

Allegany County, Maryland **Comprehensive Annual Financial Report**

For the Fiscal Year Ended June 30, 2018

2018



Allegany County Board of County Commissioners

Jacob C. Shade, *President*

Creade V. Brodie, Jr., *Commissioner*

David J. Caporale, *Commissioner*

Brandon S. Butler, *County Administrator*



ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
JULY 1, 2017 - JUNE 30, 2018

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

This page left blank intentionally

ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	Page Number
<u>I. INTRODUCTORY SECTION</u>	
Letter of Transmittal	ix
Certificate of Achievement for Excellence in Financial Reporting	xiv
Summary of Certain County Officials	xv
Organization Chart	xvi
 <u>II. FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	A-1
MANAGEMENT'S DISCUSSION AND ANALYSIS	B-1
 <u>BASIC FINANCIAL STATEMENTS:</u>	
Government-wide Financial Statements:	
Statement of Net Position.....	C-5
Statement of Activities	C-6
Fund Financial Statements:	
Balance Sheet - Governmental Funds	C-11
Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	C-12
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Net Activities.....	C-13
Statement of Net Position - Proprietary Funds.....	C-15
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	C-16
Statement of Cash Flows - Proprietary Funds.....	C-17
Statement of Fiduciary Net Position - Fiduciary Fund.....	C-18
Statement of Changes in Fiduciary Net Position - Fiduciary Fund	C-18
 Notes to the Financial Statements	
Note 1. Summary of Significant Accounting Policies.....	C-21
A. Introduction.....	C-21
B. Reporting Entity.....	C-21
C. Government-wide and Fund Financial Statements.....	C-23
D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation.....	C-23
E. Assets, Liabilities, Deferred Inflows/Outflows of Resources and Net Position or Equity.....	C-25
Note 2. Reconciliation of Government-wide and Fund Financial Statements.....	C-32
A. Explanation of certain differences between the governmental funds balance sheet and the government-wide statement of net position.....	C-32
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	C-33
Note 3. Stewardship, Compliance, and Accountability	
A. Budgetary Information.....	C-34
B. Excess of Expenditures Over Appropriations.....	C-35
C. Deficit Fund Equity.....	C-36
Note 4. Deposits and Investments.....	C-36
Note 5. Fair Value Measurement.....	C-40
Note 6. Property Taxes Receivable.....	C-42
Note 7. Other Receivables.....	C-42
Note 8. Capital Assets.....	C-45

ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

II.	<u>FINANCIAL SECTION -continued</u>	Page
	<u>BASIC FINANCIAL STATEMENTS - continued</u>	<u>Number</u>
	Notes to the Financial Statements - continued	
	Note 9. Interfund Receivables, Payables and Transfers	
	A. Due To/From Other Funds.....	C-49
	B. Advances and Loans To/From Other Funds.....	C-49
	C. Transfers.....	C-50
	Note 10. Short-Term Debt.....	C-51
	Note 11. Long-Term Debt, Capital Leases and Compensated Absences.....	C-51
	Note 12. Pensions and Retirement Systems.....	C-55
	Note 13. Length of Service Award Program (LOSAP)	C-63
	Note 14. Governmental Fund Balance Classifications	C-66
	Note 15. Postemployment Health Care Plan.....	C-67
	Note 16. Tax Abatements.....	C-73
	Note 17. Risk Management.....	C-76
	Note 18. Pending Claims and Litigation.....	C-77
	Note 19. Contingent Liabilities.....	C-77
	Note 20. Accounting Changes and Restatement of Net Position.....	C-77
	Note 21. Related Parties.....	C-78
	Note 22. Subsequent Events.....	C-78
	 <u>REQUIRED SUPPLEMENTARY INFORMATION:</u>	
	Other Post-Employment Benefits Plan Contributions, Pension RSI.....	D-3
	Other Post-Employment Benefits Plan Contributions RSI.....	D-4
	Notes to Required Supplementary Information	D-5
	Budgetary Comparison Schedule - General Fund	D-6
	Budgetary Comparison Schedule - Revolving Building Fund	D-14
	Notes to Required Supplementary Information	D-14
	 <u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</u>	
	<u>Non-Major Governmental Funds:</u>	
	Combining Balance Sheet.....	E-4
	Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	E-6
	<u>Non-Major Enterprise Funds:</u>	
	Combining Statement of Net Position.....	E-10
	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	E-11
	Combining Statement of Cash Flows	E-12
	<u>Schedules of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:</u>	
	Debt Service Fund	E-15
	Special Revenue Funds	E-16
	Capital Project Funds	E-21
	<u>Schedules of Revenues, Expenditures and Project Balances - From Inception to June 30, 2018</u>	
	Capital Improvement Projects Fund	E-24
	Pay-As-You-Go Capital Project Fund	E-24
	Public Improvement Bonds Capital Projects Fund	E-24
	<u>Schedule of Revenues, Expenditures and Changes in Fund Balances By Project-</u>	
	<u>For The Year Ended June 30, 2018</u>	
	Capital Improvement Projects Fund	E-28
	Pay-As-You-Go Capital Project Fund	E-30
	Public Improvement Bonds Capital Projects Fund	E-32

ALLEGANY COUNTY, MARYLAND COMPREHENSIVE ANNUAL FINANCIAL REPORT

TABLE OF CONTENTS

	Page Number
II. <u>FINANCIAL SECTION -continued</u>	
<u>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES continued:</u>	
<u>Enterprise Funds Combining Schedules:</u>	
Water Districts Combining Schedule of Revenues, Expenses and Changes in Net Assets.....	E-34
Sanitary Districts Combining Schedule of Net Assets.....	E-36
Sanitary Districts Combining Schedule of Revenues, Expenses and Changes in Net Assets.....	E-38
 <u>Agency Fund</u>	
Agency Fund - Statement of Changes in Assets and Liabilities	E-42
 <u>Capital Assets Used in the Operation of Governmental Funds:</u>	
Comparative Schedule By Source.....	E-44
Schedule of Assets By Function	E-45
Schedule of Changes in Capital Assets by Function	E-45
 III. <u>STATISTICAL SECTION</u>	
Table of Contents.....	F-1
Financial Trends:	
Net Position by Component, Last Ten Fiscal Years	F-5
Changes in Net Position, Last Ten Fiscal Years	F-6
Fund Balances, Governmental Funds, Last Ten years	F-9
Changes in Fund Balances, Governmental Funds, Last Ten Years	F-10
Revenue Capacity:	
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	F-13
Schedule of Property Tax Rates - Direct and Overlapping, Last Ten Fiscal Years	F-14
Principal Property Tax Payers	F-15
Property Tax Levies and Collections	F-16
Debt Capacity:	
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	F-19
Ratios of General Obligation Debt Outstanding, Last Ten Fiscal Years	F-20
Legal Debt Margin Information, Last Ten Fiscal Years	F-21
Pledged Revenue Coverage, Last Ten Fiscal Years	F-22
Demographic and Economic Information:	
Demographic and Economic Statistics, Last Ten Calendar Years	F-25
Principal Employers, Current Year and Nine Years Ago	F-26
Operating Information:	
Full-time Equivalent County Government Employees by Function/Program, Last Ten Fiscal Years	F-29
Operating Indicators by Function/Program, Last Ten Fiscal Years	F-30
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years	F-31

This page left blank intentionally.

INTRODUCTORY SECTION

This page left blank intentionally.



ALLEGANY COUNTY, MARYLAND

Finance Office

701 Kelly Road, Suite 205, Cumberland, Maryland 21502

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

finanoc@aliconet.org

www.gov.aliconet.org

BOARD OF COMMISSIONERS

Jacob Shade, *President*
Crescent V. Brodie, Jr.
David J. Caporale

Jacob Bennett, CPA, *Director of Finance*

July 25, 2019

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, 2018, including the report of our independent Certified Public Accountants is presented herewith. This report has been prepared by the Allegany County Finance Department in accordance with Article 19 of the Annotated Code of the State of Maryland and with Part I, Chapter 26, Article 26-3 of the Allegany County code. This report is presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

The County's financial statements have been audited by Turnbull, Hoover & Kahl, PA., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Allegany County for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used, and significant estimates made by management; and

evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2018, 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 increased slightly from June 30, 2017 at 5.8% to 6.1% for June 30, 2018. 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 31,849. The total labor force is down slightly mirroring 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 2018 the County incurred no new general obligation debt and incurred \$1,368,954 for water and sewer projects;

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

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, 2017. This was the twenty-fifth 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. Other than being late to file, we believe that our current comprehensive annual report continues to meet the Certificate of Achievement Program's requirements.

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

Respectfully submitted,



Jason M. Bennett, CPA
Director of Finance

This page left blank intentionally.



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, 2017

Christopher P. Morrell

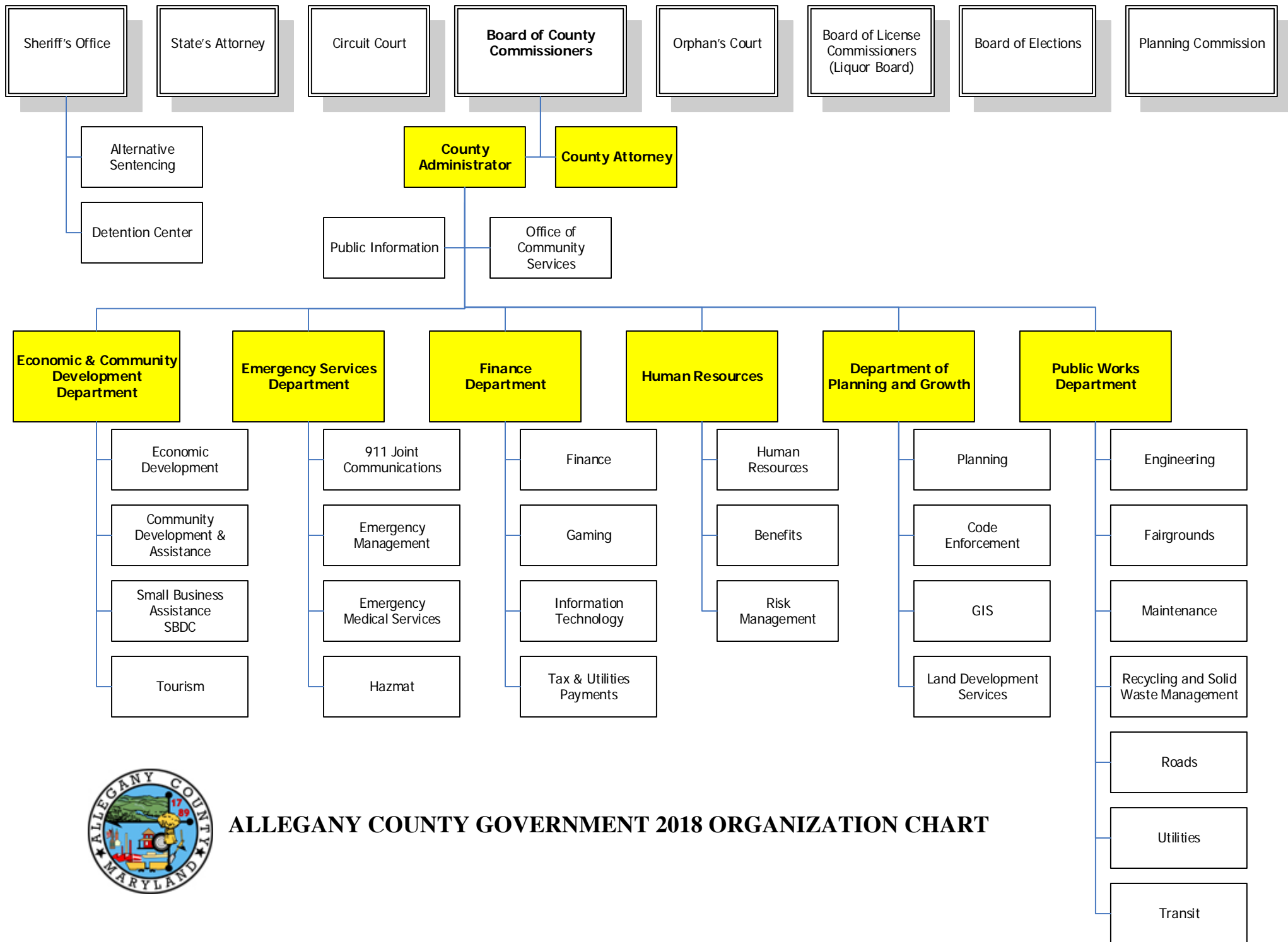
Executive Director/CEO

Allegany County, Maryland
Summary of Certain Officials
June 30, 2018

Board of Commissioners

Jacob Shade, President
Creade V. Brodie Jr., Commissioner
David J. Caporale, Commissioner

County Administrator	Brandon Butler
Clerk of the Board	Brandon Butler
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 GOVERNMENT 2018 ORGANIZATION CHART

This page left blank intentionally.

FINANCIAL SECTION

This page left blank intentionally.

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



217 Glenn Street, Suite 400
Cumberland, Maryland 21032
Phone: 301.759.0270
www.thkcpcas.com

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, 2018, 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 69 percent, 70 percent, and 78 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, 2018, 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 2018, Allegany County, Maryland adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits 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 inquiries 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

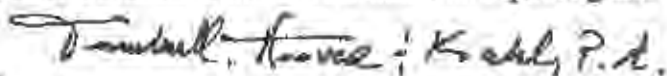
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Allegany County, Maryland's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section, are 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 July 29, 2019, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Allegany County, Maryland's 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.

 T. Andrew Hoover, P.A.

Cumberland, Maryland
July 29, 2019

This page left blank intentionally.

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, 2018. 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 \$169.5 million (*net position*). Of this amount, \$182 million is net investment in capital assets and \$4.4 million is restricted for specific purposes (restricted net position). The County's total unrestricted net position is (\$16.9 million). This total unrestricted net position amount includes (\$13.5 million) from governmental activities, and unrestricted net position balance from business-type activities of (\$3.4 million).
- The government's total net position decreased by \$9.3 million or 5.5%, disregarding the restatement of beginning net position. The governmental net position decreased \$7.8 million. Business-type net assets decreased by \$ 1.5 million during the year. Beginning net position for the governmental funds was restated by (\$ 20.6 million) largely due to recognizing OPEB 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 \$41.6 million, a decrease of \$ 11.7 million in comparison with the prior year. The decrease was due largely to nearly \$ 10 million of FY 2015 bond proceeds being spent on the County's new high school. Approximately 36.5% of the ending fund balance, \$15.2 million, is *available for spending* at the government's discretion (*unassigned fund balance*), \$1.2 million is nonspendable, \$ 4.3 million is restricted, \$ 12.3 million is committed to certain programs and \$8.6 million is assigned to specific programs.
- Allegany County's governmental activity outstanding debt decreased by \$2.5 million (or 9.9%) during the current fiscal year. The County's business-type debt increased by \$ 1.8 million (or 6.5%).

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-C18 of this report.

Proprietary funds. Allegany County has one type of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Allegany County uses enterprise funds to account for its water fund, sewer fund, 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 C21-78 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 \$170 million at the close of the most recent fiscal year.

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

ALLEGANY COUNTY'S NET POSITION						
	Governmental Activities		Business-type Activities		Total	
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017
Assets:						
Current and other assets	\$ 58,366,564	\$ 65,023,534	\$ 1,129,944	\$ 160,948	\$ 59,496,508	\$ 65,184,482
Capital assets	91,791,568	92,453,670	125,527,168	126,016,483	217,318,736	218,470,153
Total assets	150,158,132	157,477,204	126,657,112	126,177,431	276,815,244	283,654,635
Deferred Outflows of Resources	3,210,294	3,673,957	238,822	287,077	3,449,116	3,961,034
Liabilities:						
Current and other liabilities	13,020,601	10,660,006	3,788,587	3,455,382	16,809,188	14,115,388
Long-term liabilities outstanding	62,045,429	44,770,596	30,399,866	28,817,221	92,445,295	73,587,817
Total liabilities	75,066,030	55,430,602	34,188,452	32,272,602	109,254,482	87,703,205
Deferred Inflows of Resources	1,424,178	412,445	66,188	30,278	1,490,366	442,723
Net position:						
Net investment in capital assets	86,142,012	86,497,352	95,860,101	98,160,878	182,002,113	184,658,230
Restricted	4,255,467	16,237,133	155,066	240,345	4,410,533	16,477,478
Unrestricted	(13,519,261)	2,573,629	(3,373,873)	(4,239,595)	(16,893,134)	(1,665,966)
Total net position	\$ 76,878,218	\$ 105,308,114	\$ 92,641,294	\$ 94,161,628	\$ 169,519,512	\$ 199,469,742

An additional portion of Allegany County's net position (2.6%) represents resources that are subject to external restrictions on how they may be used. The County has a negative *unrestricted net position* balance of (\$16.9 million). The *unrestricted net position* balance for the governmental activities was (\$13.5 million) and the business-type activities have a balance of (\$3.4 million).

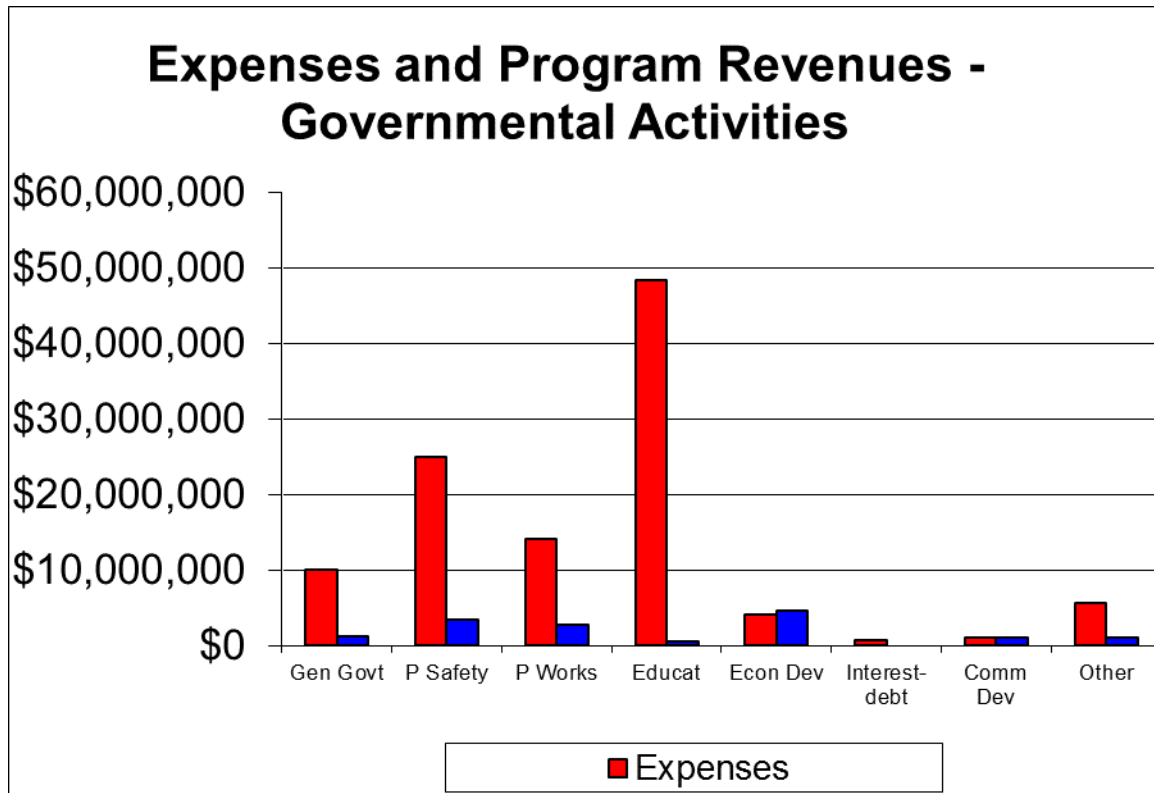
During the current fiscal year, the government's net position decreased by \$9.3 million. Revenues increased by \$472,830 to \$114 million while expenses increased by \$11.5 million from the prior year to \$123.5 million. This increase was due largely to spending over \$ 10 million on new high school construction

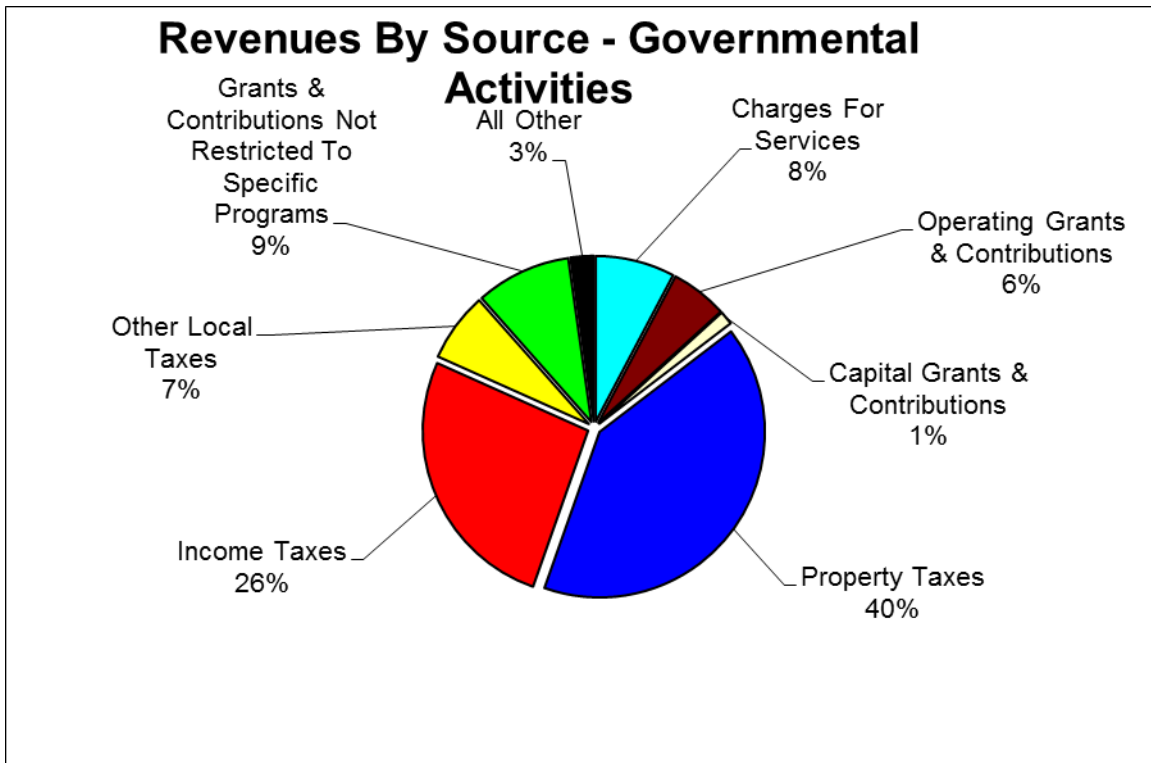
ALLEGANY COUNTY'S CHANGES IN NET POSITION							
	Governmental Activities		Business-type Activities		Total		
	FY 2018	FY 2017	FY 2018	FY 2017	FY 2018	FY 2017	
Revenues:							
Program revenues:							
Charges for services	\$ 8,706,414	\$ 6,321,653	\$ 10,266,428	\$ 10,652,809	\$ 18,972,842	\$ 16,974,462	
Operating grants and contributions	5,503,162	4,507,723	-	-	5,503,162	4,507,723	
Capital grants and contributions	1,401,461	3,235,959	2,159,945	2,827,122	3,561,406	6,063,081	
General revenues:							
Property taxes	40,525,539	40,900,084	1,133,343	993,937	41,658,882	41,894,021	
Income taxes	26,117,557	25,911,041	-	-	26,117,557	25,911,041	
Other local taxes	6,720,568	6,195,089	-	-	6,720,568	6,195,089	
Franchise taxes	434,575	447,143	-	-	434,575	447,143	
Grants and contributions not restricted to specific programs	9,244,141	9,205,270	-	-	9,244,141	9,205,270	
Unrestricted fees	-	-	-	-	-	-	
Unrestricted investment earnings	1,383,672	1,375,762	214,705	195,916	1,598,377	1,571,678	
Gain on sale/retirement of capital assets	65,351	13,706	-	3,800	65,351	17,506	
Miscellaneous	366,375	983,392	-	-	366,375	983,392	
Total revenues	<u>100,468,815</u>	<u>99,096,822</u>	<u>13,774,421</u>	<u>14,673,584</u>	<u>114,243,236</u>	<u>113,770,406</u>	
Expenses:							
General government	9,740,276	12,288,649	-	-	9,740,276	12,288,649	
Payment to data processing	188,456	182,712	-	-	188,456	182,712	
Public safety	24,450,408	20,723,459	-	-	24,450,408	20,723,459	
Public works	13,844,716	14,148,806	-	-	13,844,716	14,148,806	
Health	2,208,164	2,093,988	-	-	2,208,164	2,093,988	
Social services	952,725	1,387,194	-	-	952,725	1,387,194	
Education	10,005,096	797,321	-	-	10,005,096	797,321	
Payment to public school system	30,424,308	30,169,985	-	-	30,424,308	30,169,985	
Payment to community college	7,990,550	7,630,550	-	-	7,990,550	7,630,550	
Recreation, culture & libraries	1,214,252	583,538	-	-	1,214,252	583,538	
Payment to public library system	956,975	956,975	-	-	956,975	956,975	
Conservation of natural resources	279,539	265,253	-	-	279,539	265,253	
Community development & housing	1,021,156	1,026,337	-	-	1,021,156	1,026,337	
Economic development	4,111,276	3,355,189	-	-	4,111,276	3,355,189	
Interest on long-term debt	763,156	677,774	-	-	763,156	677,774	
Water	-	-	4,645,473	4,723,474	4,645,473	4,723,474	
Sewer	-	-	10,545,774	10,782,299	10,545,774	10,782,299	
Nursing Home	-	-	-	-	-	-	
Other proprietary funds	-	-	195,390	202,991	195,390	202,991	
Total expenses	<u>108,151,053</u>	<u>96,287,730</u>	<u>15,386,637</u>	<u>15,708,764</u>	<u>123,537,690</u>	<u>111,996,494</u>	
Increase in net position before transfers	(7,682,238)	2,809,092	(1,612,216)	(1,035,180)	(9,294,454)	1,773,912	
Transfers	(91,884)	(155,527)	91,884	155,527	-	-	
Increase (decrease) in net position	(7,774,122)	2,653,565	(1,520,332)	(879,653)	(9,294,454)	1,773,912	
Net position, beginning, restated	84,652,341	102,654,549	94,161,627	95,041,283	178,813,968	197,695,832	
Net position, ending	<u>\$ 76,878,218</u>	<u>\$ 105,308,114</u>	<u>\$ 92,641,294</u>	<u>\$ 94,161,630</u>	<u>\$ 169,519,512</u>	<u>\$ 199,469,744</u>	

Governmental activities. Governmental activities decreased Allegany County's net assets by \$7.7 million. Total revenues increased \$ 1.4 million (or 1.38%) and expenses increased \$ 11.9 million (or 12%). Key elements of the changes in governmental net assets are as follows:

- Public safety expenditures increased largely due to adding a new ambulance service, costing the county an additional 3.7 million dollars for FY 2018
- Education costs increased close to \$ 10 million dollars due to the payment to the local school system for contribution to construction of new high school

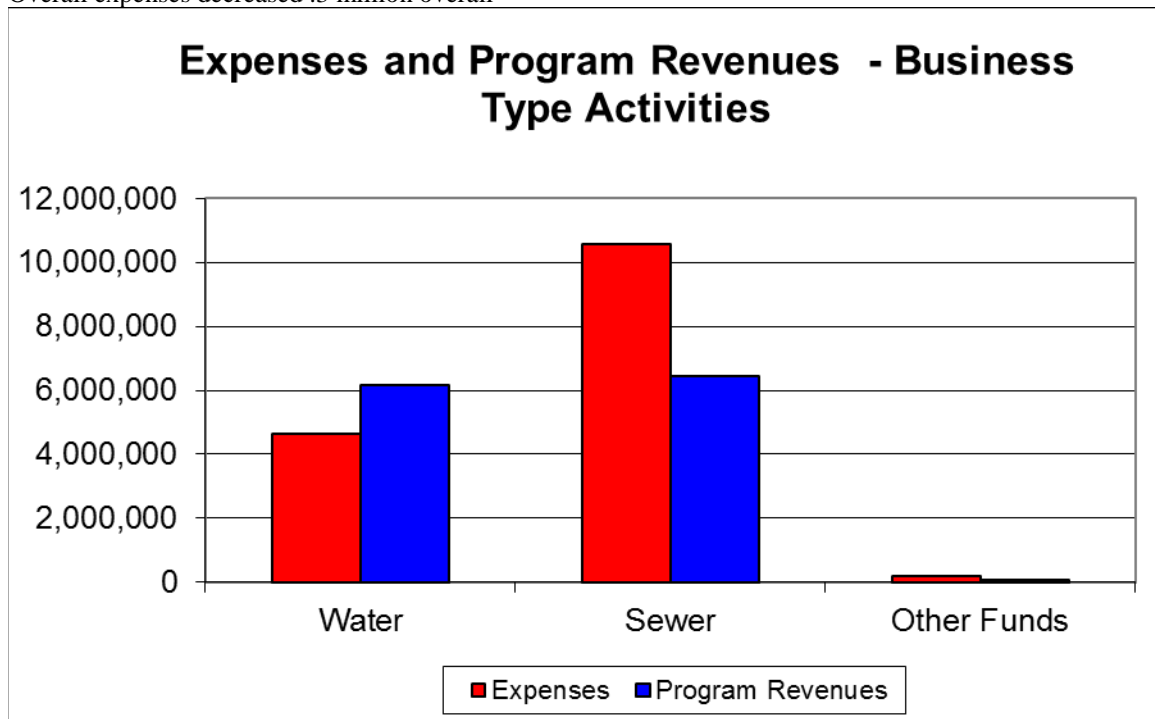
- Economic development expenses increased \$.8 million due to major road and paving enhancements.



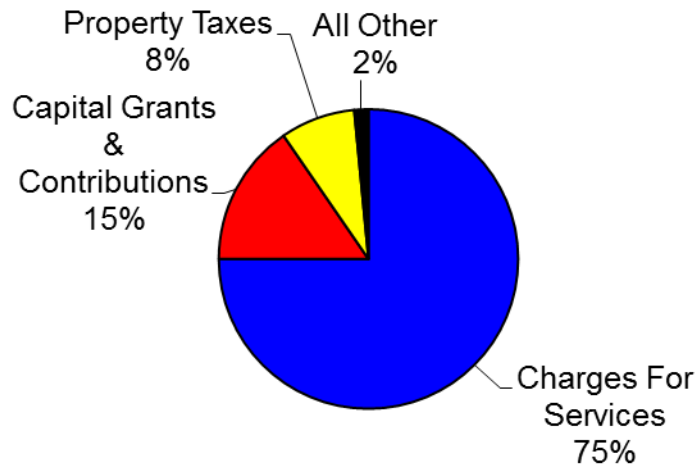


Business-type activities. The net position of the County's business-type activities decreased by \$ 1.5 million after transfers. Key elements of the decrease were:

- Capital grants decreased \$.7 million due to fewer major water/sewer projects.
- Overall expenses decreased .3 million overall



Revenues By Source - Business Type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Allegany County's governmental funds reported combined ending fund balance of \$41.6 million, a decrease of \$ 11.7 million in comparison with the prior year. Approximately 36.4 percent of this total amount (\$15.1 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 - \$4.3 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. - \$ 12.3 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 - \$8.6 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 \$15.9 million, out of a total fund balance of \$25.2 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 18.6 percent of total general fund expenditures, while total fund balance represents 29.6 percent of that same amount.

Key factors in the \$ 11.7 million decrease in the governmental fund balances are:

The PIB fund's (a major governmental fund) fund balance decreased nearly \$10 million. The decrease was due to \$ 11.5 million of PIB 2015 general obligation loan proceeds being spent on the County's new high school.

The General Fund decrease of \$ 1.6 was largely due to implementing a new ambulance service, with expenditures exceeding revenues for this service in the amount of \$1.3 million.

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 asset	\$34,974,042	\$ 60,485,846	\$ 400,213	\$ 95,860,101
Restricted for debt service	-	155,066	-	155,066
Unrestricted	4,406,859	(9,195,003)	1,414,272	(3,373,871)
Total net position	<u>\$39,380,901</u>	<u>\$ 51,445,910</u>	<u>\$ 1,814,485</u>	<u>\$ 92,641,295</u>
Change in net position during the year, increase (decrease)	<u>\$ 1,466,141</u>	<u>\$ (2,828,646)</u>	<u>\$ (157,826)</u>	<u>\$ (1,520,332)</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 \$ 2.6 million (includes other sources and uses) to a revised total of \$89.5 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 \$2 million in order to implement a new County ambulance service. Actual revenues exceeded budgeted revenues estimates by \$ 1.2 million and actual expenditures were less than budgetary estimates by \$ 1.3 million.
- Budgeted revenue was very comparable to actual revenue with only a .6% increase.
- Almost all operating departments finished well within budget and overall personnel cuts were made across departments. Budgeted expenditures exceeded actual expenditures by .6%.

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, 2018 was \$217 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 decrease in Allegany County's investment in capital assets for the current fiscal year was .4 percent (a .8 percent increase for governmental activities and a .4 percent decrease for business-type activities).

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

Governmental Activities: \$ 1.3 million in radio equipment purchased for 911 system and \$1 million in vehicle purchases for the Sheriff Department and Transit Department.

The Business-Type Activities: Work in progress increased \$ 3 million due to on-going water/sewer projects.

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 \$54.7 million. Governmental activities debt consists of \$25 million in general obligation bonds including premium and \$.7 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$29.7 million of debt for the business-type activities (revenue bonds) is either paid from revenues restricted for that purpose or by user fees.

ALLEGANY COUNTY'S OUTSTANDING DEBT
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation	\$ 23,481,908	\$ 25,536,021	\$ -	\$ -	\$ 23,481,908	\$ 25,536,021
Notes	203,466	203,466	-	-	203,466	203,466
Capital leases	-	-	-	-	-	-
State loans	642,863	994,296	11,036,046	12,025,418	11,678,909	13,019,714
Federal loans	-	-	18,372,966	15,550,052	18,372,966	15,550,052
Other loans	-	-	258,055	280,136	258,055	280,136
Premium on Bonds	742,907	807,345	-	-	742,907	807,345
Total	<u>\$ 25,071,144</u>	<u>\$ 27,541,128</u>	<u>\$ 29,667,067</u>	<u>\$ 27,855,606</u>	<u>\$ 54,738,211</u>	<u>\$ 55,396,734</u>

Allegany County did not issue any new bond debt during the fiscal year and retired \$ 2.5 million in total during the current fiscal year as debt outstanding decreased 1.1 percent.

Revenue debt in the amount of \$ 3 million was incurred for the sewer districts and new debt for the water districts included \$352,000. 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 "AA-", 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 2018 for Allegany County was 6.1 percent, which increased from 5.8 percent when compared to June 2017.

All of these factors were considered in preparing Allegany County's budget for the 2019 fiscal year.

During the current fiscal year, spendable fund balance in the general fund decreased to \$15.9 million. The use of the unexpended and available fund balance reduced the amount of tax, service charges and fee increases necessary to have a balanced budget for the 2019 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.

BASIC FINANCIAL STATEMENTS

This page left blank intentionally.

**GOVERNMENT WIDE
FINANCIAL
STATEMENTS**

This page left blank intentionally.

ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Units			
	Governmental Activities	Business-type Activities	Total	Board of Education	Allegany College of Maryland	Allegany County Library	LaVale Sanitary Commission
ASSETS:							
Current Assets:							
Cash	\$ 26,178,727	\$ 138,100	\$ 26,316,827	\$ 27,303,430	\$ 11,373,039	\$ 203,290	\$ 2,192,472
Investments	12,793,709	420,000	13,213,709	-	203,148	577,615	-
Property taxes receivable	4,719,281	-	4,719,281	-	-	-	-
Receivables:							
Accounts	2,672	3,150,278	3,152,950	8,141,152	495,038	12,019	318,007
Other	7,451,896	817,232	8,269,128	-	869,487	-	294,799
Internal balances	3,853,970	(3,853,970)	-	-	-	-	-
Inventory	41,920	94,926	136,846	193,134	281,858	-	221,417
Prepaid expenses	-	-	-	-	59,621	7,804	38,926
Miscellaneous	389,523	-	389,523	-	-	-	-
Restricted Assets:							
Cash	24,197	208,312	232,509	-	45,074	-	372,856
Investments	2,910,669	-	2,910,669	-	14,216,736	-	-
Taxes - receivable	-	149,404	149,404	-	-	-	-
Receivables	-	5,662	5,662	-	-	-	-
Total current assets	<u>58,366,564</u>	<u>1,129,944</u>	<u>59,496,508</u>	<u>35,637,716</u>	<u>27,544,001</u>	<u>800,728</u>	<u>3,438,477</u>
Non-current Assets:							
Long term Investment, Market	-	-	-	-	1,488,076	-	-
Restricted asset-taxes receivable	-	-	-	-	-	-	29,318
Net OPEB Asset	-	-	-	7,280,202	-	-	-
Pension Net Asset	-	-	-	-	-	-	514,708
Land	26,003,598	192,532	26,196,130	4,208,336	1,564,352	-	234,830
Work In Progress	1,624,155	10,754,864	12,379,019	56,340,416	1,527,155	-	61,024
Other non-depreciable assets	-	-	-	75,584	139,753	-	-
Capital assets subject to depreciation/amortization	153,482,921	190,721,399	344,204,320	189,570,029	57,210,776	9,192,320	30,552,589
Accumulated depreciation	(89,319,106)	(76,141,627)	(165,460,733)	(122,933,270)	(34,316,626)	(4,517,691)	(13,817,474)
Total non-current assets	<u>91,791,568</u>	<u>125,527,168</u>	<u>217,318,736</u>	<u>134,541,297</u>	<u>27,613,486</u>	<u>4,674,629</u>	<u>17,574,995</u>
Total Assets	<u>150,158,132</u>	<u>126,657,112</u>	<u>276,815,244</u>	<u>170,179,013</u>	<u>55,157,487</u>	<u>5,475,357</u>	<u>21,013,472</u>
Deferred Outflows of Resources							
Deferred Outflows for Pensions	3,179,563	238,822	3,418,385	1,247,754	155,741	20,137	231,353
Deferred Outflows for OPEB	30,731	-	30,731	-	-	-	791,497
Total Def Outflows of Resources	<u>3,210,294</u>	<u>238,822</u>	<u>3,449,116</u>	<u>1,247,754</u>	<u>155,741</u>	<u>20,137</u>	<u>1,022,850</u>
LIABILITIES:			3,449,116				
Current Liabilities:			-				
Accounts payable	5,654,716	1,638,738	7,293,454	7,127,682	479,223	20,485	541,110
Accrued wages payable	389,492	31,605	421,097	784,262	674,673	15,685	-
Accrued fringe benefits payable	179,814	15,077	194,891	-	237,778	-	-
Accrued interest	311,308	87,041	398,349	-	-	-	23,345
Current portion of long-term debt:							
Bonds and loans	2,322,243	1,552,918	3,875,161	-	-	-	228,671
Capital leases	-	-	-	159,979	65,999	-	-
Compensated absences	950,584	167,596	1,118,180	249,073	198,848	-	-
Due to Agency Fund	377,845	-	377,845	-	-	-	-
Due to Trust Fund	-	-	-	-	-	-	-
Unearned Revenue	553,363	-	553,363	1,880,599	620,037	-	-
Accrued health claims	364,952	-	364,952	5,103,117	240,998	-	-
Miscellaneous liabilities	1,916,284	295,612	2,211,896	1,693,574	338,412	-	-
Total current liabilities	<u>13,020,601</u>	<u>3,788,587</u>	<u>16,809,188</u>	<u>16,998,286</u>	<u>2,855,968</u>	<u>36,170</u>	<u>793,126</u>
Non-current liabilities:							
Cash advance due general fund	(1,200,000)	1,200,000	-	-	-	-	-
Bonds and loans	22,748,901	27,856,094	50,604,995	-	-	-	4,345,440
Capital leases	-	-	-	218,495	214,572	-	-
Annuity payment liability	-	-	-	-	2,091	-	-
Termination benefits	-	-	-	-	635,786	-	-
Net pension liability	15,518,287	1,061,450	16,579,737	5,657,005	822,660	80,437	-
Net OPEB liability	21,332,959	-	21,332,959	-	-	-	2,576,189
Post-employment benefits	-	-	-	-	-	91,007	-
Compensated absences	3,645,282	282,322	3,927,604	2,127,141	-	66,343	-
Total non-current liabilities	<u>62,045,429</u>	<u>30,399,866</u>	<u>92,445,295</u>	<u>8,002,641</u>	<u>1,675,109</u>	<u>237,787</u>	<u>6,921,629</u>
Total Liabilities	<u>75,066,030</u>	<u>34,188,452</u>	<u>109,254,482</u>	<u>25,000,927</u>	<u>4,531,077</u>	<u>273,957</u>	<u>7,714,755</u>
Deferred Inflows of Resources							
Deferred Inflows for Pensions	944,435	66,188	1,010,623	417,929	57,519	11,001	130,270
Deferred Inflows for OPEB	479,743	-	479,743	38,998	-	-	145,333
Total Def Inflows of Resources	<u>1,424,178</u>	<u>66,188</u>	<u>1,490,366</u>	<u>456,927</u>	<u>57,519</u>	<u>11,001</u>	<u>275,603</u>
NET POSITION							
Net investment in							
Capital Assets	86,142,012	95,860,101	182,002,113	126,807,037	25,844,838	4,674,630	12,500,775
Restricted for:							
Public safety	822,953	-	822,953	-	-	-	-
Highways	216,345	-	216,345	-	-	-	-
Education	-	-	-	-	-	-	-
Community development & housing	72,856	-	72,856	-	-	-	-
Economic development	-	-	-	-	-	-	-
Capital projects	3,011,334	-	3,011,334	2,881,440	-	-	-
Other purposes	131,979	155,066	287,045	7,473,336	14,922,851	437,304	358,257
Unrestricted	\$ (13,519,261)	(3,373,873)	(16,893,134)	8,807,100	9,956,945	97,513	1,186,932
Total Net Position	<u>76,878,218</u>	<u>92,641,294</u>	<u>169,519,512</u>	<u>145,968,913</u>	<u>50,724,634</u>	<u>5,209,448</u>	<u>14,045,964</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, 2018

Functions/Programs	Expenses		Expenses		Program Revenues		
	Before Indirect Expense Allocation	Indirect Expense Allocation	After Indirect Expense Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government::							
Governmental activities:							
General government:	\$ 10,304,229	\$ (563,953)	\$ 9,740,276	\$ 882,623	\$ 455,956	\$ 441,072	
Payment to data processing	188,456	-	188,456	-	-	-	
Public safety	24,450,408	-	24,450,408	2,715,982	1,035,885	24,708	
Public works	13,844,716	-	13,844,716	1,331,456	1,216,347	411,575	
Health	2,208,164	-	2,208,164	-	146,796	-	
Social services	952,725	-	952,725	27,819	180,685	-	
Education:	10,005,096	-	10,005,096	-	-	500,000	
Payment to public school system	30,424,308	-	30,424,308	-	-	-	
Payment to community college	7,990,550	-	7,990,550	-	-	-	
Recreation, culture & libraries:	1,214,252	-	1,214,252	410,342	187,079	24,106	
Payment to public library system	956,975	-	956,975	-	-	-	
Conservation of natural resources	279,539	-	279,539	18,360	31,004	-	
Community development and housing	1,021,156	-	1,021,156		979,255	-	
Economic development	4,111,276	-	4,111,276	3,319,832	1,270,155	-	
Interest on long term debt	763,156	-	763,156	-	-	-	
Total governmental activities	108,715,006	(563,953)	108,151,053	8,706,414	5,503,162	1,401,461	
Business-type activities:							
Water	4,489,346	156,127	4,645,473	4,166,328	-	1,884,461	
Sewer	10,137,948	407,826	10,545,774	6,040,900	-	275,484	
Other funds	195,390	-	195,390	59,200	-	-	
Total business-type activities	14,822,684	563,953	15,386,637	10,266,428	-	2,159,945	
Total primary government	\$ 123,537,690	\$ -	\$ 123,537,690	\$ 18,972,842	\$ 5,503,162	\$ 3,561,406	
Component units:							
Board of Education			\$ 131,156,446	\$ 1,528,958	\$ 21,445,296	\$ 18,987,169	
Allegany College of Md.			33,471,762	8,526,523	16,544,617	1,294,766	
County Library			2,347,136	227,417	130,910	65,143	
LaVale Sanitary Commission			6,018,458	4,837,831	-	378,937	
Total component units			\$ 172,993,802	\$ 15,120,729	\$ 38,120,823	\$ 20,726,015	
				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 20)			
				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, 2018

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
\$ (7,960,625)	\$ -	\$ (7,960,625)	\$ -	\$ -	\$ -	\$ -
(188,456)	-	(188,456)	-	-	-	-
(20,673,833)	-	(20,673,833)	-	-	-	-
(10,885,338)	-	(10,885,338)	-	-	-	-
(2,061,368)	-	(2,061,368)	-	-	-	-
(744,221)	-	(744,221)	-	-	-	-
(9,505,096)	-	(9,505,096)	-	-	-	-
(30,424,308)	-	(30,424,308)	-	-	-	-
(7,990,550)	-	(7,990,550)	-	-	-	-
(592,725)	-	(592,725)	-	-	-	-
(956,975)	-	(956,975)	-	-	-	-
(230,175)	-	(230,175)	-	-	-	-
(41,901)	-	(41,901)	-	-	-	-
478,711	-	478,711	-	-	-	-
(763,156)	-	(763,156)	-	-	-	-
<u>(92,540,016)</u>	<u>-</u>	<u>(92,540,016)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,405,316	1,405,316	-	-	-	-
-	(4,229,390)	(4,229,390)	-	-	-	-
-	(136,190)	(136,190)	-	-	-	-
-	(2,960,264)	(2,960,264)	-	-	-	-
<u>(92,540,016)</u>	<u>(2,960,264)</u>	<u>(95,500,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	(89,195,023)	-	-	-
-	-	-	-	(7,105,856)	-	-
-	-	-	-	-	(1,923,666)	-
-	-	-	-	-	-	(801,690)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(89,195,023)</u>	<u>(7,105,856)</u>	<u>(1,923,666)</u>	<u>(801,690)</u>
40,525,539	1,133,343	41,658,882	-	-	-	307,103
26,117,557	-	26,117,557	-	-	-	1,028,410
-	-	-	-	-	-	-
2,329,402	-	2,329,402	-	-	-	-
425,545	-	425,545	-	-	-	-
690,000	-	690,000	-	-	-	-
1,078,013	-	1,078,013	-	-	-	-
1,849,327	-	1,849,327	-	-	-	-
220,306	-	220,306	-	-	-	-
127,975	-	127,975	-	-	-	-
-	-	-	30,424,308	7,990,550	956,975	-
434,575	-	434,575	-	-	-	-
9,244,141	-	9,244,141	79,880,772	-	787,337	-
1,383,672	214,705	1,598,377	82,130	1,388,762	-	11,205
65,351	-	65,351	10,257	-	-	-
366,375	-	366,375	348,962	-	74,903	1,254
(91,884)	91,884	-	-	-	-	-
<u>84,765,894</u>	<u>1,439,932</u>	<u>86,205,826</u>	<u>110,746,429</u>	<u>9,379,312</u>	<u>1,819,215</u>	<u>1,347,972</u>
(7,774,122)	(1,520,332)	(9,294,454)	21,551,406	2,273,456	(104,451)	546,282
84,652,341	94,161,627	178,813,968	124,417,507	48,451,178	5,313,898	13,499,682
<u>\$ 76,878,218</u>	<u>\$ 92,641,294</u>	<u>\$ 169,519,512</u>	<u>\$ 145,968,913</u>	<u>\$ 50,724,634</u>	<u>\$ 5,209,448</u>	<u>\$ 14,045,964</u>

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

This page left blank intentionally.

**FUND
FINANCIAL
STATEMENTS**

This page left blank intentionally.

ALLEGANY COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2018

ASSETS:	General Fund	Revolving Building Fund	Public Improve Bond Fund	Other Governmental Funds	Total
Cash	\$ 26,177,577	\$ -		\$ 1,150	\$ 26,178,727
Cash -restricted	-	-		24,197	24,197
Investments	8,905,054	-		2,754,769	11,659,823
Investments-Restricted	2,409,165		501,504		2,910,669
Property tax receivable	4,858,281	-		-	4,858,281
Receivables					
Notes and loans	-	-		235,001	235,001
Other receivables	5,190,954	191,311		1,194,767	6,577,032
Due from other funds		10,021,561	3,418,995	3,723,454	17,164,010
Advances to other funds	1,200,000	-		-	1,200,000
Inventory	-	-		41,920	41,920
Prepays		-		-	-
Miscellaneous assets	143,623	-		-	143,623
Total Assets	\$ 48,884,654	\$ 10,212,872	\$ 3,920,499	\$ 7,975,258	\$ 70,993,283

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:

Liabilities:

Accounts payable	\$ 2,740,520	\$ 263,986	909,165	\$ 1,633,731	\$ 5,547,402
Accrued payroll	363,211	7,319		18,962	389,492
Accrued payroll fringe	168,731	2,420		8,663	179,814
Due to other funds	14,397,403	-		1,866,607	16,264,010
Amounts held in escrow	1,393,445	-		366,993	1,760,438
Unearned Revenue	112,355	-		676,009	788,364
Miscellaneous liabilities	131,979	23,867		-	155,846
Total Liabilities	19,307,644	297,592	909,165	4,570,965	25,085,366

Deferred inflows of resources:

Unavailable Revenue	4,332,270	-	-	-	4,332,270
Total Deferred inflows of resources	4,332,270	-	-	-	4,332,270

Fund Balances:

Nonspendable	1,200,000	-		41,920	1,241,920
Restricted	131,979		3,011,334	1,112,154	4,255,467
Committed	1,571,596	9,915,280		802,154	12,289,030
Assigned	6,423,165			2,216,031	8,639,196
Unassigned	15,918,000	-		(767,966)	15,150,034
Total Fund Balances	25,244,740	9,915,280	3,011,334	3,404,293	41,575,647

**Total Liabilities, deferred inflows of
resources and fund balance**

\$ 48,884,654	\$ 10,212,872	\$ 3,920,499	\$ 7,975,258
---------------	---------------	--------------	--------------

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.	91,791,289
Other long -term assets are not available to pay current -period expenditures and are deferred in the funds.	500,863
Deferred Inflows of Resources	63,971
Deferred Outflows for Pension and OPEB benefits	3,210,294
Effect on assets/liabilities due to internal service fund allocation to Governmental activities	3,486,317
Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.	(29,667,010)
Deferred Inflows for Pension and OPEB benefits	(1,424,178)
Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(32,658,975)

Net position of governmental activities \$ 76,878,218

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, 2018

	General Fund	Revolving Building Fund	Public Improve Bond Fund	Other Governmental Funds	Total
REVENUES:					
Taxes:					
Property taxes	\$ 41,529,472	\$ -		\$ -	\$ 41,529,472
Income taxes	25,797,515	-		-	25,797,515
Other local taxes	4,272,787	-		491,663	4,764,450
Licenses and permits	666,528	-		-	666,528
Intergovernmental:					
Federal	696,921	-		2,225,276	2,922,197
State	10,110,247	1,257,423	733,560	3,819,564	15,920,794
Other	901,053	-			901,053
Service charges	2,051,290	-		395,164	2,446,454
Fines and forfeitures	21,338	-		53,223	74,561
Interest	258,528	-	42,967	39,154	340,649
Miscellaneous	667,664	3,281,157		306,125	4,254,946
Total Revenues	<u>86,973,343</u>	<u>4,538,580</u>	<u>776,527</u>	<u>7,330,169</u>	<u>99,618,619</u>
EXPENDITURES:					
Current:					
General government	9,276,111	-		144,047	9,420,158
Public safety	21,118,767	-		2,099,070	23,217,837
Public works	10,400,361	-		1,826,563	12,226,924
Health and Hospitals	541,244	-			541,244
Social Services	1,251,241	-		-	1,251,241
Education	-	-		-	-
Recreation, culture and libraries	1,076,056	-		-	1,076,056
Conservation of natural resources	282,314	-		-	282,314
Community Development and Housing	8,000	-		999,193	1,007,193
Economic development	721,701	2,583,651		-	3,305,352
Miscellaneous	47,199	-			47,199
Appropriation to other governments	1,494,063	-		-	1,494,063
Payments to component units	39,200,289	-		360,000	39,560,289
Debt Service:					
Principal	-	-		2,405,547	2,405,547
Interest	-	-		834,194	834,194
Capital Outlay:					
General government	-	-		561,241	561,241
Public safety	-	-	1,304,523	46,824	1,351,347
Public works	-	-	1,320,336	1,123,526	2,443,862
Education	-	-	9,668,532	336,564	10,005,096
Recreation, culture and libraries	-	-			-
Economic development	-	208,015		-	208,015
Miscellaneous	-	-		-	-
Total Expenditures	<u>85,417,346</u>	<u>2,791,666</u>	<u>12,293,391</u>	<u>10,736,769</u>	<u>111,239,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,555,997</u>	<u>1,746,914</u>	<u>(11,516,864)</u>	<u>(3,406,600)</u>	<u>(11,620,553)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	22,081	-		3,482,032	3,504,113
Transfers out	(3,235,225)	(200,772)		(160,000)	(3,595,997)
Debt issued-Bond Proceeds	-	-			-
Sale of capital assets	15,231	-		-	15,231
Total Other Financing Sources and uses	<u>(3,197,913)</u>	<u>(200,772)</u>	<u>-</u>	<u>3,322,032</u>	<u>(76,653)</u>
Net change in fund balances	(1,641,916)	1,546,142	(11,516,864)	(84,568)	(11,697,206)
Fund balance, beginning	26,886,656	8,369,138	14,528,198	3,488,861	53,272,853
Fund balance, ending	<u>\$ 25,244,740</u>	<u>\$ 9,915,280</u>	<u>\$ 3,011,334</u>	<u>\$ 3,404,293</u>	<u>\$ 41,575,647</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, 2018

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)	\$	(11,697,206)
--	----	--------------

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	\$ 4,220,066	
Depreciation	<u>(4,882,170)</u>	(662,104)

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.		(191,529)
--	--	-----------

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

Debt proceeds		
Payment of principal	<u>2,405,547</u>	2,405,547

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.		541,219
---	--	---------

Effect of revenues, expenditures and other changes in net position of the internal service funds allocated to governmental activities		<u>1,829,950</u>
---	--	------------------

Change in net position of governmental activities (pages C6-C7)	\$	<u>(7,774,122)</u>
---	----	--------------------

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

This page left blank intentionally.

ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET POSITION
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
June 30, 2018

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total	Governmental Activity Internal Service Fund
ASSETS					
Current Assets:					
Cash:					
Cash	\$ -	\$ 138,100	\$ -	\$ 138,100	
Cash - restricted	-	208,312	-	208,312	
Investments	209,171	210,829	-	420,000	1,133,886
Receivables:					
Accounts (net)	1,385,407	1,755,733	9,138	3,150,278	2,672
Taxes - restricted	-	149,404	-	149,404	
Accounts (net) - restricted	-	5,662	-	5,662	
Other	1,225	656,028	159,979	817,232	
Due from other funds	3,662,574	6,768,175	987,465	11,418,214	2,576,125
Hospital Deposit	-	-	-	-	245,900
Prepaid expenses	-	-	-	-	
Inventory	-	94,926	-	94,926	
Total current assets	<u>5,258,377</u>	<u>9,987,169</u>	<u>1,156,582</u>	<u>16,402,128</u>	<u>3,958,583</u>
Non-current Assets:					
Other receivables	-	-	258,055	258,055	
Land	125,250	67,282	-	192,532	
Construction in Progress	3,766,786	6,988,078	-	10,754,864	
Capital assets subject to depreciation	59,674,858	126,400,080	4,646,461	190,721,399	
Accumulated depreciation	<u>(16,974,556)</u>	<u>(54,920,823)</u>	<u>(4,246,248)</u>	<u>(76,141,627)</u>	
Total noncurrent assets	<u>46,592,338</u>	<u>78,534,617</u>	<u>658,268</u>	<u>125,785,223</u>	
Total Assets	<u>51,850,715</u>	<u>88,521,786</u>	<u>1,814,850</u>	<u>142,187,351</u>	<u>3,958,583</u>
Deferred Outflows of Resources					
Deferred Outflows Related to Pension	55,869	182,953	-	238,822	-
Total Deferred Outflows of Resources	<u>55,869</u>	<u>182,953</u>	<u>-</u>	<u>238,822</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	205,313	1,433,060	365	1,638,738	107,314
Accrued payroll	2,560	29,045	-	31,605	
Accrued payroll fringe	1,445	13,632	-	15,077	
Accrued interest	28,180	58,861	-	87,041	
Current portion of long-term debt					
Revenue debt:					
Bonds and loans	276,329	1,276,589	-	1,552,918	
Other loans	22,263	548	-	22,811	
Compensated absences	-	167,596	-	167,596	
Due to other funds	-	15,272,184	-	15,272,184	
Health Insurance Reserve	-	-	-	-	364,952
Miscellaneous liabilities	-	295,611	-	295,611	
Total current liabilities	<u>536,090</u>	<u>18,547,126</u>	<u>365</u>	<u>19,083,581</u>	<u>472,266</u>
Noncurrent Liabilities:					
Cash advance due to General Fund	400,000	800,000	-	1,200,000	
Long term debt:					
Net Pension Liability	254,846	806,604	-	1,061,450	
Revenue debt:					
Bonds and loans	11,098,763	16,757,331	-	27,856,094	
Other loans	220,941	14,303	-	235,244	
Compensated absences	-	282,321	-	282,321	
Total noncurrent liabilities	<u>11,974,550</u>	<u>18,660,559</u>	<u>-</u>	<u>30,635,109</u>	<u>-</u>
Total Liabilities	<u>12,510,640</u>	<u>37,207,685</u>	<u>365</u>	<u>49,718,690</u>	<u>472,266</u>
Deferred Inflows of Resources					
Deferred Inflows Related to Pension	15,043	51,145	-	66,188	-
Total Deferred Inflows of Resources	<u>15,043</u>	<u>51,145</u>	<u>-</u>	<u>66,188</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	34,974,042	60,485,846	400,213	95,860,101	
Restricted for debt service	-	155,066	-	155,066	
Unrestricted	<u>4,406,859</u>	<u>(9,195,002)</u>	<u>1,414,272</u>	<u>(3,373,872)</u>	<u>3,486,317</u>
Total Net Position	<u>\$ 39,380,901</u>	<u>\$ 51,445,910</u>	<u>\$ 1,814,485</u>	<u>\$ 92,641,295</u>	<u>\$ 3,486,317</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, 2018

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total	Governmental Activity Internal Service Fund
OPERATING REVENUES:					
Service charges	\$ 4,166,328	\$ 6,040,900	\$ 59,200	\$ 10,266,428	8,160,935
Federal Grant-ARC				-	
Other Agency Revenue				-	
Miscellaneous				-	
Total Operating Revenues	<u>4,166,328</u>	<u>6,040,900</u>	<u>59,200</u>	<u>10,266,428</u>	<u>8,160,935</u>
OPERATING EXPENSES:					
Salaries	359,571	830,996	-	1,190,567	
Employee benefits	157,380	336,600	-	493,980	6,345,608
Office expenses		123,988	5,220	129,208	
Utilities	2,103,525	307,211	6,538	2,417,274	
Repairs & maintenance	154,456	389,034	48,361	591,851	
Contractual services	-		-	-	
Treatment costs		4,646,750	-	4,646,750	
Professional services	7,287	52,984	2,156	62,427	
Materials and supplies	51,493	324,311	-	375,804	
Insurance	-	162,128	1,127	163,255	
Indirect cost	156,127	407,826	-	563,953	
Miscellaneous		13,941		13,941	
Depreciation	1,326,583	2,593,515	131,988	4,052,086	
Total operating expenses	<u>4,316,422</u>	<u>10,189,285</u>	<u>195,390</u>	<u>14,701,096</u>	<u>6,345,608</u>
Operating Income (Loss)	<u>(150,094)</u>	<u>(4,148,384)</u>	<u>(136,190)</u>	<u>(4,434,668)</u>	<u>1,815,327</u>
NON-OPERATING REVENUE (EXPENSES):					
Real and personal property taxes	-	1,115,718	-	1,115,718	
Interest & penalties on taxes	-	33,112	-	33,112	
Discounts on taxes	-	(5,447)	-	(5,447)	
Enterprise/industrial exemptions	-	-	-	-	
Collection fees	-	(25,169)	-	(25,169)	
Front footage assessments	-	15,128	-	15,128	
Interest income	84,025	130,235	445	214,705	14,623
Interest income, debt service	-		-	-	
Interest expense	(329,051)	(356,489)	-	(685,540)	
Gain (Loss) on sale of capital assets	-		-	-	
Total non-operating revenue (expenses)	<u>(245,026)</u>	<u>907,088</u>	<u>445</u>	<u>662,507</u>	<u>14,623</u>
Income (Loss) before contributions and transfers	<u>(395,120)</u>	<u>(3,241,296)</u>	<u>(135,745)</u>	<u>(3,772,161)</u>	<u>1,829,950</u>
Capital contributions:					
Federal grants	1,645,300	185,484		1,830,784	
State grants	239,161	90,000	-	329,161	
Other			-	-	
Transfers:					
Transfers in	22,181	137,165		159,346	
Transfers out	(45,381)		(22,081)	(67,462)	
Change in net position	<u>1,466,141</u>	<u>(2,828,646)</u>	<u>(157,826)</u>	<u>(1,520,332)</u>	<u>1,829,950</u>
Total net position - beginning, as restated (Note 20)	37,914,760	54,274,556	1,972,311	94,161,627	1,656,367
Total net position - ending	<u>\$ 39,380,901</u>	<u>\$ 51,445,910</u>	<u>\$ 1,814,485</u>	<u>\$ 92,641,295</u>	<u>\$ 3,486,317</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, 2018

	Allegany County Water Districts	Allegany County Sanitary Districts	Other Enterprise Funds	Total	Governmental Activity Internal Service Fund
Cash flows from operating activities:					
Cash received from customers	\$ 4,052,430	\$ 6,539,042	\$ 37,289	\$ 10,628,761	8,160,107
Cash payments for goods and services	(2,505,689)	(6,149,618)	(67,327)	(8,722,634)	(6,385,664)
Cash payments to employees for services	(532,022)	(1,236,707)	-	(1,768,729)	-
Other operating revenues	-	-	-	-	-
Net cash provided (used) by operating activities	1,014,719	(847,283)	(30,038)	137,398	1,774,443
Cash flows from noncapital financing activities:					
Advances from other funds	6,869,091	32,963,425	65,602	39,898,118	6,430,841
Advances to other funds	(7,286,677)	(34,045,221)	(13,929)	(41,345,827)	(8,206,112)
Transfers from other funds	22,181	137,165	-	159,346	-
Transfers to other funds	(45,381)	-	(22,081)	(67,462)	-
Net cash provided (used) by noncapital financing activities	(440,786)	(944,631)	29,593	(1,355,825)	(1,775,271)
Cash flows from capital and related financing activities:					
Proceeds from capital debt	352,000	3,000,000	-	3,352,000	-
Acquisition and construction of capital assets	(2,279,313)	(1,283,470)	-	(3,562,783)	-
Principal paid on capital debt	(283,335)	(1,259,331)	-	(1,542,666)	-
Interest paid on capital debt	(329,051)	(356,489)	-	(685,540)	-
Grant revenues	1,884,461	275,484	-	2,159,945	-
Debt fees	-	1,133,342	-	1,133,342	-
Net cash used for capital and related financing activities	(655,238)	1,509,536	-	854,298	-
Cash flows from investing activities:					
Purchase of investments	(2,720)	(2,938)	-	(5,658)	(13,795)
Sale of investments	-	-	-	-	-
Interest on investments	84,025	130,235	445	214,705	14,623
Net cash used in investing activities	81,305	127,297	445	209,047	828
Net increase (decrease) in cash	-	(155,081)	-	(155,081)	-
Cash at beginning of the year	-	501,493	-	501,493	-
Cash at end of year	\$ -	\$ 346,412	\$ -	\$ 346,412	\$ -
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (150,094)	\$ (4,148,384)	\$ (136,190)	\$ (4,434,668)	1,815,327
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,326,583	2,593,515	131,988	4,052,086	-
Provision for uncollectible accounts	-	-	-	-	-
Change in assets & liabilities:					
(Increase) decrease in receivables	(113,898)	498,142	(21,910)	362,334	(828)
(Increase) decrease in inventory	-	(13,361)	-	(13,361)	-
(Increase) decrease in hospital deposit	-	-	-	-	31,700
(Increase) decrease in prepaid exp	-	-	-	-	32,800
Increase (decrease) in acc'ts payable	(32,801)	291,916	(3,926)	255,189	(104,556)
Increase (decrease) in accrued payroll	(15,071)	(69,111)	-	(84,182)	-
Total adjustments	1,164,813	3,301,101	106,152	4,572,066	(40,884)
Net cash provided (used) by operating activities	\$ 1,014,719	\$ (847,283)	\$ (30,038)	\$ 137,398	1,774,443

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2018

ASSETS:	OPEB Trust Fund	Agency Fund
Cash	\$ 445,064	\$ -
Investments, at fair value		
Pooled Cash-MACO	2,362,556	
Certificates of Deposit		
Accounts receivable		1,121,098
Due from other funds		377,845
Prepaid Expenses		
Hospital deposit		
Total Assets	<u>2,807,620</u>	<u>1,498,943</u>
LIABILITIES:		
Health claim reserves		-
Other Liabilities		1,498,943
Total Liabilities	<u>-</u>	<u>1,498,943</u>
NET POSITION:		
Restricted for Health and OPEB	<u>\$ 2,807,620</u>	<u>\$ -</u>

ALLEGANY COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

ADDITIONS:	OPEB Trust Fund
Contributions:	
Employer contributions	\$ 1,099,055
Employee contributions	
Plan Members	86,712
Other	
Total contributions	<u>1,185,767</u>
Other additions:	
Interest	
Investment activity	159,892
Less: Investment expense	(12,072)
Total other additions	<u>147,820</u>
Total additions	<u>1,333,587</u>
DEDUCTIONS:	
Benefits	1,177,607
Administrative expenses	10,635
Subsidized equivalent claims	
Total deductions	<u>1,188,242</u>
Net increase in net position	145,345
Net position restricted - beginning	2,662,275
Net position restricted- ending	<u>\$ 2,807,620</u>

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

Notes
to the
Financial Statements
June 30, 2018

This page left blank intentionally.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies

A. Introduction

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

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

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

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

B. Reporting Entity

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies - continued

B. *Reporting Entity – continued*

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

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

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

Administrative Offices:

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

LaVale Sanitary Commission
1 Roselawn Avenue
LaVale, Maryland 21502

Allegany County Library System
31 Washington Street
Cumberland, Maryland 21502

Allegany College
12401 Willowbrook Road
Cumberland, Maryland 21502

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies - continued

C. *Government-wide and Fund Financial Statements*

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

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

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

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 2018 activity includes expenditures for a 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, 2018

Note 1. Summary of Significant Accounting Policies - continued

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

Additionally, the government reports the following fund types:

The Internal Service Fund accounts for the self-insurance activities which provides health insurance coverage to County departments.

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

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.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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, 2018

Note 1. Summary of Significant Accounting Policies - continued

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

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

2. Receivables and payables

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

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

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

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, 2018

Note 1. Summary of Significant Accounting Policies - continued

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2018 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9760	2.4400
Barton	.8843	2.2107
Cumberland	.8324	2.2081
Frostburg	.8405	2.0120
Lonaconing	.8573	2.1432
Luke	.8551	2.1377
Midland	.8843	2.2107
Westernport	.8843	2.2107

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, 2018

Note 1. Summary of Significant Accounting Policies - continued

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 (\$50,000 for infrastructure assets) and an estimated useful life of two years or more. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets, 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 not 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, 2018

Note 1. Summary of Significant Accounting Policies - continued

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

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

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

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

At June 30, 2018, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 950,584	\$ 3,645,282	\$ 4,595,866
Sanitary Districts	167,596	282,321	449,917
	<u>\$ 1,118,180</u>	<u>\$ 3,927,603</u>	<u>\$ 5,045,783</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 1. Summary of Significant Accounting Policies - continued

7. Long-term obligations:

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

8. Pensions:

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

9. Government-wide and Proprietary Fund Net Position:

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

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

10. Governmental Fund Balances:

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

- Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted - Amounts that can be spent only for specific purposes because of federal or state laws, or externally imposed conditions by grantors or creditors.
- Committed – Amounts that can be used only for specific purposes determined by a formal resolution by the Board of County Commissioners. The Board of County Commissioners is the highest level of decision-making authority for Allegany County. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the Board of County Commissioners. Funds were committed in accordance with Resolution # 87-12 , # 11-16 and #13-23 and #10.17
- 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, 2018

Note 1. Summary of Significant Accounting Policies - continued

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 12,13 and 15 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, 2018

Note 1. Summary of Significant Accounting Policies - continued

The governmental funds reports unavailable revenues from the following sources:

	<u>General Fund</u>	<u>PIB Fund</u>	<u>NonMajor Governmental Funds</u>	<u>Total</u>
Property taxes	4,268,299			4,268,299
Public Safety Grants	24,708			24,708
Refuse fees	2,649			2,649
EMS fees	30,364			30,364
Other	6,250	-		6,250
Total	<u>4,332,270</u>	<u>-</u>	<u>-</u>	<u>4,332,270</u>

14. Implementation of New Accounting Principle

The GASB has issued Statement No. 75, *Accounting and Financial Reporting for Post-Retirement Benefit Plans other than Pension Plans*. The County has implemented this statement and has provided required footnote disclosures. GASB Statement No. 75 has a material effect on the financial statements, see Note 20.

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 \$29,667,010 are as follows:

Bonds payable (including premiums)	\$24,224,816
Notes payable	203,466
State loans	642,863
Compensated absences	<u>4,595,866</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$29,667,010</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 (\$ 662,104) difference are as follows:

Capital outlay	\$4,220,066
Depreciation expense	<u>(4,882,170)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u>(\$662,104)</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 \$ 2,405,547 difference are as follows:

Bond Proceeds	0
Principal repayments:	
Principal payments	<u>2,405,547</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net position - governmental activities	<u>\$2,405,547</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 \$ 541,219 difference are as follows:

Compensated absences	\$146,334
OPEB Net Obligation	(260,525)
Pension Expense	584,372
Other Misc expense	64,437
Accrued interest adjustment, net	<u>6,601</u>
Net adjustments to decrease net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities.	<u>\$541,219</u>

Note 3. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

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 2018 were increased by \$ 2,554,865, primarily funded with unexpended fund balance of 2.0 million to subsidize a new ambulance service provided and an increase in 527,197 transport ambulance fees.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 3. Stewardship, Compliance, and Accountability - continued

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, 2018, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Block Grant Fund	19,938
Community Develop & Housing Fund	979,255
Fire and Rescue Funds	137,507
Debt Service Fund	122,635
Sheriff Drug Task Force Fund	74,956
Rocky Gap Slots Revenue Fund	317,232
Capital Projects Fund	1,027,718

- 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 Fire and Rescue 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, 2018

Note 3. Stewardship, Compliance and Accountability -continued

- The Capital Projects Fund expenditures over budget were funded with unexpended fund balance and revenues not budgeted.
- Sheriff Drug Force excess was funded with revenues not budgeted and unexpended fund balance.

C. Deficit Fund Equity

At June 30, 2018, two governmental funds, the Debt Service Fund had a deficit fund balance in the amount of (\$ 355,364) and the Capital Projects Fund had a deficit fund balance in the amount of (\$370,682).

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2018, 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	\$ 2,409,165	\$ 2,409,165			
Certificates of Deposit	13,715,212	990,716	4,805,496	4,100,000	3,819,000
Total Stmt of Net Position	<u>\$ 16,124,377</u>	<u>\$ 3,399,881</u>	<u>\$ 4,805,496</u>	<u>\$ 4,100,000</u>	<u>\$ 3,819,000</u>
OPEB MACO Trust	<u>\$ 2,362,556</u>	<u>\$ 2,362,556</u>	<u>\$ -</u>	<u></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-

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

Note 4. Deposits and Investments-continued

(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 \$ 2,409,165.

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.

Allegany County Discretely Presented Component Units:

Allegany County Board of Education

Cash deposits – At year-end, the carrying amount of the Board's deposits was \$27,303,430 and the bank balances were \$28,309,775. Of the bank balances, \$578,478 was covered by depository insurance and \$1,106,810 was covered by collateral held by

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

M&T Bank. There are total uninsured and uncollateralized deposits of \$ 26,570,488, which are held in sweep accounts backed by the U.S. Government

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, 2018, 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	\$ 542,096	\$ 18,797	\$ 58,537	\$ 30,762	\$ 434,000
	\$ 542,096	\$ 18,797	\$ 58,537	\$ 30,762	\$ 434,000

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2018, the carrying amount of the Library's deposits was \$203,290 and the bank balances were \$ 242,214.

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, 2018 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2018, 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	\$ 21,108	\$ -		\$ 21,108	N/A
Other Federal Government Obligations	363,557	-	-	363,557	N/A
Investment in MD Local Government Fund Pool	202,627	202,627	-	-	AAA
	\$ 587,292	\$ 202,627	\$ -	\$ 384,665	

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, 2018

Note 4. Deposits and Investments - continued

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

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

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

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$2,565,328 and the bank balance was \$ 2,599,121. 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.

Custodial Credit Risk is the risk that in an event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2018, \$ 2,396,099 of the government's bank balance of \$ 2,599,121 was exposed to custodial credit risk as follows:

Uninsured and collateralized by Government Securities held by the Counterparty, but not in LaVale Sanitary Commission's name	<u>\$ 2,396,099</u>
--	---------------------

Allegany College

Cash deposits – At year-end, the carrying amount of the Allegany College's, not including its component units, cash deposits was \$ 2,053,426 and the bank balance was \$2,308,389.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, the College had the following investments and maturities:

Investment Type	Total	Less Than 90 Days	90 Days To One Year
Certificates of deposit	\$ 203,148	\$ -	\$ 203,148
Maryland Local Government Investment Pool	9,234,431	9,234,431	-
	<u>\$ 9,437,579</u>	<u>\$ 9,234,431</u>	<u>\$ 203,148</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, 2018 are as follows:

		Fair Value Measurements at Reporting Date Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>June 30, 2018</u>	<u>Fair Value</u>			
Group Annuity Fixed	\$2,409,165	\$2,409,165	\$0	\$0
Certificate of Deposit	13,715,212	13,715,212		
OPEB MACO Trust (a)	<u>2,362,556</u>			
Total	<u>\$18,486,933</u>	<u>\$16,124,377</u>	<u>\$0</u>	<u>\$0</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 5: Fair Value Measurements (continued)

- (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, 2018:

- 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, 2018

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, 2018, 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, 2018 was \$4,858,281 (before an allowance of \$124,000) of which 2,768,168 were current year's taxes receivable and the balance of \$2,090,113 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	\$ 139,823		\$ -	\$ 5,747	\$ 145,570
Income taxes	3,352,152		-	-	3,352,152
Other taxes	444,706		-	19,363	464,069
Current:					
Accrued revenues	1,894,133	-	191,311	1,169,660	3,255,104
Loans, notes	-	-	-	-	-
Leases, capital	-	-	-	-	-
Long-term:					
Accrued revenues	-	-	-	-	-
Loans, notes	-	-	-	235,001	235,001
Leases, capital	-	-	-	-	-
Total receivables	\$ 5,830,814	\$ -	\$ 191,311	\$ 1,429,771	\$ 7,451,896

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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	Internal Svc Fund	Total
Receivables:					
Accounts			\$ -	\$ 2,672	2,672
Accounts, other	-	656,028	26,037		682,065
Accounts, trade	1,601,028	2,018,519	9,138		3,628,685
Less allowance	(214,396)	(262,786)	-		(477,182)
Net accounts, trade	1,386,632	1,755,733	9,138	-	3,151,503
Accounts, restricted	-	155,066	-	-	155,066
Less allowance	-	-	-	-	-
Net accounts, restricted	-	155,066	-	-	155,066
Loans	-	-	509,979		509,979
Less allowance	-	-	(350,000)		(350,000)
Net loans	-	-	159,979	-	159,979
Total receivables	\$1,386,632	\$ 2,566,827	\$ 195,154	\$ 2,672	\$ 4,151,285

Leases – Operating and Capital:

The County, as part of its economic development efforts, has constructed numerous shell buildings which are 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:

<u>Fiscal Year</u>	<u>Operating Leases Minimum Payments</u>
2019	3,331,451
2020	3,241,712
2021	3,158,403
2022	2,363,775
2023	714,731
Totals	\$ 12,810,072

The gross value of buildings with operating leases at June 30, 2018 is \$19,744,629 and the accumulated depreciation is \$ 8,775,160

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, 2018

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	\$ 476,008
Unearned ticket revenue\other	77,354
Long term housing loans receivable	235,002
	<u>\$ 788,364</u>

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2018:

Entity	Source of funds	Balance June 30, 2018
County Loan Fund loans:		
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	\$ 250,000
YMCA	General Fund	100,000
Flood Wall Loan-Cintas	General Fund	10,742
Employee loan	General Fund	13,200
WebRestaurant Loan	RBF Fund	30,000
City of Frostburg		80,000
Allowance for doubtful accounts		(350,000)
Sub-total		\$ 133,942
Alconet II Fund loans:		
TWR loan	General Fund	26,037
Total		<u>\$ 159,979</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, 2018

Note 8. Capital Assets

Capital asset activity for the year ended June 30, 2018 for the primary government was as follows:

Primary Government: Governmental activities:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 25,584,436	\$ 419,162	\$ -		\$ 26,003,598
Work in Progress	904,601	719,554			1,624,155
Total capital assets not being depreciated	26,489,037	1,138,716	-	-	27,627,753
Capital assets, being depreciated:					
Buildings	64,180,649	61,289			64,241,938
Infrastructure	49,673,813		-		49,673,813
Furniture & Fixtures	1,054,110		-		1,054,110
Equipment	18,971,343	1,326,124			20,297,467
Vehicles	11,220,527	1,679,718	(609,025)		12,291,220
Heavy Equipment	4,655,226	14,205			4,669,431
Other Capital Assets	1,254,935				1,254,935
Total capital assets, being depreciated:	151,010,603	3,081,336	(609,025)	-	153,482,921
Less accumulated depreciation for:					
Buildings	(27,709,312)	(1,796,520)		-	(29,505,832)
Infrastructure	(32,824,467)	(697,700)	-	-	(33,522,167)
Furniture & Fixtures	(924,374)	(42,918)	-	-	(967,292)
Equipment	(9,614,235)	(1,566,729)		-	(11,180,964)
Vehicles	(9,361,138)	(616,491)	609,025	-	(9,368,604)
Heavy Equipment	(3,891,048)	(109,381)			(4,000,429)
Other Capital Assets	(721,388)	(52,430)	-		(773,818)
Total accumulated depreciation	(85,045,962)	(4,882,169)	609,025	-	(89,319,106)
Total capital assets, being depreciated, net	65,964,641	(1,800,833)	-	-	64,163,815
Governmental activities capital assets, net	\$ 92,453,677	\$ (662,117)	\$ -	\$ -	\$ 91,791,568

Primary Government: Business-type activities:	Beginning Balance	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:					
Land	\$ 192,532		\$ -	\$ -	\$ 192,532
Work in Progress	7,801,001	3,291,825	(337,962)		10,754,864
Total capital assets not being depreciated	7,993,533	3,291,825	(337,962)	-	10,947,396
Capital assets, being depreciated:					
Buildings	256,346		-		256,346
Infrastructure	177,538,685	390,768			177,929,451
Furniture & Fixtures	17,681	-	-	-	17,681
Equipment	6,447,836	135,061	-		6,582,896
Vehicles	1,477,450	83,091			1,560,541
Heavy Equipment	1,537,421		-		1,537,421
Other Capital Assets	2,837,063		-	-	2,837,063
Total capital assets, being depreciated:	190,112,482	608,920	-	-	190,721,399
Less accumulated depreciation for:					
Buildings	(181,167)	(4,949)	-	-	(186,116)
Infrastructure	(62,105,725)	(3,542,362)	-	-	(65,648,087)
Furniture & Fixtures	(17,680)	-	-	-	(17,680)
Equipment	(5,682,131)	(202,466)	-	-	(5,884,597)
Vehicles	(1,178,632)	(94,771)		-	(1,273,403)
Heavy Equipment	(893,633)	(121,056)	-	-	(1,014,689)
Other Capital Assets	(2,030,534)	(86,482)	-	-	(2,117,016)
Total accumulated depreciation	(72,089,502)	(4,052,086)	-	-	(76,141,627)
Total capital assets, being depreciated, net	118,022,980	(3,443,166)	0	-	114,579,772
Business-type activities capital assets, net	\$ 126,016,507	\$ (151,341)	\$ (337,962)	\$ -	\$ 125,527,193

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 as follows:

<u>Governmental activities:</u>	
General government	\$ 160,627
Public safety	2,338,802
Public works	996,724
Health	218,440
Social services	74,951
Recreation, culture and libraries	149,645
Community development and housing	13,963
Economic development	929,014
Total depreciation expense - governmental activities	<u>\$ 4,882,166</u>
<u>Business type activities:</u>	
Water districts	\$ 1,326,583
Sewer districts	2,593,515
Alconet II	131,988
Total depreciation expense - governmental activities	<u>\$ 4,052,086</u>

Construction Commitments

The County has active construction projects as of June 30, 2018. 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
Route 220 Access Road	190,967	998,951
Bowling Green Project	1,125,556	698,110
North Branch Bridge Projects	462,065	178,760
ACM Tech Building	3,596,300	2,633,358
Bedford Road Sewer	1,097,115	836,633
Braddock Run Sewer	883,476	234,895
Barton Park Shell Building	3,962,266	30,000
Totals	<u>13,956,570</u>	<u>5,635,707</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, 2018

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, 2018 (not including component units), was as follows:

Board of Education Governmental activities:	Beginning Balance	Increases	Transfers/ Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 4,208,336	\$ -		\$ 4,208,336
Work in process	27,478,069	28,862,347		56,340,416
Total capital assets not being depreciated:	31,686,405	28,862,347	-	60,548,752
Capital assets, being depreciated:				
Land Improvements	9,480,574	40,330		9,520,904
Buildings & Improvements	158,994,329	137,989		159,132,318
Furniture, Equipment & Vehicles	20,033,483	764,689	(365,311)	20,432,861
Total capital assets, being depreciated:	188,508,386	943,008	(365,311)	189,086,083
Less accumulated depreciation for:				
Land Improvements	(3,902,216)	(475,940)	-	(4,378,156)
Buildings & Improvements	(98,690,823)	(3,765,682)		(102,456,505)
Furniture, Equipment & Vehicles	(14,726,672)	(1,256,514)	348,345	(15,634,841)
Total accumulated depreciation	(117,319,711)	(5,498,136)	348,345	(122,469,502)
Total capital assets, being depreciated, net:	71,188,675	(4,555,128)	(16,966)	66,616,581
Governmental activities capital assets, net	\$ 102,875,080	\$ 24,307,219	\$ (16,966)	127,165,333

Board of Education Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Work in process	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	483,946	-		483,946
Less accumulated depreciation	(450,436)	(13,332)		(463,768)
Total capital assets, being depreciated, net:	33,510	(13,332)	-	20,178
Business-type activities capital assets, net	\$ 33,510	\$ (13,332)	\$ -	\$ 20,178

Capital asset activity for the Library of Allegany County for the year ended June 30, 2018 was as follow

Library Governmental activities:	Beginning Balance	Increases	Decreases	Ending Balance
Non-depreciable assets:				
Construction in Progress	\$ -			\$ -
Capital assets, being depreciated:				
Buildings & Improvements	\$ 4,898,775	\$ 59,840		\$ 4,958,615
Furniture & Equipment	845,333	112,399	(52,847)	904,886
Vehicles/Bookmobile	64,698	-	-	64,698
Library Books	3,536,231	205,473	(477,581)	3,264,123
Total capital assets, being depreciated:	9,345,037	377,712	(530,428)	9,192,321
Less accumulated depreciation for:				
Buildings & Improvements	(1,019,518)	(97,975)	-	(1,117,493)
Furniture & Equipment	(572,511)	(56,107)	52,428	(576,188)
Vehicles/Bookmobile	(41,582)	(4,399)	-	(45,981)
Library Books	(3,062,676)	(192,935)	477,581	(2,778,029)
Total accumulated depreciation	(4,696,287)	(351,416)	530,009	(4,517,691)
Total capital assets, being depreciated, net:	\$ 4,648,750	\$ 26,296	\$ (419)	\$ 4,674,630
Governmental activities capital assets, net	\$ 4,648,750	\$ 26,296	\$ (419)	\$ 4,674,630

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 were as follows:

Allegany College of Maryland	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,564,352	\$ -	\$ -	\$ 1,564,352
Library Collections	135,866	3,887	-	139,753
Work in Progress	345,245	1,349,592	(167,682)	1,527,155
Total capital assets not being depreciated:	2,045,463	1,353,479	(167,682)	3,231,260
Capital assets, being depreciated:				
Buildings	45,894,901	321,083	(67,138)	46,148,846
Equipment	9,508,989	608,345	(45,645)	10,071,689
Auxiliary Equipment	129,147	58,783	(27,996)	159,934
Library Books	1,186,540	22,106	(378,339)	830,307
Total capital assets, being depreciated:	56,719,577	1,010,317	(519,118)	57,210,776
Less accumulated depreciation :	(32,757,145)	(2,064,423)	504,942	(34,316,626)
Total capital assets, being depreciated, net:	23,962,432	(1,054,106)	(14,176)	22,894,150
Business-type activities capital assets, net	\$26,007,895	\$ 299,373	\$ (181,858)	\$26,125,410

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2018, was as follows:

LaVale Sanitary Commission	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 234,830		\$ -	\$ 234,830
Work in Progress	432,712	655,043	(1,026,731)	61,024
Total capital assets not being depreciated:	667,542	655,043	(1,026,731)	295,854
Capital assets, being depreciated:				
Buildings	803,233	-	-	803,233
Infrastructure	27,420,578	1,037,631		28,458,209
Machinery, Vehicles & Equipment,				
Office Furniture and Equipment	1,287,508	10,797	(7,158)	1,291,147
Total capital assets, being depreciated:	29,511,319	1,048,428	(7,158)	30,552,589
Less accumulated depreciation for:	(13,236,690)	(586,204)	5,420	(13,817,474)
Total capital assets, being depreciated, net:	16,274,629	462,224	(1,738)	16,735,115
Business-type activities capital assets, net	\$16,942,171	\$ 1,117,267	\$ (1,028,469)	\$17,030,969

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 9. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2018, is as follows:

A. *Due to/from other funds*

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 14,397,403
Revolving Building Fund	10,021,561	-
PIB Fund	3,418,995	
Non-major Governmental Funds	3,723,454	1,866,607
Sub-total	17,164,010	16,264,010
Enterprise Funds:		
Water Districts	3,662,574	-
Sanitary Districts	6,768,175	15,272,184
Non-major Enterprise Funds	987,465	-
Sub-total	11,418,214	15,272,184
Internal Service Fund	2,576,125	
Fudiciary Funds:		
Agency Fund	377,845	-
Sub-total	377,845	-
TOTALS	\$ 31,536,194	\$ 31,536,194

The interfund balances as of June 30, 2018 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	258,055	
Allegany County Sanitary Districts:		
Long-term debt-Bonds & Loans		14,303
Long-term debt-Other Loans		548
Allegany County Water Districts:		
Current portion of long-term debt		22,263
Long-term debt		220,941
	\$ 1,458,055	\$ 1,458,055

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Non-major funds governmental funds	\$ 3,140,608	
Enterprise funds:		
Allconet		
Water/Sewer fund	94,617	\$ 3,235,225
From the Revolving Building Fund To:		
General Fund	0	
Water Fund	19,348	
County Loan Fund		
Non-major funds governmental funds	181,424	200,772
From the Non-major Governmental Funds to:		
General Fund	-	
Other Non-major governmental fund	160,000	160,000
From the Water Fund to		
Non-major funds governmental funds		0
From the Non-major Enterprise Funds to:		
General Fund	22,081	22,081
TOTALS	\$ 3,618,078	\$ 3,618,078

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 development’s share of expenditures in other funds.

Payments to component units for the year ending June 30, 2018 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 30,424,308	
Board of Education, Data Processing	188,456	
Allegany College of Maryland	7,630,550	
Library	956,975	\$ 39,200,289
From the Rocky Gap Slots Fund to:		
Allegany College of MD Foundation	360,000	360,000
Total	\$ 39,560,289	\$ 39,560,289

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 10. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2018 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, 2018, was as follows:

Long-term Debt					
Governmental Activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
General Obligation	\$ 25,536,022	\$	\$ (2,054,114)	\$ 23,481,908	\$ 2,098,908
Notes	203,465	-		203,465	8,915
State Loans	994,296	-	(351,433)	642,863	214,421
Premium on Bonds Payable	807,344		(64,437)	742,907	64,437
Total	\$ 27,541,127	\$ 0	\$ (2,469,984)	\$ 25,071,144	\$ 2,386,681
Business-type activities					
	Beginning Balance	Amount Issued	Amount Retired	Ending Balance	Due Within One Year
Water districts:					
Rural development loans	\$ 10,897,952	\$ 202,000	\$ (248,848)	\$ 10,851,104	\$ 258,758
Maryland water quality loans	386,918	150,000	(12,930)	523,988	17,571
County loans	264,761	-	(21,557)	243,204	22,263
Total water districts	11,549,631	352,000	(283,335)	11,618,296	298,592
Sewer districts:					
Maryland water quality loans	509,822		(50,436)	459,386	39,178
Maryland environmental loans	11,130,805		(1,078,133)	10,052,672	1,090,731
Rural development loans	4,652,100	3,000,000	(130,238)	7,521,862	146,680
Other loans	15,375	-	(524)	14,851	548
Total sewer districts	16,308,102	3,000,000	(1,259,331)	18,048,771	1,277,137
Total business-type activities:					
Maryland water quality loans	896,740	150,000	(63,366)	983,374	56,749
Maryland environmental loans	11,130,805	-	(1,078,133)	10,052,672	1,090,731
Rural development loans	15,550,052	3,202,000	(379,086)	18,372,966	405,438
Other loans	280,136	-	(22,081)	258,055	22,811
Total business-type activities	\$ 27,857,733	\$ 3,352,000	\$ (1,542,666)	\$ 29,667,067	\$ 1,575,729
Other Long-term Liabilities					
	Beginning Balance	Current Year Changes	Payments	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 4,742,201	\$ 450,153	\$ (596,487)	\$ 4,595,867	\$ 950,584
Net Pension Liability-St of MD	14,948,501	(2,235,023)		12,713,478	
Net Pension Liability-LOSAP	2,180,542	624,274		2,804,816	
Net OPEB	0	21,332,959		21,332,959	
Business-type activities					
Water & sewer districts					
Compensated absences	\$ 475,833	\$ 8,639	\$ (34,556)	\$ 449,917	\$ 167,596
Net Pension Liability	1,211,724	(150,274)		1,061,450	

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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

Liabilities for compensated absences, workers compensation, OPEB and pension are liquidated using resources from the fund in which the employee performing service previously charged his or her salary and benefit costs.

Annual debt service requirements to maturity for Allegany County's governmental activities long-term debt outstanding as of June 30, 2018 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
2019	2,098,908	726,689	8,915	10,333	-	-	214,421	8,842	64,437	2,386,681	745,864
2020	1,637,000	670,689	9,435	9,813	-	-	207,771	4,972	64,437	1,918,643	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	-	-	79,590	635	64,437	1,706,594	572,405
2023	1,613,000	503,082	11,184	8,064	-	-	25,406	236	64,437	1,714,027	511,382
2024-2028	8,101,000	1,709,082	66,497	29,741	-	-	-	-	322,185	8,489,682	1,738,823
2029-2033	5,643,000	624,982	65,320	24,500	-	-	-	-	98,538	5,806,858	649,482
2034-2038	1,335,000	43,794	21,563	2,484	-	-	-	-	-	1,356,563	46,278
	<u>\$ 23,481,908</u>	<u>\$ 5,456,425</u>	<u>\$ 203,466</u>	<u>\$ 102,877</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 642,863</u>	<u>\$ 16,263</u>	<u>\$ 742,908</u>	<u>\$ 25,071,144</u>	<u>\$ 5,575,565</u>

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2018 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2018 are:										
Year Ending	Farmers Home Admin. Loans		Water Quality/MDE Loans		Other Loans		Totals			
June 30.	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest		
2019	258,758	309,755	17,571	4,557	22,263	9,223	298,592	323,535		
2020	266,567	301,374	17,734	4,525	22,993	8,493	307,294	314,392		
2021	275,150	292,791	17,899	4,361	23,747	7,739	316,796	304,891		
2022	283,622	284,319	18,065	4,194	24,527	6,959	326,214	295,472		
2023	292,634	275,306	18,233	4,027	25,333	6,153	336,200	285,486		
2024-2028	1,610,930	1,228,774	93,744	21,418	41,911	22,286	1,746,585	1,272,478		
2029-2033	1,829,663	874,432	98,217	13,104	29,058	15,872	1,956,938	903,408		
2034-2038	1,899,673	657,281	71,734	7,173	36,375	8,256	2,007,782	672,710		
2039-2043	1,585,591	392,917	44,903	3,407	16,996	975	1,647,490	397,299		
2044-2048	1,370,144	207,359	27,229	1,962	0	0	1,397,373	209,321		
2049-2053	1,178,732	90,543			0	0	1,178,732	90,543		
2054-2058	98,299	6,243			0	0	98,299	6,243		
Totals	\$ 10,949,763	\$ 4,921,094	\$ 425,329	\$ 68,728	\$ 243,203	\$ 85,956	\$ 11,618,296	\$ 5,075,778		
The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2018 are:										
Year Ending	Water Quality Loans		Md. Environmental Loans		Farmers Home Admin. Loans		Other Loans		Totals	
June 30.	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2019	39,179	6,228	1,090,731	136,138	146,679	210,591	548	668	1,277,137	353,625
2020	27,637	5,752	1,104,589	122,280	151,024	206,246	573	643	1,283,823	334,921
2021	27,962	5,426	1,118,638	108,231	155,517	201,753	600	617	1,302,717	316,027
2022	28,290	5,098	1,132,892	93,977	160,163	197,107	627	589	1,321,972	296,771
2023	28,623	4,766	1,068,955	79,540	164,968	192,301	656	560	1,263,202	277,167
2024-2028	148,266	18,699	4,083,037	198,468	902,942	647,738	3,759	2,319	5,138,004	867,224
2029-2033	159,429	8,082	363,299	19,454	1,050,773	721,767	4,708	1,374	1,578,209	750,677
2034-2038	-	-	90,245	1,797	1,134,300	563,878	3,380	272	1,227,925	565,947
2039-2043	-	-	-	-	1,227,923	394,678	-	-	1,227,923	394,678
2044-2048	-	-	-	-	1,401,144	227,547	-	-	1,401,144	227,547
2049-2053	-	-	-	-	613,065	21,477	-	-	613,065	21,477
2054-2058	-	-	-	-	413,650	8,100	-	-	413,650	8,100
Totals	\$ 459,386	\$ 54,051	\$ 10,052,386	\$ 759,885	\$ 7,522,148	\$ 3,593,183	\$ 14,851	\$ 7,042	\$ 18,048,774	\$ 4,414,161

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 (%)	2018	2017
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	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	505,908	1,001,022
Bonds of 2013-Nontax	03/11/13	03/11/27	2.11	6,220,000	6,955,000
Bonds of 2013-Taxable	03/11/13	03/11/17	1.48	0	0
Bonds of 2014	12/16/14	12/16/35	2.88	8,245,000	8,580,000
Bonds of 2017	01/20/17	01/15/32	2.88	8,511,000	9,000,000
Premium on Bonds	03/11/13	03/11/27	n/a	299,368	336,788
Premium on Bonds	12/16/14	12/16/35	n/a	443,540	470,557
Notes:					
Farmers Home Admin	1992	2032	5.75	203,466	203,466
Capital Leases:					
Transit Bus	04/11/06	04/11/13	5.94	-	-
State Loans:					
Md Industrial Land Act:					
	1991	2017	6.90	0	0
Superfos Expansion	1994	2014	5.93		
Micro - Integration	1995	2014	5.93	0	0
Superfos III					
	01/05/96	2020	5.00	427,634	579,396
PPG Purchase	2001	2022	4.69	27,478	46,116
MD PPG Improvements	2000	2020	1.00		141,415
Md Environmental Loan	2003	2023	0.89	187,751	227,369
Total Long - Term General Obligation Debt				25,071,144	27,541,128
Compensated Absences				4,595,866	4,742,201
Total long-term liabilities				\$ 29,667,010	\$ 32,283,329

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Schedule of Business-type Debt					
	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2018	2017
Water Districts Debt:					
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 67,970	\$ 71,309
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	165,815	173,979
Eckhart/Clarysville RDA Loan	04/17/11	2051	2.5	195,355	199,176
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	236,939	244,413
Carlos/Shaft FHA Loan 2000	12/28/99	12/28/2039	3.25	350,743	361,908
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	165,504	170,770
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	168,952	174,327
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	468,267	479,306
Consol FHA loan	2004	2044	4.5	85,711	87,453
McCoole FHA Loan	1999	2039	4.5	791,872	815,027
Barton Industrial Park	2005	2045	4.5	298,266	304,030
Klondike FHA	2005	2045	4.5	389,424	396,822
Morantown FHA Loan	2005	2046	4.25	143,132	145,840
Mexico Farms	1992	2032	5.5	258,035	269,487
Bowmans Addition RDA Loan	10/01/10	2051	3.75	543,620	552,076
Bowmans Addition Phase 2 RDA	12/16/11	2052	2.00	556,484	567,519
Bedford Rd/Shades Lane MDE	06/28/12	2052	1.00	37,387	38,801
Cresaptown RDA Loan	06/28/12	2052	2.00	1,344,245	1,371,588
Cresaptown RDA Loan 2	06/28/12	2052	2.00	416,595	425,071
Mt Savage-FHA Loan	06/30/13	2053	2.00	3,199,402	3,264,085
Mt Savage-MDE Loan	10/31/12	2042	1.00	76,472	79,235
Rawlings	03/31/14	2054	2.00	175,913	179,340
Rawlings-MDE Loan	2015	2020	2.00	161,471	170,226
Rawlings-RDA Loan	2016	2057	2.00	441,659	449,512
Oldtown Road -FHA Loan	2017	2057	2.00	97,929	99,591
Route 36 District -FHA	2017	2057	2.00	90,879	95,325
Route 36 District -MDE	2017	2036	2.00	96,833	98,654
Route 36 District -FHA	2018	2058	2.00	101,112	
Route 36 District -MDE	2018	2037	2.00	150,000	
Pond Circle, FHA	2018	2058	2.00	99,107	
Sub-total				11,375,093	11,284,870
Carlos/Shaft Loan	2006	2040	4.5	39,655	40,688
Missick Road Loan	2006	2040	4.5	62,481	64,108
Route 51 Loan	2006	2040	4.5	22,050	22,625
PSC Rate case	2007	2024	4.5	119,018	137,340
Sub - total				243,204	264,761
Total debt				11,618,297	11,549,631
Less: Current maturities of long - term debt				(298,592)	(281,663)
Total Water Districts long - term debt				\$ 11,319,704	\$ 11,267,967
Sanitary Districts Debt:					
Bedford Road	2013	2032	1.4	190,204	202,441
Braddock Run	2013	2019	1.0	11,862	35,298
Jennings Run	2014/2015	2036	1.0	257,319	272,082
Braddock Run	2016	2034	1.0	824,140	866,458
Bedford Road	2017	2031	1.2	106,543	114,592
Celanese WWTP Upgrade	06/03	2023	0.40	2,941,730	3,353,509
Inflow and Infiltration Study I	12/03	2023	0.40	306,593	381,532
Celanese	2006	2026	0.40	336,535	376,927
Inflow and Infiltration Study II	2008	2028	1.00	634,277	692,481
George Creek WWTP Upgr	2009	2029	0.40	4,714,993	5,138,263
Inflow and Infiltration Study II	2010	2030	1.00	187,579	204,632
Georges Creek	2007	2047	4.125	436,630	444,309
Cash Valley Road	1996	2036	4.50	96,523	100,026
Oldtown Road	1996	2036	4.50	366,057	379,337
Bowling Green/Cresaptown A	2007	2047	4.125	1,648,199	1,677,177
Bowling Green/Cresaptown B	2007	2047	4.125	323,549	329,241
Bedford Road	2012	2052	2.000	423,758	432,380
Bedford Road	2013	2052	2.000	461,596	470,796
Jennings Run	2013	2052	2.000	802,918	819,119
Wrights Crossing-Brad Run	2018	2057	2.000	2,962,915	
Oldtown	2006	2036	4.5	14,851	15,375
Total				18,048,771	16,305,975
Less: Current maturities of long - term debt				(1,277,137)	(1,222,240)
Total Sanitary Districts Long - term Debt				\$ 16,771,634	\$ 15,083,735

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

The following is a summary of debt transactions for the discretely presented component units for the fiscal year ended June 30, 2018

Long-term Liabilities - Component Units			
Long-term debt activity for the year ended June 30, 2018:			
	Allegany College of Maryland		LaVale Sanitary Commission
Payable at July 1, 2017	\$ 332,701		\$ 4,707,930
Amount issued	19,100		
Amount retired	(71,230)		(177,736)
Payable at June 30, 2018	<u>\$ 280,571</u>		<u>\$ 4,530,194</u>

Annual debt service requirements to maturity:						
	Allegany College of Maryland (Capital Leases)			LaVale Sanitary Commission		
Fiscal Year	Principal	Interest	Total	Principal	Interest	Total
2019	65,999	4,318	70,317	184,754	145,664	330,418
2020	63,183	3,200	66,383	190,460	139,960	330,420
2021	62,116	2,124	64,240	196,383	134,035	330,418
2022	58,245	1,120	59,365	202,537	127,881	330,418
2023	31,028	186	31,214	208,950	121,486	330,436
2024-2028			-	1,029,380	503,360	1,532,740
2029-2033			-	1,229,034	303,706	1,532,740
2034-2038	-	-	-	906,174	91,426	997,600
2039-2043	-	-	-	239,784	23,539	263,323
2044-2048				142,738	5,925	148,663
	<u>\$ 280,571</u>	<u>\$ 10,948</u>	<u>\$ 291,519</u>	<u>\$ 4,530,194</u>	<u>\$ 1,596,982</u>	<u>\$ 6,127,176</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, 2018

Note 12. Pension and Retirement Systems-continued

Contributions

Employees covered under the retirement system are required to contribute between five and seven percent of their base salary. The County is required to contribute at an actuarially determined rate and the current rate is 8.56% 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 8.56% 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, 2018, 2017 and 2016, were \$ 1,665,400, \$1,338,202, and \$1,334,298 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, 2018

Note 12. Pension and Retirement Systems-continued

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

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

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

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

At June 30, 2018, the County reported total net pension liability of \$ 13,774,921 for its proportionate share of the MD State Retirement System's net pension liability. The net pension liability was measured as of June 30, 2017 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, 2017, the County's proportion was .0637 percent, which was a decrease of .0048 from its proportion measured as of June 30, 2016.

Pension expense for the pension plan for the year ended June 30, 2018 was \$ 789,319.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 12. Pension and Retirement Systems-continued

At June 30, 2018, 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	\$ -	\$ (983,308)
Change of assumptions	536,089	
Net difference between projected and actual earnings on pension plan investments	993,615	
County contributions subsequent to the measurement date	1,665,400	
Total	<u><u>\$ 3,195,104</u></u>	<u><u>\$ (983,308)</u></u>

The amount \$ 1,665,400 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, 2019. 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:	
2019	\$ 251,029
2020	509,223
2021	178,147
2022	(294,372)
2023	(97,631)
Total	<u><u>546,396</u></u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 12. Pension and Retirement Systems-continued

Actuarial Assumptions

The total pension liability in the June 30, 2017 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	2.65% general, 3.15% wage
Salary increases	3.15% to 9.15, including inflation
Discount rate	7.50%
Investment rate of return	7.50%
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, 2017 and the June 30, 2016 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 2.70% to 2.65%, 2) a decrease in the wage inflation rate from 3.20% to 3.15%, and 3) salary increases from 3.30% to 9.2% to 3.15% to 9.15%. Additionally, both the discount rate and investment rate of return decreased the same from 7.55% to 7.50%

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, 2018

Note 12. Pension and Retirement Systems-continued

	Target	Long-Term Expected Real
	Allocation	Rate of Return
Public Equity	36%	5.30%
Private Equity	11%	7.00%
Rate Sensitive	21%	1.20%
Credit Opportunity	9%	3.60%
Real Assets	15%	5.70%
Absolute Return	8%	3.10%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. This single discount rate was based on the expected rate of return on pension plan investments of 7.50%. 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 7.50%, 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(6.50%) or 1% higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
County's proportionate share of the net pension liability	19,521,827	13,774,921	9,006,661

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, 2018

Note 12. Pension and Retirement Systems-continued

Defined Contribution Plan

Allegany County has also established one defined contribution plan for the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers the plan. At June 30, 2018, 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 \$ 17,270, 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, 2018.

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 is responsible for paying 100% of the normal cost for the TPS and TRS plans. The State of Maryland is responsible for paying 100% of the School System's past costs related to TPS and TRS plans. The State's contributions on behalf of the Board for they year ended June 30, 2018 were \$ 6,986,216, which were equal to the State's required contributions for that year. The Board recorded pension expense for the FY 18 in the amount of (\$ 55,094) and the net pension liability recorded was \$ 5,657,005. Deferred outflows of resources was recorded in the amount of \$ 1,247,754, of which, \$ 252,722 was for change in assumptions, \$ 439,362 was for the net difference between projected and actual earnings and \$ 555,670 was for contributions made subsequent to the measurement date. Deferred inflows of resources was recorded in the amount of \$ 417,929 for the net difference between projected and actual experience.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 12. Pension and Retirement Systems-continued

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, 2018. The Library's pension expense for the year was \$ 152,969. Net pension liability was \$ 80,438 at June 30, 2018. Deferred outflows of resources was \$ 20,137 of which \$ 3,217 was due to changes in assumptions, 10,719 was the net difference between projected and actual earnings on pension plan investments and \$ 6,201 was the Library's contributions subsequent to the measurement date. Deferred inflows of resources was recorded in the amount of \$ 11,001 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 18 was \$ 85,569 and net pension liability was \$ 822,660. Deferred outflows of resources were recorded at \$ 155,741, of which \$ 30,653 was due to change in pension assumptions, \$49,743 was for the net difference between projected and actual earnings on pension investments and \$ 75,345 was attributed to contributions made subsequent to the measurement date. Deferred inflows of resources was recorded at (\$ 57,519) for the net difference between projected and actual experience.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 12. Pension and Retirement Systems-continued

LaVale Sanitary Commission – Component Unit

The Sanitary Commission provides a defined benefit pension plan for all their full-time employees. The plan is a single employer non-contributory plan and is not a part of any of the plans in which the County participates. Detailed information on LaVale Sanitary Commission's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2018. LaVale Sanitary's pension expense for the fiscal year ended was \$ 43,932. Net pension liability was (\$ 514,708), pension contributions exceeding the required annual contributions are recorded as an asset in the Commission's financial statements; the balance at June 30, 2018 was \$ 514,708 and therefore, no net pension liability obligation exists.

At June 30, 2018, the Commission reported deferred outflows of resources in the amount of \$ 231,353 of which, \$ 151,607 was the difference between expected and actual experience, and 79,746 was the change in assumption amount. The deferred inflows of resources was \$ 130,270 of which, \$ 103,864, was attributed to change in assumptions and \$ 26, 406 was the net difference between projected and actual earnings on pension plan investments.

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

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 562 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, 2018

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, 2018, the County reported total net pension liability of \$ 2,804,816. The net pension liability was measured as of December 31, 2017 and the total pension liability was determined by an actuarial valuation as of January 1, 2017, the results of which were rolled forward to the December 31, 2017 measurement date, in accordance with actuarial standards of practice.

Pension expense for the plan for FY 18 was \$ 406,161

At June 30, 2018, 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	\$ 4,267	
Change of assumptions	219,016	27,315
Total	<u>\$ 223,283</u>	<u>\$ 27,315</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:	
2018	\$ 25,809
2019	25,809
2020	25,809
2021	25,809
2022	25,809
2023 and Thereafter	66,923
Total	<u>195,968</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 13. Pension and Retirement Systems-LOSAP-continued

Actuarial Assumptions

The total pension liability in the January 1, 2017 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	3.31%
Investment rate of return	3.31%, net of pension plan investment expense, including inflation
Mortality	1984 Unisex Pensioners with 3 yr setback
Retirement	First Eligible
Turnover	T6
Disability	None

Discount Rate

The discount rate used to measure the total pension liability was 3.31%. This single discount rate was based on the expected rate of return on pension plan investments of 3.31%. The discount rate of 3.31% is based on the 20-year AA general obligation bond rate as of December 31, 2017.

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. The discount rate decreased to 3.31% from the previous year's rate of 3.81%.

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 3.31%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1% lower(2.31%) or 1% higher (4.31%) than the current rate:

	1% Decrease 2.31%	Current Discount Rate 3.31%	1% Increase 4.31%
Net Pension Liability	2,999,879	2,804,816	2,605,408

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 13. Pension and Retirement Systems-LOSAP-continued

Changes in Net Pension Liability

Balance at 1/1/17	\$ 2,180,542
Changes for the year:	
Service Cost	308,176
Interest	72,176
Changes in benefit terms	-
Differences between expected and actual experience	4,799
Changes in assumptions	246,393
Benefit payments and expenses	(7,270)
Net Changes for the Year	<u>624,274</u>
Balance at 12/31/17	<u>\$ 2,804,816.00</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, 2018

Fiscal Year 2018 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				41,920	41,920
Restricted for:					
Transit bus replacement	131,979	-	-	-	131,979
Housing programs	-	-	-	72,856	72,856
Coal Haul Roads	-	-	-	216,345	216,345
Drug task Force	-	-	-	102,336	102,336
Inmate activities/fire companies	-	-	-	693,536	693,536
High School Construction	-	-	3,011,334		3,011,334
Sheriff Task Force				27,081	27,081
Committed to:					
Economic development	-	9,915,280		-	9,915,280
Amount needed to balance FY 19 budget	1,571,596				1,571,596
School capital\Fire Co	-	-	-	802,153	802,153
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	2,409,165				2,409,165
Technology Enhancements	-	-	-	304,720	304,720
Public Works projects				639,322	639,322
Public Safety				128,073	128,073
School projects				924,550	924,550
County building improvements	-	-	-	219,367	219,367
Unassigned:	15,918,000	-	-	(767,966)	15,150,034
	<u>\$ 25,244,740</u>	<u>\$ 9,915,280</u>	<u>3,011,334</u>	<u>\$ 3,404,293</u>	<u>\$ 41,575,647</u>

Note 15. Postemployment Healthcare Plan

Plan Description & Administration. 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, 2018

Note 15. Postemployment Healthcare Plan-continued

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

Contributions. 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 7.5 percent of annual covered payroll, and is an actuarially determined amount.

Benefits Provided. Employees are eligible for health insurance coverage providing that the retiring employee had coverage in effect when they stopped working, are eligible for retirement, and must have at least 10 years of service and attained age 62 or have 25 years of continuous service. Employees who retire are eligible for the under 65 health insurance plan. Once the retiree turns 65, the retiree is moved to the County's \$ 150 per month health insurance subsidy plan.

Employees Covered by Benefit Terms. 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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 15. Postemployment Healthcare Plan-continued

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 Date	6/30/2017
Measurement Date	6/30/2018
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 3.62%. The blended rate is 5.62%
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

Changes in Actuarial assumptions. There were no changes in actuarial assumptions during fiscal year 2018, except for the change in discount rate due to an updated depletion date projection. Discount rate increased from 5.31% in FY 2017 to 5.62% in FY 18.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 15. Postemployment Healthcare Plan-continued

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 real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2018, and the final investment return assumption, are summarized in the following table:

	Long-Term Expected Real Rate of Return	Long-Term Weighted Real Rate of Return
Domestic Equity	5.70%	36.00%
International funds	5.85%	18.00%
Fixed Income-US	2.70%	21.00%
Hedge Funds	3.50%	10.00%
Real Estate	4.25%	7.00%
Private Equity	7.65%	5.00%
Commodities	2.60%	3.00%
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 18 was 5.56%

Net OPEB Obligation:

The County's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017, the results of which were rolled forward to the June 30, 2018 measurement date, in accordance with actuarial standards of practice.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 15. Postemployment Healthcare Plan-continued

The changes in net OPEB liability are as follows:

	FY 18
Total OPEB Liability	
Service Cost	372,106
Interest	1,275,326
Change in benefit terms	
Differences between expected and actual experience	
Changes in assumptions, including discount rate	(599,679)
Benefit payments	(1,090,895)
Net Change in total OPEB Liability	(43,142)
 Total OPEB liability-beginning	 24,183,719
Total OPEB liability-ending	24,140,577
 Plan fiduciary net position	
Contributions-employer	1,099,055
Contributions-member	86,712
Net investment income	147,820
Benefit payments	(1,177,607)
Administrative expenses	(10,635)
Net change in plan fiduciary net position	145,345
 Plan fiduciary net position-beginning	 2,662,273
Plan fiduciary net position-ending	2,807,618
 Net OPEB liability beginning	 21,521,446
Net OPEB liability ending	21,332,959
 Fiduciary net position as a percentage of total OPEB liability	 11.60%

Discount Rate: The discount rate used to measure the total OPEB liability was 5.62%. 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 3.62%. The blended rate is 5.62%.

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 (4.62%) or 1% higher (6.62%) than the current discount rate:

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

	<u>Discount Rate</u> <u>At 4.62%</u>	<u>Discount Rate</u> <u>At 5.62%</u>	<u>Discount Rate</u> <u>At 6.62%</u>
Net OPEB Liability	24,090,101	21,332,959	20,049,857

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 (6% decreasing to 3.5%) or 1% higher (8% decreasing to 5.5%) 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	19,991,761	21,332,959	24,180,534

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. As of June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Change of assumptions	-	(479,743)
Net difference between projected and actual earnings on plan investments	30,731	
Total	<u>\$ 30,731</u>	<u>\$ (479,743)</u>

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

Year ended June 30:	
2019	\$(112,253)
2020	(112,253)
2021	(112,253)
2022	(112,253)
2023	-
Total	<u>(449,012)</u>

OPEB expense for fiscal year ending June 30, 2018 was \$1,359,580.

Payable to OPEB Plan:

There were no contributions payable to the OPEB plan as of June 30, 2018.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Allegany County Component Units

Board of Education-Component Unit

The Board of Education sponsors a single-employer post-retirement plan which provided a supplement to retiree health care benefits as well as providing medical benefits including prescription drug to eligible retired employees. Retirees are eligible for continued membership in the medical plans provided they have at least 15 year of service. Net OPEB Asset as of June 30, 2018 was \$ 7,280,202. For the year ended June 30, 2018 , the Board recognized OPEB benefit of \$ 319,511. Deferred inflows of resources at year end was \$ 38,998 which represented the difference between actual and expected experience.

Allegany County Library System-Component Unit

Allegany County Library System sponsors a single-employer post-retirement plan which provides medical and prescription benefits to eligible retirees and their spouses. Eligible persons include employees with a minimum of thirty years of service or have reached age 60. These benefits are available until the employee reaches age 65. The retired employee must pay the full amount of the monthly insurance coverage. The Library's OPEB expense for the year was \$ 7,908. Net OPEB liability was \$ 91,007 at June 30, 2018. There were not deferred outflows of resources or deferred inflows of resources recorded.

LaVale Sanitary Commission-Component Unit

The LaVale Sanitary Commission sponsors a single-employer defined benefit post-retirement plan which provides medical and prescription benefits to eligible retirees and their spouses. Employees and their spouses are eligible for benefits after the employee has twenty years of service and has attained age 60. Health insurance benefits are paid 100% by the Commission until the employee and spouse are eligible for Medicare. When the retired employee becomes eligible for Medicare, the retiree can elect to be covered under a Medicare supplemental plan and would be responsible for paying 50% of the spouses' premium. When the spouse becomes eligible for Medicare, the spouse can then elect to be covered under the Medicare supplemental plan and health insurance benefits are covered 100%. The Commission's OPEB expense for the year was \$ 287,815. Net OPEB liability was \$2,576,189 at June 30, 2018. Deferred outflows of resources was recorded at June 30, 2018 in the amount of \$ 791,497, of which \$ 777,477 was for the change in assumptions and \$14,020 was due to the net difference between projected and actual earnings on plan investments. Deferred inflows were recorded at \$ 145,333 due to the difference between expected and actual experience.

Note 16. Tax Abatements

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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:

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 2018 enterprise zone credits amounted to \$ 191,290 and the State of Maryland reimbursed the County \$ 77,851.

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

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 the 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, 2018

Note 16. Tax Abatements-continued

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 18 was \$ 32,271. 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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 17. Risk Management

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

Self-Insured Health Care – Effective January 1, 2009, the County is self-insured for hospitalization and medical benefits provided to its employees within specified limits. The County pays a third party administrator a monthly fixed fee for various claim administrative services on a per enrolled employee basis to administer the plan. The County has established an internal service fund to account for this activity.

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, 2018. 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 necessarily 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 2018 are as follows:

Balance at July 1, 2016	\$	745,609
Claims and changes in estimates		<u>(272,769)</u>
Balance at July 1, 2017	\$	472,840
Claims and changes in estimates		5,215,908
Claim payments		<u>(5,323,796)</u>
Balance at June 30, 2018	\$	<u><u>364,952</u></u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 18. Pending Claims and Litigation

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

Note 19. Contingent Liabilities

The County participates in a number of state and federally assisted grant programs, principal of which are the U.S. Department of Agriculture, the U.S. Department of Transportation and the U.S. Department of Housing and Urban Developments economic development and housing assistance grant programs. Entitlement to the grant proceeds is generally based on compliance with the terms and conditions of the grant agreements and applicable regulations, including expenditure of the resources for eligible purposes. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended June 30, 2018 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 the County has never been called upon to make any of the direct payments of the conduit debt. As of June 30, 2018, such debt includes loans with the U.S. Department of Agriculture of \$4,412,244.

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 20. Accounting Changes and Restatement of Net Position

During FY 18, the County was required by GASB No. 75 to record the net OPEB liability. The prior year net OPEB liability and removal of the OPEB asset was recorded as a decrease in fund balance in the amount of \$ 22,312,140. In addition, self-insured health insurance activity was moved from a fiduciary fund to an internal service fund, resulting in a restatement of net position in the Health Insurance Trust Fund, and thus, eliminating that fund, the Internal Service Fund and the Governmental Activities Net Position.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

Note 20. Accounting Changes and Restatement of Net Position (continued)

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

	Governmental Activities	Health Ins Trust Fund	Internal Svc Fund
Net Position at June 30, 2017, as previously stated	\$105,308,114	\$1,656,367	
Effect of moving internal service fund from fiduciary fund	\$1,656,367	(\$1,656,367)	\$1,656,367
Removal of OPEB Asset in accordance with GASB #45	(\$790,694)		
Recognition of Net OPEB Liability in accordance with GASB #75	(\$21,521,446)		
Net Position at June 30, 2017, restated	<u>\$84,652,341</u>	<u>\$0</u>	<u>\$1,656,367</u>

Note 21. Related Party

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 18, Allegany County paid \$ 249,634 in fees to the Willowbrook Health Center Condominium. Of this amount, \$ 8,057 in included in accounts payable at year-end.

Note 22. Subsequent Events

On December 14, 2018, the County issued \$ 10,905,000 of general obligation bonds to fund the following projects:

EMS CAD and Ambulance Purchases	\$ 3,000,000
Allegany College Tech Bldg Renovation	2,700,000
County Bridges	2,500,000
Allegany College Roof Projects	450,000
County Office Building Projects	250,000
Roads Garage and Waste Site	850,000
Roads Heavy Equipment Purchases	525,000
LaVale Library Renovations	400,000
Bond Closing Costs	230,000

The interest rate on the bonds is expected to be approximately 3.5% for a period of 20 years. Annual debt service payments are expected to be approximately \$ 808,000.

Also, on April 30, 2019, the Verso Corporation announced the closure of the Luke Paper Mill to be effective June 30, 2019, resulting in a loss of 675 jobs in Allegany County. The Verso Corporation's Luke Paper Mill has been a top ten employer and property tax payer in Allegany County for many years, currently representing nearly 2% of total county employment and nearly 1% of assessable base. The full financial effect to Allegany County is still being determined at this time.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

This page left blank intentionally.

**ALLEGANY COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION**

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

Last Ten Fiscal Years *

	2018	2017
Total Net Pension Liability		
Service Cost	308,176	260,811
Interest	72,176	71,864
Changes in Benefit terms	-	-
Differences between expected and actual experience	4,799	1
Changes in assumptions, including discount rate	246,393	(31,517)
Benefit payments and expenses	(7,270)	(6,820)
Net Change in total pension liability	624,274	294,339
Total Net Pension Liability-beginning	2,180,542	1,886,203
Total Net Pension Liability-ending	2,804,816	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.

**MARYLAND STATE RETIREMENT
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%
2018	6.37%	13,774,921	15,410,092	89.39%	69.38%

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

MARYLAND STATE RETIREMENT 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 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%
2018	1,665,400	1,665,400		14,693,609	11.33%

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**

	FY 18	FY 17
Total OPEB Liability		
Service Cost	372,106	361,268
Interest	1,275,326	1,250,947
Change in benefit terms		
Differences between expected and actual experience		
Changes in assumptions, including discount rate	(599,679)	
Benefit payments	(1,090,895)	(1,235,135)
Net Change in total OPEB Liability	(43,142)	377,080
Total OPEB liability-beginning	24,183,719	23,806,639
Total OPEB liability-ending	24,140,577	24,183,719
Plan fiduciary net position		
Contributions-employer	1,099,055	1,162,096
Contributions-member	86,712	90,491
Net investment income	147,820	195,770
Benefit payments	(1,177,607)	(1,235,135)
Administrative expenses	(10,635)	(17,453)
Net change in plan fiduciary net position	145,345	195,769
Plan fiduciary net position-beginning	2,662,273	2,466,504
Plan fiduciary net position-ending	2,807,618	2,662,273
Net OPEB liability beginning	21,521,446	21,340,135
Net OPEB liability ending	21,332,959	21,521,446
Fiduciary net position as a percentage of total OPEB liability	11.60%	11.01%
Covered employee payroll	14,693,609	16,680,326
Net OPEB Liability as a percentage of covered payroll	145%	129%

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

Actuarially determined contribution	1,312,050	1,273,835
Contributions in relation to the actuarially determined contributions	1,099,055	981,229
Contribution deficiency (excess)	212,995	292,606
County's covered-employee payroll	14,693,609	16,680,326
Contributions as percentage of covered-employee payroll	7.50%	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	5.56%	7.64%
---	-------	-------

*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, 2018

Note 1: LOSAP Pension Information

Actuarial Assumptions

The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Fiscal Year End	June 30, 2018
Measurement Date	December 31, 2017
Annual Discount Rate	3.31%-based on 20 year AA general bond rate at 12/31/17. 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 3yr 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 18
Changes in assumptions	Discount rate decreased from 3.81% in FY 17 to 3.31% in FY 18 Mortality set back changed from 1 yer setback in FY 17 to 3 year setback in FY 18
Assets accumulated in trust	None

Note 2: Other Post Employment Benefits Information

Actuarial Assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Fiscal Year End	June 30, 2018
Measurement Date	June 30, 2018
Annual Discount Rate	5.62%-the expected trust return of 7% is blended with the 20 year Aa bond rate (Source: Fidelity general obligation municipal bond index) of 3.62%
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 2018, reduced linearly to an ultimate rate of 4.5% in 2022
Changes in assumptions	Discount rate increased from 5.31% in FY 17 to 5.62% in FY 18

Note 3: State of Maryland Pension Information

Changes in assumptions:

Inflation assumption	Changed from 2.7% to 2.65%
Wage inflation assumption	Changed from 3.2% to 3.15%
Salary increases	Changed from 3.30% to 9.2% to 3.15 to 9.15%
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, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES				
<u>Taxes:</u>				
Property Taxes:				
Real and personal property	\$ 40,601,259	40,601,259	40,698,490	\$ 97,231
Payments in lieu of taxes:				
Coal companies	150,000	150,000	146,930	(3,070)
Housing Authorities	45,000	45,000	47,438	2,438
Rocky Gap	295,000	295,000	295,000	-
Interest on Delinquent taxes	1,100,000	1,100,000	1,022,257	(77,743)
Sub-total	42,191,259	42,191,259	42,210,115	18,856
Less:				
Prompt payment discounts	180,000	180,000	173,399	6,601
Deferred revenues	500,000	500,000	154,812	345,188
Industrial exemptions	150,000	150,000	155,784	(5,784)
Enterprise zone exemptions	140,000	140,000	113,439	26,561
Residential development tax credit			13,905	(13,905)
Tax increment financing			14,619	(14,619)
Historic tax credit	50,000	50,000	32,270	17,730
PILOT abatement	11,400	11,400	22,415	(11,015)
Sub-total	1,031,400	1,031,400	680,643	350,757
Total Net Property Taxes	41,159,859	41,159,859	41,529,472	369,613
Income Taxes	26,649,213	26,649,213	25,797,515	(851,698)
Other Local Taxes:				
Hotel/motel tax	1,150,000	1,150,000	1,078,013	(71,987)
Admissions	250,000	250,000	220,306	(29,694)
Recordation	1,250,000	1,250,000	1,323,973	73,973
911 Fees	390,000	390,000	373,286	(16,714)
Trailer court	72,000	72,000	61,855	(10,145)
Transfer tax	450,000	450,000	525,354	75,354
Highway users taxes	691,195	691,195	690,000	(1,195)
Total Local Taxes	4,253,195	4,253,195	4,272,787	19,592
Total Taxes	72,062,267	72,062,267	71,599,774	(462,493)
Licenses and Permits				
Alcoholic beverage licenses	103,000	103,000	98,705	(4,295)
Amusement licenses	5,000	5,000	1,007	(3,993)
Traders licenses	95,000	95,000	92,463	(2,537)
Building permits	35,000	35,000	20,071	(14,929)
Marriage licenses	5,500	5,500	4,550	(950)
Cable franchise fees	435,000	435,000	434,575	(425)
Sediment control permits	18,000	18,000	15,157	(2,843)
Total Licenses and Permits	696,500	696,500	666,528	(29,972)

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
REVENUES (Continued):				
<u>Intergovernmental:</u>				
Federal Funds:				
Homeland security grant	309,814	309,814	25,647	(284,167)
Civil defense	83,441	83,441	83,273	(168)
FEMA grant	8,750	8,750	83,384	74,634
MTA Transportation planning	123,200	123,200	70,092	(53,108)
Emergency solutions program	82,767	82,767	79,037	(3,730)
Health & Human Services Grant			101,648	101,648
Masters program	41,107	41,107	40,250	(857)
Medicare-Ambulance Fees		193,762	198,359	4,597
Medicaid-Ambulance Fees		4,045	6,960	2,915
Payments in lieu of property taxes	7,750	7,750	8,271	521
Sub-total Federal funds	656,829	854,636	696,921	(157,715)
State Funds:				
Public Health	14,000	14,000	17,242	3,242
Police protection	218,193	218,193	243,301	25,108
State 911 grant	2,000	2,000	-	(2,000)
State transportation planning	15,700	15,700	8,762	(6,938)
Maryland Department of Environment grant	1,000	1,000		(1,000)
Juvenile services grant			8,786	8,786
Department of Natural Resources	225,000	225,000	305,259	80,259
Conservation aid salary	31,003	31,003	31,004	1
Program Open Space grant	80,000	80,000	187,080	107,080
Disparity grant	8,930,611	8,930,611	8,930,611	-
State Jury Reimbursement	50,000	50,000	40,305	(9,695)
Tourism grant	40,000	40,000	12,732	(27,268)
Governors Office of Crime Control			6,000	6,000
Family Support Services	193,233	193,233	178,764	(14,469)
Miscellaneous	12,388	12,388	140,401	128,013
Sub-total State Funds	9,813,128	9,813,128	10,110,247	297,119
Other Intergovernmental:				
Other agencies	64,432	220,552	901,053	680,501
Sub-total Other Intergovernmental:	64,432	220,552	901,053	680,501
Total Intergovernmental	10,534,389	10,888,316	11,708,221	819,905

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget -
				Positive
				(Negative)
REVENUES (Continued)				
<u>Service Charges:</u>				
General government charges:				
State civil process	50,000	50,000	46,174	(3,826)
Plans & specifications	5,000	5,000	3,520	(1,480)
Regulation & Maps			3,300	3,300
Tax sale fees	30,000	30,000	19,550	(10,450)
Election filing fees			930	930
Security interest filing fee			95	95
License application fees	8,500	8,500	8,330	(170)
Liquor License transfer fee	3,000	3,000	3,230	230
Bay restoration collection fee	5,000	5,000		(5,000)
Health Ins Admin fee	250	250	72	(178)
Other general government service charges	6,300	6,300	800	(5,500)
Tourism promotion charges	20,000	20,000	26,325	6,325
Collection fees-special areas	60,000	60,000	62,094	2,094
Liquor License Collection fee	3,600	3,600	3,510	(90)
Hotel/Motel collection fee	22,500	22,500	22,553	53
Partial payment fee	1,750	1,750	2,502	752
Engineering fees	40,000	40,000	23,278	(16,722)
Indirect cost allocation	583,553	583,553	9,877	(573,676)
Sub-total general government charges	839,453	839,453	236,140	(603,313)
 Public safety charges:				
Police protection charges	10,000	10,000	79,745	69,745
Zoning Admin Fee	4,400	4,400	8,960	4,560
Boarding state prisoners	25,000	25,000	170,664	145,664
Boarding federal prisoners			296,410	296,410
Community service fee	22,000	22,000	12,927	(9,073)
Home detention fee	35,000	35,000	30,961	(4,039)
Work Release Fees	5,000	5,000	840	(4,160)
Inmate Medical Copay	4,000	4,000	6,442	2,442
Building Inspection fees	15,000	15,000	8,068	(6,932)
CPR Training Fees		7,960	9,295	1,335
Ambulance Subscription Fees		34,775	34,955	180
Ambulance fees	120,000	250,525	354,591	104,066
Sub-total public safety charges	240,400	413,660	1,013,858	600,198
 Sanitation and Waste Removal:				-
Landfill fees	192,000	192,000	240,233	48,233
Recycling fees	80,000	80,000	142,852	62,852
Recycled material sales	15,000	15,000	12,653	(2,347)
Sub-total Sanitation and Waste	287,000	287,000	395,738	108,738

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
<u>REVENUES (Continued):</u>				
<u>Service Charges (continued):</u>				
Public service enterprises:				-
Upper Potomac River Commission	405,554	405,554	405,554	-
Road closing fees				-
Sub-total public service charges	<u>405,554</u>	<u>405,554</u>	<u>405,554</u>	<u>-</u>
Total Service Charges	<u>1,772,407</u>	<u>1,945,667</u>	<u>2,051,290</u>	<u>105,623</u>
<u>Fines and Forfeitures:</u>				-
Circuit court fines	7,000	7,000	6,913	(87)
Contraband seizures				-
Liquor violation fines	8,000	8,000	11,100	3,100
Zoning fines				-
Fines and forfeitures	<u>10,000</u>	<u>10,000</u>	<u>3,325</u>	<u>(6,675)</u>
Total Fines and Forfeitures	<u>25,000</u>	<u>25,000</u>	<u>21,338</u>	<u>(3,662)</u>
<u>Miscellaneous:</u>				-
Interest	267,250	267,250	258,528	(8,722)
Rents and concessions	347,991	347,991	434,011	86,020
Miscellaneous	<u>186,000</u>	<u>186,010</u>	<u>233,653</u>	<u>47,643</u>
Total Miscellaneous	<u>801,241</u>	<u>801,251</u>	<u>926,192</u>	<u>124,941</u>
Total Revenues	<u>85,891,804</u>	<u>86,419,001</u>	<u>86,973,343</u>	<u>554,342</u>

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

EXPENDITURES:	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>General Government:</u>				
Legislative:				
County Commissioners	160,667	160,667	176,097	(15,430)
County Commissioners Office	-	-	-	-
Total legislative	<u>160,667</u>	<u>160,667</u>	<u>176,097</u>	<u>(15,430)</u>
Judicial:				
Family Support Services	193,233	193,233	182,206	11,027
Alternative dispute resolution	5,388	5,388	6,414	(1,026)
Circuit court masters program	62,284	63,940	62,615	1,325
Circuit court	368,133	368,986	368,187	799
Orphans court	72,426	72,426	71,620	806
Family Law Master	81,658	83,588	83,456	132
State's attorney	1,487,396	1,525,793	1,644,177	(118,384)
Law library	22,000	22,000	22,000	-
Grand and petit juries	73,482	73,482	67,515	5,967
Total Judicial	<u>2,366,000</u>	<u>2,408,836</u>	<u>2,508,190</u>	<u>(99,354)</u>
Executive:				
Administrator	<u>362,665</u>	<u>369,494</u>	<u>342,803</u>	<u>26,691</u>
Elections:				
Registration and elections	<u>732,014</u>	<u>736,750</u>	<u>603,023</u>	<u>133,727</u>
Financial Administration:				
Finance Office	672,158	680,652	602,182	78,470
Tax Office	665,755	674,337	327,979	346,358
State Assessment Fee	385,058	385,058	386,417	(1,359)
Accounting Software	378,520	378,520	285,431	93,089
Professional services	61,800	61,800	71,361	(9,561)
Total Financial Administration	<u>2,163,291</u>	<u>2,180,367</u>	<u>1,673,370</u>	<u>506,997</u>
Legal:				
Legal counsel	216,294	216,294	187,692	28,602
Other legal/professional	143,000	143,000	46,550	96,450
Total legal	<u>359,294</u>	<u>359,294</u>	<u>234,242</u>	<u>125,052</u>
Personnel Administration:				
Human Resources department	364,180	366,498	307,069	59,429
Human resources board of appeals	3,549	3,549	-	3,549
Wellness/Employee recognition	10,413	10,413	6,563	3,850
Total personnel administration	<u>378,142</u>	<u>380,460</u>	<u>313,632</u>	<u>66,828</u>
Planning and Zoning:				
Planning and zoning department	336,863	361,488	349,756	11,732
Land use planning	-	-	-	-
Total Planning and Zoning	<u>336,863</u>	<u>361,488</u>	<u>349,756</u>	<u>11,732</u>
General Services:				
County Building Maintenance	1,195,331	1,200,568	1,053,687	146,881
Data Processing	368,049	368,049	309,559	58,490
Total general services	<u>1,563,380</u>	<u>1,568,617</u>	<u>1,363,246</u>	<u>205,371</u>
Other general government:				
Liquor control board	119,611	137,340	169,160	(31,820)
Insurance	394,626	394,626	388,198	6,428
Employee benefits	467,500	167,500	87,325	80,175
Post retirement benefits	936,000	936,000	1,067,069	(131,069)
Total Other General Government	<u>1,917,737</u>	<u>1,635,466</u>	<u>1,711,752</u>	<u>(76,286)</u>
Total General Government	<u>10,340,053</u>	<u>10,161,439</u>	<u>9,276,111</u>	<u>885,328</u>

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Public Safety:</u>				
Police:				
Police Department	1,963,995	2,181,287	2,359,970	(178,683)
Sheriffs department	1,295,595	1,307,671	1,309,804	(2,133)
C3I Unit	13,000	13,000	21,572	(8,572)
Safe School	111,153	111,153	157,633	(46,480)
Total Police	3,383,743	3,613,111	3,848,979	(235,868)
Fire and rescue:				
Emergency medical services	1,075,383	1,086,269	1,379,249	(292,980)
Frostburg area ambulance	-	2,089,923	2,269,118	(179,195)
Length of service award	211,000	211,000	7,370	203,630
Volunteer fire companies	1,142,299	1,142,299	1,132,805	9,494
Total Fire	2,428,682	4,529,491	4,788,542	(259,051)
Correction:				
County detention center maintenance	201,499	224,049	240,436	(16,387)
County detention center	7,684,507	7,782,718	7,759,155	23,563
Juvenile service grant	-	-	8,786	(8,786)
Alternative sentencing	195,939	198,491	193,264	5,227
Home detention grant	161,980	161,980	138,327	23,653
Total Correction	8,243,925	8,367,238	8,339,968	27,270
Other Protection:				
Permits & enforcement	270,868	284,864	285,091	(227)
Emergency Management Agency	204,511	208,449	311,591	(103,142)
Local emergency planning	1,000	1,000	22,769	(21,769)
Animal control	375,918	375,919	378,680	(2,761)
911	2,383,330	2,391,492	2,675,643	(284,151)
Hazardous materials operations	69,513	69,513	80,706	(11,193)
Public safety department	138,703	142,323	156,974	(14,651)
Domestic preparedness grant	309,814	309,815	50,791	259,024
Building Codes	59,356	59,358	38,172	21,186
Code Enforcement	89,344	90,576	60,079	30,497
Transportation planning	185,774	185,776	80,782	104,994
Total Other Protection	4,088,131	4,119,085	4,141,278	(22,193)
Total Public Safety	18,144,481	20,628,925	21,118,767	(489,842)
<u>Public Works:</u>				
Public Services:				
Highway department	8,226,751	8,366,636	8,161,563	205,073
Airport	230,000	230,000	230,000	-
Waste collection:				
Solid waste disposal	423,234	435,775	362,215	73,560
Solid waste recycling	186,827	186,827	196,708	(9,881)
UPRC	506,943	506,943	506,943	-
County engineer	991,713	1,015,004	942,932	72,072
Total Public Works	10,565,468	10,741,185	10,400,361	340,824

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amount	
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Health and Hospitals:</u>				
Brook Building	154,250	154,250	125,114	29,136
Willowbrook Office	299,350	299,350	249,634	49,716
Health Department supplemental	28,253	28,253	155,639	(127,386)
Western Maryland Health Planning	9,850	9,850	10,857	(1,007)
Total Health and Hospitals	491,703	491,703	541,244	(49,541)
<u>Social Services:</u>				
Nursing Home costs	240,000	240,000	102,142	137,858
Pauper's burials	1,300	1,300	-	1,300
Human Resources Devel. Comm.	744,946	744,946	744,946	-
Emergency solution program	82,767	82,767	79,037	3,730
Child abuse coordinator	135,164	135,164	134,668	496
Family Crisis Center	88,800	88,800	88,800	-
Promoting Safe/Stable Families	-	-	101,648	(101,648)
Total Social Services	1,292,977	1,292,977	1,251,241	41,736
<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	507,298	507,298	573,107	(65,809)
Highland trail operations	98,336	110,877	103,430	7,447
Cumberland Summer Theatre	19,000	19,000	19,000	-
Program Open Space	80,000	80,000	332,519	(252,519)
Total Recreation and Culture	752,634	765,175	1,076,056	(310,881)
<u>Conservation of Natural Resources:</u>				
Agricultural Extension Service	153,333	153,333	152,743	590
Soil conservation services	111,545	111,545	123,571	(12,026)
Gypsy moth control	10,000	10,000	6,000	4,000
Total Conservation of Natural Resources	274,878	274,878	282,314	(7,436)
<u>Community Development & Housing</u>				
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-
Total Community Development & Housing	8,000	8,000	8,000	-
<u>Economic Development:</u>				
Scenic railroad development	140,000	140,000	140,000	-
Tri-County Council	40,000	40,000	40,000	-
Tourism department	487,111	487,111	503,833	(16,722)
Toll House	2,650	2,650	338	2,312
Thrasher Museum	15,000	15,000	28,188	(13,188)
Community promotion	14,000	14,000	9,342	4,658
Total Economic Development	698,761	698,761	721,701	(22,940)

(continued)

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive
	Original	Final	Amount	(Negative)
EXPENDITURES:				
EXPENDITURES (Continued):				
<u>Appropriations to Other Governmental Units:</u>				
Grants in Lieu of Taxes	28,704	28,704	28,704	-
Health Department	1,462,385	1,462,385	1,455,559	6,826
Department of Social Services	9,800	9,800	9,800	-
Total Appropriations to Other Gov't Units:	1,500,889	1,500,889	1,494,063	6,826
<u>Miscellaneous:</u>				
Miscellaneous	184,089	192,976	47,199	145,777
Total Miscellaneous	184,089	192,976	47,199	145,777
<u>Payments to Component Units</u>				
Allegany Co. Board of Education	30,424,308	30,424,308	30,424,308	-
Allegany College	7,630,550	7,630,550	7,630,550	-
Allegany County Library	956,975	956,975	956,975	-
Information Technology	188,456	188,456	188,456	-
Total payments to component units	39,200,289	39,200,289	39,200,289	-
Total Expenditures	83,454,222	85,957,197	85,417,346	539,851
Excess (deficiency) of revenues over (under) expenditures	2,437,582	461,804	1,555,997	14,491
OTHER FINANCING SOURCES (USES)				
<u>Unexpended balance - prior years</u>	967,195	2,994,863	-	(2,994,863)
<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	22,081	(6,527)
Total Transfers In	28,608	28,608	22,081	(6,527)
<u>Operating Transfers to Other Funds:</u>				
Special revenue funds:				
Transit Fund	(384,507)	(399,707)	(82,292)	317,415
Housing & Section 8 fund	-	-	-	-
Narcotics Task Force	(6,500)	(6,500)	-	6,500
Gaming fund	-	(1,057)	-	1,057
RBF	-	-	-	-
Debt service Fund:				
From General government	(2,935,594)	(2,935,594)	(3,058,316)	(122,722)
From Bureau of Police				-
Capital Projects Fund				
Pay-Go Fund				-
Capital Projects Fund				-
Enterprise funds:				
Allconet	(25,000)	(25,000)		25,000
Sanitary fund/Water fund	(91,784)	(127,417)	(94,617)	32,800
Total operating transfers to other funds	(3,443,385)	(3,495,275)	(3,235,225)	260,050
<u>Sale of capital assets</u>	10,000	10,000	15,231	5,231
Total Other Financing Sources and Uses	(2,437,582)	(461,804)	(3,197,913)	(2,736,109)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	(1,641,916)	\$ (2,721,616)
Fund balance, beginning			26,886,656	
Fund balance, ending			\$ 25,244,740	

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
REVOLVING BUILDING FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget - Positive (Negative)
REVENUES:				
Miscellaneous	\$ 3,124,400	\$ 3,124,400	\$ 3,281,157	\$ 156,757
State Grants			1,257,423	1,257,423
Total Revenues	<u>3,124,400</u>	<u>3,124,400</u>	<u>4,538,580</u>	<u>1,414,180</u>
EXPENDITURES				
Economic development	14,091,352	14,100,238	2,791,666	11,308,572
Total Expenditures	<u>14,091,352</u>	<u>14,100,238</u>	<u>2,791,666</u>	<u>11,308,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,966,952)</u>	<u>(10,975,838)</u>	<u>1,746,914</u>	<u>12,722,752</u>
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	11,167,752	11,167,752	-	(11,167,752)
Transfers to other funds	(200,800)	(200,800)	(200,772)	28
Transfer from other funds	-	8,886		(8,886)
Total Other Financing Sources and Uses	<u>10,966,952</u>	<u>10,975,838</u>	<u>(200,772)</u>	<u>(11,176,610)</u>
Net change in fund balances	\$ <u>-</u>	\$ <u>-</u>	1,546,142	\$ <u>1,546,142</u>
Fund balance, beginning			<u>8,369,138</u>	
Fund balance, ending			<u>\$ <u>9,915,280</u></u>	

Notes to Required Supplementary Information

June 30, 2018

Budgetary Basis

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

**COMBINING & INDIVIDUAL
FUND FINANCIAL
STATEMENTS
&
SCHEDULES**

This page left blank intentionally.

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, 2018

Special Revenue Funds								
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund	Sheriff Narcotics Task Force	Gaming Fund
ASSETS:								
Cash	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ 1,000		\$ -
Cash - restricted	-	-	-	-	24,197	-	-	-
Investments	764,089	-	-	-	-	102,499	8,500	-
Investments-Restricted								
Receivables								
Notes and loans	-	-	-	235,001	-	-	-	-
Other	2,057	962,707	-	-	-	-	-	19,363
Due from other funds	-	-	9,739	63,117	53,165	284,195	27,932	507,851
Inventory	-	41,920	-	-	-	-	-	-
Total Assets	<u>766,146</u>	<u>1,004,777</u>	<u>9,739</u>	<u>298,118</u>	<u>77,362</u>	<u>387,694</u>	<u>36,432</u>	<u>527,214</u>
LIABILITIES:								
Accounts payable	-	19,648	-	-	-	3,896	575	1,318
Accrued payroll	-	15,809	-	-	-	557		1,795
Accrued payroll fringe	-	7,878	-	-	-	50		599
Due to other funds	549,801	961,442	-	-	-	-	-	-
Amounts held in escrow	-	-	-	-	77,362	280,855	8,776	-
Unavailable Revenue	-	-	-	235,001	-	-	-	-
Total Liabilities	<u>549,801</u>	<u>1,004,777</u>	<u>-</u>	<u>235,001</u>	<u>77,362</u>	<u>285,358</u>	<u>9,351</u>	<u>3,712</u>
DEFERRED INFLOWS of RESOURCES:								
Grant Reimbursement not Available	-	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	41,920	-	-	-	-	-	-
Restricted	216,345	-	9,739	63,117	-	102,336	27,081	-
Committed	-	-	-	-	-	-	-	523,502
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	(41,920)	-	-	-	-	-	-
Total Fund Balances	<u>216,345</u>	<u>-</u>	<u>9,739</u>	<u>63,117</u>	<u>-</u>	<u>102,336</u>	<u>27,081</u>	<u>523,502</u>
Total Liabilities, deferred inflows of resources and fund balances	<u>\$ 766,146</u>	<u>\$ 1,004,777</u>	<u>\$ 9,739</u>	<u>\$ 298,118</u>	<u>\$ 77,362</u>	<u>\$ 387,694</u>	<u>\$ 36,432</u>	<u>\$ 527,214</u>

**ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2018**

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
-		24,197	-	-	-	-	24,197
313,838		1,188,926	-	-	1,565,843	1,565,843	2,754,769
						-	-
-		235,001	-	-	-	-	235,001
10,086	185,954	1,180,167	-	5,454	9,146	14,600	1,194,767
396,276	1,456,355	2,798,630	-	278,524	646,300	924,824	3,723,454
-		41,920	-	-	-	-	41,920
<u>720,200</u>	<u>1,642,309</u>	<u>5,469,991</u>	<u>-</u>	<u>283,978</u>	<u>2,221,289</u>	<u>2,505,267</u>	<u>7,975,258</u>
26,664	1,363,657	1,415,758	-	212,715	5,258	217,973	1,633,731
-		18,161	-	801	-	801	18,962
-		8,527	-	136	-	136	8,663
-		1,511,243	355,364	-	-	-	1,866,607
-		366,993	-	-	-	-	366,993
-		235,001	-	441,008	-	441,008	676,009
<u>26,664</u>	<u>1,363,657</u>	<u>3,555,683</u>	<u>355,364</u>	<u>654,660</u>	<u>5,258</u>	<u>659,918</u>	<u>4,570,965</u>
-		-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-		41,920	-	-	-	-	41,920
693,536		1,112,154	-	-	-	-	1,112,154
-	278,652	802,154	-	-	-	-	802,154
-		-	-		2,216,031	2,216,031	2,216,031
-	-	(41,920)	(355,364)	(370,682)	-	(370,682)	(767,966)
<u>693,536</u>	<u>278,652</u>	<u>1,914,308</u>	<u>(355,364)</u>	<u>(370,682)</u>	<u>2,216,031</u>	<u>1,845,349</u>	<u>3,404,293</u>
<u>\$ 720,200</u>	<u>\$ 1,642,309</u>	<u>\$ 5,469,991</u>	<u>\$ -</u>	<u>\$ 283,978</u>	<u>\$ 2,221,289</u>	<u>\$ 2,505,267</u>	<u>\$ 7,975,258</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Special Revenue Funds							
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund	Sheriff Narcotics Task Force	Gaming Fund
REVENUES:								
Other local taxes	\$ 66,118	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 425,545
Intergovernmental:								
Federal	-	1,275,494	-	527	949,255	-	-	-
State/Other	-	531,035	-	-	30,000	32,400	-	-
Service charges	-	364,064	-	-	-	-	-	31,100
Fines and forfeitures	-	-	-	-	-	43,313	9,910	-
Interest	10,752	-	-	-	-	760	3,778	-
Miscellaneous	-	33,528	-	39,116	-	32,300	38,532	-
Total Revenues	<u>76,870</u>	<u>2,204,121</u>	<u>-</u>	<u>39,643</u>	<u>979,255</u>	<u>108,773</u>	<u>52,220</u>	<u>456,645</u>
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	144,047
Public safety	-	-	-	-	-	80,586	28,132	70,125
Public works	-	1,826,563	-	-	-	-	-	-
Highways	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	19,938	979,255	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-
Debt Service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital Outlay:								
General government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	46,824	-
Public works	129,714	459,849	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Recreation & Culture	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	<u>129,714</u>	<u>2,286,412</u>	<u>-</u>	<u>19,938</u>	<u>979,255</u>	<u>80,586</u>	<u>74,956</u>	<u>214,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,844)</u>	<u>(82,291)</u>	<u>-</u>	<u>19,705</u>	<u>-</u>	<u>28,187</u>	<u>(22,736)</u>	<u>242,473</u>
OTHER FINANCING SOURCES (USES):								
Transfers in	-	82,291	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and uses	<u>-</u>	<u>82,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(52,844)	-	-	19,705	-	28,187	(22,736)	242,473
Fund balance, beginning,	269,189	-	9,739	43,412	-	74,149	49,817	281,029
Fund balance, ending	<u>\$ 216,345</u>	<u>\$ -</u>	<u>\$ 9,739</u>	<u>\$ 63,117</u>	<u>\$ -</u>	<u>\$ 102,336</u>	<u>\$ 27,081</u>	<u>\$ 523,502</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

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	
\$ -		\$ 491,663	\$ -			\$ -	\$ 491,663
-		2,225,276	-			-	2,225,276
334,380	2,329,402	3,257,217	-	446,526	115,821	562,347	3,819,564
-		395,164	-		-	-	395,164
-		53,223	-	-	-	-	53,223
3,671		18,961	-	-	20,193	20,193	39,154
116,793		260,269	-	35,350	10,506	45,856	306,125
454,844	2,329,402	6,701,773	-	481,876	146,520	628,396	7,330,169
-		144,047	-	-	-	-	144,047
539,477	1,380,750	2,099,070	-	-	-	-	2,099,070
-		1,826,563	-	-	-	-	1,826,563
-		-	-	-	-	-	-
-		999,193	-	-	-	-	999,193
-		-	-	-	-	-	-
-		-	-	-	-	-	-
	360,000	360,000					360,000
-		-	2,405,547	-	-	-	2,405,547
-		-	834,194	-	-	-	834,194
-		-	-	419,161	142,080	561,241	561,241
-		46,824	-			-	46,824
-		589,563	-	521,993	11,970	533,963	1,123,526
-	200,000	200,000	-	136,564	-	136,564	336,564
-		-	-	-		-	-
-		-	-	-		-	-
-		-	-	-		-	-
-		-	-	-		-	-
539,477	1,940,750	6,265,260	3,239,741	1,077,718	154,050	1,231,768	10,736,769
(84,633)	388,652	436,513	(3,239,741)	(595,842)	(7,530)	(603,372)	(3,406,600)
-		82,291	3,239,741		160,000	160,000	3,482,032
-	(160,000)	(160,000)	-			-	(160,000)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	(160,000)	(77,709)	3,239,741	-	160,000	160,000	3,322,032
(84,633)	228,652	358,804	-	(595,842)	152,470	(443,372)	(84,568)
778,169	50,000	1,555,504	(355,364)	225,160	2,063,561	2,288,721	3,488,861
\$ 693,536	\$ 278,652	\$ 1,914,308	\$ (355,364)	\$ (370,682)	\$ 2,216,031	\$ 1,845,349	\$ 3,404,293

This page left blank intentionally.

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, 2018

		Allegany County Loan Fund	
ASSETS	Allconet II		Total
Current Assets:			
Cash:			
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	9,138		9,138
Other	26,037	133,942	159,979
Due from other funds	384,064	603,401	987,465
Miscellaneous assets	-	-	-
Total current assets	<u>419,239</u>	<u>737,343</u>	<u>1,156,582</u>
Non-current Assets:			
Advances to other funds	-	258,055	258,055
Capital assets subject to depreciation	4,646,461	-	4,646,461
Accumulated depreciation	<u>(4,246,248)</u>	<u>-</u>	<u>(4,246,248)</u>
Total noncurrent assets	<u>400,213</u>	<u>258,055</u>	<u>658,268</u>
Total Assets	<u>819,452</u>	<u>995,398</u>	<u>1,814,850</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	365	-	365
Due to other funds	-	-	-
Miscellaneous liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>365</u>	<u>-</u>	<u>365</u>
Noncurrent Liabilities:			
Long term debt:			
Compensated absences	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>365</u>	<u>-</u>	<u>365</u>
NET POSITION			
Net investment in capital assets	400,213	-	400,213
Unrestricted	<u>418,874</u>	<u>995,398</u>	<u>1,414,272</u>
Total Net Position	<u>\$ 819,087</u>	<u>\$ 995,398</u>	<u>\$ 1,814,485</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, 2018

		Allegany County Loan Fund	Total
OPERATING REVENUES:	<u>Allconet II</u>	<u>Fund</u>	<u>Total</u>
Service charges	59,200	-	59,200
Total operating Revenues	<u>59,200</u>	<u>-</u>	<u>59,200</u>
OPERATING EXPENSES:			
Rent Expense	5,220	-	5,220
Utilities	6,538	-	6,538
Repairs & maintenance	48,361	-	48,361
Professional services	2,156	-	2,156
Materials and supplies	-	-	-
Insurance	1,127	-	1,127
Miscellaneous	-	-	-
Depreciation	<u>131,988</u>	<u>-</u>	<u>131,988</u>
Total operating expenses	<u>195,390</u>	<u>-</u>	<u>195,390</u>
Operating Income (Loss)	<u>(136,190)</u>	<u>-</u>	<u>(136,190)</u>
NON-OPERATING REVENUE (EXPENSES):			
Interest income	445	-	445
Other income (expense)	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenue (expenses)	<u>445</u>	<u>-</u>	<u>445</u>
Income (Loss) before contributions and transfers	(135,745)	-	(135,745)
Federal grants	-	-	-
Other agency grants	-	-	-
Transfer in	-	-	-
Transfer out	<u>-</u>	<u>(22,081)</u>	<u>(22,081)</u>
Change in net position	<u>(135,745)</u>	<u>(22,081)</u>	<u>(157,826)</u>
Total net position - beginning	954,832	1,017,479	1,972,311
Total net position - ending	<u>\$ 819,087</u>	<u>\$ 995,398</u>	<u>\$ 1,814,485</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2018

	Allconet II	Allegany County Loan Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 93,072	\$ (55,783)	\$ 37,289
Cash payments for goods and services	(67,327)		(67,327)
Other operating revenues	-	-	-
Net cash provided by operating activities	25,745	(55,783)	(30,038)
Cash flows from noncapital financing activities:			
Advances from other funds	67,738	(2,136)	65,602
Advances to other funds	(93,929)	80,000	(13,929)
Transfers from other funds	-		-
Transfers to other funds	-	(22,081)	(22,081)
Net cash provided by noncapital financing activities	(26,190)	55,783	29,593
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	-	-	-
Grant Revenue/Other agency revenue	-	-	-
Net cash used for capital and related financing activities	-	-	-
Cash flows from investing activities:			
Purchase of investments	-	-	-
Sale of investments	-		-
Interest on investments	445	-	445
Net cash used in investing activities	445	-	445
Net increase (decrease) in cash	(0)	-	(0)
Cash at beginning of the year	-	-	-
Cash at end of year	\$ (0)	\$ -	\$ (0)
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ (136,190)	\$ -	\$ (136,190)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	131,988	-	131,988
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	33,873	(55,783)	(21,910)
(Increase) decrease in prepaids	-		-
Increase (decrease) in acc'ts payable	(3,926)	-	(3,926)
Increase (decrease) in accrued payroll	-	-	-
Total adjustments	161,935	(55,783)	106,152
Net cash provided by operating activities	\$ 25,745	\$ (55,783)	\$ (30,038)

**SCHEDULES OF REVENUES,
EXPENDITURES AND CHANGES
IN FUND BALANCE -
BUDGET AND ACTUAL**

**Debt Service Fund,
Special Revenue Funds
&
Capital Project Funds**

This page left blank intentionally.

ALLEGANY COUNTY, MARYLAND
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures:				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ -	\$ 25,000
Debt Service:				
Principal payments on :				
General obligation debt	2,054,114	2,054,114	2,054,114	-
State loans	225,989	225,989	351,433	(125,444)
Total principal payments	<u>2,280,103</u>	<u>2,280,103</u>	<u>2,405,547</u>	<u>(125,444)</u>
Interest payments on:				
General obligation debt	787,147	787,147	790,731	(3,584)
State loans	24,796	24,796	43,403	(18,607)
Total interest payments	<u>811,943</u>	<u>811,943</u>	<u>834,134</u>	<u>(22,191)</u>
Total Expenditures	<u>3,117,046</u>	<u>3,117,046</u>	<u>3,239,681</u>	<u>(122,635)</u>
Deficiency of revenues under expenditures	<u>(3,117,046)</u>	<u>(3,117,046)</u>	<u>(3,239,681)</u>	<u>122,635</u>
Other Financing Sources and (Uses):				
Unexpended Fund Balance	-	-	-	-
Transfers from other funds:				
From the General Fund	2,935,594	2,935,594	3,058,287	122,693
From the Revolving Building Fund	181,452	181,452	181,454	2
Transfer to General Fund	-	-	-	-
Total Other Financing Sources and Uses	<u>3,117,046</u>	<u>3,117,046</u>	<u>3,239,741</u>	<u>122,695</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	60	<u>\$ 60</u>
Fund balance, beginning			<u>(355,364)</u>	
Fund balance, ending			<u>\$ (355,304)</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, 2018

	Coal Haul Roads Fund				Transit Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	80,000	80,000	66,118	(13,882)	-	-	-	-
Intergovernmental:	-	-	-	-	-	-	-	-
Federal	-	-	-	-	1,612,228	1,612,228	1,275,494	(336,734)
State	-	-	-	-	523,219	523,219	531,035	7,816
Other	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	402,550	402,550	364,064	(38,486)
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	5,000	5,000	10,752	5,752	-	-	-	-
Miscellaneous	-	-	-	-	2,200	2,200	33,528	31,328
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>76,870</u>	<u>(8,130)</u>	<u>2,540,197</u>	<u>2,540,197</u>	<u>2,204,121</u>	<u>(336,076)</u>
EXPENDITURES:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	140,000	140,000	129,714	10,286	2,924,704	2,939,904	2,286,412	653,492
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Units	-	-	-	-	-	-	-	-
Total Expenditures	<u>140,000</u>	<u>140,000</u>	<u>129,714</u>	<u>10,286</u>	<u>2,924,704</u>	<u>2,939,904</u>	<u>2,286,412</u>	<u>653,492</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(55,000)</u>	<u>(55,000)</u>	<u>(52,844)</u>	<u>2,156</u>	<u>(384,507)</u>	<u>(399,707)</u>	<u>(82,291)</u>	<u>317,416</u>
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior	55,000	55,000	-	(55,000)	-	-	-	-
Transfer from other funds	-	-	-	-	384,507	399,707	82,291	(317,416)
Transfers to other funds	-	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>(55,000)</u>	<u>384,507</u>	<u>399,707</u>	<u>82,291</u>	<u>(317,416)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(52,844)</u>	<u>\$ (52,844)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning,			269,189				-	
Fund balance, ending			<u>\$ 216,345</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)	
REVENUES:									
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Other local taxes	-	-	-	-	-	-	-	-	
Intergovernmental:									
Federal	-	-	-	-	-	-	527	527	
State	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
Service charges	-	-	-	-	-	-	-	-	
Fines and forfeitures	-	-	-	-	-	-	-	-	
Interest	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	39,116	39,116	
Total Revenues	-	-	-	-	-	-	39,643	39,643	
EXPENDITURES:									
General government	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	-	-	
Health & hospitals	-	-	-	-	-	-	-	-	
Highway	-	-	-	-	-	-	-	-	
Social Services	-	-	-	-	-	-	-	-	
Community Development and Housing	-	-	-	-	-	-	19,938	(19,938)	
Economic development	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	
Payments to Component Units	-	-	-	-	-	-	-	-	
Total Expenditures	-	-	-	-	-	-	19,938	(19,938)	
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	19,705	19,705	
OTHER FINANCING SOURCES AND (USES):									
Unexpended balance - prior	-	-	-	-	-	-	-	-	
Transfer from other funds	-	-	-	-	-	-	-	-	
Transfers to other funds	-	-	-	-	-	-	-	-	
Debt issued	-	-	-	-	-	-	-	-	
Sale of capital assets	-	-	-	-	-	-	-	-	
Total Other Financing Sources and Uses	-	-	-	-	-	-	-	-	
Net change in fund balances	\$ -	\$ -	-	\$ -	\$ -	\$ -	19,705	\$ 19,705	
Fund balance, beginning,			9,739				43,412		
Fund balance, ending			<u>\$ 9,739</u>				<u>\$ 63,117</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, 2018

	Community Development & Housing Fund				Sheriff Drug Task Force				Narcotics Drug Task Force			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:												
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental:												
Federal	-	-	949,255	949,255	-	-	-	-	-	-	-	-
State	-	-	30,000	30,000	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	31,596	30,000	-	(30,000)
Service charges	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	9,910	9,910	72,000	74,228	9,910	(64,318)
Interest	-	-	-	-	-	-	3,778	3,778	-	-	3,778	3,778
Miscellaneous	-	-	-	-	-	-	38,532	38,532	-	-	38,532	38,532
Total Revenues	-	-	979,255	979,255	-	-	52,220	52,220	103,596	104,228	52,220	(52,008)
EXPENDITURES:												
General government	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	74,956	(74,956)	110,096	110,728	74,956	35,772
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	979,255	(979,255)	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-
Payments to Component Unit	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	-	-	979,255	(979,255)	-	-	74,956	(74,956)	110,096	110,728	74,956	35,772
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-	-	-	(22,736)	(22,736)	(6,500)	(6,500)	(22,736)	(16,236)
OTHER FINANCING SOURCES AND (USES):												
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	\$ -	\$ -	-	\$ -	\$ -	\$ -	(22,736)	\$ (22,736)	\$ -	\$ -	(22,736)	\$ (22,736)
Fund balance, beginning,			-				49,817				49,817	
Fund balance, ending			\$ -				\$ 27,081				\$ 27,081	

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018

	Gaming Fund				Revolving Building Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	335,999	335,999	425,545	89,546	-	-	-	-
Intergovernmental:								
Federal	-	-	-	-	-	-	-	-
State	-	-	-	-	-	-	1,257,423	1,257,423
Other	-	-	-	-	-	-	-	-
Service charges	31,000	31,000	31,100	100	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	3,124,400	3,124,400	3,281,157	156,757
Total Revenues	<u>366,999</u>	<u>366,999</u>	<u>456,645</u>	<u>89,646</u>	<u>3,124,400</u>	<u>3,124,400</u>	<u>4,538,580</u>	<u>1,414,180</u>
EXPENDITURES:								
General government	156,290	157,346	144,047	13,299	-	-	-	-
Public safety	52,677	52,677	70,125	(17,448)	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health & hospitals	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	14,091,352	14,100,238	2,791,666	11,308,572
Miscellaneous	-	-	-	-	-	-	-	-
Payments to Component Unit	158,032	158,032	-	158,032	-	-	-	-
Total Expenditures	<u>366,999</u>	<u>368,055</u>	<u>214,172</u>	<u>153,883</u>	<u>14,091,352</u>	<u>14,100,238</u>	<u>2,791,666</u>	<u>11,308,572</u>
Excess (deficiency) of revenues over (under) expenditures	-	(1,056)	242,473	243,529	(10,966,952)	(10,975,838)	1,746,914	12,722,752
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior y	-	-	-	-	11,167,752	11,167,752	-	(11,167,752)
Transfer from other funds	-	1,056	-	(1,056)	-	8,886	-	(8,886)
Transfers to other funds	-	-	-	-	(200,800)	(200,800)	(200,772)	28
Debt issued	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	1,056	-	(1,056)	10,966,952	10,975,838	(200,772)	(11,176,610)
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>242,473</u>	<u>\$ 242,473</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,546,142</u>	<u>\$ 1,546,142</u>
Fund balance, beginning,			281,029				8,369,138	
Fund balance, ending			<u>\$ 523,502</u>				<u>\$ 9,915,280</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, 2018

	Fire, Rescue & Public Safety Fund				Rocky Gap Slots Revenue Fund				Total Special Revenue Funds			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:												
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	-	-	-	-	-	-	-	-	415,999	415,999	491,663	75,664
Intergovernmental:												
Federal	-	-	-	-	-	-	-	-	1,612,228	1,612,228	2,225,276	613,048
State	335,970	335,970	334,380	(1,590)	1,813,518	1,813,518	2,329,402	515,884	859,189	2,672,707	4,482,240	1,809,533
Other	-	-	-	-	-	-	-	-	31,596	30,000	-	(30,000)
Service charges	29,000	29,000	-	(29,000)	-	-	-	-	462,550	462,550	395,164	(67,386)
Fines and forfeitures	-	-	-	-	-	-	-	-	72,000	74,228	19,820	(54,408)
Interest	-	-	3,671	3,671	-	-	-	-	5,000	5,000	18,201	13,201
Miscellaneous	37,000	37,000	116,793	79,793	-	-	-	-	3,163,600	3,163,600	3,547,658	384,058
Total Revenues	401,970	401,970	454,844	52,874	1,813,518	1,813,518	2,329,402	515,884	6,622,162	8,436,312	11,180,022	2,743,710
EXPENDITURES:												
General government	-	-	-	-	-	-	-	-	156,290	157,346	144,047	(13,299)
Public safety	401,970	401,970	539,477	(137,507)	1,078,518	1,078,518	1,380,750	(302,232)	564,743	1,643,893	2,140,264	496,371
Public works	-	-	-	-	-	-	-	-	3,064,704	3,079,904	2,416,126	(663,778)
Health & hospitals	-	-	-	-	-	-	-	-	-	-	-	-
Highway	-	-	-	-	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	15,000	15,000	-	(15,000)	-	-	-	-
Community Development and Housing	-	-	-	-	-	-	-	-	-	-	999,193	999,193
Economic development	-	-	-	-	-	-	-	-	14,091,352	14,100,238	2,791,666	(11,308,572)
Education	-	-	-	-	200,000	200,000	200,000	-	200,000	200,000	200,000	-
Payments to Component Unit	-	-	-	-	360,000	360,000	360,000	-	158,032	518,032	360,000	(158,032)
Total Expenditures	401,970	401,970	539,477	(137,507)	1,653,518	1,653,518	1,940,750	(317,232)	18,035,121	19,699,413	9,051,296	(10,648,117)
Excess (deficiency) of revenues over (under) expenditures	-	-	(84,633)	(84,633)	160,000	160,000	388,652	388,652	(11,412,959)	(11,263,101)	2,128,726	(7,904,407)
OTHER FINANCING SOURCES AND (USES):												
Unexpended balance - prior y	-	-	-	-	-	-	-	-	11,222,752	11,222,752	-	(11,222,752)
Transfer from other funds	-	-	-	-	-	-	-	-	391,007	416,149	82,291	(333,858)
Transfers to other funds	-	-	-	-	(160,000)	(160,000)	(160,000)	-	(200,800)	(360,800)	(360,772)	28
Debt issued	-	-	-	-	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	(160,000)	(160,000)	(160,000)	-	11,412,959	11,278,101	(278,481)	(11,556,582)
Net change in fund balances	\$ -	\$ -	(84,633)	\$ (84,633)	\$ -	\$ -	228,652	\$ 388,652	\$ -	\$ 15,000	\$ 1,850,245	\$ (19,460,989)
Fund balance, beginning,			778,169				50,000				7,494,218	
Fund balance, ending			<u>\$693,536</u>				<u>\$ 278,652</u>				<u>\$ 9,344,463</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, 2018

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) Fund			
	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:								
Intergovernmental								
Federal grants			\$ -	\$ -	\$ -	\$ -		\$ -
State grants			446,526	446,526	-	-	115,821	115,821
Other				-			-	-
Other Taxes				-	-	-		-
Miscellaneous:								
Interest	-	-		-	-	-	20,193	20,193
Miscellaneous	-	-	35,350	35,350	-	-	10,506	10,506
Total Revenues	-	-	481,876	481,876	-	-	146,520	146,520
EXPENDITURES:								
General Government			419,161	(419,161)	230,000	230,000	142,080	87,920
Public Safety			521,993	(521,993)	270,000	270,000		270,000
Public Works	50,000	50,000	136,564	(86,564)	217,500	217,500	11,970	205,530
Health	-	-	-	-	-	-	-	-
Social Services	-	-	-	-	-	-	-	-
Education				-	225,000	225,000		225,000
Recreation, Culture & Libraries	-	-		-				-
Conservation of Natural Resourc	-	-	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Payments to component units	-	-	-	-	-	-	-	-
Total Expenditures	50,000	50,000	1,077,718	(1,027,718)	942,500	942,500	154,050	788,450
Excess (deficiency) of revenues over (under) expenditures	(50,000)	(50,000)	(595,842)	(545,842)	(942,500)	(942,500)	(7,530)	934,970
OTHER FINANCING SOURCES AND USES:								
Unexpended fund balance	50,000	50,000		(50,000)	942,500	942,500	-	(942,500)
Transfers In:								
From other funds				-			160,000	160,000
Transfers Out:								
To other funds	-	-		-	-	-		-
Debt issued			-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Total Other Financing Uses	50,000	50,000	-	(50,000)	942,500	942,500	160,000	(782,500)
Net change in fund balances	\$ -	\$ -	(595,842)	\$ (595,842)	\$ -	\$ -	152,470	\$ 152,470
Fund balance, beginning			225,160				2,063,561	
Fund balance, ending			<u>\$ (370,682)</u>				<u>\$ 2,216,031</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, 2018

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)
\$ -	\$ -		\$ -	\$ -	\$ -	\$ -	\$ -
-	-	733,560	733,560	-	-	1,295,907	1,295,907
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	42,967	42,967	-	-	63,160	63,160
-	-	-	-	-	-	45,856	45,856
-	-	<u>776,527</u>	<u>776,527</u>	-	-	<u>1,404,923</u>	<u>1,404,923</u>
-	-	-	-	230,000	230,000	561,241	(331,241)
250,000	250,000	1,304,524	(1,304,524)	270,000	270,000	1,826,517	(1,556,517)
-	-	1,320,336	(1,070,336)	517,500	517,500	1,468,870	(951,370)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
12,524,500	12,524,500	9,668,532	2,855,968	12,749,500	12,749,500	9,668,532	3,080,968
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>12,774,500</u>	<u>12,774,500</u>	<u>12,293,392</u>	<u>481,108</u>	<u>13,767,000</u>	<u>13,767,000</u>	<u>13,525,160</u>	<u>241,840</u>
<u>(12,774,500)</u>	<u>(12,774,500)</u>	<u>(11,516,865)</u>	<u>1,257,635</u>	<u>(13,767,000)</u>	<u>(13,767,000)</u>	<u>(12,120,237)</u>	<u>1,646,763</u>
12,774,500	12,774,500	-	(12,774,500)	13,767,000	13,767,000	-	(13,767,000)
-	-	-	-	-	-	160,000	160,000
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>12,774,500</u>	<u>12,774,500</u>	<u>-</u>	<u>(12,774,500)</u>	<u>13,767,000</u>	<u>13,767,000</u>	<u>160,000</u>	<u>(13,607,000)</u>
<u>\$ -</u>	<u>\$ -</u>	(11,516,865)	<u>\$ (11,516,865)</u>	<u>\$ -</u>	<u>\$ -</u>	(11,960,237)	<u>\$ (11,960,237)</u>
		<u>14,528,198</u>				<u>16,816,919</u>	
		<u>\$ 3,011,333</u>				<u>\$ 4,856,682</u>	

CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2018

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

	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	700,000					
Fairgrounds	408F	150,000					32,530
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		256,517			
Emergency Watershed	408V	50,000		127,591			
Rural Legacy	408W	327,526		1,627,102			26,375
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	-	-	-	-
Allegany Community College	4140	93,000					
Iron Rail Project	4142	450,000					
Highland Trail	410X	10,606,000	3,224,644	6,032,859	6,772	-	220,916
			9,223,371	10,538,187	6,772	328,590	349,714
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	-	-	154,500
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	200,000					
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			1,818,300		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	399,775					
Rocky Gap Slots-County	421N	399,775					
Sheriff K-9	421S	6,000					
County bldg improvements	4181	651,681	18,981	-	-	-	156,537
			249,837	140,435	1,818,300	56,392	398,994
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		500,000			105,831
EMS Radio system	4351	6,000,000	356,894				
ACC Building	4352	1,100,000					
Woodcock	4353	1,000,000		530,511			
Bridge Rehab	4354	680,000					
Bowling Green Stormwater	4355	300,000					
Vacuum Truck	4356	250,000					
Bond Costs	4357	250,000					
BelAir Roof	4358	235,000					
Parkside Roof	4359	185,000					
			-	-	-	-	-
			356,894	1,030,511	-	-	132,363
Total Capital Project Funds			\$ 9,830,102	\$ 11,709,133	\$ 1,825,072	\$ 384,982	\$ 881,071

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2018

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
-	46,613	697,637	697,637	-	697,637	-	(14,637)
-	863	168,466	168,466	-	168,466	-	(38,466)
-		675,100	675,100	-	675,100	-	-
-	500,000	304,773	304,973	-	304,973	(200)	(54,973)
-	11,591	500,000	500,000	-	500,000	-	-
-	1,921,967	11,591	378	11,213	11,591	-	(794)
-	272,227	1,921,967	1,733,237	-	1,733,237	188,730	188,730
-	-	705,919	435,919	-	435,919	270,000	(919)
-	18,521	69,893	365,848	-	365,848	(295,955)	6,573,152
-		-	511,399	-	511,399	(511,399)	188,601
-		51,051	-	-	-	51,051	150,000
-	251,693	-	116,400	-	116,400	(116,400)	(114,400)
-		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	258,259	256,517	-	256,517	1,742	(81,517)
-	72,462	200,053	200,053	-	200,053	-	(150,053)
-		1,653,477	1,570,859	-	1,570,859	82,618	(1,243,333)
-		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
-			62,285	-	62,285	(62,285)	30,715
-			5,000	-	5,000	(5,000)	445,000
-	431,791	9,916,982	9,908,412	-	9,908,412	8,570	697,588
-	4,021,072	24,467,706	24,678,302	160,086	24,838,388	(370,682)	5,883,137
-	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	1,247,547	1,038,992	-	1,038,992	208,555	461,008
-	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	9,301	-	9,301	140,699	190,699
-	416,000	416,000	445,672	-	445,672	(29,672)	(29,672)
-	61,413	65,410	61,870	-	61,870	3,540	25,630
-	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	2,003,800	2,021,877	-	2,021,877	(18,077)	(1,591,877)
-	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	-	-
-	399,775	399,775	-	-	-	399,775	399,775
-	399,775	399,775	-	-	-	399,775	399,775
-	6,000	6,000	-	-	-	6,000	6,000
-	481,030	656,548	549,419	-	549,419	107,129	102,262
-	13,389,001	16,052,959	13,458,816	378,113	13,836,929	2,216,031	(230,299)
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	14,199,736	11,544,787	-	11,544,787	2,654,949	2,049,118
5,000,000	1,000,000	6,356,894	7,516,989	-	7,516,989	(1,160,095)	(1,516,989)
1,100,000		1,100,000	27,825	-	27,825	1,072,175	1,072,175
1,000,000		1,530,511	2,565,191	-	2,565,191	(1,034,680)	(1,565,191)
680,000		680,000	-	-	-	680,000	680,000
300,000		300,000	-	-	-	300,000	300,000
250,000		250,000	250,000	-	250,000	-	-
250,000		250,000	99,484	-	99,484	150,516	150,516
235,000		235,000	-	-	-	235,000	235,000
185,000		185,000	91,500	-	91,500	93,500	93,500
		-	-	-	-	-	-
19,023,303	5,001,096	25,544,167	22,532,836	-	22,532,836	3,011,332	1,211,069
\$ 19,023,303	\$ 22,411,169	\$ 66,064,832	\$ 60,669,954	\$ 538,199	\$ 61,208,153	\$ 4,856,682	\$ 6,863,907

This page left blank intentionally.

CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2018

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, 2018

	Diaster Recovery (4085)	Emergency Mgmt Console (4088)	Orleans Rd Bridge (408B)	Detention Ceneter (408A)	Evitts Creek (408Q)	Dry Run (409L)	ACM (4140)	Iron Rail (4142)	Bridge Ind Park (408C)
REVENUES:									
Intergovernmental:									
Federal:									
FEMA		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CDBG									
State:									
Dept of Natural Resources									
State Highway	-	-	-						-
Bureau of Mines									
Service charges	-	-	-	-	-	-	-	-	-
Miscellaneous:									
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-	-	-
EXPENDITURES:									
Public Safety			-	-	-	-	-	-	-
Public Works			36,219					5,000	475,320
General Govt	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	62,285	-	-
Total Expenditures	-	-	36,219	-	-	-	62,285	5,000	475,320
OTHER FINANCING SOURCES and (USES):									
Transfers-in from:									
General Fund		-	-		-	-	-	-	-
Other funds		-	-		-	-	-	-	-
Transfer Out		-	-	-				-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	(36,219)	-	-	-	(62,285)	(5,000)	(475,320)
Fund Balance, beginning		188,730	(259,736)	270,000	(200)	(715)	-	-	(36,079)
Fund Balance, Ending	\$ -	\$ 188,730	\$ (295,955)	\$ 270,000	\$ (200)	\$ (715)	\$ (62,285)	\$ (5,000)	\$ (511,399)

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, 2018

Allegany High School (408H)	AC Auto Tech Bldg (4086)	Bureau of Mines (4082)	Potomac River Fairgrounds (408F)	Water Study (409T)	Tree Planting (409U)	Frostburg Pond (408Y)	Rural Legacy (408W)	Highland Trail (410X)	Fund Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -
					5,454		441,072		446,526
-	-	-	-	-	-	-			-
-	-	-	-	-	-	-		-	-
-	-	-	-	-	-	-		-	-
-	-	-	8,975	-	-	-	26,375		35,350
-	-	-	8,975	-	5,454	-	467,447	-	481,876
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	5,454			-	521,993
							419,161		419,161
61,990	12,289	-	-	-	-	-	-	-	136,564
61,990	12,289	-	-	-	5,454	-	419,161	-	1,077,718
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(61,990)	(12,289)	-	8,975	-	-	-	48,286	-	(595,842)
(54,410)	12,289	-	42,076	19,587	1,742	(1,026)	34,332	8,570	225,160
\$ (116,400)	\$ -	\$ -	\$ 51,051	\$ 19,587	\$ 1,742	\$ (1,026)	\$ 82,618	\$ 8,570	\$ (370,682)

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, 2018

	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)
REVENUES:								
Intergovernmental:								
Federal grants:								
RDA grant	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Homeland Security								
State grants:								
Maryland highway grant	-			-	-	-	-	-
Misc State Grant	-	-		-	-	-	-	-
State Highway Users Tax								
Other Agency	-	-	-	-	-	-	-	-
Miscellaneous:								
Interest		-	-	-	-	-	-	-
Miscellaneous	-			10,506	-	-	-	-
Total Revenues	-	-	-	10,506	-	-	-	-
EXPENDITURES:								
General Government		-	-	-		-	-	-
Public safety	-	-		-	-		-	-
Public works	-			5,000	-	-	-	-
Recreation & culture	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Expenditures	-	-	-	5,000	-	-	-	-
OTHER FINANCING SOURCES and (USES):								
Transfers-in from:								
General fund	-				-	-		
Other funds	-				-	-		
Transfers -out to:								
Other funds	-			-	-	-		-
Debt proceeds, capital lease	-	-	-	-	-	-	-	-
Total Other Financing Sources and Uses	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	5,506	-	-	-	-
Fund Balance, beginning	200,000	456,899	(73,500)	203,049	(20,363)	195,572	(10,385)	-
Fund Balance, Ending	<u>\$ 200,000</u>	<u>\$ 456,899</u>	<u>\$ (73,500)</u>	<u>\$ 208,555</u>	<u>\$ (20,363)</u>	<u>\$ 195,572</u>	<u>\$ (10,385)</u>	<u>\$ -</u>

[illegible]

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, 2018

	2013 PIB			2015 PIB			2017 PIB							Totals	
	Bond Closing Costs (4331)	Taxable Bond Closing Costs (4333)	Bond Interest (433Y)	Bond Closing (4341)	Allegany High School (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)	PIB Fund
REVENUES:															
Intergovernmental:															
Federal Grant:															
Homeland Security															-
State grants:															
Program Open Space					500,000										500,000
State Highway Grant								233,560							233,560
Miscellaneous:															-
Interest					42,967										42,967
Miscellaneous:															-
Total Revenues	-	-	-	-	542,967	-	-	233,560	-	-	-	-	-	-	776,527
EXPENDITURES:															
General government															-
Public Safety						1,304,525									1,304,525
Public Works											250,000				1,320,336
Education					9,549,407		27,825	1,070,336						91,300	9,668,532
Total Expenditures	-	-	-	-	9,549,407	1,304,525	27,825	1,070,336	-	-	250,000	-	-	91,300	12,293,393
OTHER FINANCING															
<u>SOURCES and (USES):</u>															
Transfer from General Fund				-											-
Bond Proceeds															-
Total Other Financing															-
Sources and Uses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	(9,006,440)	(1,304,525)	(27,825)	(836,776)	-	-	(250,000)	-	-	(91,300)	(11,516,866)
Fund Balance, beginning	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	14,528,198
Fund Balance, Ending	\$ 1,479	\$ 2,381	\$ (570)	\$ 16,676	\$ 2,654,950	\$ (1,160,095)	\$ 1,072,175	\$ (1,034,680)	\$ 680,000	\$ 300,000	\$ -	\$ 150,516	\$ 235,000	\$ 93,500	\$ 3,011,332

**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, 2018

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Mexico Farms 501D	Franklin/ Brophytown 501E	Bowling Green 501F	Bowman's Addition 501G	Cresaptown 501H
OPERATING REVENUES:									
Service charges	\$ 28,713	\$ 145,095	\$ 36,455	\$ 17,217	\$ 499,740	\$ 37,427	\$ 473,305	\$ 146,358	\$ 823,903
Miscellaneous		-		-					
Total Operating Revenues	<u>28,713</u>	<u>145,095</u>	<u>36,455</u>	<u>17,217</u>	<u>499,740</u>	<u>37,427</u>	<u>473,305</u>	<u>146,358</u>	<u>823,903</u>
OPERATING EXPENSES:									
Salaries	-	16,130	6,665	2,609	14,427	7,346	48,501	12,487	55,164
Fringe benefits	-	6,805	3,350	1,118	7,233	2,288	21,498	5,610	24,836
Office expenses	-			-					
Utilities	-	56,599	13,567	13,656	59,404	12,928	300,683	70,391	506,552
Repairs and maintenance	-	2,055	591	13	1,406	9,264	27,346	2,288	38,984
Rent Equipment	-	-	-	-	-		535		-
Professional fees	-	298	86	-	204	474	957	301	932
Materials and supplies	-	1,151	331	-	788	55	3,695	1,160	3,658
Insurance	-	-	-	-	-	-	-	-	-
Indirect cost	-	5,057	2,284	2,533	5,490	2,161	15,932	6,672	22,648
Miscellaneous	-			-					
Depreciation		41,216	18,685	44,422	55,044	83	86,649	74,374	46,508
Total Operating Expenses	<u>-</u>	<u>129,311</u>	<u>45,559</u>	<u>64,351</u>	<u>143,996</u>	<u>34,599</u>	<u>505,796</u>	<u>173,283</u>	<u>699,282</u>
Operating Income (Loss)	<u>28,713</u>	<u>15,784</u>	<u>(9,104)</u>	<u>(47,134)</u>	<u>355,744</u>	<u>2,828</u>	<u>(32,491)</u>	<u>(26,925)</u>	<u>124,621</u>
NON-OPERATING REVENUE (EXPENSES):									
Interest income	-	3,672	1,058	-	2,512	176	11,781	3,697	11,461
Interest expense	(4,177)	(21,293)	(3,897)	(13,576)	(14,541)	-	-	(33,173)	(35,721)
Total Non-operating Revenue (Expenses)	<u>(4,177)</u>	<u>(17,621)</u>	<u>(2,839)</u>	<u>(13,576)</u>	<u>(12,029)</u>	<u>176</u>	<u>11,781</u>	<u>(29,476)</u>	<u>(24,260)</u>
Income Before Contributions and Transfers	24,536	(1,837)	(11,943)	(60,710)	343,715	3,004	(20,710)	(56,401)	100,361
Capital Contributions:									
Federal grants	-	-	-	-	-	-	384,701		
State grants	-	-	-	-	-	-	33,672	-	-
Other governments	-	-	-	-	-	-	-	-	-
Transfers in:									
General fund	-	-	-	2,833	-	-	-	-	-
Pay go									
Revolving Building Fund				19,348					
Transfers Out	-	1,947	570		1,339	87	6,641	1,972	6,127
Change in Net Position	<u>\$ 24,536</u>	<u>\$ 110</u>	<u>\$ (11,373)</u>	<u>\$ (38,529)</u>	<u>\$ 345,054</u>	<u>\$ 3,091</u>	<u>\$ 404,304</u>	<u>(54,429)</u>	<u>\$ 106,488</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, 2018**

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
\$ 232,133	\$ 26,288	68,106	\$ 203,179	209,061	\$ 158,724	\$ 373,446	\$ 293,443	\$ 8,255	\$ 62,332	\$ 125,676	\$ 197,472	\$ 4,166,328
-	-	-	-	-	-	-	-	-	-	-	-	0
<u>232,133</u>	<u>26,288</u>	<u>68,106</u>	<u>203,179</u>	<u>209,061</u>	<u>158,724</u>	<u>373,446</u>	<u>293,443</u>	<u>8,255</u>	<u>62,332</u>	<u>125,676</u>	<u>197,472</u>	<u>4,166,328</u>
25,523	4,866	4,027	20,035	17,217	21,751	34,947	24,735	854	5,725	16,146	20,416	359,571
11,107	2,682	2,026	8,508	8,136	8,140	15,079	10,545	350	2,276	7,125	8,668	157,380
-	-	-	-	-	-	-	-	-	-	-	-	-
791	14,670	408,014	2,008	73,052	53,461	141,835	82,721	2,982	29,378	179,253	81,580	2,103,525
6,687	334	-	2,771	5,750	3,642	19,373	7,130	2,948	1,553	17,565	4,221	153,921
-	-	-	-	-	-	-	-	-	-	-	-	535
481	48	-	402	450	385	824	-	615	125	290	415	7,287
2,035	187	-	1,556	1,737	1,486	3,181	2,298	74	619	1,122	26,360	51,493
-	-	-	-	-	-	-	-	-	-	-	-	0
5,931	1,228	18,622	8,232	7,541	7,736	15,358	9,107	359	2,542	8,178	8,516	156,127
-	-	-	-	-	-	-	-	-	-	-	-	-
<u>56,772</u>	<u>12,162</u>	<u>-</u>	<u>274,179</u>	<u>84,160</u>	<u>99,094</u>	<u>183,029</u>	<u>74,362</u>	<u>2,833</u>	<u>47,304</u>	<u>36,224</u>	<u>89,483</u>	<u>1,326,583</u>
<u>109,327</u>	<u>36,177</u>	<u>432,689</u>	<u>317,691</u>	<u>198,043</u>	<u>195,695</u>	<u>413,626</u>	<u>210,898</u>	<u>11,015</u>	<u>89,522</u>	<u>265,903</u>	<u>239,659</u>	<u>4,316,422</u>
122,806	(9,889)	(364,583)	(114,512)	11,018	(36,971)	(40,180)	82,545	(2,760)	(27,190)	(140,227)	(42,187)	(150,094)
5,916	596	-	4,949	5,537	4,739	10,142	7,328	235	1,538	3,579	5,109	84,025
(66,239)	(550)	-	(14,268)	(16,974)	(36,184)	-	(19,411)	-	-	(16,967)	(32,080)	(329,051)
<u>(60,323)</u>	<u>46</u>	<u>-</u>	<u>(9,319)</u>	<u>(11,437)</u>	<u>(31,445)</u>	<u>10,142</u>	<u>(12,083)</u>	<u>235</u>	<u>1,538</u>	<u>(13,388)</u>	<u>(26,971)</u>	<u>(245,026)</u>
62,483	(9,843)	(364,583)	(123,831)	(419)	(68,416)	(30,038)	70,462	(2,525)	(25,652)	(153,615)	(69,158)	(395,120)
854,737	-	-	-	333,362	-	-	-	-	-	-	72,500	1,645,300
67,989	-	-	-	-	-	-	-	-	-	-	137,500	239,161
-	-	-	-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-	-	-	2,833
-	-	-	-	-	-	-	-	-	-	-	-	0
-	-	-	-	-	-	-	-	-	-	-	-	19,348
<u>(74,794)</u>	<u>323</u>	<u>-</u>	<u>(10,648)</u>	<u>4,089</u>	<u>2,530</u>	<u>5,420</u>	<u>3,920</u>	<u>124</u>	<u>334</u>	<u>1,910</u>	<u>2,728</u>	<u>(45,381)</u>
\$ <u>910,415</u>	\$ <u>(9,520)</u>	\$ <u>(364,583)</u>	\$ <u>(134,479)</u>	<u>337,032</u>	\$ <u>(65,886)</u>	\$ <u>(24,618)</u>	\$ <u>74,382</u>	\$ <u>(2,401)</u>	\$ <u>(25,318)</u>	\$ <u>(151,705)</u>	\$ <u>143,570</u>	1,466,141
Total net position - beginning												<u>37,914,760</u>
Total net position - ending												\$ <u>39,380,901</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2018

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
ASSETS							
Current Assets:							
Cash:							
Cash	\$ 138,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	208,312	-	-	-
Investments	210,829	-	-	-	-	-	-
Receivables:							
Accounts (net)	148,941	103,452	95,894	438,302	143,884	157,384	23,181
Taxes - restricted	-	24,547	17,639	14,996	17,311	8,224	1,074
Accounts (net) - restricted	2,897	-	-	-	-	2,765	-
Other	656,028	-	-	-	-	-	-
Due from other funds	-	378,020	1,476,275	-	-	-	-
Inventory	94,926	-	-	-	-	-	-
Total current assets	<u>1,251,721</u>	<u>506,019</u>	<u>1,589,808</u>	<u>661,610</u>	<u>161,195</u>	<u>168,373</u>	<u>24,255</u>
Noncurrent Assets:							
Land	5,000	1,000	5,000	500	1,000	1,500	-
Construction in progress	6,914,274	-	-	-	-	-	-
Capital assets subject to depreciation	4,391,069	4,828,368	4,171,910	8,947,085	8,975,474	10,036,059	2,289,639
Less: Accumulated depreciation	<u>(3,394,108)</u>	<u>(2,815,440)</u>	<u>(2,272,641)</u>	<u>(3,565,023)</u>	<u>(4,302,333)</u>	<u>(5,253,084)</u>	<u>(1,661,335)</u>
Total noncurrent assets	<u>7,916,235</u>	<u>2,013,928</u>	<u>1,904,269</u>	<u>5,382,562</u>	<u>4,674,141</u>	<u>4,784,475</u>	<u>628,304</u>
Total Assets	<u>9,167,956</u>	<u>2,519,947</u>	<u>3,494,077</u>	<u>6,044,172</u>	<u>4,835,336</u>	<u>4,952,848</u>	<u>652,559</u>
Deferred Outflows of Resources							
Deferred Outflows Related to Pensions	4,321	13,715	8,453	25,383	14,349	11,968	2,576
Total Deferred Outflows of Resources	<u>4,321</u>	<u>13,715</u>	<u>8,453</u>	<u>25,383</u>	<u>14,349</u>	<u>11,968</u>	<u>2,576</u>
LIABILITIES							
Current liabilities:							
Accounts payable	832,289	1,943	14,151	160,160	195,406	121,468	25,166
Accrued wages payable	15,299	1,326	537	411	901	221	210
Accrued payroll fringe benefits	7,485	523	331	214	401	134	70
Accrued interest payable	6,191	1,738	1,604	7,347	3,347	1,707	-
Current portion of long term debt							
Bonds & loans	151,778	18,784	17,339	106,299	43,701	26,347	-
Other loans	-	-	-	-	-	-	-
Compensated absences	167,596	-	-	-	-	-	-
Due to other funds	3,547,983	-	-	430,256	3,582,737	4,138,378	1,189,278
Accrued health claims	-	-	-	-	-	-	-
Miscellaneous liabilities	107,074	-	-	160,353	-	-	-
Total current liabilities	<u>4,835,695</u>	<u>24,314</u>	<u>33,962</u>	<u>865,040</u>	<u>3,826,493</u>	<u>4,288,255</u>	<u>1,214,724</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	800,000	-
Net Pension Liability	5,786	47,402	35,921	122,605	62,192	58,998	9,766
Long term debt:							
Bonds & loans	976,670	1,006,525	929,100	3,692,623	1,256,114	916,173	-
Other loans	-	-	-	-	-	-	-
Compensated absences	282,321	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,264,777</u>	<u>1,053,927</u>	<u>965,021</u>	<u>3,815,228</u>	<u>1,318,306</u>	<u>1,775,171</u>	<u>9,766</u>
Total Liabilities	<u>6,100,472</u>	<u>1,078,241</u>	<u>998,983</u>	<u>4,680,268</u>	<u>5,144,799</u>	<u>6,063,426</u>	<u>1,224,490</u>
Deferred Inflows of Resources							
Deferred Inflows Related to Pensions	637	3,151	2,264	7,892	4,548	3,551	700
Total Deferred Inflows of Resources							
NET POSITION							
Net investment in capital assets	6,787,787	988,619	957,830	1,583,640	3,374,326	3,841,955	628,304
Restricted for debt service	2,897	24,547	17,639	14,996	17,311	10,989	1,074
Unrestricted	<u>(3,719,516)</u>	<u>439,104</u>	<u>1,525,814</u>	<u>(217,241.00)</u>	<u>(3,691,299)</u>	<u>(4,955,105)</u>	<u>(1,199,433)</u>
Total Net Position	<u>\$ 3,071,168</u>	<u>\$ 1,452,270</u>	<u>\$ 2,501,283</u>	<u>\$ 1,381,395</u>	<u>\$ (299,662)</u>	<u>\$ (1,102,161)</u>	<u>\$ (570,055)</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2018

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	138,100
-	-	-	-	-	-	-	-	-	208,312
-	-	-	-	-	-	-	-	-	210,829
6,587	13,394	401,751	15,246	65,060	100,942	8,224	32,065	1,426	1,755,733
74	249	58,902	136	-	1,164	1,864	3,224	-	149,404
-	-	-	-	-	-	-	-	-	5,662
-	-	-	-	-	-	-	-	-	656,028
-	-	1,681,333	570,534	705,122	1,723,711	-	233,180	-	6,768,175
-	-	-	-	-	-	-	-	-	94,926
<u>6,661</u>	<u>13,643</u>	<u>2,141,986</u>	<u>585,916</u>	<u>770,182</u>	<u>1,825,817</u>	<u>10,088</u>	<u>268,469</u>	<u>1,426</u>	<u>9,987,169</u>
500	3,000	46,282	-	-	2,500	-	1,000	-	67,282
-	-	73,804	-	-	-	-	-	-	6,988,078
892,947	1,279,023	50,015,005	561,727	21,880,572	2,070,299	813,331	2,816,919	2,430,653	126,400,080
(646,619)	(893,443)	(19,180,666)	(400,918)	(6,978,022)	(1,052,833)	(447,332)	(1,467,533)	(589,493)	(54,920,823)
<u>246,828</u>	<u>388,580</u>	<u>30,954,425</u>	<u>160,809</u>	<u>14,902,550</u>	<u>1,019,966</u>	<u>365,999</u>	<u>1,350,386</u>	<u>1,841,160</u>	<u>78,534,617</u>
<u>253,489</u>	<u>402,223</u>	<u>33,096,411</u>	<u>746,725</u>	<u>15,672,732</u>	<u>2,845,783</u>	<u>376,087</u>	<u>1,618,855</u>	<u>1,842,586</u>	<u>88,521,786</u>
6,504	6,334	40,568	1,471	34,914	2,848	687	2,868	5,993	182,953
<u>6,504</u>	<u>6,334</u>	<u>40,568</u>	<u>1,471</u>	<u>34,914</u>	<u>2,848</u>	<u>687</u>	<u>2,868</u>	<u>5,993</u>	<u>182,953</u>
747	628	6,018	1,134	14,118	58,362	-	1,346	124	1,433,060
440	275	3,268	47	4,267	951	-	244	648	29,045
278	161	1,324	34	1,670	566	-	115	326	13,632
-	-	20,300	-	14,345	-	476	1,806	-	58,861
-	-	438,523	-	456,268	-	3,662	13,888	-	1,276,589
-	-	-	-	-	-	-	548	-	548
-	-	-	-	-	-	-	-	-	167,596
762,820	767,582	-	-	-	-	135,880	-	717,270	15,272,184
-	-	-	-	-	-	-	-	-	0
-	-	-	-	28,184	-	-	-	-	295,611
<u>764,285</u>	<u>768,646</u>	<u>469,433</u>	<u>1,215</u>	<u>518,852</u>	<u>59,879</u>	<u>140,018</u>	<u>17,947</u>	<u>718,368</u>	<u>18,547,126</u>
-	-	-	-	-	-	-	-	-	800,000
26,678	28,907	197,042	6,374	148,971	12,107	3,545	13,846	26,464	806,604
-	-	4,713,097	-	2,821,997	-	92,863	352,169	-	16,757,331
-	-	-	-	-	-	-	14,303	-	14,303
-	-	-	-	-	-	-	-	-	282,321
<u>26,678</u>	<u>28,907</u>	<u>4,910,139</u>	<u>6,374</u>	<u>2,970,968</u>	<u>12,107</u>	<u>96,408</u>	<u>380,318</u>	<u>26,464</u>	<u>18,660,559</u>
<u>790,963</u>	<u>797,553</u>	<u>5,379,572</u>	<u>7,589</u>	<u>3,489,820</u>	<u>71,986</u>	<u>236,426</u>	<u>398,265</u>	<u>744,832</u>	<u>37,207,685</u>
2,247	1,669	11,714	498	8,859	989	181	793	1,452	51,145
246,828	388,580	25,802,805	160,809	11,624,285	1,019,966	269,474	969,478	1,841,160	60,485,846
74	249	58,902	136	-	1,164	1,864	3,224	-	155,066
<u>(780,119)</u>	<u>(779,494)</u>	<u>1,883,986</u>	<u>579,164</u>	<u>584,682</u>	<u>1,754,526</u>	<u>(131,171)</u>	<u>249,963</u>	<u>(738,865)</u>	<u>(9,195,003)</u>
<u>\$ (533,217)</u>	<u>\$ (390,665)</u>	<u>\$ 27,745,693</u>	<u>\$ 740,109</u>	<u>\$ 12,208,967</u>	<u>\$ 2,775,656</u>	<u>\$ 140,167</u>	<u>\$ 1,222,665</u>	<u>\$ 1,102,295</u>	<u>\$ 51,445,909</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, 2018

	General Fund 511	Bowling Green 516	Cresaptown 517	Braddock Run 518	Bedford Road 519	Jennings Run/Wills Creek 520	McCoole 521
OPERATING REVENUES:							
Service charges	\$ 12,659	\$ 403,635	\$ 384,004	\$ 1,569,961	\$ 521,769	\$ 495,754	\$ 70,870
Miscellaneous							
Total Operating Revenues	<u>12,659</u>	<u>403,635</u>	<u>384,004</u>	<u>1,569,961</u>	<u>521,769</u>	<u>495,754</u>	<u>70,870</u>
OPERATING EXPENSES:							
Wages and salaries	1,650	98,167	48,778	148,932	102,412	65,134	18,723
Employee benefits	(424)	33,015	21,084	67,500	44,708	28,333	6,045
Office expenses	540	10,885	8,898	32,635	16,178	15,229	2,310
Utilities	877	22,159	34,675	61,894	16,456	11,533	7,064
Repairs and maintenance	482	21,796	40,435	47,092	39,020	21,508	2,490
Water/Sewage treatment costs	-	159,596	128,798	1,440,162	1,030,569	700,362	181,701
Professional fees	124	3,519	2,928	10,581	5,323	5,011	759
Materials and supplies	635	19,704	15,030	67,522	27,324	25,799	4,783
Insurance	299	8,507	7,078	25,588	12,868	22,234	1,838
Indirect cost	1,275	36,307	30,209	109,160	54,919	51,691	7,851
Miscellaneous	28	143	1,141	3,232	3,607	3,038	160
Depreciation	3,257	90,875	81,036	192,162	200,496	230,637	51,301
Total Operating Expenses	<u>8,743</u>	<u>504,673</u>	<u>420,090</u>	<u>2,206,460</u>	<u>1,553,880</u>	<u>1,180,509</u>	<u>285,025</u>
Operating Income (Loss)	<u>3,916</u>	<u>(101,038)</u>	<u>(36,086)</u>	<u>(636,499)</u>	<u>(1,032,111)</u>	<u>(684,755)</u>	<u>(214,155)</u>
NON-OPERATING REVENUE (EXPENSES):							
Real and personal property taxes	-	194,463	179,561	178,305	133,609	51,799	4,525
Interest & Penalties, taxes	-	5,057	5,670	1,519	4,276	2,015	186
Discounts, taxes	-	(951)	(838)	(935)	(704)	(257)	(22)
Collection fees	-	(4,406)	(4,176)	(3,755)	(3,052)	(1,206)	(98)
Front footage assessments	-	-	-	-	-	15,056	-
Interest income	338	9,634	8,016	28,944	14,573	13,716	2,083
Interest income, debt service	-	-	-	-	-	-	-
Interest expense	(13,737)	(43,319)	(39,987)	(59,217)	(23,718)	(17,600)	-
Allocated debt service revenue	163,931	(14,640)	(12,181)	(44,016)	(22,145)	(20,843)	(3,166)
Gain (Loss) on disposal of assets	-	-	-	-	-	-	-
Total Nonoperating revenue (expenses)	<u>150,532</u>	<u>145,838</u>	<u>136,065</u>	<u>100,845</u>	<u>102,839</u>	<u>42,680</u>	<u>3,508</u>
Income Before Contributions and Transfers	154,448	44,800	99,979	(535,654)	(929,272)	(642,075)	(210,647)
Capital Contributions:							
Federal	-	-	-	185,484	-	-	-
State	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Transfers in:							
General Fund	-	-	-	-	-	-	-
Revolving Building Fund	-	-	-	-	-	-	-
Other	248	7,045	5,867	(7,596)	8,262	7,456	1,525
Change in Net Position	<u>154,696</u>	<u>51,845</u>	<u>105,846</u>	<u>(357,766)</u>	<u>(921,010)</u>	<u>(634,619)</u>	<u>(209,122)</u>
Net position - beginning	<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>
Net position - ending	<u>\$ 3,071,168</u>	<u>\$ 1,452,270</u>	<u>\$ 2,501,283</u>	<u>\$ 1,381,395</u>	<u>\$ (299,662)</u>	<u>\$ (1,102,161)</u>	<u>\$ (570,055)</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, 2018

Oldtown 522	Flintstone 523	Georges Creek 524	Franklin/ Brophytown 525	Celanese Treatment Plant 526	Mexico Farms 527	Cash Valley Road 528	Oldtown Road 529	Barton Industrial Park 530	Total All Districts
\$ 18,413	\$ 37,613	\$ 1,002,510	\$ 49,750	\$ 947,917	\$ 377,692	\$ 27,444	\$ 114,392	\$ 6,517	\$ 6,040,900
<u>18,413</u>	<u>37,613</u>	<u>1,002,510</u>	<u>49,750</u>	<u>947,917</u>	<u>377,692</u>	<u>27,444</u>	<u>114,392</u>	<u>6,517</u>	<u>6,040,900</u>
4,203	3,349	84,334	11,224	196,230	28,207	2,690	15,731	1,232	830,996
2,039	1,361	35,775	4,103	71,747	12,431	1,153	7,341	389	336,600
515	859	23,598	1,652	2,867	3,264	916	3,569	73	123,988
3,750	4,637	25,735	375	98,191	6,269	186	6,786	6,624	307,211
662	1,096	30,495	2,126	149,745	25,221	1,178	5,688		389,034
126,121	84,724	431,008	7,349	-	227,758	42,097	6,442	80,063	4,646,750
168	282	7,737	544	9,151	5,382	301	1,174	-	52,984
870	1,808	40,112	2,789	104,308	6,055	1,545	6,027		324,311
410	5,206	65,734	1,316	-	2,596	728	7,726	-	162,128
1,753	2,910	79,828	5,619	-	11,079	3,109	12,116	-	407,826
43	73	1,609	129	205	223	62	248		13,941
18,258	26,924	1,038,682	14,015	455,074	45,477	21,880	74,883	48,558	2,593,515
158,792	133,229	1,864,647	51,241	1,087,518	373,962	75,845	147,731	136,939	10,189,284
(140,379)	(95,616)	(862,137)	(1,491)	(139,601)	3,730	(48,401)	(33,339)	(130,422)	(4,148,384)
942	1,188	312,584	1,863	-	9,569	12,454	34,856	-	1,115,718
30	30	12,700	20	-	263	604	742	-	33,112
(5)	(6)	(1,456)	(3)	-	(46)	(45)	(179)	-	(5,447)
(22)	(26)	(7,095)	(41)	-	(217)	(293)	(782)	-	(25,169)
-	-	72	-	-	-	-	-	-	15,128
465	771	21,182	1,491	22,042	2,940	825	3,215	-	130,235
-	-	(105,500)	-	(32,457)	-	(4,228)	(16,727)	-	(356,489)
(707)	(1,173)	(32,188)	(2,266)	-	(4,467)	(1,253)	(4,885)	-	-
<u>703</u>	<u>784</u>	<u>200,299</u>	<u>1,064</u>	<u>(10,415)</u>	<u>8,042</u>	<u>8,064</u>	<u>16,240</u>	<u>-</u>	<u>907,088</u>
(139,676)	(94,832)	(661,838)	(427)	(150,016)	11,772	(40,337)	(17,099)	(130,422)	(3,241,296)
-	-	-	-	-	-	-	-	-	185,484
-	-	-	-	90,000	-	-	-	-	90,000
-	-	-	-	-	-	-	-	-	0
-	-	-	-	43,784	-	-	-	48,000	91,784
335	570	15,468	1,091	-	2,145	608	2,357	-	45,381
(139,341)	(94,262)	(646,370)	664	(16,232)	13,917	(39,729)	(14,742)	(82,422)	(2,828,646)
(393,876)	(296,403)	28,392,063	739,445	12,225,199	2,761,739	179,896	1,237,407	1,184,717	54,274,556
<u>(533,217)</u>	<u>(390,665)</u>	<u>27,745,693</u>	<u>740,109</u>	<u>12,208,967</u>	<u>2,775,656</u>	<u>140,167</u>	<u>1,222,665</u>	<u>1,102,295</u>	<u>51,445,909</u>

This page left blank intentionally.

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, 2018

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
ASSETS:				
Taxes levied for State:				
Taxes receivable - State	\$ 471,466	\$ 4,232,651	\$ 4,211,832	\$ 492,285
Bay restoration fee	382,173	1,161,662	1,132,952	410,883
Other receivables	(23)	-	8,678	(8,701)
Taxes levied for Special Areas:				
Lonaconing, Town of	29,907	246,974	244,419	32,462
Midland, Town of	6,015	66,589	63,454	9,150
Westernport, Town of	60,709	689,466	684,599	65,576
Cumberland differential	738	-	-	738
Bel Air Special Tax Area	1,687	72,537	72,911	1,313
Bowling Green Fire Co.	3,905	63,075	62,768	4,212
Bedford Road Fire Co.	4,452	80,854	79,838	5,468
Bowling Green Special Tax Area	3,239	40,481	40,543	3,177
Cresaptown Ambulance	12,472	299,299	299,564	12,207
Cresaptown Civic Imp. Assoc.	3,991	58,386	58,819	3,558
Cresaptown Fire Co.	14,442	397,440	397,917	13,965
Corriganville Light & Imp.	2,985	37,248	37,250	2,983
Ellerslie Special Tax Area	1,016	18,048	18,053	1,011
LaVale Volunteer Fire Dept.	18,732	363,191	363,582	18,341
LaVale Rescue Squad	9,383	178,996	179,172	9,207
LaVale Sanitary District	25,628	668,429	665,119	28,938
McCoole Special Tax Area	792	7,575	7,240	1,127
Moscow Light	598	7,467	7,612	453
Mt. Savage Special Tax Area	2,431	18,036	17,951	2,516
Potomac Park Special Tax Area	2,249	29,492	29,618	2,123
Rawlings Fire Co.	6,886	157,453	156,235	8,104
Sub-total special areas	212,257	3,501,036	3,486,664	226,628
Due from other funds	231,269	6,978,793	6,832,216	377,845
Total Assets	<u>\$ 1,297,144</u>	<u>\$ 15,874,142</u>	<u>\$ 15,672,342</u>	<u>\$ 1,498,943</u>
LIABILITIES:				
Accounts payable	\$ 231,262	\$ 6,929,070	\$ 6,841,362	\$ 318,971
A/P Special Areas	212,241	1,824,841	1,806,866	\$ 230,217
Taxes payable - State	471,466	4,100,704	4,096,208	\$ 475,963
A/P Bay restoration fee	382,173	1,182,952	1,091,336	\$ 473,790
Total Liabilities	<u>\$ 1,297,143</u>	<u>\$ 14,037,567</u>	<u>\$ 13,835,772</u>	<u>\$ 1,498,943</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, 2018 and 2017

ASSETS	Primary Government			
	At June 30, 2018			Net
	Cost	Accumulated Depreciation	Net Book Value	Book Value June 30, 2017
Land	\$ 26,003,598	\$ -	\$ 26,003,598	\$ 25,584,437
Construction in progress	1,624,155	-	1,624,155	904,602
Buildings	64,241,938	29,505,832	34,736,106	36,471,336
Infrastructure	49,673,813	33,522,167	16,151,646	16,849,344
Furniture & fixtures	1,054,110	967,292	86,818	129,736
Machinery & equipment	20,297,467	11,180,964	9,116,503	9,357,107
Vehicles	12,291,220	9,368,604	2,922,616	1,859,389
Heavy equipment	4,669,431	4,000,429	669,002	764,180
Other capital assets	1,254,935	773,818	481,117	533,546
Total Assets	<u>\$ 181,110,667</u>	<u>\$ 89,319,106</u>	<u>\$ 91,791,558</u>	<u>\$ 92,453,675</u>
FUND EQUITY				
Investment in general capital assets acquired before July 1, 1993 - source unidentified			\$ 8,165,296	\$ 8,165,296
Investment in construction in progress			1,892,137	1,892,137
Investment in general capital assets by source:				
General Fund:				
General revenues			13,138,157	12,639,241
Federal grants			4,219,248	4,219,248
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			50,110,318	49,591,779
Federal grants			5,923,824	5,861,320
State grants			8,166,459	8,120,615
Miscellaneous revenues			194,574	194,574
Debt proceeds			8,926,043	8,926,043
Capital Project Funds:				
General revenues			21,051,514	19,235,452
Federal grants			10,121,744	10,121,744
State grants			25,883,287	25,464,125
Miscellaneous revenues			1,127,822	1,127,822
Debt proceeds			16,139,879	15,889,879
Other			1,371,590	1,371,590
Less:				
Accumulated depreciation			(89,319,106)	(85,045,964)
Total Fund Equity			<u>\$ 91,791,558</u>	<u>\$ 92,453,675</u>

**ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2018**

Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Capital Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 3,682,489	\$ 4,949,223	\$ 39,776	\$ 186,623	\$ 1,759,221	\$ 345,607	\$ 561,701	\$ 142,221	\$ 11,666,861	\$ (6,812,457)	\$ 4,854,404
Public Safety	2,359,864	19,709,392	2,647,360	330,345	17,362,871	2,340,421	200,558	-	44,950,811	(18,930,248)	26,020,563
Public Works	2,785,139	1,767,520	41,135,460	305,788	865,237	7,902,426	4,623,168	1,273,919	60,658,657	(43,929,980)	16,728,677
Health	575,119	6,553,202	-	-	-	-	4,121	-	7,132,442	(2,425,165)	4,707,277
Social Services	116	3,250	24,331	199,288	89,080	1,453,044	39,200	-	1,808,309	(1,230,203)	578,106
Recreation & Culture	1,534,781	2,774,928	214,288	21,911	59,943	36,162	409,294	-	5,051,307	(1,928,218)	3,123,089
Libraries	6,000	1,631,033	-	-	-	-	-	-	1,637,033	(935,335)	701,698
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	(440,146)	92,307
Economic Development	15,003,453	26,426,882	5,612,598	5,995	109,430	188,259	86,324	208,015	47,640,956	(12,655,516)	34,985,440
Total General											
Capital Assets	\$ 26,003,598	\$ 64,241,938	\$ 49,673,813	\$ 1,054,110	\$ 20,297,467	\$ 12,291,220	\$ 5,924,366	\$ 1,624,155	\$ 181,110,667	\$ (89,319,106)	\$ 91,791,558

**ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Function	General Capital Assets June 30, 2017	Transfers to Other Funds	Asset Reclass	Additions	Deductions	Cost	Accumulated Depreciation June 30, 2017	Less Current Year Depreciation	Add Depreciation on Disposals	General Capital Assets June 30, 2018
General Government	\$ 11,295,227	\$ -	\$ -	\$ 419,160	\$ (47,526)	\$ 11,666,861	\$ (6,699,355)	\$ (160,627)	\$ 47,526	\$ 4,854,405
Public Safety	43,110,774	-	-	1,937,189	(97,152)	44,950,811	(16,688,551)	(2,338,805)	97,152	26,020,607
Public Works	59,709,647	-	-	1,116,320	(167,310)	60,658,657	(43,100,608)	(996,724)	167,310	16,728,635
Health	7,132,442	-	-	-	-	7,132,442	(2,206,735)	(218,440)	-	4,707,267
Social Services	1,655,918	-	-	449,431	(297,040)	1,808,309	(1,452,290)	(74,951)	297,040	578,108
Recreation & Culture	5,051,307	-	-	-	-	5,051,307	(1,820,580)	(107,638)	-	3,123,089
Libraries	1,637,033	-	-	-	-	1,637,033	(893,326)	(42,008)	-	701,699
Natural Resources	31,838	-	-	-	-	31,838	(31,838)	-	-	-
Urban Development & Housing	532,453	-	-	-	-	532,453	(426,182)	(13,963)	-	92,308
Economic Development	47,343,003	-	-	297,953	-	47,640,956	(11,726,502)	(929,014)	-	34,985,440
Total General Capital Assets	\$ 177,499,642	\$ -	\$ -	\$ 4,220,053	\$ (609,028)	\$ 181,110,667	\$ (85,045,967)	\$ (4,882,170)	\$ 609,028	\$ 91,791,558

This page left blank intentionally.

STATISTICAL SECTION

This page left blank intentionally.

Statistical Section

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

Contents

Page

Financial Trends

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

Net Position by Component, Last Ten Fiscal Years.....	F-5
Changes in Net Position, Last Ten Fiscal Years.....	F-6
Fund Balances, Governmental Funds, Last Ten Years.....	F-9
Changes in Fund Balances, Governmental Funds, Last Ten Years.....	F-10

Revenue Capacity

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

Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years.....	F-13
Schedule of Property Tax Rates-Direct and Overlapping, Last Ten Fiscal Years.....	F-14
Principal Property Tax Payers.....	F-15
Property Tax Levies and Collections.....	F-16

Debt Capacity

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

Ratios of Outstanding Debt by Type, Last Ten Fiscal Years.....	F-19
Ratios of General Obligation Debt Outstanding, Last Ten Fiscal Years.....	F-20
Legal Debt Margin Information, Last Ten Fiscal Years.....	F-21
Pledged Revenue Coverage, Last Ten Fiscal Years.....	F-22

Demographic and Economic Information

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

Demographic and Economic Statistics, Last Ten Calendar Years.....	F-25
Principal Employers, Current Year and Nine Years Ago.....	F-26

Operating Information

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

Full-time Equivalents County Government Employees by Function/Program, Last Ten Fiscal Year	F-29
Operating Indicators by Function/Program, Last Ten Fiscal Years	F-30
Capital Asset Statistics by Function/Program, Last Ten Fiscal Years.....	F-31

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

This page left blank intentionally.

FINANCIAL TRENDS

This page left blank intentionally.

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities										
Net Investment in										
Capital Assets	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	86,142,012
Restricted	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	4,255,467
Unrestricted	(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	(13,519,261)
Total governmental activities net position	<u>\$ 80,643,616</u>	<u>\$ 86,703,571</u>	<u>\$ 88,726,459</u>	<u>\$ 93,816,137</u>	<u>\$ 99,852,099</u>	<u>\$ 104,667,865</u>	<u>\$ 100,100,959</u>	<u>\$ 104,336,537</u>	<u>\$ 105,308,114</u>	<u>\$ 76,878,218</u>
Business-type activities										
Net Investment in										
Capital Assets	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	95,860,101
Restricted	184,204	198,240	246,463	239,902	288,615	261,383	442,291	247,369	240,345	155,066
Unrestricted	(3,714,137)	(307,597)	723,061	1,520,472	1,783,058	1,016,651	(633,330)	(2,817,398)	(4,239,595)	(3,373,873)
Total business-type activities net position	<u>\$ 73,024,030</u>	<u>\$ 79,994,697</u>	<u>\$ 83,026,047</u>	<u>\$ 83,106,905</u>	<u>\$ 84,675,274</u>	<u>\$ 90,010,314</u>	<u>\$ 92,820,228</u>	<u>\$ 95,041,283</u>	<u>\$ 94,161,628</u>	<u>\$ 92,641,294</u>
Primary Government										
Net Investment in										
Capital Assets	\$ 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	\$ 182,002,113
Restricted	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	4,410,533
Unrestricted	(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)	(16,893,134)
Total primary government net position	<u>\$ 153,667,646</u>	<u>\$ 166,698,268</u>	<u>\$ 171,752,506</u>	<u>\$ 176,923,042</u>	<u>\$ 184,527,373</u>	<u>\$ 194,678,179</u>	<u>\$ 192,921,187</u>	<u>\$ 199,377,820</u>	<u>\$ 199,469,742</u>	<u>\$ 169,519,512</u>

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

Expenses	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental activities:										
General Government:	\$ 9,072,487	8,846,071	8,485,854	9,275,767	9,087,290	8,745,293	8,971,206	10,098,884	12,288,649	9,768,944
Payment to data processing	350,334	348,334	348,334	358,754	358,754	332,996	313,562	261,943	182,712	188,456
Public Safety	16,626,793	a 18,650,183	17,290,112	16,887,997	16,640,877	17,406,223	18,606,877	20,125,044	20,723,459	24,440,852
Public Works	12,000,493	15,378,566	13,596,902	12,565,697	12,250,869	13,699,606	13,039,773	13,263,932	14,148,806	13,892,496
Health	1,902,151	1,902,425	1,452,867	2,279,912	1,966,200	1,967,479	2,073,143	2,131,859	2,093,988	2,208,164
Social Services	1,932,208	2,285,943	1,497,708	1,682,412	1,553,615	1,568,214	1,277,778	1,467,194	1,387,194	881,055
Education:	317,766	207,903	417,181	562,642	640,888	682,409	623,625	1,389,052	797,321	10,365,096
Payment to public school system	28,883,694	28,518,587	29,005,829	28,240,000	29,391,958	29,770,045	30,224,471	30,014,167	30,169,985	30,424,308
Payments to community college	7,425,000	7,425,000	7,425,000	7,425,000	7,425,000	7,555,000	7,555,000	7,915,000	7,630,550	7,630,550
Recreation, culture & libraries:	1,041,683	712,201	1,078,718	868,620	884,822	722,533	749,376	826,930	583,538	1,214,252
Payment to public library system	905,000	905,000	905,000	905,000	905,000	940,000	947,500	947,500	956,975	956,975
Conservation of natural resources	506,897	289,487	309,166	201,107	240,204	287,362	254,450	249,936	265,253	284,317
Community development & housing	2,002,596	1,527,343	1,260,818	884,528	1,033,325	915,289	1,042,086	1,176,904	1,026,337	1,021,156
Economic Development	2,407,460	b 2,296,740	3,099,936	2,879,427	2,548,509	3,602,112	2,672,959	2,674,595	3,355,189	4,111,276
Interest on long term debt	1,810,688	1,678,376	1,438,754	1,290,789	987,503	581,199	650,717	659,875	677,774	763,156
Total governmental activities expenses	<u>\$ 87,185,250</u>	<u>\$ 90,972,159</u>	<u>\$ 87,612,179</u>	<u>\$ 86,307,652</u>	<u>\$ 85,914,814</u>	<u>\$ 88,775,760</u>	<u>\$ 89,002,523</u>	<u>\$ 93,202,815</u>	<u>\$ 96,287,730</u>	<u>\$ 108,151,053</u>
Business-type activities:										
Water	3,272,629	3,699,321	4,184,704	4,018,864	4,270,963	4,344,329	4,429,254	4,772,141	4,723,474	4,645,473
Sewer	7,220,779	7,251,103	7,914,948	8,485,797	8,622,450	8,986,494	9,354,485	9,965,143	10,782,299	10,545,774
Nursing Home	11,034,410	-	i							
Other Funds	597,356	613,458	716,643	749,976	353,648	187,465	334,585	225,789	202,991	195,390
Total business-type activities expenses	<u>22,125,174</u>	<u>11,563,882</u>	<u>12,816,295</u>	<u>13,254,637</u>	<u>13,247,061</u>	<u>13,518,288</u>	<u>14,118,324</u>	<u>14,963,073</u>	<u>15,708,764</u>	<u>15,386,637</u>
Total primary government expenses	<u>\$ 109,310,424</u>	<u>\$ 102,536,041</u>	<u>\$ 100,428,474</u>	<u>\$ 99,562,289</u>	<u>\$ 99,161,875</u>	<u>\$ 102,294,048</u>	<u>\$ 103,120,847</u>	<u>\$ 108,165,888</u>	<u>\$ 111,996,494</u>	<u>\$ 123,537,690</u>
Program Revenues										
Governmental activities:										
Charges For services:										
Public safety	\$ 2,193,379	1,854,301	1,503,049	1,394,969	1,263,372	1,247,166	416,243	1,266,935	1,181,723	2,414,892
Public works	874,542	1,002,656	842,854	931,374	952,807	999,315	1,403,788	1,036,634	1,020,139	1,152,083
Economic development	2,976,731	3,208,431	3,368,034	3,458,473	3,446,157	3,336,528	1,004,159	3,367,800	3,300,433	3,307,020
Other activities	819,558	756,974	781,680	779,869	739,760	804,327	3,786,001	872,000	819,358	1,832,419
Operating grants and contributions	5,111,876	5,468,828	4,309,939	4,123,606	5,100,079	4,470,054	4,320,955	4,230,909	4,507,723	5,503,162
Capital grants and contributions	2,193,383	c 6,597,432	480,667	j 2,770,368	l 368,323	n 1,296,010	1,086,127	2,076,835	3,235,959	1,401,461
Total governmental activities program revenues	<u>14,169,469</u>	<u>18,888,622</u>	<u>11,286,223</u>	<u>13,458,659</u>	<u>11,870,498</u>	<u>12,153,400</u>	<u>12,017,273</u>	<u>12,851,113</u>	<u>14,065,335</u>	<u>15,611,037</u>
Business-type activities:										
Charges For services:										
Water	2,809,168	3,385,635	3,792,949	3,646,217	3,688,155	3,957,267	4,182,774	4,257,317	4,197,525	4,166,328
Sanitary	4,835,519	5,007,377	5,265,246	5,411,747	5,444,477	5,735,194	5,905,018	6,082,372	6,382,842	6,040,900
Nursing Home	10,900,432	-	f							
Other Funds	62,018	124,134	271,440	255,457	281,017	269,480	316,477	106,300	72,442	59,200
Operating grants and contributions	-	-								
Capital grants and contributions	10,872,588	d 7,412,463	g 4,545,246	k 2,547,845	m 3,908,635	o 7,473,345	q 6,016,661	m 5,404,171	m 2,827,122	m 2,159,945
Total business-type activities program revenues	<u>29,479,725</u>	<u>15,929,609</u>	<u>13,874,881</u>	<u>11,861,266</u>	<u>13,322,284</u>	<u>17,435,286</u>	<u>16,420,930</u>	<u>15,850,160</u>	<u>13,479,931</u>	<u>12,426,373</u>
Total primary government program revenues	<u>\$ 43,649,194</u>	<u>\$ 34,818,231</u>	<u>\$ 25,161,104</u>	<u>\$ 25,319,925</u>	<u>\$ 25,192,782</u>	<u>\$ 29,588,686</u>	<u>\$ 28,438,203</u>	<u>\$ 28,701,273</u>	<u>\$ 27,545,266</u>	<u>\$ 28,037,410</u>

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

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental activities	\$ (73,015,781)	\$ (72,083,537)	\$ (76,325,956)	\$ (72,848,993)	\$ (74,044,316)	\$ (76,622,360)	\$ (76,985,250)	\$ (80,351,702)	\$ (82,222,395)	\$ (92,540,016)
Business-type activities	7,354,551	4,365,727	1,058,586	(1,393,371)	75,223	3,916,998	2,302,606	887,087	(2,228,833)	(2,960,264)
Total primary government net expense	<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>	<u>\$ (79,464,615)</u>	<u>\$ (84,451,228)</u>	<u>\$ (95,500,280)</u>
General Revenues And Other Changes In Net Position										
Governmental Activities:										
Taxes										
Property taxes	\$ 34,266,623	39,552,052	41,236,282	41,271,372	40,882,732	41,334,050	40,209,077	40,285,516	40,900,084	40,525,539
Income taxes	26,338,493	22,821,267	24,239,325	24,657,767	24,460,225	24,169,537	26,099,413	26,836,166	25,911,041	26,117,557
Other local taxes	7,160,132 e	3,260,020 h	3,360,863	2,965,592	4,011,282	4,339,620	4,669,338	5,343,333	6,195,089	6,720,568
Licenses	342,819	353,375	355,176	415,086	415,158	414,862	425,841	441,304	447,143	434,575
Unrestricted grants	6,966,889	7,341,783	7,346,258	7,359,609	8,940,541	9,172,991	9,165,836	9,210,566	9,205,270	9,244,141
Investment earnings	1,303,210	1,082,485	1,184,451	1,163,443	868,087	1,745,196	1,353,238	1,181,160	1,375,762	1,383,672
Gain/(loss) on sale/retirement of capital assets	-	-	243,845	81,820	387,597	18,915	-	-	-	65,351
Miscellaneous	1,259,689	573,688	591,353	191,234	208,120	323,216	342,101	403,037	997,098	366,375
Transfers	(88,631)	3,158,822 i	(208,709)	(167,252)	(93,464)	(167,799)	(89,824)	(147,927)	(155,527)	(91,884)
Special item	-	-	-	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>\$ 83,553,155</u>	<u>\$ 84,875,960</u>	<u>\$ 84,765,894</u>
Business-type activities:										
Property taxes	\$ 891,363	901,613	1,414,497	996,575	986,573	1,019,069	997,240	982,268	993,937	1,133,343
Investment earnings	179,171	183,601	183,350	175,200	309,448	208,641	201,738	191,339	195,916	214,705
Miscellaneous	110,495	108,761	166,208	5,924	103,661	22,533	21,003	15,835	3,800	-
Gain/(loss) on sale/retirement of capital assets	-	4,569,787 i	-	129,278	-	-	-	-	-	-
Transfers	88,631	(3,158,822) l	208,709	167,252	93,464	167,799	89,824	147,927	155,527	91,884
Total business-type activities	<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>	<u>\$ 1,337,369</u>	<u>\$ 1,349,180</u>	<u>\$ 1,439,932</u>
Total primary government	<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>	<u>\$ 84,890,524</u>	<u>\$ 86,225,140</u>	<u>\$ 86,205,826</u>
Change In Net Position										
Governmental activities, restated	\$ 4,533,443	\$ 6,059,955	\$ 2,022,888	\$ 5,089,678	\$ 6,035,962	\$ 4,728,943	\$ 5,189,770	\$ 3,201,453	\$ 2,653,565	\$ (7,774,122)
Business-type activities	8,624,211	6,970,667	3,031,350	80,858	1,568,369	5,335,040	3,612,411	2,224,456	(879,653)	(1,520,332)
Total primary government	<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>	<u>\$ 5,425,909</u>	<u>\$ 1,773,912</u>	<u>\$ (9,294,454)</u>

Note: Expenses include indirect cost allocation.

(Continued)

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

Explanation of Significant Variances:

a	Increase due to an increase in personnel salaries and fringe due to new Bureau of Police Department and additional public safety grant expenditures
b	Decrease due to decrease in construction project expenditures.
c	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
d	Increase in grants due to grants received for Georges Creek WWTP Upgrade
e	Decrease in other taxes due to economic recession which affected recordation and transfer taxes.
f	Sold County owned Nursing Home.
j	Increase due to over \$ 4 million in ARRA federal grant money received
g	Decrease due to less grant money received in FY 2010 for the Georges Creek WWTP Upgrade which is near completion
h	Decrease due to dramatic decrease in highway users revenue and recordation/transfer taxes.
i	Increase due to decrease in highway users tax revenue therefore transfers to highway fund increased.
j	Decrease in grants largely due to the decrease in American Recovery & Reinvestment Act Grants that were received in 2010
k	Decrease largely due to a large construction project being completed (Georges Creek Wastewater Plant)
m	Decrease due to grant related projects being completed and projects financed more with loans
n	Decrease due to donation of building in FY 2012 in the amount of \$ 1.6 million and no such donation in FY 13
o	Increase due to increase in federal and state funding for the Mount Savage Water/Sewer project
p	Increase due to expenditures largely due to additional road and "Pot-hole" work
q	Increase due to increase in federal and state funding for the Mt Savage & Rawlings Water projects and Jennings Run Sewer project
r	Increase largely due to GASB 68 required entries to pension expense , liability increased
s	Increase largely due to GASB 68 required entries to pension expense , liability increased and GASB 72 entries
t	Increase largely due to GASB 68 required entries to pension expense -liability decreased this year
u	Increase due to adding a new ambulance service to County residents
v	Increase due to contribution to new county high school
w	Increase due to renovations to Library buildings
x	Increase due to paving and road projects

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Nond spendable			1,202,021	1,200,453	1,201,255	1,200,000	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	131,979
Committed			2,649,697	-	-	-	949,319	150,000	967,195	1,571,596
Assigned			1,868,295	881,313	447,970	3,414,000	5,664,000	4,014,000	5,896,328	6,423,165
Unassigned			11,394,352	15,679,397	17,901,696	18,695,272	19,642,135	18,092,412	18,649,963	15,918,000
Reserved	\$ 3,907,309	1,210,859								
Unreserved	11,892,393	15,761,591								
Total General Fund	<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>	<u>\$ 25,244,740</u>
All Other Governmental Funds										
Nond spendable								45,460	42,233	41,920
Restricted			1,217,476	1,719,061	3,050,872	2,966,644	10,197,951	12,725,923	15,752,673	4,123,488
Committed			6,714,291	5,458,432	8,901,702	10,738,989	12,136,663	9,734,927	8,700,167	10,717,434
Assigned			2,340,790	2,695,550	2,442,285	1,497,237	1,394,298	1,342,978	2,288,721	2,216,031
Unassigned			(551,089)	43,002	(11,060)	(191,236)	(305,634)	(419,033)	(397,597)	(767,966)
Reserved	\$3,778,869	1,209,131								
Unreserved, reported in:										
Special revenue funds	5,890,017	8,196,602								
Capital project funds	1,148,208	3,015,176								
Debt service funds	1,654,049	315,232								
Total all other governmental funds	<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>	<u>\$ 16,330,907</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)

Revenues	2009	2010	#	2011	2012	2013	2014	2015	2016	2017	2018
Property taxes	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	41,529,472
Income taxes	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	25,797,515
Highway user taxes	4,023,284	227,622		317,590	229,448	424,914	671,589	466,089	547,328	539,372	690,000
Other local taxes	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	4,074,450
Licenses and permits	611,328	609,877		613,729	659,513	664,287	686,233	678,422	700,480	672,859	666,528
Intergovernmental:											
Federal	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	2,922,197
State	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	15,920,794
Other	354,708	362,352		515,474	514,765	537,554	467,561	600,745	306,747	178,297	901,053
Service charges	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	2,446,454
Fines and forfeitures	98,463	114,372		74,177	141,890	96,119	170,927	150,249	152,942	80,907	74,561
Interest	440,827	247,564		162,578	121,670	126,522	103,748	152,354	237,085	312,861	340,649
Miscellaneous	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	4,254,946
Total revenues	\$ 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	\$ 99,618,619
Expenditures											
General government	8,507,964	8,368,897		8,277,780	8,622,096	8,436,402	7,999,532	8,532,724	9,210,525	9,301,186	9,420,158
Public safety	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	23,217,837
Public works	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	12,297,757
Health and Hospitals	477,204	479,537		460,030	425,309	438,291	411,510	432,996	452,436	425,494	541,244
Social Services	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	1,251,241
Education	28,261	25,261		24,511	23,761	29,754	-	-	-	-	-
Recreation, culture and libraries	818,848	555,124		863,290	712,577	736,413	616,169	628,708	932,800	795,045	1,076,056
Conservation of natural resources	505,126	286,273		353,689	201,090	239,976	319,102	254,682	244,974	263,677	282,314
Community Development and Housir	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	1,007,193
Economic development	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	3,305,352
Miscellaneous	27,755	20,869		114,855	27,089	34,803	31,222	33,046	38,599	44,631	47,199
Appropriation to other governments	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	1,494,063
Capital Outlay	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	14,858,728
Debt Service:											
Interest	1,830,204	1,732,167		1,491,130	1,271,904	1,083,631	666,802	558,774	762,344	649,037	834,194
Principal	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	2,405,547
Payments to Component Units	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	39,200,289
Total expenditures	\$ 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	\$ 111,239,172
Excess of revenues over (under)											
Expenditures	\$ (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)	\$ (11,620,553)
Other Financing Sources (Uses)											
Proceeds from borrowing	4,663,719	63,719						9,740,351		9,000,000	
Proceeds from refinancing	-	-				14,736,467					
Payments to escrow agent	-	-									
Transfers in	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	3,504,113
Transfers from component units	-	-									
Transfers out	(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)	(3,595,997)
Sale of capital assets	102,838	217,528		369,452	84,771	2,517,850	626,097	1,716	63,586	13,706	15,231
Total Other Financing											
Sources (Uses)	\$ 4,677,926	\$ 3,440,071		\$160,741	\$ (82,483)	\$ 17,160,850	\$ 458,298	\$ 9,652,243	\$ (84,340)	\$ 8,858,179	\$ (76,653)
Net Change in fund balances	\$ 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	\$ (11,697,206)
Debt service as a percentage of noncapital expenditures	7.4%	7.2%		7.40%	6.8%	18.1%	5.2%	5.5%	4.4%	4.2%	3.0%
Note: Expenditures for Capital Assets are reported about as "Capital outlays" as well as departmental expenditures. The total expenditures for capital asses is utilized for computing the ratio above.											
Total Expenditures for Capital Assets	\$6,440,643	\$3,324,148		\$3,864,007	\$2,362,598	\$1,721,256	\$2,267,159	\$2,264,182	\$8,428,204	\$9,472,687	\$4,220,066

REVENUE CAPACITY

This Page left blank intentionally.

Allegany County, Maryland
Assessed Value and Actual Value Of Taxable Property
Last Ten Fiscal Years

Fiscal Year	Real Property		Real Property Total Direct Tax Rate	Personal Property		Corporate Personal Property		Totals		Personal & Corporate Personal Total Direct Tax Rate
	Market Value	Assessed Value		Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	
2009	3,014,146,982	3,014,146,982	1.0249	6,519,060	6,519,060	320,952,870	320,952,870	3,341,618,912	3,341,618,912	2.5623
2010	3,141,346,303	3,141,346,303	1.0191	6,100,480	6,100,480	424,375,697	424,375,697	3,571,822,480	3,571,822,480	2.5478
2011	3,360,795,103	3,360,795,103	1.0305	6,596,150	6,596,150	347,045,160	347,045,160	3,714,436,413	3,714,436,413	2.5763
2012	3,547,448,518	3,547,448,518	0.9997	5,747,720	5,747,720	353,272,590	353,272,590	3,906,468,828	3,906,468,828	2.4993
2013	3,532,084,432	3,532,084,432	0.9877	5,694,540	5,694,540	346,092,240	346,092,240	3,883,871,212	3,883,871,212	2.4693
2014	3,511,729,354	3,511,729,354	0.9880	5,028,930	5,028,930	358,164,980	358,164,980	3,874,923,264	3,874,923,264	2.4700
2015	3,469,830,592	3,469,830,592	1.0035	4,997,740	4,997,740	345,858,616	345,858,616	3,820,686,948	3,820,686,948	2.5088
2016	3,487,280,029	3,487,280,029	0.9899	6,494,120	6,494,120	337,155,996	337,155,996	3,830,930,145	3,830,930,145	2.4748
2017	3,506,924,084	3,506,924,084	0.9893	6,705,040	6,705,040	346,994,870	346,994,870	3,860,623,994	3,860,623,994	2.4733
2018	3,528,551,083	3,528,551,083	0.9885	7,678,200	7,678,200	329,114,435	329,114,435	3,865,343,718	3,865,343,718	2.4713

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**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Municipal Direct Tax Rates (1.2)</u>										
Barton	0.1736	0.1727	0.1718	0.1728	0.1649	0.1662	0.1709	0.1699	0.1835	0.1981
Cumberland	1.0595	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654	0.9654
Frostburg	0.6600	0.6400	0.6200	0.5820	0.5665	0.5665	0.5665	0.5500	0.5500	0.5540
Lonaconing	0.3512	0.3498	0.3527	0.5552	0.3400	0.3400	0.3400	0.3700	0.3400	0.3400
Luke	1.0604	1.0600	1.0600	0.7500	0.5500	0.5500	0.5500	0.5500	0.5500	0.5500
Midland	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
<u>Allegany County Direct Tax Rates (1.3)</u>										
Barton	0.8843	0.8935	0.8938	0.8976	0.8910	0.8892	0.9038	0.9475	0.9545	0.9552
Cumberland	0.8324	0.8452	0.8486	0.8530	0.8424	0.8371	0.8519	0.8999	0.9016	0.9074
Frostburg	0.8405	0.8530	0.8560	0.8597	0.8497	0.8436	0.8579	0.9065	0.9086	0.9107
Lonaconing	0.8573	0.8696	0.8714	0.8761	0.8675	0.8655	0.8834	0.9328	0.9305	0.9336
Luke	0.8551	0.8670	0.8687	0.8735	0.8645	0.8620	0.8799	0.9289	0.9266	0.9304
Midland	0.8843	0.8935	0.8938	0.8976	0.8910	0.8892	0.9038	0.9475	0.9545	0.9552
Westernport	0.8843	0.8935	0.8938	0.8847	0.8745	0.8702	0.8854	0.9328	0.9305	0.9336
Unincorporated	0.9760	0.9770	0.9780	0.9790	0.9800	0.9810	0.9820	0.9829	0.9829	0.9829
<u>Special Taxing Areas (1.4)</u>										
Sanitary Districts										
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	0.2500	0.2900	0.2900	0.2530
Braddock Run	0.0420	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0070	0.0040
Cresaptown	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2900	0.2900	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	0.1860	0.2200
McCoole	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0310	0.0700	0.0700	0.1400
Flintstone/ Gilpin	0.0160	0.1600	0.1600	0.1500	0.1500	0.1500	0.1500	0.1700	0.1700	0.2000
Franklin/ Brophytown	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0190	0.0920
Oldtown	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0330	0.0800	0.0800	0.0960
George's Creek	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.2100	0.4700	0.1600	0.1600
Mexico Farms	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	0.0510	0.0600	0.0600	0.1840
Oldtown Road	0.1300	0.1300	0.1300	0.1300	0.1040	0.0770	0.0770	0.0770	0.0770	0.2400
Other Special Districts										
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	0.0550	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	0.0500	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	0.0530	0.0470	0.0420	0.0520	0.0520	0.0530	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	0.0450
Rawlings Special Fire Tax Area	0.1200	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total County Direct Rate (1.5)	0.9885	0.9893	0.9899	1.0035	0.9880	0.9877	0.9997	1.0305	1.0191	1.0249

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	2018			2009		
	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of County Taxable Assessed Value
AES WR Limited Partnership	\$ 64,869,603	1	1.66%	\$ 116,589,518	1	3.44%
Potomac Edison Co	62,324,100	2	1.60%	47,086,070	3	1.39%
CSX Transportation	37,872,240	3	0.97%	21,298,486	7	0.63%
New Page (Mead/Westvaco)	34,674,800	4	0.89%	66,264,071	2	1.96%
Columbia Gas of Maryland	33,325,840	5	0.85%	21,931,400	6	0.65%
LaVale Associates	31,079,733	6	0.80%	30,840,195	5	0.91%
Trans-Allegheny Interstate Line	25,833,650	7	0.66%	-		0.00%
Verizon-Maryland (Bell Atlantic)	17,466,260	8	0.45%	35,176,900	4	1.04%
Hunter Douglas Northeast, Inc.	16,085,610	9	0.41%	15,719,478	8	0.46%
Allegany Coal-Land	13,858,190	10	0.35%	15,449,960	9	0.46%
American Woodmark				11,076,966	10	0.33%
Total	\$ 337,390,026		8.64%	\$ 381,433,044		11.25%

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
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%	(61,070)	2,443,586	32,807,271	32,796,494	99.97%
2012	33,037,418	30,557,037	92.49%	(43,460)	2,408,549	32,993,958	32,965,586	99.91%
2013	32,760,110	30,023,529	91.65%	(26,656)	2,680,714	32,733,454	32,704,243	99.91%
2014	32,615,476	30,189,373	92.56%	(33,774)	2,355,928	32,581,702	32,545,301	99.89%
2015	32,363,414	29,837,271	92.19%	(20,465)	2,465,737	32,342,949	32,303,008	99.88%
2016	32,407,750	29,866,195	92.16%	(22,410)	2,461,379	32,385,340	32,327,574	99.82%
2017	32,533,553	30,119,478	92.58%	(22,844)	1,225,364	32,510,709	31,344,842	96.41%
2018	31,928,292	29,405,769	92.10%			31,928,292	29,405,769	92.10%

Personal Property and 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
2009	7,866,224	7,691,261	97.78%	1,240,680	1,353,131	9,106,904	9,044,392	99.31%
2010	9,222,172	8,363,762	90.69%	(100,308)	699,507	9,121,864	9,063,269	99.36%
2011	8,305,076	8,068,844	97.16%	(83,646)	114,329	8,221,430	8,183,173	99.53%
2012	8,281,531	7,494,836	90.50%	(33,772)	655,935	8,247,759	8,150,771	98.82%
2013	8,027,385	7,204,178	89.75%	13,477	755,584	8,040,862	7,959,762	98.99%
2014	8,294,170	7,770,966	93.69%	(311,470)	148,395	7,982,700	7,919,361	99.21%
2015	8,022,819	7,682,332	95.76%	(8,289)	280,521	8,014,530	7,962,853	99.36%
2016	7,832,203	7,650,947	97.69%	17,740	129,485	7,849,943	7,780,432	99.11%
2017	7,854,575	7,718,722	98.27%	(36,971)	39,973	7,817,604	7,758,695	99.25%
2018	7,422,103	7,176,320	96.69%			7,422,103	7,176,320	96.69%

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
2009	36,598,712	34,401,336	94.00%	1,186,323	3,321,220	37,785,035	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%	(144,716)	2,557,915	41,028,701	40,979,667	99.88%
2012	41,318,949	38,051,873	92.09%	(77,232)	3,064,484	41,241,717	41,116,357	99.70%
2013	40,787,495	37,227,707	91.27%	(13,179)	3,436,298	40,774,316	40,664,005	99.73%
2014	40,909,646	37,960,339	92.79%	(345,244)	2,504,323	40,564,402	40,464,662	99.75%
2015	40,386,233	37,519,603	92.90%	(28,754)	2,746,258	40,357,479	40,265,861	99.77%
2016	40,239,953	37,517,142	93.23%	(4,670)	2,590,864	40,235,283	40,108,006	99.68%
2017	40,388,128	37,838,200	93.69%	(59,815)	1,265,337	40,328,313	39,103,537	96.96%
2018	39,350,395	36,582,089	92.96%	-				

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

DEBT CAPACITY

This page left blank intentionally.

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

Fiscal Year	Governmental Activities				Business -Type Activities							Total Primary Government	Percentage of Personal Income	Debt Per Capita
	General Obligation Bonds	Term Notes	Capital Leases	State Loans	Water Term Notes	Water Federal Loans	Water State Loans	Sanitary Term Notes	Sanitary State Loans	Sanitary Federal Loans	Nursing Home Loans			
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
2018	24,967,722	203,465	0	642,863	243,204	10,851,104	523,988	14,851	10,512,058	7,521,862		55,481,117	2.00%	775

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

Source: Allegany County Finance Office and Bureau Of Economic Analysis

Allegany County, Maryland

Ratios of General Obligation Debt Outstanding

Last Ten Fiscal Years

General Obligation Debt Outstanding

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Taxable Value of Property</u>	<u>Percentage of Actual Taxable Value of Property</u>	<u>Population</u>	<u>Debt Per Capita</u>
2009	25,787,011	3,341,618,912	0.77%	72,532	355.53
2010	21,920,544	3,571,822,480	0.61%	75,101	291.88
2011	17,861,152	3,714,436,413	0.48%	75,059	237.96
2012	14,215,926	3,906,468,828	0.36%	74,692	190.33
2013	20,948,078	3,883,871,212	0.54%	74,012	283.04
2014	17,922,268	3,874,923,264	0.46%	73,521	243.77
2015	23,531,007	3,820,686,948	0.62%	72,952	322.55
2016	20,487,355	3,835,441,204	0.53%	72,528	282.48
2017	26,343,366	3,860,623,994	0.68%	72,130	365.22
2018	24,967,722	3,865,343,718	0.65%	71,614	348.64

Note: Details regarding the County's outstanding debt can be found in the notes to the financial statements
Long-term compensated absences payable balances are not included in this schedule

Source: Allegany County Finance Office and Bureau Of Economic Analysis

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

	2009	2010	2011	2012	2013	2014	2015
Population	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
Net population for debt limit	69,253	71,822	71,780	71,413	70,733	70,242	69,673
Debt Per Capita	585	585	585	585	585	585	585
Debt Limit	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	40,491,979	35,667,904	30,585,074	25,991,086	23,407,144	19,469,995	24,272,444
Legal Debit Margin	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%	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
2018	7,304,477	7,595,770	(291,293)	1,259,331	329,051	1,588,382	(0.18)
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

WATER DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2018	4,250,353	2,989,839	1,260,514	283,355	356,489	639,844	1.97
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

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

This page left blank intentionally.

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>
2009	72,532	2,310,845	31,860	9,157	8.90%
2010	75,101	2,292,903	30,531	9,152	8.93%
2011	75,059	2,352,416	31,341	9,022	8.88%
2012	74,692	2,453,991	32,855	8,913	8.02%
2013	74,012	2,400,000	32,000	8,929	8.60%
2014	73,521	2,659,178	35,929	8,872	7.20%
2015	72,952	2,958,277	40,551	8,865	7.30%
2016	72,528	3,014,191	41,559	8,812	6.40%
2017	72,130	2,975,363	41,250	8,702	5.80%
2018	71,614	2,815,878	39,320	8,629	6.10%

Source - Population, personal income and per capita - Bureau of Economic Analysis

Public School Enrollment - Allegany County Board Of Education

Unemployment Rate - Maryland Department Of Labor, Licensing and Regulation

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

Employer	2018			2009		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Western Maryland Health Systems	2,200	1	6.14%	2,460	1	7.33%
Allegany County Board Of Education	1,346	2	3.76%	1,424	3	4.25%
Frostburg State University	1,065	3	2.97%	916	5	2.73%
ATK Tactical Systems	1,050	4	2.93%	1,453	2	4.33%
Hunter Douglas	965	5	2.69%	558	9	1.66%
New Page Corporation (VERSO)	700	6	1.95%	994	4	2.96%
CSX Transportation	635	7	1.77%	800	6	2.38%
Western Correctional Institution	588	8	1.64%	557	10	1.66%
North Branch Correctional Institution	574	9	1.60%			
Allegany College	550	10	1.54%	587	8	1.75%
Allegany County Government				599	7	1.79%
Total	9,673		27.00%	10,348		30.85%

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

OPERATING INFORMATION

This page left blank intentionally.

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

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government									
Commissioners & Staff	8.0	8.0	7	6	5	5	5.75	5.75	5.75
Judicial	28.6	29.1	28.1	27.9	27.9	29.05	28.75	28.75	29.9
Finance	9.6	9.6	9.3	9	8	6	5	5	6
Tax Office	7.5	7.7	7.7	7.7	7.7	7.7	7.7	7.7	6.7
Maintenance	15.7	15.7	14.7	15	14	13.9	13.9	13.9	13.9
Other	43.7	42.6	39.7	38.3	36.9	37.45	40.8	40.5	39.5
Public Safety									
Sheriff\Bureau of Police	28.3	32.4	34.4	34.4	34.4	34.5	34.4	34.4	35.4
Detention Center	86.0	85.4	84	85.8	85.8	85.8	81	81	81.7
911	26.2	25.9	25.9	25.9	25.9	26.55	29.05	29.05	29.05
Other	23.5	31.3	32.3	31.1	30.1	26.6	24.714	24.714	24.714
Public Works									
Roads division	75.7	74.7	74.4	68.4	67.4	67.4	66.4	66.4	66.5
Engineering	16.3	14.5	13.5	12	12	9.9	9.9	9.9	9.45
Solid Waste	5.3	5.3	5.3	4.3	4.3	5.05	5.46	5.46	4.81
Transit	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	2.0	2	2.0	2.0	2.0
Social Services	1.0	1.0	1.0	1	1.0	1	1.0	1.0	1.0
Recreation, culture, libraries, tourism	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	1	1.0	1	1.0	1.0	1.0
Community Development and Housing	4.3	3.7	2.3	-					
Economic Development	8.3	7.7	7.5	7.7	6.3	5.7	5.7	5.0	5.0
Sanitary	26.0	31.8	33.8	34	34.0	34	36.0	36.0	36.0
Nursing Home	147.5	-							
Total	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	2009	2010	2011 #	2012	2013	2014	2015	2016	2017
General Government									
Average number of tax bills issued	38,454	38,532	38,518	38,529	38,530	38,535	38,475	38,625	38,650
Public Safety									
Total Number of arrests	1,491	1,608	1,285	1,593	1,860	1,792	not avail	not avail	not avail
Total Number of traffic stops	1,840	1,640	1,579	1,782	1,492	1,558	not avail	not avail	not avail
Average number of inmates	168	157	170	150	153	150	134	142	140
Number of Volunteer Fire Stations	23	23	23 #	22	21	21	21	19	19
Public Works									
Miles of roads maintained	544	544	544 #	544	544	544	544	544	544
Social Services									
Transit route miles	446,420	384,182	332,324	381,238	376,369	409,383	** N/A	** N/A	** N/A
Transit passengers	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	9,250	9,250	9,500	9,750	9,850	10,130	10,280	10,295
Nursing Home									
Total Number of Beds Available, Annually	55,845	0	0 0	0	0	0	0	0	0
Number of Beds Occupied Annually	48,692	0	0 0	0	0	0	0	0	0
Occupancy Rate, Annual	87%	0	0 0	0	0	0	0	0	0
Gaming									
Games Sold	36,206	35,357	33,395	32,701	30,699	27,437	26,013	25,754	26,651
Operators Licensed	85	92	88 #	100	81	80	70	63	75
Inspections Conducted	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	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
Public Safety									
Number of police stations	2	4	4	4	4	4	4	4	4
Number of patrol vehicles	29	34	38	36	40	33	39	42	42
Public Works									
Miles of roads maintained	544	544	544	544	544	544	544	544	544
Average number of highway vehicles	140	140	140	140	140	140	140	140	140
Number of Garages-Roads Dept	5	5	5	5	5	5	5	5	5
Number of operating transit buses	14	21	22	22	22	18	18	18	18
Economic Development									
Number of Industrial parks	8	8	8	8	8	8	8	8	8
Number of Buildings leases	10	13	13	13	12	11	11	11	12
Sanitary									
Sanitary/Water (miles)	175	175	175	175	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6	6	6	6	6
Nursing Home									
Number of buildings maintained	1	0	0	0	0	0	0	0	0

Source: Various County Departments