**

<b>Employer</b>	<b>2017</b>			<b>2008</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage Of Total County Employment</b>
Western Maryland Health Systems	2,200	1	6.14%	2,396	1	7.14%
Allegany County Board Of Education	1,346	2	3.76%	1,421	2	4.24%
ATK Tactical Systems	1,050	3	2.93%	1,279	3	3.81%
Frostburg State University	960	4	2.68%	891	6	2.66%
Hunter Douglas	860	5	2.40%	575	9	1.71%
Allegany College	800	6	2.23%	615	7	1.83%
New Page Corporation (VERSO)	700	7	1.95%	950	4	2.83%
CSX Transportation	635	8	1.77%	925	5	2.76%
Western Correctional Institution	588	9	1.64%	503	10	1.50%
North Branch Correctional Institution	574	10	1.60%			
Allegany County Government				597	8	1.78%
<b>Total</b>	<b>9,713</b>		<b>27.11%</b>	<b>10,152</b>		<b>30.26%</b>

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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Commissioners & Staff	8.0	8.0	8.0	7	6	5	5	5.75	5.75	5.75
Judicial	28.6	28.6	29.1	28.1	27.9	27.9	29.05	28.75	28.75	29.9
Finance	9.6	9.6	9.6	9.3	9	8	6	5	5	6
Tax Office	7.5	7.5	7.7	7.7	7.7	7.7	7.7	7.7	7.7	6.7
Maintenance	16.2	15.7	15.7	14.7	15	14	13.9	13.9	13.9	13.9
Other	40.8	43.7	42.6	39.7	38.3	36.9	37.45	40.8	40.5	39.5
Public Safety										
Sheriff/Bureau of Police	29.4	28.3	32.4	34.4	34.4	34.4	34.5	34.4	34.4	35.4
Detention Center	85.5	86.0	85.4	84	85.8	85.8	85.8	81	81	81.7
911	25.2	26.2	25.9	25.9	25.9	25.9	26.55	29.05	29.05	29.05
Other	21.9	23.5	31.3	32.3	31.1	30.1	26.6	24.714	24.714	24.714
Public Works										
Roads division	75.7	75.7	74.7	74.4	68.4	67.4	67.4	66.4	66.4	66.5
Engineering	16.3	16.3	14.5	13.5	12	12	9.9	9.9	9.9	9.45
Solid Waste	5.3	5.3	5.3	5.3	4.3	4.3	5.05	5.46	5.46	4.81
Transit	33.0	31.9	30.2	29	27.9	27.9	27.9	27.76	27.76	27.76
Health and Hospitals	2.0	2.0	2.0	2.0	2	2.0	2	2.0	2.0	2.0
Social Services	1.0	1.0	1.0	1.0	1	1.0	1	1.0	1.0	1.0
Recreation, culture, libraries, tourism	2.0	2.0	2.0	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Conservation of natural resources	2.0	2.0	2.0	2.0	1	1.0	1	1.0	1.0	1.0
Community Development and Housing	4.3	4.3	3.7	2.3	-					
Economic Development	7.5	8.3	7.7	7.5	7.7	6.3	5.7	5.7	5.0	5.0
Sanitary	25.0	26.0	31.8	33.8	34	34.0	34	36.0	36.0	36.0
Nursing Home	150.5	147.5	-							
Total	597.3	599.4	462.6	455.3	440.8	433.0	427.9	427.6	426.7	427.5

Source: Allegany County Finance Office-Budget

# Allegany County, Maryland

## Operating Indicators By Function/Program

### Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	#	2012	2013	2014	2015	2016	2017
General Government											
Average number of tax bills issued	38,419	38,454	38,532	38,518		38,529	38,530	38,535	38,475	38,625	38,650
Public Safety											
Total Number of arrests	1,060	1,491	1,608	1,285		1,593	1,860	1,792	not avail	not avail	not avail
Total Number of traffic stops	1,167	1,840	1,640	1,579		1,782	1,492	1,558	not avail	not avail	not avail
Average number of inmates	203	168	157	170		150	153	150	134	142	140
Number of Volunteer Fire Stations	23	23	23	23 #		22	21	21	21	19	19
Public Works											
Miles of roads maintained	544	544	544	544 #		544	544	544	544	544	544
Social Services											
Transit route miles	502,317	446,420	384,182	332,324		381,238	376,369	409,383	** N/A	** N/A	** N/A
Transit passengers	179,555	189,004	189,708	187,522		219,995	210,601	205,090	** N/A	** N/A	** N/A
Sanitary											
Average number of sanitary/water customers	8,500	8,500	9,250	9,250		9,500	9,750	9,850	10,130	10,280	10,295
Nursing Home											
Total Number of Beds Available, Annually	55,998	55,845	0	0 0		0	0	0	0	0	0
Number of Beds Occupied Annually	47,512	48,692	0	0 0		0	0	0	0	0	0
Occupancy Rate, Annual	85%	87%	0	0 0		0	0	0	0	0	0
Gaming											
Games Sold	43,056	36,206	35,357	33,395		32,701	30,699	27,437	26,013	25,754	26,651
Operators Licensed	83	85	92	88 #		100	81	80	70	63	75
Inspections Conducted	972	921	860	672 #		851	610	748	701	701	644

Source: Various County Departments

# Allegany County, Maryland

## Capital Asset Statistics by Function/Program

### Last Ten Fiscal Years

Function/Program	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Number of major buildings maintained	11	11	11	11	11	11	11	11	11	11
Public Safety										
Number of police stations	1	2	4	4	4	4	4	4	4	4
Number of patrol vehicles	20	29	34	38	36	40	33	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	5	5	5	5	5	5	5	5	5	5
Number of operating transit buses	11	14	21	22	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	12	10	13	13	13	12	11	11	11	12
Sanitary										
Sanitary/Water (miles)	175	175	175	175	175	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6	6	6	6	6	6
Nursing Home										
Number of buildings maintained	1	1	0	0	0	0	0	0	0	0

Source: Various County Departments