

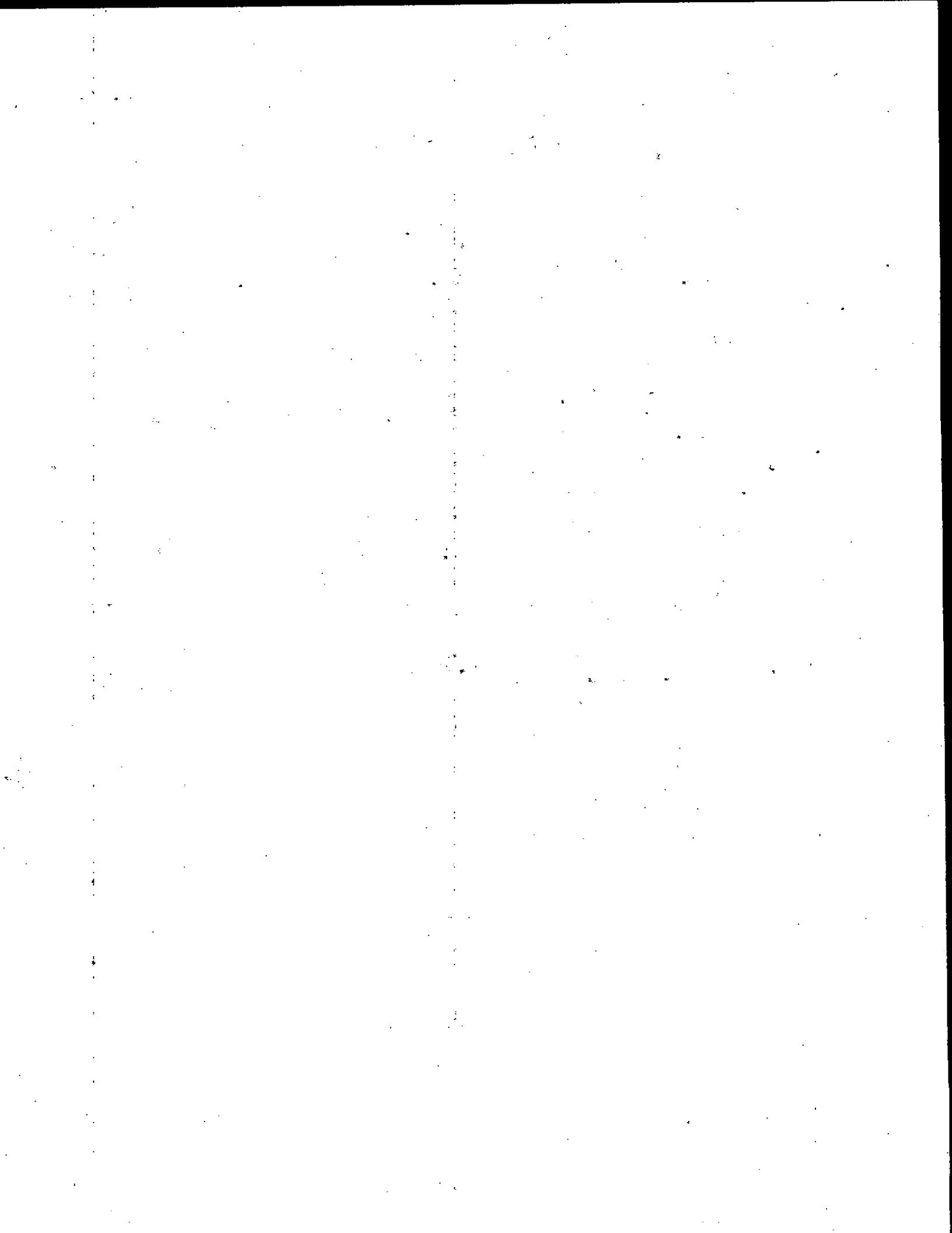
ALLEGANY COUNTY, MARYLAND

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR
JULY 1, 2006 - JUNE 30, 2007

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



ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT

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INTRODUCTORY SECTION

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ALLEGANY COUNTY, MARYLAND

Finance Office

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BOARD OF COMMISSIONERS

James J. Stakem, *President*

Robert M. Hutcheson

Dale R. Lewis

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

November 29, 2007

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, 2007, 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, 2007, 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, 2007, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Allegany County

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

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

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

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

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

County financial matters are administered through the Department of Finance of the County by the Director of Finance. The Director of Finance is 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 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 Community Services, the Director of Public Works, the Director of Finance, the Director of Economic Development and the County Engineer. It is based on the need for having certain capital projects undertaken and the availability of financial resources. Each project is identified with estimated costs and estimated sources of funding. All funding requests are then applied to a debt affordability model to ascertain if the proposed debt is within the County's self-imposed debt guidelines.

Adoption of Budget

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

Factors Affecting Financial Condition

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

Local economy: Allegany County currently enjoys a favorable economic environment and local indicators point to continued stability. The unemployment rate has decreased from 5.4% at June 30, 2006 to 5.2% at June 30, 2007. The region has diverse manufacturing and industrial base of paper manufacturing, rail transportation and the manufacturing of window coverings. A varied service provider base gives the area relative stability of the unemployment rate. Major service providers includes health services, government, education, and call centers.

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

Allegany County has a total labor force of 35,577. The total labor force remains relatively unchanged which mirrors the population census of the county. Recent population projections have the county maintaining its current population which reverses decades of population loss.

Long-term financial planning: The County adopts a five year Capital Improvement Program each year as required by state law. During fiscal year 2008 it is anticipated the County will borrow an addition \$5 million to complete the new Mt. Ridge High School located in Frostburg, Maryland. Also getting underway in the 2008 fiscal year is an upgrade to the Georges Creek

Waste Water Treatment facility with an estimated total cost of \$21.8 million. Allegany County will be required to finance \$3.3 million of the cost of construction with debt which will be repaid from user charges on customers in the George's Creek district.

Renovations to the Braddock and Washington Middle Schools are anticipated to begin in fiscal year 2010 and will have total project costs of \$56 million requiring the County to borrow \$15 million to pay for its share of the projects.

A major library renovation project at Allegany College of Maryland has begun and will require the County to issue debt of \$1.6 million for the County's share of the \$5.4 million.

Major initiatives: During 2007 Allegany County successfully negotiated a 10 year lease with the General Services Administration (GSA) for the Federal Emergency Management Agency (FEMA) use of the former Pittsburgh Plate Glass plant. It is one of three national distribution centers. The formerly vacant 534,000 square foot building will permit a quick FEMA response to disasters as well as providing an economic boast to the region.

Additionally, Allegany County partnered with Frostburg State University, the State of Maryland and a private development group to construct the first technology-based building at the Allegany Business Center at Frostburg State University. The project, using University resources, is the key for technology related economic development in the County.

The construction of the Western Maryland Health Systems' new \$268 million hospital is well under way with an expected completion date of October 2009.

Risk Management

Allegany County retains insurance advisors who monitor health, workers compensation, life and property insurance coverage. Periodical inspections of County buildings and property by the insurance carriers ensure the proper levels of liability and building and contents coverage. The County's exposure to risk is limited to immaterial deductible amounts. The County employs a risk and safety manager to recommend and enforce safety policies and to monitor workers compensation cases.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Allegany County for its comprehensive annual financial report for the fiscal year ended June 30, 2006. This was the fifteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Jerry L. Frantz, CPA
Director of Finance

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Allegany County Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2006

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



Clare S. Cox

President

Jeffrey P. Evans

Executive Director

Allegany County, Maryland
Summary of Certain Officials
June 30, 2007

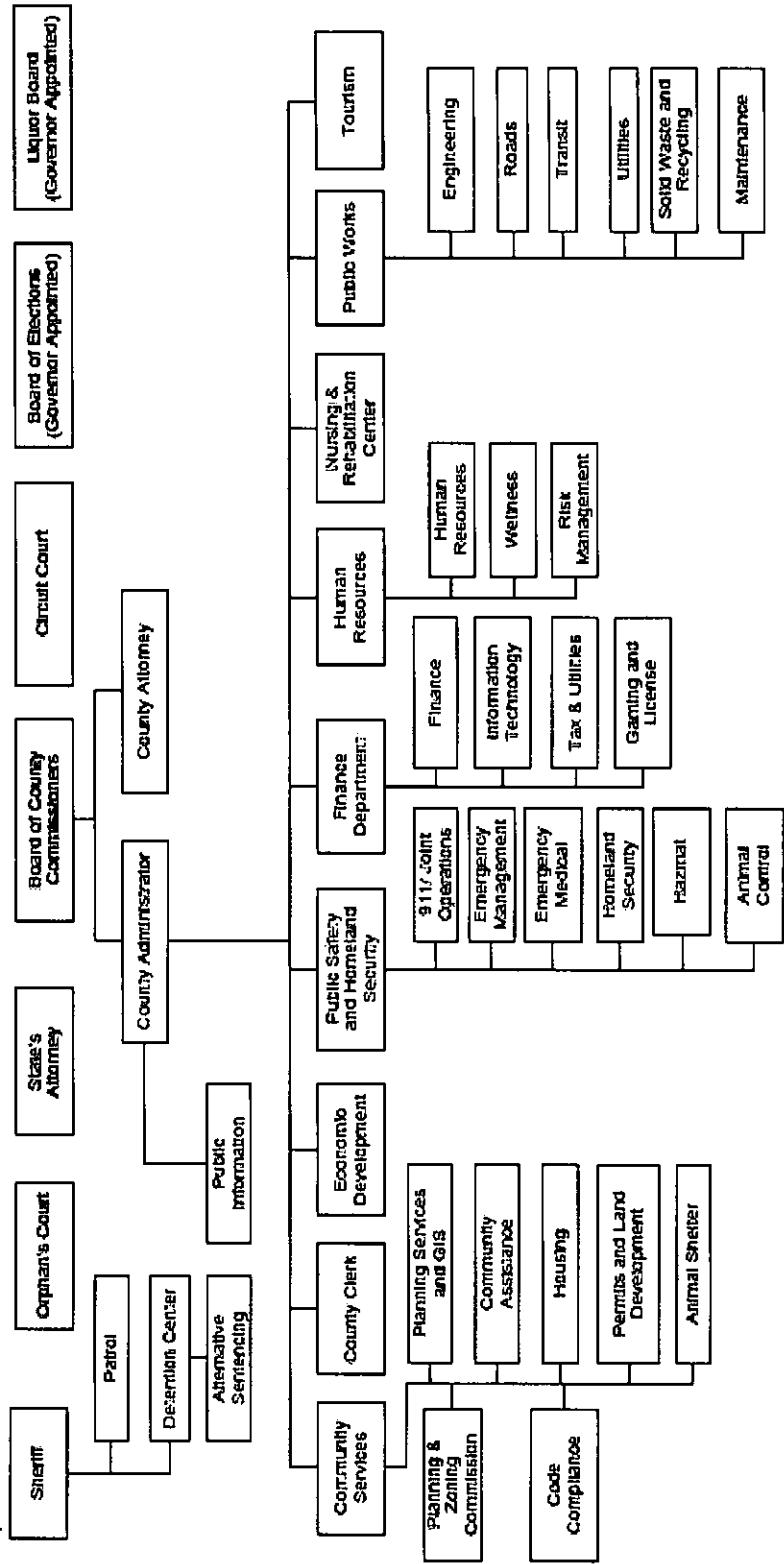
Board of Commissioners

James J. Stakem, President
Robert M. Hutcheson, Commissioner
Dale R. Lewis, Commissioner

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

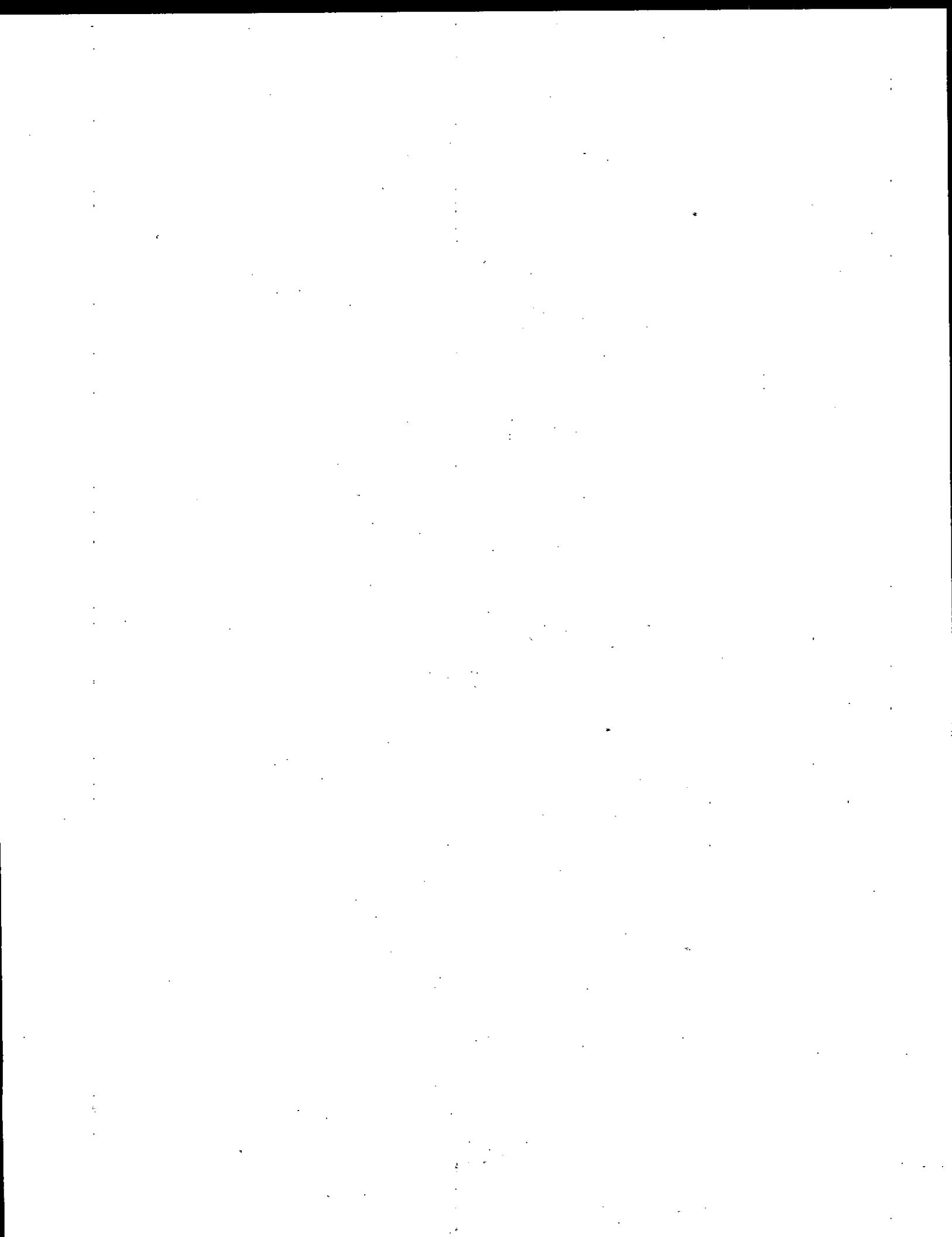


Allegany County, Maryland Organization Chart 2007



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FINANCIAL SECTION



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

Turnbull Hoover & Kahl P.A. CPA

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Cumberland, Maryland

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland (the County), as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Allegany County, Maryland's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allegany County Board of Education and the LaVale Sanitary Commission, which represent 72 percent, 69 percent, and 80 percent, respectively, of the assets, net assets, and revenues of the component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Allegany County Board of Education and the LaVale Sanitary Commission, is based on the report of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland, as of June 30, 2007, and the respective changes in financial position and, where applicable, cash flows thereof for the

year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 29, 2007, on our consideration of Allegany County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages B-1 through B-11, the schedule of pension contributions on page D-3, and the budgetary comparison information on pages D-4 through D-14 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

Timbrell, Hoover & Kahl, P.C.

Cumberland, Maryland
November 29, 2007

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, 2007. 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 \$142.5 million (*net assets*). Of this amount, \$133.1 million is invested in capital assets net of related debt and \$13.2 million is restricted for specific purposes (*restricted net assets*). The County's total unrestricted net assets are a deficit of \$3.76 million. This total unrestricted net asset amount includes a deficit balance of \$4.6 million from governmental activities, offset by a balance in unrestricted net assets from business-type activities of \$.9 million.
- The government's total net assets increased by \$6.0 million or 4.4%. The governmental net assets increased \$7.5 million (or 10.5%). Business-type net assets decreased by \$1.48 million (or 2.25%) during the year.
- As of the close of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$35.4 million, an increase of \$12.2 million in comparison with the prior year. The increase is largely due to debt proceeds being received close to year-end (a source of funds) which remained unspent at the end of the year. Approximately 8.7% of this total amount, \$3.1 million, is *available for spending at the government's discretion (unreserved fund balance)* and another \$18.3 million is unreserved and designated for specific projects, programs and uses.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1.9 million, or 3% of total general fund expenditures.
- Allegany County's governmental activity outstanding debt increased by \$9.93 million (or 32.8%) during the current fiscal year reflecting debt principal payments of \$4.2 million and new debt of \$14.1 million. The County's business-type debt increased by \$3.7 million (or 22.7%) due to borrowing for improvements to several small water systems. Debt of approximately \$836,000 was retired.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Allegany County maintains sixteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the highway fund, and the capital projects fund, all of which are considered to be major funds. Data from the other twelve governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages C19-C56 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 Highway Fund and the Revolving Building which are reported as major funds. Required supplementary information can be found on pages D3-D14 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-E52 of this report.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Allegany County, assets exceeded liabilities by \$142.5 million at the close of the most recent fiscal year.

By far the largest portion of Allegany County's net assets (93.4 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. Allegany County uses these capital assets to provide services to citizens consequently; these assets are *not* available for future spending. Although Allegany County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

ALLEGANY COUNTY'S NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006
Assets:						
Current and other assets	\$ 46,054,536	\$ 32,657,729	\$ 6,637,779	\$ 3,938,756	\$ 52,692,315	\$ 36,596,485
Capital assets	<u>79,972,859</u>	<u>73,724,474</u>	<u>81,914,089</u>	<u>83,139,273</u>	<u>161,886,948</u>	<u>156,863,747</u>
Total assets	<u>126,027,395</u>	<u>106,382,203</u>	<u>88,551,868</u>	<u>87,078,029</u>	<u>214,579,263</u>	<u>193,460,232</u>
Liabilities:						
Current and other liabilities	12,184,431	9,256,735	2,405,092	2,198,731	14,589,523	11,455,466
Long-term liabilities outstanding	<u>35,329,802</u>	<u>25,638,928</u>	<u>22,118,734</u>	<u>19,375,032</u>	<u>57,448,536</u>	<u>45,013,960</u>
Total liabilities	<u>47,514,233</u>	<u>34,895,663</u>	<u>24,523,826</u>	<u>21,573,763</u>	<u>72,058,059</u>	<u>56,469,426</u>
Net assets:						
Investment in capital assets						
net of related debt	70,105,110	66,160,686	62,978,258	67,030,468	133,083,368	133,191,154
Restricted	13,043,675	2,277,836	170,832	167,898	13,214,507	2,445,734
Unrestricted	(4,635,623)	3,048,018	878,952	(1,694,100)	(3,756,671)	1,353,918
Total net assets	<u>\$ 78,513,162</u>	<u>\$ 71,486,540</u>	<u>\$ 64,028,042</u>	<u>\$ 65,504,266</u>	<u>\$ 142,541,204</u>	<u>\$ 136,990,806</u>

An additional portion of Allegany County's net assets (9.3%) represents resources that are subject to external restrictions on how they may be used. The County has an *unrestricted net assets* deficit balance of \$3.76 million. The *unrestricted net assets* balance for the governmental activities was a deficit of \$4.6 million and the business-type activities balance was \$879,000.

During the current fiscal year, the government's net assets increased by \$6.0 million. Revenues decreased by approximately \$2.4 million dollars to \$108.5 million while expenses increased by \$5.5 million from the prior year to \$102.5 million.

ALLEGANY COUNTY'S CHANGES IN NET ASSETS

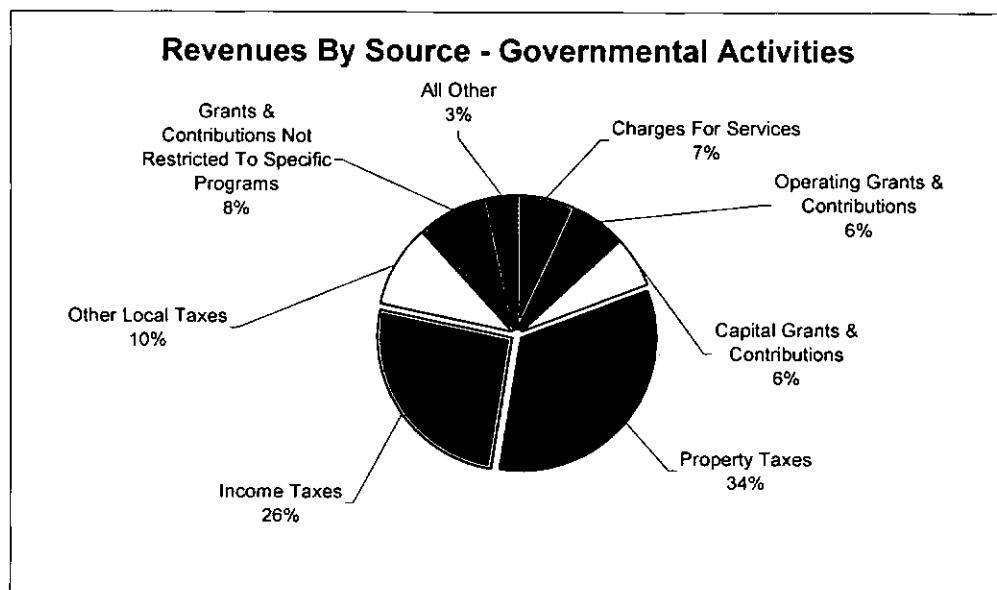
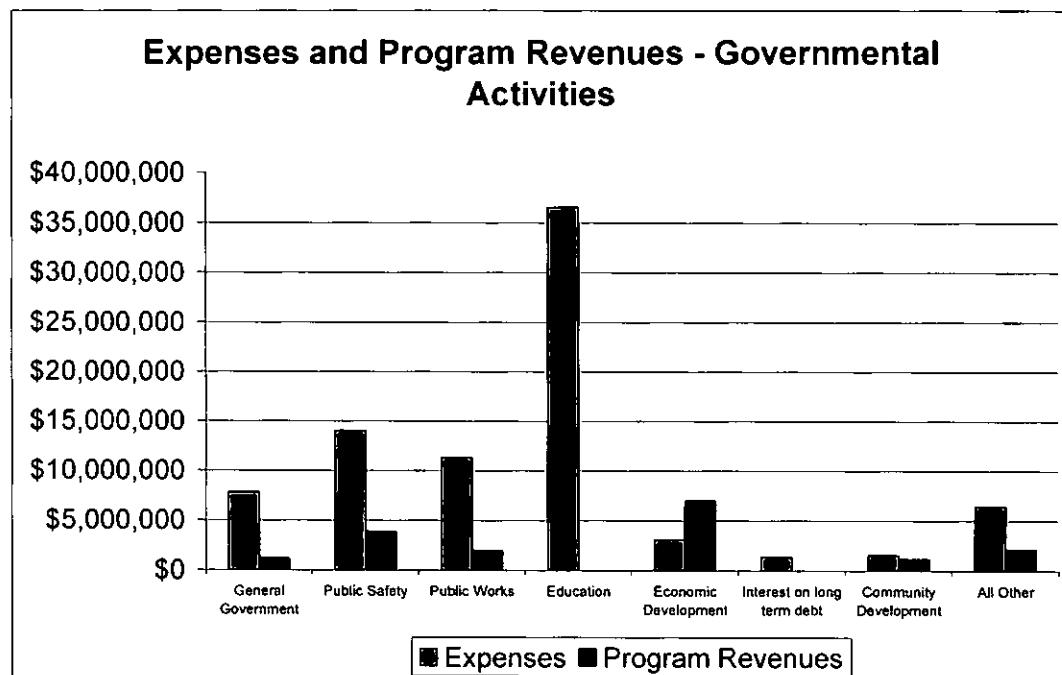
	Governmental Activities		Business-type Activities		Total	
	FY 2007	FY 2006	FY 2007	FY 2006	FY 2007	FY 2006
Revenues:						
Program revenues:						
Charges for services	\$ 6,305,308	\$ 6,844,561	\$ 16,454,115	\$ 15,952,374	\$ 22,759,423	\$ 22,796,935
Operating grants and contributions	5,564,276	6,162,976	-	-	5,564,276	6,162,976
Capital grants and contributions	5,205,639	4,861,929	803,391	3,560,637	6,009,030	8,422,566
General revenues:						
Property taxes	30,141,707	29,094,141	884,340	732,367	31,026,047	29,826,508
Income taxes	23,177,237	23,407,305	-	-	23,177,237	23,407,305
Other local taxes	8,975,907	8,769,370	-	-	8,975,907	8,769,370
Franchise taxes	323,025	308,405	-	-	323,025	308,405
Grants and contributions not restricted to specific programs	7,570,738	6,300,447	-	-	7,570,738	6,300,447
Unrestricted fees	-	-	-	-	-	0
Unrestricted investment earnings	1,634,969	1,436,172	196,246	181,098	1,831,215	1,617,270
Gain on sale/retirement of capital assets	707,145	2,876,383	-	-	707,145	2,876,383
Miscellaneous	392,063	393,305	192,372	78,326	584,435	471,631
Total revenues	89,998,014	90,454,994	18,530,464	20,504,802	108,528,478	110,959,796
Expenses:						
General government	7,459,528	6,966,383	-	-	7,459,528	6,966,383
Payment to data processing	311,568	294,847	-	-	311,568	294,847
Public safety	13,998,396	14,571,046	-	-	13,998,396	14,571,046
Public works	11,366,688	11,176,350	-	-	11,366,688	11,176,350
Health	1,778,704	1,610,957	-	-	1,778,704	1,610,957
Social services	2,371,360	1,987,579	-	-	2,371,360	1,987,579
Education	437,620	709,684	-	-	437,620	709,684
Payment to public school system	29,699,591	27,262,735	-	-	29,699,591	27,262,735
Payment to community college	6,382,000	6,010,000	-	-	6,382,000	6,010,000
Recreation, culture & libraries	1,072,292	720,024	-	-	1,072,292	720,024
Payment to public library system	875,000	835,000	-	-	875,000	835,000
Conservation of natural resources	293,066	230,040	-	-	293,066	230,040
Community development & housing	1,556,909	1,666,691	-	-	1,556,909	1,666,691
Economic development	3,083,041	2,487,755	-	-	3,083,041	2,487,755
Miscellaneous	58,202	79,925	-	-	58,202	79,925
Interest on long-term debt	1,351,127	1,377,559	-	-	1,351,127	1,377,559
Water	-	-	1,798,200	1,751,458	1,798,200	1,751,458
Sewer	-	-	7,900,344	7,137,019	7,900,344	7,137,019
Nursing Home	-	-	10,292,274	9,657,283	10,292,274	9,657,283
Other proprietary funds	-	-	446,058	487,108	446,058	487,108
Total expenses	82,095,092	77,986,575	20,436,876	19,032,868	102,531,968	97,019,443
Increase in net assets before transfers	7,902,922	12,468,419	(1,906,412)	1,471,934	5,996,510	13,940,353
Transfers	(430,187)	96,895	430,187	(96,895)	-	-
Increase (decrease) in net assets	7,472,735	12,565,314	(1,476,225)	1,375,039	5,996,510	13,940,353
Net assets, beginning	71,486,540	58,921,226	65,504,267	64,129,227	136,990,807	123,050,453
Prior period adjustment	(446,113)	-	-	-	(446,113)	-
Net assets, ending	\$ 78,513,162	\$ 71,486,540	\$ 64,028,042	\$ 65,504,266	\$ 142,541,204	\$ 136,990,806

Governmental activities. Governmental activities increased Allegany County's net assets by \$7.6 million, thereby accounting for all of the total growth of \$6.0 million in the net assets of Allegany County. Key elements of this increase are as follows:

- Property taxes in the governmental funds increased by \$954,000 (3.2%). The increase was the result of two factors; property assessments increased 5.7% but the property tax rate was cut approximately 2%. Property tax revenue in the business-type activities increased 20.7 percent. The increase was the result of increases in property values in combination with increases in tax rates to fund new debt issued for sewer improvements.
- Income tax revenue decreased slightly in FY 2007 as the economy slowed; the tax rate did not change and employment was stable.
- Grants and contributions not restricted to specific programs increased \$1.27 million dollars almost entirely due to an increase in the State disparity grant to the County.
- Gains on the sale of capital assets fell by \$2.17 million. During FY 2006 the County recognized a gain on the sale of capital assets of \$2.9 million largely due to the sale of the County Health

Department Building. Proceeds from the sale were applied to the purchasing and remodeling of new facilities for the Health Department.

- Service charges decreased by \$539,000 largely due to decreases in revenue (\$281,000) from boarding Federal prisoners in the County Correctional Center and fees charged for the operations of the Upper Potomac River Commission; \$97,000.

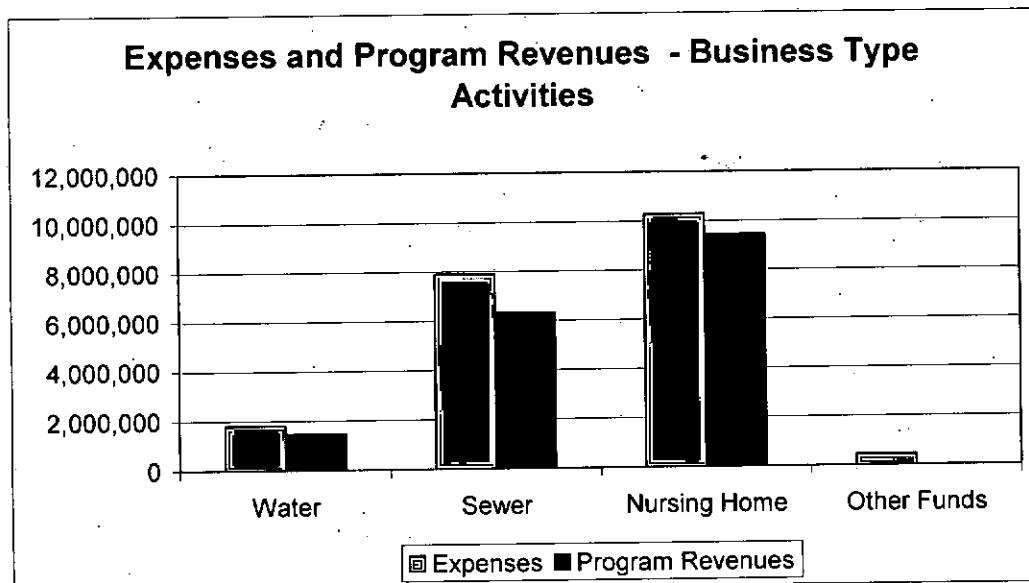


Governmental expenses increased by \$4.1 million from the previous year. The increases were the result of an increase in payments to the public school system of \$2.4 million (or 8.9%), increased expenses for economic development of \$595,000 (or 23.9%), and an increase of \$493,000 (or 7.1%) for general government expenses. The increase for public school system was the result of an increase in the annual

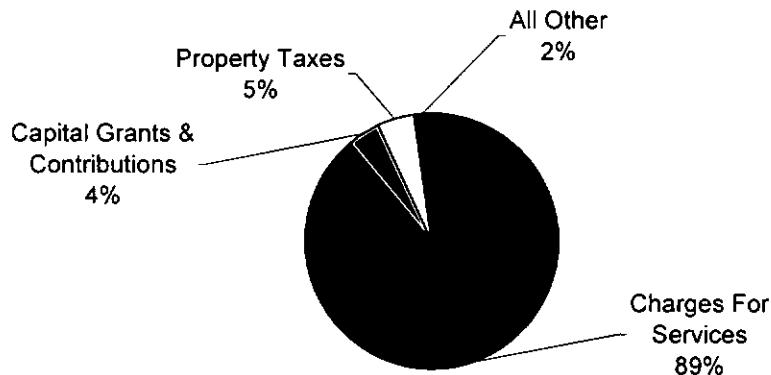
appropriation of \$750,000 and payments made in FY 2007 for the new Mt. Ridge High School of \$2.2 million. The increase in economic development expenses was due to increased activity in the Revolving Building Fund in fiscal year 2007. The increase in general government expenses was due to increases in all activities of the general government function; most notably the personnel, building maintenance and planning and zoning activities.

Business-type activities. The net assets of the County's business-type activities decreased by \$1.5 million after transfers; a reduction of 2.25%. Key elements of the decrease were:

- Charges for services for business-type activities increased by \$502,000 (2.2%) due to increases in sanitary service charges of \$290,000 and Nursing Home service charges of \$424,000. Water service charges decreased \$65,000 which was the result of lower costs for bulk water purchases for some of the water districts from the City of Frostburg. The cost of bulk water purchases is passed directly on to water customers.
- Capital contributions declined substantially in fiscal year 2007. Grants received in the current year were \$803,000 in contrast to \$3.56 million in the prior year. Several large water construction projects were either completed or neared completion in the prior year (in particular the Celanese Waste Water Treatment Plant, a \$14.8 million project) thereby reducing capital grants in the current year.
- Expenses of the business-type activities increased by \$1.4 million (or 7.4%). Almost all of the increase was the result of the sanitary districts operations (\$721,000) and the County's Nursing Home (\$639,000). The sanitary district's operations generate sufficient revenues to pay its expenses on a cash basis and continued to improve its financial position. The Nursing Home operation continues to experience significant financial difficulties largely due to reductions in reimbursements for patients receiving Federal and State assistance.



Revenues By Source - Business Type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, Allegany County's governmental funds reported combined ending fund balances of \$35.4 million, an increase of \$12.2 million in comparison with the prior year. Approximately 60.3 percent of this total amount (\$21.36 million) constitutes *unreserved fund balance*, of which the majority is available for spending at the government's discretion. Some amounts reported as *unreserved/designated fund balance*, are not available due to the single purpose of the fund being restricted and the requirement the fund balance be reported as unreserved. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for non-current assets or legally restricted for specified use, a total of \$14.1 million.

The general fund is the chief operating fund of Allegany County. At the end of the current fiscal year, *unreserved/undesignated fund balance* of the general fund was \$1.9 million, out of a total fund balance of \$15.5 million. As a measure of the general fund's liquidity, it may be useful to compare both *unreserved/undesignated fund balance* and total fund balance to total fund expenditures. *Unreserved/undesignated fund balance* represents 3.0 percent of total general fund expenditures, while total fund balance represents 24.4 percent of that same amount.

Key factors in the \$12.2 million growth of the governmental fund balances are:

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

- Property taxes increased \$954,500 (or 3.2%) due to continued increases in the assessable base.
- Income tax revenue increased \$1.9 million (or 8.5%) in the governmental funds due to slowing but still growing economy. In addition, the County received a distribution in the current year for the prior year which was not subject to accrual in the prior year using the modified accrual basis of accounting. The

income tax revenue was recorded in the prior year's statement of activities as revenue using the full accrual basis of accounting.

- Other general fund revenues grew, in total, at a modest rate of 2.8%.
- General Fund expenditures increased \$2.6 million (or 4.2%). Most of the increase, in dollars, was for increased appropriations to other agencies and component units. The public school system received an additional \$750,000, the community college an additional \$407,000 and the Health Department's appropriation increased \$118,000. Of the County's operating departments; the election board's expenditures increased \$298,000 due to state wide elections held during the year and building maintenance increased \$265,800 for a new office building on Willowbrook Road. Also, during fiscal year 2007 the County remitted to the State \$289,589 from the sale of the Barton and Oldtown schools (closed by the Board of Education) which had occurred several years prior. The payment, as determined by the State, was to return their investment in the two buildings.

The Revolving Building Funds, a major fund, fund balance increased \$7.66 million as a result of obtaining debt proceeds of \$6.05 million to pay for renovations to the former Pittsburg Plate Glass factory to be lease by the Federal Emergency Management Agency (FEMA) for a period of ten years. Renovations and improvements had just started and most of the funding remained unspent at year end.

The Capital Projects Fund, another major fund, fund balance increase \$2.15 million. It also obtained debt proceeds of over \$5 million dollars primarily for a new high school. As of the end of the year \$2.7 million of the debt remained to pay for the construction of the school.

The fund balance of the highway fund, the other major fund, remained relatively unchanged decreasing by \$197,500.

The non-major governmental funds saw their fund balance increase by \$1.25 million also as a result of obtaining debt proceeds in the amount of \$3 million to fund projects which have not completed or started construction.

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

	Water Districts	Sanitary Districts	Nursing Home	Other Enterprise Funds	Totals
Net assets:					
Invested in capital assets, net of related debt	\$ 14,964,813	\$ 43,930,444	\$ 1,980,357	\$ 2,102,644	\$ 62,978,258
Restricted for debt service		170,832			170,832
Unrestricted	110,875	1,789,808	(2,548,644)	1,526,913	878,952
Total net assets	\$ 15,075,688	\$ 45,891,084	\$ (568,287)	\$ 3,629,557	\$ 64,028,042
Change in net assets during the year, increase (decrease)	\$ (197,486)	\$ (378,302)	\$ (779,482)	\$ (120,955)	\$ (1,476,225)

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

General Fund Budgetary Highlights

During the year, the original budget increased just \$574,500 to a revised total of \$74 million, which was the final amended budget. Significant changes between the original budget and the final amended budget are summarized as follows:

- Most of the increase (\$220,000) was to fund the Human Resource Development Commission's child care operations which was funded entirely by a Federal health and human services grant.

- Public safety budgeted expenditures increased \$306,000 primarily due to the creation of a public safety department for \$107,000. The increase was funded by grants and the use of unexpended fund balance.

Revenues exceeded budgetary estimates by \$1.8 million and actual expenditures were less than budgetary estimates by \$3 million. After allowing for other financing sources and uses, the fund balance of the general fund increased by slightly more than \$1.4 million.

The General Fund's net property tax revenue exceeded budget by \$740,000 (2.5%) due to stable property tax assessments. Income tax revenue exceeded budget by \$1.8 million (or 8.25%) due to the prior year distribution of taxes by the State not being received by the County until well into the current fiscal year. These taxes were not subject to accrual under the modified accrual basis of accounting for the prior year and were reported as revenue in the current year. Other local taxes exceeded budget estimates by 25.2% (\$823,000) due to a continued active real estate market resulting in recordation and transfer taxes being much higher than expected. A significant decline in activity was experienced in the second half of the year. State grants were \$1.5 million below budget primarily due to Program Open Space programs not proceeding and therefore the grant revenues not being earned. Other general fund revenues were within budgetary estimates. General Fund expenditures were \$3 million below the budgeted amount of \$66.6 million largely due to the program open space expenditures mentioned previously being \$1.3 million below budget. The County's detention center also had a favorable budget variance of \$433,000. The balance of the favorable budget results were distributed among the other operating departments of the County.

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, 2007 was \$161.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, infrastructure, furniture and fixtures, equipment, vehicles, heavy equipment and other miscellaneous assets. The total increase in Allegany County's investment in capital assets for the current fiscal year was 3.6 percent (a 9.4 percent increase for governmental activities and an 1.5 percent decrease for business-type activities).

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

- Construction continued and was completed on the Celanese waste water treatment plant and headworks in Cresaptown; additional costs incurred during the fiscal year were \$64 thousand, this project was fully capitalized at the end of the fiscal year with a total project cost of \$14.8 million.
- Design and construction continued on Bowling Green, Cresaptown and Georges Creek sewer rehabilitation projects with a total cost incurred of \$778 thousand during the year.
- The Barton Industrial Park construction costs were \$123 thousand during the year. Barton Park electric service was capitalized at the close of the fiscal year with a total project cost of \$1.4 million; construction in progress for the remainder of the Barton industrial park was \$1.1 million.
- Significant construction continued and was largely completed on the Allegheny Highlands Trail with additional charges of \$2.5 million during the fiscal year, bringing the total project capitalized costs to \$9.6 million.
- The existing Allegany County Health Department was relocated to the remodeled Kelly Springfield Corporate Headquarters on Willowbrook Road at a cost of \$3.3 million in the fiscal year with a total relocation, remodeling and building purchase price of \$7.1 million.
- Work continued on remodeling of the old PPG building at Mexico Farms with a cost of \$1 million during the year; construction in progress for this project is currently \$1.7 million.
- The County purchased a building from the Maryland Economic Development Corporation (MEDCO) located in the Mexico Farms area for \$600,000 to be used as the public safety building.

ALLEGANY COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Land	\$ 20,537,494	\$ 17,213,375	\$ 34,288	\$ 34,288	\$ 20,571,782	\$ 17,247,663
Work in Progress	4,197,814	7,144,836	4,360,096	5,202,428	8,557,910	12,347,264
Buildings	34,499,195	28,704,901	1,780,460	1,801,420	36,279,655	30,506,321
Infrastructure	15,541,127	14,878,828	70,209,430	70,501,505	85,750,557	85,380,333
Furniture & fixtures	92,059	101,270	557,267	589,606	649,326	690,876
Equipment	1,751,515	1,674,215	2,580,022	2,889,778	4,331,537	4,563,993
Vehicles	2,146,586	2,049,614	164,144	197,602	2,310,730	2,247,216
Heavy equipment	720,234	833,798	142,920	113,672	863,154	947,470
Other fixed assets	486,835	495,661	2,085,462	1,808,974	2,572,297	2,304,635
Total	<u>\$ 79,972,859</u>	<u>\$ 73,096,498</u>	<u>\$ 81,914,089</u>	<u>\$ 83,139,273</u>	<u>\$ 161,886,948</u>	<u>\$ 156,235,771</u>

Additional information on Allegany County's capital assets can be found in the notes to the financial statements, note 7 on pages C-41 through C-42 of this report.

Long-term debt. At the end of the current fiscal year, Allegany County had total debt outstanding of \$59.1 million. Governmental activities debt consists of \$28.5 in general obligation bonds and \$11.7 million of debt incurred with creditors for which the full faith and credit of the County has also been pledged. The \$18.9 million of debt for the business-type activities (revenue bonds) is either paid from revenues restricted for that purpose or by user fees.

ALLEGANY COUNTY'S OUTSTANDING DEBT
General Obligation and Revenue Bonds

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation	\$ 28,532,000	\$ 22,944,000	\$ 475,926	\$ 501,088	\$ 29,007,926	\$ 23,445,088
Notes	5,610,818	699,910	-	-	5,610,818	699,910
Capital leases	126,929	206,123	-	-	126,929	206,123
State loans	5,941,976	6,433,258	10,012,618	10,137,902	15,954,594	16,571,160
Federal loans	-	-	7,952,067	5,236,197	7,952,067	5,236,197
County loans	-	-	495,220	233,618	495,220	233,618
Total	<u>\$ 40,211,723</u>	<u>\$ 30,283,291</u>	<u>\$ 18,935,831</u>	<u>\$ 16,108,805</u>	<u>\$ 59,147,554</u>	<u>\$ 46,392,096</u>

Allegany County issued \$17.8 million of debt and retired \$5.05 million during the current fiscal year for a net increase of \$12.75 million (or 27.5%). Debt issued during the year for governmental activities was a \$5 million Farmers Home Administration loan for a new high school in Frostburg. Slightly over \$3 million was borrowed in general obligation debt for various projects including; the Health Department building for \$2 million, the Board of Education warehouse for \$487,000, Westernport Library for \$202,000, the college library for \$272,595 and several other smaller projects. An additional \$6 million was borrowed to make improvements to the PPG building as a prerequisite for a 10 year lease with FEMA.

Revenue debt in the amount of \$3.7 was incurred for the following projects: \$323,000 for a Public Service Commission rate case, \$2.8 million for sewer inflow and infiltration studies and the balance was used fund various small water and sewer improvements.

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

Additional information on Allegany County's long-term debt can be found in note 10 on pages C-47 through C-50 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for June 2007 for Allegany County was 5.2 percent, which was a decrease from a 5.4 percent rate for June 2006.
- Property assessments increased 5.7% from the previous fiscal year.

All of these factors were considered in preparing Allegany County's budget for the 2008 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$11.68 million. Allegany County has appropriated \$1.96 million of this amount for spending in the 2008 fiscal year budget. 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 2008 fiscal year.

The sewer and water district minimum service charges were increased 6% - 9% for the 2008 budget year. These rate increases were necessary to pay for the rising costs of operations and State and Federal mandated improvements in the water and sewer systems.

Requests for Information

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

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**BASIC
FINANCIAL
STATEMENTS**

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**GOVERNMENT WIDE
FINANCIAL
STATEMENTS**

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET ASSETS
JUNE 30, 2007

	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	\$ 12,429,369	\$ 744,996	\$ 13,174,365	\$ 9,962,678	\$ 524,829	\$ 62,157	\$ 2,269,938	
Investments	18,963,502	708,733	19,672,235	14,000,000	5,047,480	933,236		
Property taxes receivable	2,628,916	-	2,628,916	-	-	-		
Receivables:								
Accounts	-	2,779,065	2,779,065	6,599,048	553,687	1,555	691,010	
Other	13,467,110	31,605	13,498,715	49,103	1,644,239	-	70,573	
Internal balances	(1,720,080)	1,720,080	-	-	-	-		
Inventory	61,810	182,653	244,463	250,893	257,571	-	261,651	
Prepaid expenses	68,525	23,985	92,510	-	49,621	17,250	17,888	
Deferred charges	59,170	-	59,170	-	-	-		
Miscellaneous	75,105	-	75,105	-	-	-		
Restricted Assets:								
Cash	21,109	275,830	296,939	-	7,606,333	-	23,355	
Investments	-	-	-	-	151,380	-	-	
Taxes	-	87,716	87,716	-	-	-	-	
Receivables	-	83,116	83,116	-	-	-	-	
Total current assets	<u>46,054,536</u>	<u>6,637,779</u>	<u>52,692,315</u>	<u>30,861,722</u>	<u>15,835,140</u>	<u>1,014,198</u>	<u>3,334,415</u>	
Non-current Assets:								
Land	20,537,494	34,288	20,571,782	2,557,989	705,468	-	176,385	
Work In Progress	4,197,814	4,360,096	8,557,910	35,077,646	255,009	-	3,311,874	
Capital assets subject to depreciation/amortization	106,146,398	119,350,105	225,496,503	120,543,596	49,935,121	8,590,733	17,237,247	
Accumulated depreciation	(50,908,847)	(41,830,400)	(92,739,247)	(72,945,061)	(18,874,420)	(5,053,226)	(8,277,432)	
Total non-current assets	<u>79,972,859</u>	<u>81,914,089</u>	<u>161,886,948</u>	<u>85,234,170</u>	<u>32,021,178</u>	<u>3,537,507</u>	<u>12,448,074</u>	
Total Assets	<u>126,027,395</u>	<u>88,551,868</u>	<u>214,579,263</u>	<u>116,095,892</u>	<u>47,856,318</u>	<u>4,551,705</u>	<u>15,782,489</u>	
LIABILITIES:								
Current Liabilities:								
Accounts payable	4,731,297	928,762	5,660,059	9,657,893	1,051,425	7,225	480,753	
Accrued wages payable	371,784	114,064	485,848	876,676	568,687	1,847		
Accrued fringe benefits payable	130,674	48,853	179,527	-	-	-		
Accrued interest	349,175	108,853	458,028	-	-	-	1,794	
Current portion of long-term debt:								
Bonds and loans	4,259,244	856,577	5,115,821	112,765	81,890	-	38,698	
Capital leases	30,950	-	30,950	-	90,730	-		
Compensated absences	890,761	84,567	975,328	-	54,457	-		
Due to Agency Fund	152,748	-	152,748	-	-	-		
Unearned revenue	405,913	-	405,913	2,135,182	392,545	-		
Miscellaneous liabilities	861,885	263,416	1,125,301	9,115,025	1,119,367	-	23,355	
Total current liabilities	<u>12,184,431</u>	<u>2,405,092</u>	<u>14,589,523</u>	<u>21,897,541</u>	<u>3,359,101</u>	<u>9,072</u>	<u>544,600</u>	
Non-current liabilities:								
Cash advance due general fund	(3,825,655)	3,825,655	-	-	-	-		
Bonds and loans	35,825,550	17,584,033	53,409,583	-	3,217,987	-	3,249,308	
Capital leases	95,979	-	95,979	-	276,728	-		
Compensated absences	3,233,928	709,046	3,942,974	2,568,943	-	60,967	-	
Total non-current liabilities	<u>35,329,802</u>	<u>22,118,734</u>	<u>57,448,536</u>	<u>2,568,943</u>	<u>3,494,715</u>	<u>60,967</u>	<u>3,249,308</u>	
Total Liabilities	<u>47,514,233</u>	<u>24,523,826</u>	<u>72,038,059</u>	<u>24,466,484</u>	<u>6,853,816</u>	<u>70,039</u>	<u>3,793,908</u>	
NET ASSETS								
Invested in capital assets net of related debt	70,105,110	62,978,258	133,083,368	85,234,170	28,353,843	3,537,507	9,110,807	
Restricted for:								
Public safety	674,261	-	674,261	-	-	-		
Highways	1,048,098	-	1,048,098	-	-	-		
Education	428,360	-	428,360	-	-	-		
Community development & housing	195,117	-	195,117	-	-	-		
Economic development	7,336,864	-	7,336,864	-	-	-		
Capital projects	3,360,975	-	3,360,975	2,898,914	-	-		
Other purposes	-	170,832	170,832	250,893	9,047,972	326,489		
Unrestricted	(4,635,623)	878,952	(3,756,671)	3,245,431	3,600,687	617,670	2,877,774	
Total Net Assets	<u>\$ 78,513,162</u>	<u>\$ 64,028,042</u>	<u>\$ 142,541,204</u>	<u>\$ 91,629,408</u>	<u>\$ 41,002,502</u>	<u>\$ 4,481,666</u>	<u>\$ 11,988,581</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, 2007**

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:	\$ 8,275,516	\$ (815,988)	\$ 7,459,528	\$ 378,542	\$ 756,450	\$ -
Payment to data processing	311,568	-	311,568	-	-	-
Public safety	13,998,396	-	13,998,396	2,385,029	1,347,369	124,823
Public works	11,304,802	61,886	11,366,688	957,924	721,547	289,180
Health	1,778,704	-	1,778,704	-	169,542	139,000
Social services	2,296,827	74,533	2,371,360	44,514	1,148,719	-
Education:	437,620	-	437,620	-	-	-
Payment to public school system	29,699,591	-	29,699,591	-	-	-
Payment to community college	6,382,000	-	6,382,000	-	-	-
Recreation, culture & libraries:	1,072,292	-	1,072,292	296,024	229,698	-
Payment to public library system	875,000	-	875,000	-	-	-
Conservation of natural resources	293,066	-	293,066	33,917	25,804	-
Community development and housing	1,556,909	-	1,556,909	30,230	1,098,204	-
Economic development	3,083,041	-	3,083,041	2,179,128	66,943	4,652,636
Miscellaneous	58,202	-	58,202	-	-	-
Interest on long term debt	1,351,127	-	1,351,127	-	-	-
Total governmental activities	\$ 82,774,661	(\$ 679,569)	\$ 82,095,092	\$ 6,305,308	\$ 5,564,276	\$ 5,205,639
Business-type activities:						
Water	1,736,056	62,144	1,798,200	1,313,974	-	155,021
Sewer	7,594,127	306,217	7,900,344	5,671,545	-	648,370
Nursing Home	9,981,066	311,208	10,292,274	9,455,148	-	-
Other funds	446,058	-	446,058	13,448	-	-
Total business-type activities	19,757,307	679,569	\$ 20,436,876	\$ 16,454,115	\$ 5,564,276	\$ 803,391
Total primary government	\$ 102,531,968	\$ -	\$ 102,531,968	\$ 22,759,423	\$ 5,564,276	\$ 6,009,030

Component units:						
Board of Education			\$ 117,485,366	\$ 2,316,596	\$ 17,882,543	\$ 20,312,577
Allegany College of Md.			31,122,000	11,305,262	12,372,654	384,243
County Library			1,999,505	61,740	79,144	-
LaVale Sanitary Commission			3,471,036	3,007,335	-	190,699
Total component units			\$ 154,077,907	\$ 16,690,933	\$ 30,334,341	\$ 20,887,519

General revenues:

Property taxes	
Income taxes	
Other local taxes	
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 assets	
Net assets - beginning as restated	
Net assets - ending	

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2007

Net (Expense) Revenue and Changes in Net Assets

Primary Government			Component Units			
Governmental Activities	Business-Type Activities	Total	Board of Education	Allegany College of MD	County Library	LaVale Sanitary Commission
\$ (6,324,536)	\$ -	\$ (6,324,536)	\$ -	\$ -	\$ -	\$ -
(311,568)	-	(311,568)	-	-	-	-
(10,141,175)	-	(10,141,175)	-	-	-	-
(9,398,037)	-	(9,398,037)	-	-	-	-
(1,470,162)	-	(1,470,162)	-	-	-	-
(1,178,127)	-	(1,178,127)	-	-	-	-
(437,620)	-	(437,620)	-	-	-	-
(29,699,591)	-	(29,699,591)	-	-	-	-
(6,382,000)	-	(6,382,000)	-	-	-	-
(546,570)	-	(546,570)	-	-	-	-
(875,000)	-	(875,000)	-	-	-	-
(233,345)	-	(233,345)	-	-	-	-
(428,475)	-	(428,475)	-	-	-	-
3,815,666	-	3,815,666	-	-	-	-
(58,202)	-	(58,202)	-	-	-	-
(1,351,127)	-	(1,351,127)	-	-	-	-
(65,019,869)	-	(65,019,869)	-	-	-	-
-	(329,205)	(329,205)	-	-	-	-
-	(1,580,429)	(1,580,429)	-	-	-	-
-	(837,126)	(837,126)	-	-	-	-
-	(432,610)	(432,610)	-	-	-	-
-	(3,179,370)	(3,179,370)	-	-	-	-
(65,019,869)	(3,179,370)	(68,199,239)	-	-	-	-
-	-	-	(76,973,650)	-	-	-
-	-	-	-	(7,059,841)	-	-
-	-	-	-	-	(1,858,621)	-
-	-	-	-	-	-	(273,002)
-	-	-	(76,973,650)	(7,059,841)	(1,858,621)	(273,002)
30,141,707	884,340	31,026,047	-	-	-	428,552
23,177,237	-	23,177,237	-	-	-	461,062
8,975,907	-	8,975,907	-	-	-	-
-	-	30,011,159	6,382,000	875,000	-	-
323,025	-	323,025	-	-	-	-
7,570,738	-	7,570,738	68,357,303	-	697,376	-
1,634,969	196,246	1,831,215	867,883	1,179,984	57,659	94,812
707,145	-	707,145	-	-	-	20,950
392,063	192,372	584,435	349,514	624,212	312,162	1,289
(430,187)	430,187	-	-	-	-	-
72,492,604	1,703,145	74,195,749	99,585,859	8,186,196	1,942,197	1,006,665
7,472,735	(1,476,225)	5,996,510	22,612,209	1,126,355	83,576	733,663
71,040,427	65,504,267	136,544,694	69,017,199	39,876,147	4,398,090	11,254,918
\$ 78,513,162	\$ 64,028,042	\$ 142,541,204	\$ 91,629,408	\$ 41,002,502	\$ 4,481,666	\$ 11,988,581

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

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**FUND
FINANCIAL
STATEMENTS**

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ALLEGANY COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2007

ASSETS:	General Fund	Highway Fund	Revolving Building Fund	Capital Improvements Projects Fund	Other Governmental Funds	Total
Cash	\$ 12,428,594	\$ -	\$ -	\$ -	\$ 775	\$ 12,429,369
Cash -restricted	\$ -	\$ -	\$ -	\$ -	\$ 21,109	\$ 21,109
Investments	1,106,976	\$ -	\$ 7,854,674	\$ 5,110,799	\$ 4,891,053	\$ 18,963,502
Property tax receivable	3,098,916	\$ -	\$ -	\$ -	\$ -	\$ 3,098,916
Receivables						
Notes and loans	\$ -	\$ -	\$ -	\$ -	\$ 363,911	\$ 363,911
Other receivables	3,750,514	\$ 1,064,668	\$ 726,860	\$ 1,679,053	\$ 763,963	\$ 7,985,058
Due from other funds	\$ -	\$ 482,582	\$ 1,524,961	\$ -	\$ 3,465,209	\$ 5,472,752
Advances to other funds	3,825,655	\$ -	\$ -	\$ -	\$ -	\$ 3,825,655
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 61,810	\$ 61,810
Prepays	\$ -	\$ -	\$ -	\$ -	\$ 68,525	\$ 68,525
Miscellaneous assets	75,105	\$ -	\$ -	\$ -	\$ -	\$ 75,105
Total Assets	\$ 24,285,760	\$ 1,547,250	\$ 10,106,495	\$ 6,789,852	\$ 9,636,355	\$ 52,365,712
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Accounts payable	\$ 819,241	\$ 105,469	\$ 586,801	\$ 2,653,065	\$ 566,721	\$ 4,731,297
Accrued payroll	304,927	\$ 50,556	\$ 427	\$ -	\$ 15,874	\$ 371,784
Accrued payroll fringe	94,243	\$ 28,472	\$ 343	\$ -	\$ 7,616	\$ 130,674
Due to other funds	4,306,747	\$ -	\$ -	\$ 2,351,148	\$ 687,685	\$ 7,345,580
Amounts held in escrow	304,313	\$ 135,000	\$ -	\$ -	\$ 156,823	\$ 596,136
Unearned revenue	2,724,930	\$ -	\$ 101,000	\$ -	\$ 668,824	\$ 3,494,754
Miscellaneous liabilities	229,713	\$ -	\$ 2,500	\$ -	\$ 33,536	\$ 265,749
Total Liabilities	\$ 8,784,114	\$ 319,497	\$ 691,071	\$ 5,004,213	\$ 2,137,079	\$ 16,935,974
Fund Balances:						
Reserved:						
For non-current assets	3,825,655	\$ -	\$ -	\$ -	\$ -	\$ 3,825,655
For prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 8,089	\$ 8,089
For inventories	\$ -	\$ -	\$ -	\$ -	\$ 2,154	\$ 2,154
For special revenue programs	\$ -	\$ -	\$ -	\$ -	\$ 463,206	\$ 463,206
For capital projects	\$ -	\$ -	\$ 7,336,864	\$ 1,785,639	\$ 644,138	\$ 9,766,641
Unreserved/Designated:						
For next fiscal year:						
General fund	1,956,579	\$ -	\$ -	\$ -	\$ -	\$ 1,956,579
Special revenue funds	\$ -	\$ 1,009,282	\$ 1,188,981	\$ -	\$ 251,235	\$ 2,449,498
Debt Service Fund	\$ -	\$ -	\$ -	\$ -	\$ 197,035	\$ 197,035
Capital project funds	\$ -	\$ -	\$ -	\$ -	\$ 1,171,500	\$ 1,171,500
For contingencies	7,000,000	\$ -	\$ -	\$ -	\$ -	\$ 7,000,000
For specific programs, reported in:						
General fund	800,000	\$ -	\$ -	\$ -	\$ -	\$ 800,000
Special revenue funds	\$ -	\$ -	\$ -	\$ -	\$ 1,624,981	\$ 1,624,981
Debt service fund	\$ -	\$ -	\$ -	\$ -	\$ 1,490,575	\$ 1,490,575
Capital Project funds	\$ -	\$ -	\$ -	\$ -	\$ 1,583,425	\$ 1,583,425
Undesignated:						
General fund	1,919,412	\$ -	\$ -	\$ -	\$ -	\$ 1,919,412
Special revenue funds	\$ -	\$ 218,471	\$ 889,579	\$ -	\$ -	\$ 1,108,050
Capital Project funds	\$ -	\$ -	\$ -	\$ -	\$ 62,938	\$ 62,938
Total Fund Balances	\$ 15,501,646	\$ 1,227,753	\$ 9,415,424	\$ 1,785,639	\$ 7,499,276	\$ 35,429,738
Total Liabilities and Fund Balance	\$ 24,285,760	\$ 1,547,250	\$ 10,106,495	\$ 6,789,852	\$ 9,636,355	

Amounts reported for governmental activities in the statement of net assets

are different because:

- Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 79,972,858
- Other long -term assets are not available to pay current -period expenditures and are deferred in the funds. 4,707,312
- Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds. (44,336,412)
- Other long -term liabilities are not due and payable in the current period and therefore are not reported in the funds. 2,739,666

Net assets of governmental activities

\$ 78,513,162

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, 2007

REVENUES:	General Fund	Highway Fund	Revolving Building Fund	Capital Improvements Projects Fund	Other Governmental Funds	Total
Taxes:						
Property taxes	\$ 30,740,703	\$ -	\$ -	\$ -	\$ -	\$ 30,740,703
Income taxes	23,977,520					23,977,520
Other local taxes	4,089,199	4,823,654			748,570	9,661,423
Licenses and permits	616,222					616,222
Intergovernmental:						
Federal	1,467,841	38,789	579,497	1,546,723	1,573,703	5,206,553
State	8,826,420		2,500,000	2,124,802	683,527	14,134,749
Other	314,491			14,000	71,266	399,757
Service charges	2,501,479				377,273	2,878,752
Fines and forfeitures	25,271				83,751	109,022
Interest	637,863	1,994	28,887	12,173	267,939	948,856
Miscellaneous	420,718		2,293,696	20	194,033	2,908,467
Total Revenues	<u>73,617,727</u>	<u>4,864,437</u>	<u>5,402,080</u>	<u>3,697,718</u>	<u>4,000,062</u>	<u>91,582,024</u>
EXPENDITURES:						
Current:						
General government	7,075,045				128,816	7,203,861
Public safety	12,591,903				748,103	13,340,006
Public works	2,264,468	6,861,959			1,356,622	10,483,049
Health and Hospitals	522,986				145,450	668,436
Social Services	2,267,955					2,267,955
Education	296,339					296,339
Recreation, culture and libraries	785,391					785,391
Conservation of natural resources	286,942					286,942
Community Development and Housing	122,092				1,413,425	1,535,517
Economic development	1,252,920		2,841,020			4,093,940
Miscellaneous	20,974				4,775	25,749
Appropriation to other governments	1,162,444					1,162,444
Payments to component units	34,948,568					34,948,568
Debt Service:						
Principal					4,213,086	4,213,086
Interest					1,317,568	1,317,568
Capital Outlay:						
General government	-			23,956	120,801	144,757
Public safety	-			1,065,616	23,087	1,088,703
Public works	-			198,469	883,336	1,081,805
Health and Hospitals	-			3,292,768		3,292,768
Education	-				141,281	141,281
Recreation, culture and libraries	-				124,186	124,186
Economic development	-			2,592,197		2,592,197
Miscellaneous	-				3,747	3,747
Payments to component units	-			2,222,871	96,720	2,319,591
Total Expenditures	<u>63,598,027</u>	<u>6,861,959</u>	<u>2,841,020</u>	<u>9,395,877</u>	<u>10,721,003</u>	<u>93,417,886</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,019,700</u>	<u>(1,997,522)</u>	<u>2,561,060</u>	<u>(5,698,159)</u>	<u>(6,720,941)</u>	<u>(1,835,862)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	150,484	1,800,000		2,788,992	7,464,907	12,204,383
Transfers out	(9,109,025)		(1,004,320)		(2,521,225)	(12,634,570)
Debt issued			6,050,000	5,061,516	3,030,000	14,141,516
Sale of capital assets	308,274		50,600			358,874
Total Other Financing Sources and uses	<u>(8,650,267)</u>	<u>1,800,000</u>	<u>5,096,280</u>	<u>7,850,508</u>	<u>7,973,682</u>	<u>14,070,203</u>
Net change in fund balances	1,369,433	(197,522)	7,657,340	2,152,349	1,252,741	12,234,341
Fund balance, beginning as restated, see note 16	<u>14,132,213</u>	<u>1,425,275</u>	<u>1,758,084</u>	<u>(366,710)</u>	<u>6,246,535</u>	<u>23,195,397</u>
Fund balance, ending	<u>\$ 15,501,646</u>	<u>\$ 1,227,753</u>	<u>\$ 9,415,424</u>	<u>\$ 1,785,639</u>	<u>\$ 7,499,276</u>	<u>\$ 35,429,738</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, 2007

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) \$ 12,234,341

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	\$ 10,595,385	
Depreciation	<u>(3,204,124)</u>	7,391,261

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (514,901)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,427,984)

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	\$ (14,141,516)	
Lease proceeds	-	
Effect of bond issuance costs	29,688	
Payment of principal	<u>4,213,086</u>	(9,898,742)

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. (311,240)

Change in net assets of governmental activities (pages C6-C7) \$ 7,472,735

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

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ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
June 30, 2007

ASSETS	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
Current Assets:					
Cash:					
Cash	\$ -	\$ 627,751	\$ 117,245	\$ -	\$ 744,996
Cash - restricted	-	275,830	-	-	275,830
Investments	186,020	522,713	-	-	708,733
Receivables:					
Accounts (net)	364,992	1,077,434	979,398	357,241	2,779,065
Taxes - restricted	-	87,716	-	-	87,716
Accounts (net) - restricted	-	83,116	-	-	83,116
Other	3,360	28,245	-	-	31,605
Due from other funds	293,404	7,011,725	-	678,658	7,983,787
Prepaid expenses	-	-	23,985	-	23,985
Inventory	-	156,169	26,484	-	182,653
Miscellaneous assets	-	-	-	-	-
Total current assets	<u>847,776</u>	<u>9,870,699</u>	<u>1,147,112</u>	<u>1,035,899</u>	<u>12,901,486</u>
Non-current Assets:					
Advances to other funds	-	-	-	495,221	495,221
Land	6,570	27,718	-	-	34,288
Construction in Progress	30,745	4,329,351	-	-	4,360,096
Capital assets subject to depreciation	24,774,774	85,539,920	6,095,124	2,940,287	119,350,105
Accumulated depreciation	(5,210,435)	(32,143,481)	(3,638,841)	(837,643)	(41,830,400)
Total noncurrent assets	<u>19,601,654</u>	<u>57,753,508</u>	<u>2,456,283</u>	<u>2,597,865</u>	<u>82,409,310</u>
Total Assets	<u>20,449,430</u>	<u>67,624,207</u>	<u>3,603,395</u>	<u>3,633,764</u>	<u>95,310,796</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	115,837	633,633	175,085	4,207	928,762
Accrued payroll	-	20,963	93,101	-	114,064
Accrued payroll fringe	-	9,423	39,430	-	48,853
Accrued interest	21,064	83,630	4,159	-	108,853
Current portion of long-term debt:					
Revenue debt:					
Bonds and loans	60,110	769,989	26,478	-	856,577
Advances from other funds	30,180	334	-	-	30,514
Compensated absences	-	48,641	35,926	-	84,567
Due to other funds	-	6,263,707	-	-	6,263,707
Miscellaneous liabilities	-	263,416	-	-	263,416
Total current liabilities	<u>227,191</u>	<u>8,093,736</u>	<u>374,179</u>	<u>4,207</u>	<u>8,699,313</u>
Noncurrent Liabilities:					
Cash advance due to General Fund	600,000	300,000	2,925,655	-	3,825,655
Long term debt:					
Revenue debt:					
Bonds and loans	4,101,013	13,033,572	449,448	-	17,584,033
Advance from other funds	445,538	19,169	-	-	464,707
Compensated absences	-	286,646	422,400	-	709,046
Total noncurrent liabilities	<u>5,146,551</u>	<u>13,639,387</u>	<u>3,797,503</u>	<u>-</u>	<u>22,583,441</u>
Total Liabilities	<u>5,373,742</u>	<u>21,733,123</u>	<u>4,171,682</u>	<u>4,207</u>	<u>31,282,754</u>
NET ASSETS					
Invested in capital assets,					
net of related debt	14,964,813	43,930,444	1,980,357	2,102,644	62,978,258
Restricted for debt service	-	170,832	-	-	170,832
Unrestricted	110,875	1,789,808	(2,548,644)	1,526,913	878,952
Total Net Assets	<u>\$ 15,075,688</u>	<u>\$ 45,891,084</u>	<u>\$ (568,287)</u>	<u>\$ 3,629,557</u>	<u>\$ 64,028,042</u>

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
OPERATING REVENUES:					
Service charges	\$ 1,313,974	\$ 5,671,545	\$ -	\$ 13,448	\$ 6,998,967
Patient fees	-	-	9,455,148	-	9,455,148
Miscellaneous	66,644	66,507	57,428	1,793	192,372
Total Operating Revenues	1,380,618	5,738,052	9,512,576	15,241	16,646,487
OPERATING EXPENSES:					
Salaries	174,881	838,939	4,393,985	769	5,408,574
Employee benefits	73,459	393,320	2,522,987	60	2,989,826
Office expenses	252	61,583	170,287	4,998	237,120
Utilities	618,776	1,565,366	303,489	8,827	2,496,458
Repairs & maintenance	118,078	420,012	152,955	4,832	695,877
Contractual services	-	30,943	23,561	-	54,504
Treatment costs	-	1,803,559	-	-	1,803,559
Professional services	500	24,628	1,075,972	2,593	1,103,693
Materials and supplies	5,163	248,297	916,178	-	1,169,638
Insurance	316	109,070	154,851	4,837	269,074
Indirect cost	62,144	306,216	311,208	-	679,568
Miscellaneous	-	12,415	22,769	-	35,184
Depreciation	548,753	1,852,719	218,722	419,142	3,039,336
Total operating expenses	1,602,322	7,667,067	10,266,964	446,058	19,982,411
Operating Income (Loss)	(221,704)	(1,929,015)	(754,388)	(430,817)	(3,335,924)
NON-OPERATING REVENUE (EXPENSES):					
Real and personal property taxes	-	766,924	-	-	766,924
Interest & penalties on taxes	-	24,035	-	-	24,035
Discounts on taxes	-	(3,659)	-	-	(3,659)
Enterprise/industrial exemptions	-	23	-	-	23
Collection fees	-	(17,660)	-	-	(17,660)
Front footage assessments	-	104,780	-	-	104,780
Interest income	36,929	156,397	216	2,704	196,246
Interest income, debt service	-	3,238	-	-	3,238
Interest expense	(195,878)	(233,277)	(25,310)	-	(454,465)
Loss on sale of capital assets	-	-	-	-	-
Other income (expense)	-	6,659	-	-	6,659
Total non-operating revenue (expenses)	(158,949)	807,460	(25,094)	2,704	626,121
Income (Loss) before contributions and transfers	(380,653)	(1,121,555)	(779,482)	(428,113)	(2,709,803)
Capital contributions:					
Federal grants	155,021	103,877	-	-	258,898
State grants	-	528,350	-	-	528,350
Other	-	16,143	-	-	16,143
Transfers:					
Transfers in	28,146	94,883	-	405,262	528,291
Transfers out	-	-	-	(98,104)	(98,104)
Change in net assets	(197,486)	(378,302)	(779,482)	(120,955)	(1,476,225)
Total net assets - beginning as restated, see Note 16	15,273,174	46,269,386	211,195	3,750,512	65,504,267
Total net assets - ending	\$ 15,075,688	\$ 45,891,084	\$ (568,287)	\$ 3,629,557	\$ 64,028,042

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, 2007

	Allegany County Water Districts	Allegany County Sanitary Districts	Allegany County Nursing Home	Other Enterprise Funds	Total
Cash flows from operating activities:					
Cash received from customers	\$ 1,341,862	\$ 5,753,991	\$ 9,518,990	\$ 119,141	\$ 16,733,984
Cash payments for goods and services	(732,075)	(4,560,440)	(3,062,125)	(22,152)	(8,376,792)
Cash payments to employees for services	(248,339)	(1,181,885)	(6,881,529)	(1,658)	(8,313,411)
Other operating revenues	66,423	68,088	57,428	-	191,939
Net cash provided by operating activities	<u>427,871</u>	<u>79,754</u>	<u>(367,236)</u>	<u>95,331</u>	<u>235,720</u>
Cash flows from noncapital financing activities:					
Advances from other funds	2,300,682	14,117,984	10,809,199	132,797	27,360,662
Advances to other funds	(2,590,496)	(16,630,285)	(10,169,126)	(527,207)	(29,917,114)
Transfers from other funds	28,146	94,883	-	405,262	528,291
Transfers to other funds	-	-	-	(98,104)	(98,104)
Net cash provided by noncapital financing activities	<u>(261,668)</u>	<u>(2,417,418)</u>	<u>640,073</u>	<u>(87,252)</u>	<u>(2,126,265)</u>
Cash flows from capital and related financing activities:					
Proceeds from new debt	322,819	3,340,379	-	-	3,663,198
Acquisition and construction of capital assets	(222,213)	(1,534,355)	(153,037)	(10,783)	(1,920,388)
Principal paid on capital debt	(60,953)	(750,058)	(25,162)	-	(836,173)
Interest paid on capital debt	(189,359)	(223,746)	(25,531)	-	(438,636)
Proceeds from sale of assets	-	-	-	-	-
Grant revenues	15,000	809,650	-	-	824,650
Debt fees	-	881,405	-	-	881,405
Net cash used for capital and related financing activities	<u>(134,706)</u>	<u>2,523,275</u>	<u>(203,730)</u>	<u>(10,783)</u>	<u>2,174,056</u>
Cash flows from investing activities:					
Purchase of investments	(1,299,463)	(1,436,156)	-	-	(2,735,619)
Sale of investments	1,086,583	1,139,714	46,666	-	2,272,963
Interest on investments	41,362	157,331	272	2,704	201,669
Net cash used in investing activities	<u>(171,518)</u>	<u>(139,111)</u>	<u>46,938</u>	<u>2,704</u>	<u>(260,987)</u>
Net increase (decrease) in cash	(140,021)	46,500	116,045	-	22,524
Cash at beginning of the year	-	857,081	1,200	-	858,281
Cash at end of year	<u>\$ (140,021)</u>	<u>\$ 903,581</u>	<u>\$ 117,245</u>	<u>\$ -</u>	<u>\$ 880,805</u>
Reconciliation of operating income to net cash provided by operating activities:					
Operating income (loss)	\$ (221,704)	\$ (1,929,015)	\$ (754,388)	\$ (430,817)	\$ (3,335,924)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	548,753	1,852,719	218,722	419,142	3,039,336
Provision for uncollectible accounts	8,013	36,074	(287,000)	-	(242,913)
Change in assets & liabilities:					
(Increase) decrease in receivables	19,656	47,955	350,843	103,899	522,353
(Increase) decrease in inventory	-	(5,864)	3,248	-	(2,616)
(Increase) decrease in prepaids			37,325		37,325
Increase (decrease) in acc'ts payable	73,153	27,512	28,572	3,936	133,173
Increase (decrease) in accrued payroll	-	50,373	35,442	(829)	84,986
Total adjustments	<u>649,575</u>	<u>2,008,769</u>	<u>387,152</u>	<u>526,148</u>	<u>3,571,644</u>
Net cash provided by operating activities	<u>\$ 427,871</u>	<u>\$ 79,754</u>	<u>\$ (367,236)</u>	<u>\$ 95,331</u>	<u>\$ 235,720</u>

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
JUNE 30, 2007

	Agency Fund
ASSETS:	
Taxes levied for State:	
Taxes receivable - State	\$ 304,590
Bay restoration fee	197,639
Other receivables	2
Taxes levied for Special Areas:	
Lonaconing, Town of	\$ 10,334
Midland, Town of	3,696
Westernport, Town of	38,809
Cumberland differential	4,931
Bel Air Special Tax Area	1,168
Bowling Green Fire Co.	2,921
Bedford Road Fire Co.	3,479
Bowling Green Special Tax Area	970
Cresaptown Ambulance	7,840
Cresaptown Civic Imp. Assoc.	1,951
Cresaptown Fire Co.	9,186
Corriganville Light & Imp.	1,648
Ellerslie Special Tax Area	771
LaVale Volunteer Fire Dept.	7,535
LaVale Rescue Squad	3,767
LaVale Sanitary District	29,879
McCoole Special Tax Area	940
Moscow Light	390
Mt. Savage Special Tax Area	1,148
Potomac Park Special Tax Area	1,109
Rawlings Fire Co.	1,459
Sub-total special areas	133,931
Due from other funds	152,748
Total Assets	<u>\$ 788,910</u>
LIABILITIES:	
Accounts payable	\$ 152,750
A/P Special Areas	133,931
Taxes payable - State	304,590
A/P Bay restoration fee	197,639
Total Liabilities	<u>\$ 788,910</u>

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

**Notes
to the
Financial Statements**

June 30, 2007

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ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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, 2007

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, 2007

Note 1. Summary of Significant Accounting Policies - continued

C. *Government-wide and Fund Financial Statements*

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the year-end and a 90-day availability period is used for all other general fund revenues except for medical transportation program revenues which have a 120 day accrual period. Other major revenue sources subject to accrual are income taxes, federal and state grants and service charges. All other governmental funds use a 120 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, 2007

Note 1. Summary of Significant Accounting Policies - continued

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

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

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

The County reports the following major governmental funds:

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

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

The *Revolving Building Fund* is used to report the activity associated with the construction, operation and maintenance of County building used to enhance its economic development activities.

The *Capital Improvements Project Fund* accounts for most of the activity used to acquire or construct capital assets for the County or on the behalf of other organizations.

The government reports the following major proprietary funds:

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies - continued

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

Additionally, the government reports the following fund type:

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

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

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

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies - continued

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

1. Deposits and investments

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

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

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

2. Receivables and payables

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies - continued

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

2. Receivables and payables - continued

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

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2007 are as follows:

	<u>Real</u>	<u>Personal Property</u>
Unincorporated	.9829	2.4573
Barton	.9494	2.3735
Cumberland	.9087	2.2718
Frostburg	.9111	2.2778
Lonaconing	.9283	2.3208
Luke	.9227	2.3068
Midland	.9474	2.3685
Westernport	.9263	2.3158

3. Inventories and prepaid items

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies - continued

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

4. Restricted assets

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

5. Capital assets

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

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

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

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies - continued

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

6. Compensated absences

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

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

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

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

County employees earn fifteen sick leave days per year with no accumulation ceiling. It is the policy of the County to pay for up to 120 days, 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, highway fund or the transit fund for the governmental funds and the Sanitary Districts and the Nursing Home for the enterprise funds.

At June 30, 2007, compensated absence liabilities for Allegany County are summarized as follows:

	Current Portion	Long-term Portion	Total Liability
Total Governmental Fund Types	\$ 890,761	\$ 3,233,928	\$ 4,124,689
Sanitary Districts	48,641	286,646	335,287
Nursing Home	35,926	422,400	458,326
	<u>\$ 975,328</u>	<u>\$ 3,942,974</u>	<u>\$ 4,918,302</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 1. Summary of Significant Accounting Policies - continued

7. Long-term obligations

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

8. Fund Classifications

Government-wide Statements

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

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

Fund Statements

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

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

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds.” The details of this \$44,336,412 are as follows:

Bonds payable	\$ 28,532,000
Notes payable	5,610,818
State loans	5,941,976
Capital leases	126,929
Compensated absences	<u>4,124,689</u>
Net adjustments to reduce fund balance - total governmental funds to arrive at net assets – governmental activities.	<u>\$ 44,336,412</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances*—*total governmental funds* and *changes in net assets of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this \$7,391,261 difference are as follows:

Capital outlay	\$10,595,385
Depreciation expense	<u>(3,204,124)</u>
Net adjustment to increase <i>net changes in fund balances</i> — <i>total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$7,391,261</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

Another element of that reconciliation states the “The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets.” The details of this \$(514,901) difference are as follows:

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

(514,901)

Net adjustment to decrease *net changes in fund balances—total governmental funds* to arrive at *changes in net assets of governmental activities*.

\$(514,901)

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 \$(9,898,742) difference are as follows:

Debt issued or incurred:

Debt proceeds	(14,141,516)
Bond issue costs, net of amortization	29,688

Principal repayments:

General obligation debt	4,133,892
Lease payments	79,194

Net adjustment to increase *net changes in fund balances—total governmental funds* to arrive at *changes in net assets of governmental activities*

\$9,898,742

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 \$(311,241) difference are as follows:

Compensated absences	\$(277,682)
Accrued interest adjustment, net	<u><u>(33,559)</u></u>

Net adjustment to decrease *net changes in fund balances—total governmental funds* to arrive at *changes in net assets of governmental activities*

\$(311,241)

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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 2007 were increased by \$574,000; the majority of the increase was due to increases in funding for public safety of \$ 305,961 in the General Fund and was funded by grants. Other material supplemental appropriations was an increase of \$253,655 for the social services function (the Human Resources Development Commissions child care operations) and was also grant funded.
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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 3. Stewardship, Compliance, and Accountability - continued

A. Budgetary Information - continued

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

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2007, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

Fund	Excess
Community Development Block Grant Fund	\$169,514
Drug Task Force Fund	14,797

- The expenditures over budget in the Community Development Block Grant Fund were funded by unbudgeted block grants approved after the start of the fiscal year.
- The Drug Task Force excess expenditures over budget were funded by unanticipated revenues which exceeded budgeted amounts.

C. Deficit Fund Equity

At June 30, 2007 no governmental funds had deficit fund balances.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 4. Deposits and Investments

Allegany County Primary Government:

As of June 30, 2007, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturity in Months</u>			
		<u>Less Than 1</u>	<u>1-6</u>	<u>6-12</u>	<u>Greater than 12</u>
Certificates of Deposit	<u>\$19,672,235</u>	<u>\$ 7,086,722</u>	<u>\$12,213,678</u>	<u>\$ 54,645</u>	<u>\$ 317,190</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 market value of investments. ARTICLE 95, Section 22 of the Annotated Code of Maryland authorizes the County to invest surplus funds in bonds or in other obligations of which the full faith and credit of the United States of America are pledged, obligations of federal government agencies issued in accordance with an Act of Congress, repurchase agreements that are secured by any bond or other obligation for the payment of which the full faith and credit of the United States are pledged, any bank or banks in the State of Maryland, any savings and loan association, any building and loan association, in interest-bearing time deposit; and/or savings accounts, or in the Local Government Investment Pool. At June 30, 2007, Allegany County was under-collateralized in the amount of \$2,169,165.

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 entirely of nonparticipating contracts (nonnegotiable certificates of deposit) with maturities of less than one year.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units:

Allegany County Board of Education

Cash deposits – At year-end, the carrying amount of the Board's deposits was \$3,014,290 and the bank balances were \$3,882,405. Of the bank balances, \$442,848 was covered by depository insurance; \$3,882,405 was covered by collateral held at various banks in the Board's name.

Investments - As of June 30, 2007, the Board of Education had the following investments and maturities:

Investment Type	Investment Maturity (in months)				
	Total	Less than 1	1-6	6-12	More than 12
U.S. Government obligations	\$ 2,000,000	\$ -	\$ 1,000,000	\$ 1,000,000	\$ -
Certificates of Deposit	12,517,041	4,000,000	8,024,087	295,954	197,000
	<u>\$ 14,517,041</u>	<u>\$ 4,000,000</u>	<u>\$ 9,024,087</u>	<u>\$ 1,295,954</u>	<u>\$ 197,000</u>

Allegany County Library System

Cash – Risks and Policies

As of June 30, 2007, the carrying amount of the Library's deposits was \$61,582.

Custodial credit risk for deposits is the risk that in the event of a bank failure the Library's deposits may not be returned or 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, 2007 are fully collateralized with securities held by the Library's agent in the Library's name.

Investments – Risks and Policies

As of June 30, 2007, 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	N/A	
U.S. Treasury Bonds	\$ 17,172	\$ -	\$ 17,172	\$ -		
Other Federal Government Obligations	229,286	-	-	229,286		N/A
Investment in MD Local Government Fund Pool	686,778	686,778	\$ 17,172	\$ 229,286		N/A
	<u>\$ 933,236</u>	<u>\$ 686,778</u>	<u>\$ 17,172</u>	<u>\$ 229,286</u>		

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units:

Allegany County Library System (Continued)

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

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

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

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

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$2,292,062. The entire bank balance was either covered by federal depository insurance or by pledged government securities. The commission held no investments at year end.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 4. Deposits and Investments - continued

Allegany County Discretely Presented Component Units - continued:

Allegany College

Cash deposits – At year-end, the carrying amount of the primary entity's cash deposits was \$84,510. The bank balance was fully collateralized with securities held by the college's agent in the College's name.

Investment Type	Total	Less Than		90 Days To One Year
		90 Days	-	
Certificates of deposit	\$ 202,155	\$ -	-	\$ 202,155
Repurchase agreements of				-
U.S. Government obligations	770,612	770,612	-	-
Maryland Local Government				-
Investment Pool	4,074,713	4,074,713	-	-
	<u>\$ 5,047,480</u>	<u>\$ 4,845,325</u>	<u>-</u>	<u>\$ 202,155</u>

Note 5. Property Taxes Receivable

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

Property tax receivable at June 30, 2007 was \$3,098,916 (before an allowance of \$470,000) of which \$1,716,006 were current year's taxes receivable and the balance of \$1,382,910 was prior years' unpaid taxes.

Note 6. Other Receivables

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

Governmental Activities:	General Fund	Highway Fund	RBF Fund	Capital Projects Fund	Non-major Governmental Funds	Total
Receivables:						
Interest	\$ 17,037	\$ -	\$ 16,130	\$ 6,912	\$ 28,706	\$ 68,785
Income taxes	2,191,576	-	-	-	-	2,191,576
Other taxes	216,626	1,063,956	-	-	28,004	1,308,586
Current:						
Accrued revenues	1,325,275	712	710,730	1,672,141	707,253	4,416,111
Loans, notes	-	-	215,399	-	-	215,399
Leases, capital	-	-	201,238	-	-	201,238
Long-term:						
Accrued revenues	-	-	72,919	107,449	155,282	335,650
Loans, notes	570,974	-	1,961,088	-	363,911	2,895,973
Leases, capital	-	-	1,928,148	-	-	1,928,148
Total receivables	\$ 4,321,488	\$ 1,064,668	\$ 5,105,652	\$ 1,786,502	\$ 1,283,156	\$ 13,561,466

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 6. Other Receivables - continued

Business-type Activities:	Water Districts	Sewer Districts	Nursing Home	Non-Major Enterprise Funds	Total
Receivables:					
Interest	\$ 553	\$ 3,668	\$ -	\$ -	\$ 4,221
Accounts, other	2,807	24,577	-	-	27,384
Accounts, trade	419,267	1,259,404	1,542,398	-	3,221,069
Less allowance	(54,275)	(181,970)	(563,000)	-	(799,245)
Net accounts, trade	<u>364,992</u>	<u>1,077,434</u>	<u>979,398</u>	-	<u>2,421,824</u>
Accounts, restricted	-	178,413	-	-	178,413
Less allowance	-	(7,581)	-	-	(7,581)
Net accounts, restricted	-	<u>170,832</u>	-	-	<u>170,832</u>
Loans	-	-	-	607,241	607,241
Less allowance	-	-	-	(250,000)	(250,000)
Net loans	-	-	-	<u>357,241</u>	<u>357,241</u>
Total receivables	\$ 368,352	\$ 1,276,511	\$ 979,398	\$ 357,241	\$ 2,981,502

Leases – Operating and Capital:

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

Fiscal Year	Capital Leases			Operating Leases
	Principal	Interest	Total	Minimum Payments
2008	\$ 201,237	\$ 118,902	\$ 320,139	\$ 1,387,831
2009	216,698	109,051	325,749	2,347,222
2010	230,990	94,759	325,749	2,432,222
2011	176,223	80,782	257,005	2,485,036
2012	143,663	71,143	214,806	2,497,929
2013-	<u>1,160,575</u>	<u>358,723</u>	<u>1,519,298</u>	<u>12,675,268</u>
Totals	<u>\$ 2,129,386</u>	<u>\$ 833,360</u>	<u>\$ 2,962,746</u>	<u>\$ 23,825,508</u>

The net book value of buildings with operating leases at June 30, 2007 is \$5,442,236.

Unearned Revenues:

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

Delinquent property taxes receivable, General Fund	\$ 2,724,930
Long term housing loans receivable	363,911
Grants/revenues received prior to meeting eligibility requirements:	
Community Development Block Grant Fund	98,637
Community Development & Housing Fund	206,276
Revolving Building Fund	101,000
	<u><u>\$ 3,494,754</u></u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 6. Other Receivables - continued

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2007:

Entity	Source of funds	Balance June 30, 2007
County Loan Fund loans:		
Fire Companies	General Fund	\$ 7,954
Western Maryland Scenic Railroad	Gen Fund/PIB of 1988	250,000
YMCA	General Fund	100,000
Paving project	General Fund	50,600
Agriculture Expo Building (1)	General Fund	13,595
Agriculture Expo Building (2)	General Fund	80,229
Agriculture Expo Building (3)	General Fund	17,544
Upper Potomac Industrial Park flood wall loans	General Fund	34,352
Allowance for doubtful accounts		(250,000)
Sub-total		\$ 304,274
Allconet II Fund loans:		
TWR loan	General Fund	52,967
Total		\$ 357,241

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.

Note 7. Capital Assets

The capital assets balances at the beginning of the year were adjusted (prior period adjustment) as a result of assets being removed from the accounting records which were involved in capital lease transactions. The net book value of the assets removed and the adjustment to fund equity was \$627,976. See footnote 16.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 7. Capital Assets - continued

Capital asset activity for the year ended June 30, 2007 was as follows:

Primary Government: Governmental activities:	Beginning Balance	Prior Period Adjustment	Beg Balance As Adjusted	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:							
Land	\$17,621,761	\$ (408,386)	\$ 17,213,375	\$ 144,217	\$ (1)	\$ 3,179,903	\$20,537,494
Work in Progress	7,144,836		7,144,836	8,170,051	-	(11,117,073)	4,197,814
Total capital assets not being depreciated:	24,766,597	(408,386)	24,358,211	8,314,268	(1)	(7,937,170)	24,735,308
Capital assets, being depreciated:							
Buildings	41,256,030	(1,004,498)	40,251,532	1,057,738	(1,286,304)	6,553,202	46,576,168
Infrastructure	40,194,763		40,194,763	-	-	1,223,281	41,418,044
Furniture & Fixtures	580,967		580,967	9,992	-	-	590,959
Equipment	4,845,471		4,845,471	319,559	(33,086)	160,687	5,292,631
Vehicles	7,623,402		7,623,402	800,159	(573,612)	(20,999)	7,828,950
Heavy Equipment	3,448,383		3,448,383	77,259	-	-	3,525,642
Other Capital Assets	897,593		897,593	16,411	-	-	914,004
Total capital assets, being depreciated:	98,846,609	(1,004,498)	97,842,111	2,281,118	(1,893,002)	7,916,171	106,146,398
Less accumulated depreciation for:							
Buildings	(12,331,539)	784,908	(11,546,631)	(1,355,576)	825,234	-	(12,076,973)
Infrastructure	(25,315,935)		(25,315,935)	(560,982)	-	-	(25,876,917)
Furniture & Fixtures	(479,697)		(479,697)	(19,203)	-	-	(498,900)
Equipment	(3,171,256)		(3,171,256)	(387,644)	17,784	-	(3,541,116)
Vehicles	(5,573,788)		(5,573,788)	(664,659)	535,084	20,999	(5,682,364)
Heavy Equipment	(2,614,585)		(2,614,585)	(190,823)	-	-	(2,805,408)
Other Capital Assets	(401,932)		(401,932)	(25,237)	-	-	(427,169)
Total accumulated depreciation	(49,888,732)	784,908	(49,103,824)	(3,204,124)	1,378,102	20,999	(50,908,847)
Total capital assets, being depreciated, net:	48,957,877	(219,590)	48,738,287	(923,006)	(514,900)	7,937,170	55,237,551
Governmental activities capital assets, net	\$73,724,474	\$ (627,976)	\$ 73,096,498	\$ 7,391,262	\$ (514,901)	\$ -	\$79,972,859

Primary Government: Business-type activities:	Beginning Balance	Prior Period Adjustment	Beg Balance As Adjusted	Increases	Decreases	Transfers In (Out)	Ending Balance
Capital assets, not being depreciated:							
Land	\$34,288		\$34,288	\$ -	\$ -	\$ -	\$ 34,288
Work in Progress	5,202,428		5,202,428	1,387,617	-	(2,229,949)	4,360,096
Total capital assets not being depreciated:	5,236,716	-	5,236,716	1,387,617	-	(2,229,949)	4,394,384
Capital assets, being depreciated:							
Buildings	3,595,441		3,595,441	79,843	-	-	3,675,284
Infrastructure	103,287,271		103,287,271	4,891	-	1,859,222	105,151,384
Furniture & Fixtures	1,519,225		1,519,225	48,924	-	-	1,568,149
Equipment	4,710,958		4,710,958	214,197	-	-	4,925,155
Vehicles	742,677		742,677	20,950	-	20,999	784,626
Heavy Equipment	334,989		334,989	57,731	-	-	392,720
Other Capital Assets	2,482,060		2,482,060	-	-	370,727	2,852,787
Total capital assets, being depreciated:	116,672,621	-	116,672,621	426,536	-	2,250,948	119,350,105
Less accumulated depreciation for:							
Buildings	(1,794,021)		(1,794,021)	(100,803)	-	-	(1,894,824)
Infrastructure	(32,785,766)		(32,785,766)	(2,156,188)	-	-	(34,941,954)
Furniture & Fixtures	(929,619)		(929,619)	(81,263)	-	-	(1,010,882)
Equipment	(1,821,180)		(1,821,180)	(523,952)	-	(1)	(2,345,133)
Vehicles	(545,075)		(545,075)	(54,408)	-	(20,999)	(620,482)
Heavy Equipment	(221,317)		(221,317)	(28,483)	-	-	(249,800)
Other Capital Assets	(673,086)		(673,086)	(94,239)	-	-	(767,325)
Total accumulated depreciation	(38,770,064)		(38,770,064)	(3,039,336)	-	(21,000)	(41,830,400)
Total capital assets, being depreciated, net:	77,902,557	0	77,902,557	(2,612,800)	0	2,229,948	77,519,705
Business-type activities capital assets, net	\$83,139,273	\$ -	\$ 83,139,273	\$ (1,225,183)	\$ -	\$ (1)	\$81,914,089

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 7. Capital Assets - continued

Depreciation expense was charged to functions/programs of the primary government, as reported in the statement of activities, for the year ended June 30, 2007 as follows:

<u>Governmental activities:</u>	
General government	\$ 508,611
Public safety	900,249
Public works	1,074,434
Health	18,203
Social services	92,613
Recreation, culture and libraries	162,683
Natural resources	419
Community development and housing	19,275
Economic development	<u>427,637</u>
Total depreciation expense - governmental activities	<u>\$ 3,204,124</u>

<u>Business type activites:</u>	
Water districts	\$ 548,753
Sewer districts	1,852,719
Nursing Home	218,722
Allconet II	<u>419,142</u>
Total depreciation expense - governmental activities	<u>\$ 3,039,336</u>

Construction Commitments

The County has active construction projects as of June 30, 2007. The projects include industrial park infrastructure, a wastewater treatment plant upgrade, and a new water district. At year end the County's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
NRCS Flood Project	\$ 126,241	\$ 7,859
Allegany Highlands Trail	2,773,871	331,838
Rye Street Bridge	117,527	565,647
PPG Building	921,565	48,503
Georges Creek I & I Design	290,076	27,076
Cresaptown/Bowling Green I&I Design	2,183,454	327,407
Commerce Center Access Road	245,707	12,932
Bartlett Run Road	95,834	<u>1,371,087</u>
Pea Vine Run Bridge	27,375	16,811
Totals	<u>\$ 6,781,650</u>	<u>\$ 2,709,160</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, 2007

Note 7. Capital Assets - continued

Discretely Presented Component Units:

Capital asset activity for the Board of Education of Allegany County for the year ended June 30, 2007, was as follows:

Board of Education	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 2,557,989	\$ -	\$ -	\$ 2,557,989
Work in process	13,636,275	21,538,982	(97,611)	35,077,646
Total capital assets not being depreciated:	<u>16,194,264</u>	<u>21,538,982</u>	<u>(97,611)</u>	<u>37,635,635</u>
Capital assets, being depreciated:				
Land Improvements	77,011	622,507	-	699,518
Buildings & Improvements	110,106,664	608,148	-	110,714,812
Furniture, Equipment & Vehicles	8,021,473	1,027,210	(486,784)	8,561,899
Total capital assets, being depreciated:	<u>118,205,148</u>	<u>2,257,865</u>	<u>(486,784)</u>	<u>119,976,229</u>
Less accumulated depreciation for:				
Land Improvements	(4,696)	(20,969)	-	(25,665)
Buildings & Improvements	(63,652,491)	(3,231,869)	-	(66,884,360)
Furniture, Equipment & Vehicles	(5,542,881)	(531,225)	468,071	(5,606,035)
Total accumulated depreciation	<u>(69,200,068)</u>	<u>(3,784,063)</u>	<u>468,071</u>	<u>(72,516,060)</u>
Total capital assets, being depreciated, net:	<u>49,005,080</u>	<u>(1,526,198)</u>	<u>(18,713)</u>	<u>47,460,169</u>
Governmental activities capital assets, net	<u>\$65,199,344</u>	<u>\$20,012,784</u>	<u>\$ (116,324)</u>	<u>85,095,804</u>

Board of Education	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, being depreciated:				
Furniture, Equipment & Vehicles	\$ 538,554	\$ 28,813	\$ -	\$ 567,367
Less accumulated depreciation	<u>(385,078)</u>	<u>(43,923)</u>	<u>-</u>	<u>(429,001)</u>
Business-type activities capital assets, net	<u>\$ 153,476</u>	<u>\$ (15,110)</u>	<u>\$ -</u>	<u>\$ 138,366</u>

Capital asset activity for the Library of Allegany County for the year ended June 30, 2007 was as follows:

Library	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, being depreciated:				
Buildings & Improvements	\$ 3,277,220	\$ 168,166	\$ -	\$ 3,445,386
Furniture & Equipment	946,220	2,306	(159,749)	788,777
Vehicles/Bookmobile	36,892	120,848	-	157,740
Library Books	4,206,457	192,451	(200,078)	4,198,830
Total capital assets, being depreciated:	<u>8,466,789</u>	<u>483,771</u>	<u>(359,827)</u>	<u>8,590,733</u>
Less accumulated depreciation for:				
Buildings & Improvements	(850,205)	(67,213)	-	(917,418)
Furniture & Equipment	(485,403)	(95,526)	152,420	(428,509)
Vehicles/Bookmobile	(18,984)	(18,766)	-	(37,750)
Library Books	(3,688,041)	(144,424)	162,916	(3,669,549)
Total accumulated depreciation	<u>(5,042,633)</u>	<u>(325,929)</u>	<u>315,336</u>	<u>(5,053,226)</u>
Total capital assets, being depreciated, net:	<u>\$ 3,424,156</u>	<u>\$ 157,842</u>	<u>\$ (44,491)</u>	<u>\$ 3,537,507</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 7. Capital Assets - continued

Discretely Presented Component Units - continued:

Capital asset activity for Allegany College of Maryland and its component units for the year ended June 30, 2007, were as follows:

Allegany College of Maryland Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 700,973	\$ -	\$ -	\$ 700,973
Library Collections		4,495		4,495
Work in Progress	\$ 554,013	1,423,348	(1,722,352)	255,009
Total capital assets not being depreciated:	<u>1,254,986</u>	<u>1,427,843</u>	<u>(1,722,352)</u>	<u>960,477</u>
Capital assets, being depreciated:				
Buildings	40,531,834	2,177,079	(280,048)	42,428,865
Equipment	5,855,451	506,638	(39,725)	6,322,364
Auxiliary Equipment	191,222	17,445		208,667
Library Books	997,814	65,132	(87,721)	975,225
Total capital assets, being depreciated:	<u>47,576,321</u>	<u>2,766,294</u>	<u>(407,494)</u>	<u>49,935,121</u>
Less accumulated depreciation:	<u>(17,336,237)</u>	<u>(1,744,821)</u>	<u>206,638</u>	<u>(18,874,420)</u>
Total capital assets, being depreciated, net:	<u>30,240,084</u>	<u>1,021,473</u>	<u>(200,856)</u>	<u>31,060,701</u>
Business-type activities capital assets, net	<u>\$31,495,070</u>	<u>\$ 2,449,316</u>	<u>\$ (1,923,208)</u>	<u>\$32,021,178</u>

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2007, was as follows:

LaVale Sanitary Commission Business-type activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 176,385	\$ -	\$ -	\$ 176,385
Work in Progress	<u>1,907,898</u>	<u>1,613,265</u>	<u>(209,289)</u>	<u>3,311,874</u>
Total capital assets not being depreciated:	<u>2,084,283</u>	<u>1,613,265</u>	<u>(209,289)</u>	<u>3,488,259</u>
Capital assets, being depreciated:				
Buildings	516,945	-	-	516,945
Infrastructure	14,838,661	254,235	-	15,092,896
Machinery, Vehicles & Equipment	1,032,625	103,024	(52,794)	1,082,855
Office Furniture and Equipment	109,249	8,061	-	117,310
Total capital assets, being depreciated:	<u>16,497,480</u>	<u>365,320</u>	<u>(52,794)</u>	<u>16,810,006</u>
Less accumulated depreciation for:	<u>(7,876,522)</u>	<u>(392,191)</u>	<u>-</u>	<u>(8,268,713)</u>
Total capital assets, being depreciated, net:	<u>8,620,958</u>	<u>(26,871)</u>	<u>(52,794)</u>	<u>8,541,293</u>
Business-type activities capital assets, net	<u>\$10,705,241</u>	<u>\$ 1,586,394</u>	<u>\$ (262,083)</u>	<u>\$12,029,552</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 8. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2007, is as follows:

A. Due to/from other funds

	Due From Other Funds	Due To Other Funds
Governmental funds:		
General Fund	\$ -	\$ 4,306,747
Highway Fund	482,582	-
Revolving Building Fund	1,524,961	-
Capital Improvement Projects Fund	-	2,351,148
Non-major Governmental Funds	3,465,209	687,685
Sub-total	5,472,752	7,345,580
Enterprise Funds:		
Water Districts	293,404	-
Sanitary Districts	7,011,725	6,263,707
Non-major Enterprise Funds	678,658	-
Sub-total	7,983,787	6,263,707
Fiduciary Funds:		
Agency Fund	152,748	-
TOTALS	\$ 13,609,287	\$ 13,609,287

The interfund balances as of June 30, 2007 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	\$ 3,825,655	\$ 2,925,655
Nursing Home Fund	300,000	-
Sanitary Districts	600,000	-
Water Districts	-	-
Loans:		
Loan Fund	495,221	445,538
Allegany County Sanitary Districts:		
Current portion of long-term debt	30,180	-
Long-term debt	-	445,538
Allegany County Water Districts:		
Current portion of long-term debt	334	-
Long-term debt	19,169	-
	\$ 4,320,876	\$ 4,320,876

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

C. Transfers

Transfers to other funds for the year ending June 30, 2007 are as follows:

Transferred From: Transferred To:	Amount	Total By Fund
From the General Fund to:		
Highway Fund	\$ 1,800,000	
Capital Projects Fund	297,515	
Non-major funds governmental funds	6,510,719	
Enterprise funds:		
Water Fund	8,146	
Sewer Fund	87,383	
Non-major enterprise funds	405,262	\$ 9,109,025
From the Revolving Building Fund To:		
General Fund	45,380	
Water Fund	20,000	
Sewer Fund	7,500	
Non-major funds governmental funds	931,440	\$ 1,004,320
From the Non-major Governmental Funds to:		
General Fund	7,000	
Highway Fund		
Capital Projects Fund	2,491,477	
Other Non-major governmental fund	22,748	2,521,225
From the Non-major Enterprise Funds to:		
General Fund	98,104	98,104
TOTALS	\$ 12,732,674	\$ 12,732,674

Transfers from the General Fund to the Highway Fund were to fund the portion of highway expenditures not funded by revenues restricted for highway maintenance. General Fund transfers to the Capital Project fund and the non-major governmental funds were to fund the local share of grant funded programs, pay debt service and fund the local share of capital projects. Transfers to the enterprise funds were to assist in operating costs. Transfers from the Revolving Building Fund were to pay debt service costs of County economic development buildings and to pay for economic developments share of expenditures in other funds.

Payments to component units for the year ending June 30, 2007 are as follows:

Payment From: Payment To:	Amount	Total By Fund Type
From the General Fund (appropriations) to:		
Board of Education	\$ 27,380,000	
Board of Education, Data Processing	311,568	
Allegany College of Maryland	6,382,000	
Library	875,000	\$ 34,948,568
From the County Capital Projects Funds to:		
Board of Education:		
Mountain Ridge High School	2,222,871	
Board of Education warehouse	96,720	2,319,591
	\$ 37,268,159	\$ 37,268,159

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 9. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2007 and had no balance payable at year end.

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

Long-term liability activity of the County for the year ended June 30, 2007, was as follows:

Long-term Debt					
Governmental Activities					
	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General Obligation	\$ 22,944,000	\$ 9,080,000	\$ (3,492,000)	\$ 28,532,000	\$ 3,582,403
Notes	699,910	5,000,000	(89,092)	5,610,818	180,207
Capital Leases	206,123	-	(79,194)	126,929	30,950
State Loans	6,433,258	61,517	(552,799)	5,941,976	496,634
Total	<u>\$ 30,283,291</u>	<u>\$ 14,141,517</u>	<u>\$ (4,213,085)</u>	<u>\$ 40,211,723</u>	<u>\$ 4,290,194</u>
Business-type activities					
	<u>Beginning Balance</u>	<u>Amount Issued</u>	<u>Amount Retired</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Water districts:					
Rural development loans	\$ 4,218,791	\$ -	\$ (57,668)	\$ 4,161,123	\$ 60,110
County loans	156,183	322,819	(3,285)	475,717	30,180
Total water districts	<u>\$ 4,374,974</u>	<u>\$ 322,819</u>	<u>\$ (60,953)</u>	<u>\$ 4,636,840</u>	<u>\$ 90,290</u>
Sewer districts:					
Maryland water quality loans	\$ 1,059,269	\$ -	\$ (215,121)	\$ 844,148	\$ 225,868
Maryland environmental loans	9,078,633	549,379	(459,542)	9,168,470	497,690
Rural development loans	1,017,406	2,791,000	(17,462)	3,790,944	46,431
County loans	77,435	-	(57,932)	19,503	334
Total sewer districts	<u>\$ 11,232,743</u>	<u>\$ 3,340,379</u>	<u>\$ (750,057)</u>	<u>\$ 13,823,065</u>	<u>\$ 770,323</u>
Nursing Home					
General obligation debt	\$ 501,088	\$ -	\$ (25,162)	\$ 475,926	\$ 26,478
Total business-type activities:					
General obligation debt	\$ 501,088	\$ -	\$ (25,162)	\$ 475,926	\$ 26,478
Maryland water quality loans	1,059,269	-	(215,121)	844,148	225,868
Maryland environmental loans	9,078,633	549,379	(459,542)	9,168,470	497,690
Rural development loans	5,236,197	2,791,000	(75,130)	7,952,067	106,541
County loans	233,618	322,819	(61,217)	495,220	30,514
Total business-type activities	<u>\$ 16,108,805</u>	<u>\$ 3,663,198</u>	<u>\$ (836,172)</u>	<u>\$ 18,935,831</u>	<u>\$ 887,091</u>
Other Long-term Liabilities					
Governmental Activities					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Compensated Absences	<u>\$ 3,847,008</u>	<u>\$ 451,104</u>	<u>\$ (173,423)</u>	<u>\$ 4,124,689</u>	<u>\$ 890,761</u>
Business-type activities					
Water & sewer districts					
Compensated absences	\$ 290,683	\$ 44,604	\$ -	\$ 335,287	\$ 48,641
Nursing Home					
Compensated Absences	449,389	19,384	(10,447)	458,326	35,926
Total	<u>\$ 740,072</u>	<u>\$ 63,988</u>	<u>\$ (10,447)</u>	<u>\$ 793,613</u>	<u>\$ 84,567</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

Annual debt service requirements to maturity for Allegany County's governmental activities long-term debt outstanding as of June 30, 2007 are as follows:

Year Ending June 30,	General Obligation Bonds		Notes		Capital Leases		State Loans		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$ 3,582,403	\$ 1,271,904	\$ 180,207	\$ 236,791	\$ 30,950	\$ 7,481	\$ 496,634	\$ 234,326	\$ 4,290,194	\$ 1,750,502
2009	3,762,585	1,114,504	182,539	228,285	17,047	5,701	471,048	213,623	4,433,219	1,562,113
2010	3,449,810	936,349	187,749	219,733	18,059	4,689	492,552	192,118	4,148,170	1,352,889
2011	3,633,653	758,179	196,657	210,825	19,132	3,616	515,286	169,385	4,364,728	1,142,005
2012	3,210,205	603,206	107,901	202,747	20,268	2,479	539,325	145,345	3,877,699	953,777
2013-2017	10,386,344	1,285,280	612,904	940,336	21,473	1,275	2,344,758	375,837	13,365,479	2,602,728
2018-2022	507,000	19,047	756,065	797,175	-	-	1,058,845	39,435	2,321,910	855,657
2023-2027	-	-	933,000	620,240	-	-	23,528	273	956,528	620,513
2028-2032	-	-	1,148,370	401,671	-	-	-	-	1,148,370	401,671
2033-2037	-	-	1,305,426	145,355	-	-	-	-	1,305,426	145,355
	\$ 28,532,000	\$ 5,988,469	\$ 5,610,818	\$ 4,003,158	\$ 126,929	\$ 25,241	\$ 5,941,976	\$ 1,370,342	\$ 40,211,723	\$ 11,387,210

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2007 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2007 are:										
Year Ending June 30,										
Farmers Home Admin. Loans		County Advances		Totals						
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$ 60,110	\$ 179,838	\$ 30,180	\$ 16,446	\$ 90,290	\$ 196,284				
2009	62,747	177,201	31,119	15,507	93,866	192,708				
2010	65,500	174,448	32,099	14,527	97,599	188,975				
2011	68,379	171,569	33,110	13,515	101,489	185,084				
2012	71,388	168,560	34,154	12,472	105,542	181,032				
2013-2017	407,084	792,656	187,635	45,493	594,719	838,149				
2018-2022	505,761	693,979	17,729	27,202	523,490	721,181				
2023-2027	629,260	570,480	22,194	22,738	651,454	593,218				
2028-2032	763,548	415,748	27,782	17,150	791,330	432,898				
2033-2037	823,595	245,045	34,777	9,855	858,372	254,900				
2038-2042	558,540	82,776	24,938	2,020	583,478	84,796				
2043-2047	145,211	9,683	-	-	145,211	9,683				
Totals	\$ 4,161,123	\$ 3,681,983	\$ 475,717	\$ 196,925	\$ 4,636,840	\$ 3,878,908				
The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2007 are:										
Water Quality Loans		Md. Environmental Loans		Farmers Home Admin. Loans		County Advances		Totals		
Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2008	\$ 225,868	\$ 49,236	\$ 497,690	\$ 68,106	\$ 46,431	\$ 69,183	\$ 334	\$ 882	\$ 770,323	\$ 187,407
2009	200,689	37,861	489,494	76,302	48,521	160,997	350	867	739,054	276,027
2010	137,131	27,720	493,803	71,994	50,706	158,812	366	851	682,006	259,377
2011	99,619	19,743	498,149	67,647	52,990	156,528	383	834	651,141	244,752
2012	89,757	12,988	502,533	63,263	55,379	154,139	400	816	648,069	231,206
2013-2017	91,084	9,344	2,579,792	249,189	316,720	730,870	2,295	3,788	2,989,891	993,191
2018-2022	-	-	2,695,335	133,646	395,116	652,474	2,873	3,210	3,093,324	789,330
2023-2027	-	-	1,411,674	25,097	493,215	554,375	3,596	2,487	1,908,485	581,959
2028-2032	-	-	-	-	602,003	432,992	4,502	1,582	606,505	434,574
2033-2037	-	-	-	-	565,267	299,692	4,404	462	569,671	300,154
2038-2042	-	-	-	-	523,178	190,782	-	-	523,178	190,782
2043-2047	-	-	-	-	641,418	71,622	-	-	641,418	71,622
Totals	\$ 844,148	\$ 156,892	\$ 9,168,470	\$ 755,244	\$ 3,790,944	\$ 3,632,466	\$ 19,503	\$ 15,779	\$ 13,823,065	\$ 4,560,381

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

The annual debt service requirements to maturity for the Nursing Home long-term debt outstanding at June 30, 2007 are:

Year Ending June 30,	General Obligation Debt	
	Principal	Interest
2008	\$ 26,478	\$ 24,199
2009	27,863	22,778
2010	29,320	21,282
2011	30,854	19,709
2012	32,467	18,053
2013-2017	189,654	62,232
2018-2022	139,290	11,175
Totals	\$ 475,926	\$ 179,428

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

Allegany County Primary Government Schedule of Long - Term General Obligation Debt:					
General Obligation Bonds:	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
				2007	2006
Public Improvement Bonds:					
Bonds of 1994	01/01/94	01/01/09	4.05-4.70	\$ 910,000	\$ 1,335,000
Bonds of 1995	11/01/95	11/01/10	4.25-5.10	2,095,000	2,555,000
Bonds of 1997	03/01/97	03/01/10	3.65-5.40	1,575,000	2,050,000
Bonds of 1998	08/15/98	08/01/13	4.375-4.65	8,320,000	9,310,000
Bonds of 2001	09/01/01	11/01/16	3.50-4.40	4,690,000	5,720,000
Bonds of 2004	10/26/04	10/01/19	3.50	1,862,000	1,974,000
Bonds of 2006	07/21/06	08/01/16	4.24	3,030,000	-
Bonds of 2007	06/12/07	06/01/17	5.73	6,050,000	-
Notes:					
Farmers Home Admin	1992	2032	5.75	252,782	257,346
RDA High School Loan	06/28/07	06/28/37	4.125	5,000,000	-
Tri - County Council Loan	06/22/93	06/22/08	5.00	12,355	20,997
PPG Loan	01/05/96	2011	5.20	345,681	421,567
Capital Leases:					
Sheriff's vehicles	10/27/04	10/27/06	4.05	14,859	78,865
Transit Bus	04/11/06	04/11/13	5.94	112,070	127,258
State Loans:					
Md Industrial Land Act:					
Precise Metals Bldg	03/19/80	03/19/09	6.32	0	84,591
Superfos Expansion	1991	2028	6.90	509,191	546,156
Blue Cross Bldg	1992	2012	6.80	911,295	963,926
Hunter Douglas	1993	2019	5.93	356,072	376,320
Micro - Integration	1994	2014	5.93	465,317	524,051
Superfos III	1995	2014	5.93	719,852	796,778
Hunter Douglas II	1998	2018	4.64	60,510	65,384
MICRF Loans:					
Potomac Farms	06/22/93	06/22/08	5.00	45,933	89,737
PPG Purchase	01/05/96	2020	5.00	1,910,690	2,032,596
PPG Improvements	2001	2022	4.69	211,744	226,561
MD Historical Trust Loan	2000	2020	1.00	150,000	150,000
Md Environmental Loan	2003	2023	0.89	601,372	577,158
Total Long - Term General Obligation Debt				40,211,723	30,283,291
Compensated Absences				4,124,689	3,847,008
Total long-term liabilities				\$ 44,336,412	\$ 34,130,299

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

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

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

Schedule of Business-type Debt						
	Date of Issue	Date of Maturity	Interest Rate (%)	2007	June 30, 2006	
Water Districts Debt:						
Eckhart FHA Loan 1991 Series A	02/21/91	2013	6.0	\$ 96,010	\$ 97,788	
Eckhart FHA Loan 1991 Series B	02/21/91	2013	6.0	234,391	238,735	
Borden/Zhilman FHA Loan 1998	10/22/97	2037	4.5	303,331	307,899	
Carlos/Shafte FHA Loan 2000	12/28/99	12/28/2039	3.25	455,754	463,575	
Oldtown Rd FHA Loan 2000 R-1	12/28/99	12/28/2039	3.25	215,030	218,718	
Oldtown Rd FHA Loan 2000 R-2	12/28/99	12/28/2039	3.25	219,509	223,274	
Grahmtown FHA Loan 2001 R-2	2001	2042	4.5	566,328	573,075	
Consol FHA loan	2004	2044	4.5	101,180	102,244	
McCoole FHA Loan	1999	2039	4.5	997,522	1,011,669	
Barton Industrial Park	2005	2045	4.5	349,458	352,981	
Klondike FHA	2005	2045	4.5	455,145	459,667	
Morantown FHA Loan	2005	2046	4.25	167,465	169,166	
Sub-total				<u>4,161,123</u>	<u>4,218,791</u>	
Hoffman Allegany Co. Advance	06/30/93	06/30/23	8.0		1,311	
Carlos/Shafte Allegany Advance	2006	2040	4.5	48,823	49,454	
Missick Rd Alleg Co Advance	2006	2040	4.5	76,926	77,919	
Rt. 51 Allegany Co Advance	2006	2040	4.5	27,149	27,499	
PSC Rate case	2007	2017	4.5	322,819		
Sub - total				<u>475,717</u>	<u>156,183</u>	
Total debt				<u>4,636,840</u>	<u>4,374,974</u>	
Less: Current maturities of long - term debt				<u>(90,290)</u>	<u>(60,869)</u>	
Total Water Districts long - term debt				<u>\$ 4,546,550</u>	<u>\$ 4,314,105</u>	
Sanitary Districts Debt:						
Maryland Water Quality Loans						
Bowling Green	1980	2010	5.5	\$ 2,595	\$ 3,373	
Bowling Green	1984	2014	8.3	28,818	31,295	
Cresaptown	1980	2010	5.5	2,488	3,233	
Cresaptown	1984	2014	8.3	17,949	19,491	
Cresaptown	1986	2015	8.8	9,617	10,303	
Bedford Road	1977	2007	5.5	10,365	20,207	
Bedford Road	1983	2013	8.2	147,965	166,554	
McCoole	1978	2008	5.5	16,726	32,607	
Oldtown	1981	2011	6.1	14,310	17,394	
Flintstone	1980	2010	6.1	42,931	52,182	
Georges Creek	1981	2011	6.1	97,132	113,362	
Georges Creek	1982	2012	6.1	184,552	209,457	
Celanese Treatment Plant	1991	2010	3.705	123,314	161,827	
Mexico Farms	1992	2009	3.705	145,386	217,984	
Sub - total				<u>844,148</u>	<u>1,059,269</u>	
Maryland Department of Environment						
Celanese WWTP Upgrade	06/03	2023	0.0867	7,307,707	7,591,879	
Inflow and Infiltration Study	12/03	2023	0.8807	1,096,870	1,164,986	
Celanese	2006	2,026	0.40	763,893	321,768	
Sub - total				<u>9,168,470</u>	<u>9,078,633</u>	
Farmers Home Administration Loans						
Georges Creek	1988	2027	5.0	32,982	33,912	
Georges Creek	2007	2047	4.125	506,000		
Mexico Farms	1992	2032	5.5	355,331	361,610	
Cash Valley Road	1996	2036	4.5	127,623	129,762	
Oldtown Road	1996	2036	4.5	484,008	492,122	
Bowling Green/Cresaptown A	2007	2047	4.125	1,910,000		
Bowling Green/Cresaptown B	2007	2047	4.125	375,000		
Sub - total				<u>3,790,944</u>	<u>1,017,406</u>	
Allegany County Advances:						
Jennings Run	1992	2007	5.4-7.125	-	17,822	
Georges Creek	1992	2007	5.4-7.125	-	23,078	
Bedford Road	1992	2007	5.4-7.125	-	16,712	
Oldtown	2006	2036	4.5	19,503	19,823	
Sub - total				<u>19,503</u>	<u>77,435</u>	
Total				<u>13,823,065</u>	<u>11,232,743</u>	
Less: Current maturities of long - term debt				<u>(770,323)</u>	<u>(722,592)</u>	
Total Sanitary Districts Long - term Debt				<u>\$13,052,742</u>	<u>\$10,510,151</u>	

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 10. Long-Term Debt - continued

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

Schedule of Business-type Debt - continued					
Nursing Home Debt:	Date of Issue	Date of Maturity	Interest Rate (%)	June 30,	
	2004	2018	5.23	2007	2006
General obligation debt				\$ 475,926	\$ 501,088
Less: Current maturities of long - term debt				(26,478)	(25,162)
Total Nursing Home long -term debt				<u>\$ 449,448</u>	<u>\$ 475,926</u>

The following is a summary of debt transactions for the discretely presented component units for the fiscal year ended June 30, 2007.

Long-term Liabilities - Component Units					
Long-term debt activity for the year ended June 30, 2007:					
					Allegany College of Maryland
Payable at July 1, 2006		\$ 248,324			LaVale Sanitary Commission
Amount issued		207,998			\$ 1,196,201
Amount retired		(88,864)			2,129,739
Payable at June 30, 2007		<u>\$ 367,458</u>			<u>(37,934)</u>
					<u>\$ 3,288,006</u>
Annual debt service requirements to maturity:					
Allegany College of Maryland (Capital Leases)					
Fiscal Year	Principal	Interest	Total	Principal	Interest
2007	\$ 90,730	\$ 22,376	\$ 113,106	\$ 38,698	\$ 34,752
2008	92,640	16,389	109,029	39,492	33,959
2009	91,985	10,069	102,054	40,316	33,134
2010	87,376	3,716	91,092	41,173	32,278
2011	4,727	43	4,770	42,062	31,388
2012-2016	-	-	-	224,936	142,315
2017-2021	-	-	-	253,100	114,150
2022-2026	-	-	-	191,359	80,430
2027-2031	-	-	-	207,007	40,893
2032-2036	-	-	-	80,125	3,942
	<u>\$ 367,458</u>	<u>\$ 52,593</u>	<u>\$ 420,051</u>	<u>\$ 1,158,268</u>	<u>\$ 547,241</u>
Loan anticipation notes					
				2,129,738	2,129,738
				<u>\$ 3,288,006</u>	<u>\$ 3,835,247</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 11. Pension and Retirement Systems

Allegany County Primary Government

Plan Descriptions

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

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

Allegany County has also established two defined contribution plans; the County Administrator's Retirement Plan and the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers both plans. At June 30, 2007, there are 9 members enrolled in the plans.

Funding Policy

Employees covered under the retirement system are required to contribute five percent of their base salary, and the County is required to contribute at an actuarially determined rate. The current rate is 13.1% of covered payroll. The employees belonging to the pension system must contribute two percent of their base salary and five percent of the base salary that exceeds the social security wage base. The County is required to contribute at an actuarially determined rate also. The contribution rate for the County is currently 8.1% 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, 2007, 2006, 2005, were \$1,364,471, \$1,178,405 and \$1,000,502 respectively, equal to the required employer contributions for each year.

The two defined contribution plans require the County to contribute 9% to the Administrators Retirement Plan and 8.10% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$509,861 and the required contribution was \$41,516 which was made. Plan provisions and contribution requirements are established and may be amended by the County Commissioners.

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 11. Pension and Retirement Systems - continued

Allegany County Component Units

Board of Education-Component Unit

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

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

Members of the contributory pensions are required to make contributions of 3% of earnable compensation. The Board of Education is required to contribute at an actuarially determined rate for individuals in the employee retirement system and the employee contributory pension system. The current rates are 13.04% and 8.1% respectively. The contribution requirements of plan members and the Board are established and may be amended by the State Retirement and Pension System Board of Trustees. The Board contributions for the years ended June 30, 2007, 2006 and 2005 were \$866,800, \$758,376, and \$792,988, respectively, equal to the required contributions for each year.

Allegany County Library System-Component Unit

The employees of the Library are provided retirement benefits through the Maryland State Retirement and Pension Systems; the same cost sharing multiple-employer defined benefit retirement system in which the County participates. All employees of the Library System except custodial personnel are covered by the Maryland State Teacher's Retirement Systems. The Maryland State Department of Education is directly responsible for all financial and administrative requirements of the employees' participation in the Teachers Retirement System. The Library System itself is only financially and administratively responsible for custodial employees' participation in the Maryland State Retirement Systems. As of year-end, all custodial employees participated in the pension system. Detailed information on the Library's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2007. The Library's contributions for the years ended June 30, 2007, 2006 and 2005 were \$5,110, \$6,721, and \$6,786, respectively, equal to the required employer contributions for custodial staff for each year. All payments have been made by the State of Maryland for the non-custodial employees for the years ended June 30, 2007, 2006 and 2005 in the amounts of \$65,832, \$65,434, and \$64,776 respectively.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 11. Pension and Retirement Systems - continued

Allegany County Component Units

Allegany College-Component Unit

The College's permanent employees are provided pension benefits through one of several pension plans: Maryland State Teachers' Retirement System, Maryland State Teachers' Pension System, TIAA/CREF Retirement Plan, Maryland State Employees' Retirement System, and the Maryland State Employees' Pension System. All of the plans the College participates in are the same cost sharing multiple-employer defined benefit plans the County participates in, with the exception of TIAA/CREF Retirement Plan which is a separate plan the County is not associated with. The State of Maryland is responsible for funding the employee portion of pension costs for substantially all employees covered by the Teachers' Retirement System, Teachers' Pension System, and the TIAA/CREF Retirement Plan. The State of Maryland's total contributions to these plans for fiscal year 2007 were \$993,722.

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, 2007. Allegany College's contributions for the years ended June 30, 2007, 2006 and 2005 were \$90,588, \$72,142, and \$71,491, respectively, equal to the required employer contributions for each year.

LaVale Sanitary Commission – Component Unit

The Sanitary Commission provides a defined benefit pension plan for all their full-time employees. The plan is a single employer non-contributory plan and is not a part of any of the plans in which the County participates. Detailed information on LaVale Sanitary Commission's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2007. LaVale Sanitary's contributions for the years ended June 30, 2007, 2006 and 2005 were \$57,564, \$55,189, and \$55,463, respectively, equal to the required employer contributions for each year.

Note 12. Risk Management

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 13. Pending Claims and Litigation

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

Note 14. Contingent Liabilities

The County participates in a number of state and federally assisted grant programs, principal of which are 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, 2007 may not have been concluded. As of the date of the auditors report, the Allegany County's Sheriffs Department is under investigation for the possible improper charging of expenditures to one or more state grants. Any disallowances as a result of the investigation may become a liability of the fund, the General Fund, which receives the grant. As of June 30, 2007, the County estimates that no material liabilities will result from such an investigation.

Allegany County has borrowed funds on behalf of the LaVale Sanitary District for the purpose of improvements to sewer and water lines and construction of a water treatment plant and water reservoir. The LaVale Sanitary District is responsible for the debt service payments and County has never been called upon to make any of the direct payments of the conduit debt. As of June 30, 2007, such debt included lines-of-credit with Standard Bank (\$2,129,739) and loans with the U.S. Department of Agriculture (\$789,006) totaling \$2,918,745.

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

Note 15. Post-Employment Benefits

In addition to providing pension benefits, the County provides health and life insurance, in accordance with County resolutions, to certain retired employees with ten years of continuous service. Employees hired prior to July 1, 1997 have 100% of their premiums paid for by the County, employees hired on or after July 1, 1997 are responsible for paying 50% of their health insurance premiums. Expenditures for post-retirement health and life insurance premiums are recognized on a pay-as-you-go basis. During fiscal year 2007, expenditures of \$765,608 were recorded for post-retirement benefits for 264 retirees in the governmental and proprietary funds.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Note 16. Changes to Beginning Fund Balances/Net Assets

The beginning fund and net asset balances as of July 1, 2006 have been adjusted as follows:

	Governmental Funds						Net Assets Governmental Activities	
	Major Funds			Non-Major Funds				
	General Fund	Revolving Building Fund	Total Major Funds	Program Income Fund	Revolving Building Fund	Total Non-Major Funds		
Fund balance as originally reported at 6/30/06	\$ 13,947,301	\$ -	\$ 23,377,445	\$ 589,922	\$ 1,758,084	\$ 8,371,579	\$ 71,486,540	
Prior period adjustment - long-term fund receivable reclassified as fund equity (1)				(366,960)		(366,960)	(366,960)	
Reclassification of the Revolving Building Fund as a major fund (2)		1,758,084	1,758,084		(1,758,084)	(1,758,084)		
Prior period adjustment - liability reclass as fund equity (3)	184,912		184,912				184,912	
Prior period adjustment - reclass of assets recorded as capital leases (4)							(627,976)	
Prior period adjustment - reverse effect of fund receivable prior period adjustment (5)							363,911	
Restated beginning fund balance at July 1, 2006	<u>\$ 14,132,213</u>	<u>\$ -1,758,084</u>	<u>\$ 25,320,441</u>	<u>\$ 222,962</u>	<u>\$ -</u>	<u>\$ 6,246,535</u>	<u>\$ 71,040,421</u>	

- (1) Long term notes receivable in the Program Income Fund were reclassified as fund balance with the payments on the loans being recorded as revenue when received.
- (2) The County Revolving Building Fund prior to fiscal year 2007 was classified as a non-major fund because it failed to meet the criteria for a major fund. The increased activity in the fund for fiscal year 2007 resulted in the fund meeting the requirements to be classified as a major fund.
- (3) The General Fund balance sheet at June 30, 2006 included a liability account whose balance was a result of an over allocation of fringe benefits in prior years. The beginning balance in the liability account was closed to the fund equity accounts resulting in an increase in fund balance of \$184,912.
- (4) The net assets of the entity wide financial statements were reduced by \$627,976. This is the result of removing capital assets (net of depreciation) from the balance sheet. The capital assets (land and buildings) are involved in capital lease transactions and are not reportable in the County's financial statements.
- (5) A portion of the adjustment (modified accrual basis of accounting) for a receivable reclassification does not require an adjustment of the beginning fund balance for the entity wide financial statements (full accrual).

**REQUIRED
SUPPLEMENTARY
INFORMATION**

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ALLEGANY COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
PENSION CONTRIBUTIONS

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

Administrators Plan

Contribution For Fiscal Year	Number of Members	Covered Payroll	Contribution Percentage	Required Contributions	Contribution Made	Unfunded Liability
2007	1	\$112,838	9.00%	\$10,344	\$10,334	-
2006	1	114,393	9.00%	10,157	10,157	-
2005	1	103,089	9.00%	9,278	9,278	-
2004	1	100,700	9.00%	9,063	9,063	-
2003	1	100,467	9.00%	9,042	9,042	-
2002	1	94,833	9.00%	8,535	8,535	-
2001	1	89,377	9.00%	8,044	8,044	-
2000	1	99,856	9.00%	8,987	8,987	-
1999	-	-	0.00%	-	-	-

Management Contractual Employees Plan

Contribution For Fiscal Year	Number of Members	Covered Payroll	Contribution Percentage	Required Contributions	Contribution Made	Unfunded Liability
2007	8	\$397,024	8.10%	\$31,172	\$31,172	-
2006	8	349,344	7.22%	24,938	24,938	-
2005	7	275,281	7.29%	20,068	20,068	-
2004	6	257,246	5.01%	12,888	12,888	-
2003	7	260,252	4.37%	11,373	11,373	-
2002	7	289,448	4.17%	12,070	12,070	-
2001	6	181,731	5.23%	9,505	9,505	-
2000	2	63,333	6.12%	3,876	3,876	-
1999	-	-	0.00%	-	-	-

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property Taxes:				
Real and personal property	\$ 32,714,712	\$ 32,714,712	\$ 32,868,498	\$ 153,786
Payments in lieu of taxes:				
Coal companies	210,000	210,000	218,705	8,705
Housing Authorities	36,000	36,000	36,548	548
Interest on Delinquent taxes	635,000	635,000	687,095	52,095
Sub-total	<u>33,595,712</u>	<u>33,595,712</u>	<u>33,810,846</u>	<u>215,134</u>
Less:				
Prompt payment discounts	121,000	121,000	127,796	(6,796)
Deferred revenues	155,000	155,000	133,820	21,180
Industrial exemptions	3,087,152	3,087,152	2,638,363	448,789
Enterprise zone exemptions	200,000	200,000	122,349	77,651
Residential development tax credit	2,000	2,000	11,308	(9,308)
Tax increment financing	-	-	6,596	(6,596)
Historic tax credit	30,000	30,000	29,911	89
Sub-total	<u>3,595,152</u>	<u>3,595,152</u>	<u>3,070,143</u>	<u>525,009</u>
Total Net Property Taxes	<u>30,000,560</u>	<u>30,000,560</u>	<u>30,740,703</u>	<u>740,143</u>
Income Taxes	22,150,000	22,150,000	23,977,520	1,827,520
Other Local Taxes:				
Hotel/motel tax	500,000	500,000	616,528	116,528
Admissions	155,000	155,000	162,589	7,589
Recordation	1,500,000	1,500,000	1,867,666	367,666
911 Fees	540,000	540,000	685,516	145,516
Trailer court	72,000	72,000	70,795	(1,205)
Transfer Tax	500,000	500,000	686,105	186,105
Total Local Taxes	<u>3,267,000</u>	<u>3,267,000</u>	<u>4,089,199</u>	<u>822,199</u>
Total Taxes	<u>55,417,560</u>	<u>55,417,560</u>	<u>58,807,422</u>	<u>3,389,862</u>
Licenses and Permits				
Alcoholic beverage licenses	89,000	89,000	88,640	(360)
Amusement licenses	3,500	3,500	6,596	3,096
Traders licenses	96,000	96,000	97,526	1,526
Occupational licenses	1,200	1,200	1,900	700
Animal licenses	16,000	16,000	15,216	(784)
Building permits	40,000	40,000	44,282	4,282
Marriage licenses	4,500	4,500	5,120	620
Cable franchise fees	310,000	310,000	323,025	13,025
Sediment control permits	30,000	30,000	33,917	3,917
Total Licenses and Permits	<u>590,200</u>	<u>590,200</u>	<u>616,222</u>	<u>26,022</u>

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
REVENUES (Continued):						
<u>Intergovernmental:</u>						
Federal Funds:						
Homeland security grant	345,050	345,550	365,360	19,810		
Justice department grant	-	71,205	47,602	(23,603)		
Civil defense	42,994	42,994	46,286	3,292		
FEMA Grant	-	-	15,000	15,000		
EMT Grant	20,000	20,000	27,983	7,983		
MTA Grant	123,000	123,000	92,333	(30,667)		
MTA Transportation planning	78,758	78,758	73,848	(4,910)		
Health and Human Services Grant	24,665	244,665	155,089	(89,576)		
Med Trans Grant	511,026	511,026	506,612	(4,414)		
Food distribution to the needy	18,000	18,000	12,100	(5,900)		
Summer camp program	-	2,134	2,133	(1)		
Emergency shelter grant	30,000	30,000	30,411	411		
ARC Grants	20,000	20,000	20,000	-		
Masters program	80,625	80,625	62,860	(17,765)		
Miscellaneous federal grants	13,500	13,500	5,773	(7,727)		
Payments in lieu of property taxes	3,000	3,000	4,451	1,451		
Sub-total Federal funds	<u>1,310,618</u>	<u>1,604,457</u>	<u>1,467,841</u>	<u>(136,616)</u>		
State Funds:						
Public Health	23,000	23,000	24,092	1,092		
Police protection	235,000	235,000	239,762	4,762		
State 911 grant	20,000	42,800	22,800	(20,000)		
State MTA operating assistance	61,500	-	-	-		
Alltrans Grant	209,945	271,445	288,541	17,096		
State transportation planning	9,845	9,845	9,231	(614)		
Maryland Department of Environment grant	10,000	15,000	10,000	(5,000)		
Juvenile services grant	14,194	14,194	14,091	(103)		
JSA Crisis Intervention	36,396	36,396	33,265	(3,131)		
Dept. of Social Services	61,500	61,500	61,500	-		
Department of Natural Resources	180,000	180,000	220,851	40,851		
Conservation aid salary	25,395	25,395	25,804	409		
Program Open Space grant	1,493,363	1,493,363	140,530	(1,352,833)		
Fire suppression, DNR	1,000	1,000	-	(1,000)		
Disparity grant	7,345,436	7,345,436	7,345,436	-		
State Jury Reimbursement	44,000	44,000	43,560	(440)		
Tourism grant	36,974	36,974	36,943	(31)		
Work Crew Supervisor	40,000	47,786	43,969	(3,817)		
Miscellaneous	437,609	486,051	266,045	(220,006)		
Sub-total State Funds	<u>10,285,157</u>	<u>10,369,185</u>	<u>8,826,420</u>	<u>(1,542,765)</u>		

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES (Continued)				
<u>Intergovernmental (continued):</u>				
Other Intergovernmental:				
Other agencies	306,475	333,682	314,491	(19,191)
Sub-total Other Intergovernmental:	<u>306,475</u>	<u>333,682</u>	<u>314,491</u>	<u>(19,191)</u>
Total Intergovernmental	<u>11,902,250</u>	<u>12,307,324</u>	<u>10,608,752</u>	<u>(1,698,572)</u>
<u>Service Charges:</u>				
General government charges:				
State civil process	40,000	40,000	47,071	7,071
Child support incentive	-	-	1,528	1,528
Publication sales	-	-	-	-
Plans & specifications	4,000	4,000	6,963	2,963
Regulation & Maps	5,000	5,000	6,260	1,260
Tax sale fees	16,000	16,000	18,850	2,850
Election Filing fee	300	300	365	65
Security interest filing fee	100	100	110	10
License application fees	8,500	8,500	8,480	(20)
Liquor License transfer fee	3,500	3,500	9,280	5,780
Bay restoration collection fee	-	-	3,698	3,698
Health Ins Admin fee	600	600	808	208
Tourism promotion charges	50,000	50,000	63,164	13,164
Collection fees-special areas	42,000	42,000	47,579	5,579
Liquor License Collection fee	3,500	3,500	3,492	(8)
Hotel/Motel collection fee	14,000	14,000	14,998	998
Partial payment fee	1,000	1,000	1,074	74
Engineering fees	30,000	30,000	129,351	99,351
Miscellaneous general government	687,052	687,052	147,910	(539,142)
Sub-total general government charges	<u>905,552</u>	<u>905,552</u>	<u>510,981</u>	<u>(394,571)</u>
Public safety charges:				
Police protection charges	14,000	14,000	19,802	5,802
Fingerprinting fee	1,500	1,500	1,375	(125)
Jail work release	39,258	39,258	62,703	23,445
Boarding state prisoners	300,000	300,000	262,607	(37,393)
Boarding Federal prisoners	700,000	700,000	798,065	98,065
Community service fee	13,000	13,000	20,225	7,225
Home detention fee	30,000	30,000	35,886	5,886
Inmate Medical Copay	3,000	3,000	4,671	1,671
Building Inspection fees	32,000	32,000	24,537	(7,463)
Sub-total public safety charges	<u>1,132,758</u>	<u>1,132,758</u>	<u>1,229,871</u>	<u>97,113</u>
Sanitation and Waste Removal:				
Landfill fees	140,000	140,000	144,150	4,150
Recycling fees	100,000	100,000	116,127	16,127
Recycled material sales	15,000	15,000	24,939	9,939
Sub-total Sanitation and Waste	<u>255,000</u>	<u>255,000</u>	<u>285,216</u>	<u>30,216</u>

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
REVENUES (Continued):						
<u>Service Charges (continued):</u>						
Health service charges:						
Dog adoption fees	18,000	18,000	20,527	2,527		
Sub-total Health service charges	<u>18,000</u>	<u>18,000</u>	<u>20,527</u>	<u>2,527</u>		
Recreation Charges:						
Host fee, Rocky Gap	-	-	-	-		
Hotel fee, Rocky gap	95,000	95,000	112,878	17,878		
Sub-total recreation service charges	<u>95,000</u>	<u>95,000</u>	<u>112,878</u>	<u>17,878</u>		
Public service enterprises:						
Upper Potomac River Commission	282,582	282,582	297,306	14,724		
Job access fares	-	-	6,331	6,331		
AllTrans fares	30,000	30,000	37,619	7,619		
Road closing fees	450	450	750	300		
Maintenance fees	5,778	5,778	-	(5,778)		
Sub-total public service charges	<u>318,810</u>	<u>318,810</u>	<u>342,006</u>	<u>23,196</u>		
Total Service Charges	<u>2,725,120</u>	<u>2,725,120</u>	<u>2,501,479</u>	<u>(223,641)</u>		
<u>Fines and Forfeitures:</u>						
Circuit court fines	10,000	10,000	7,279	(2,721)		
Dog ordinance fines	12,000	12,000	11,000	(1,000)		
Other fines	4,100	4,100	6,992	2,892		
Total Fines and Forfeitures	<u>26,100</u>	<u>26,100</u>	<u>25,271</u>	<u>(829)</u>		
<u>Miscellaneous:</u>						
Interest	341,123	341,123	637,863	296,740		
Rents and concessions	305,882	305,882	297,475	(8,407)		
Contributions & donations	-	-	1,176	1,176		
Miscellaneous	64,800	72,847	122,067	49,220		
Total Miscellaneous	<u>711,805</u>	<u>719,852</u>	<u>1,058,581</u>	<u>338,729</u>		
Total Revenues	<u>71,373,035</u>	<u>71,786,156</u>	<u>73,617,727</u>	<u>1,831,571</u>		

(continued)

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
EXPENDITURES:				
General Government:				
Legislative:				
County Commissioners	166,517	166,517	157,554	8,963
County Commissioners Office	179,723	179,723	139,782	39,941
Total legislative	<u>346,240</u>	<u>346,240</u>	<u>297,336</u>	<u>48,904</u>
Judicial:				
Family Support Services	176,056	176,056	169,742	6,314
Alternative dispute resolution	20,860	20,860	5,793	15,067
Circuit court masters program	129,577	129,577	106,932	22,645
Circuit court	323,231	354,476	325,345	29,131
Orphans court	53,665	53,665	50,625	3,040
Family Law Master	54,506	54,506	51,465	3,041
State's attorney	982,594	1,016,933	1,010,289	6,644
Victim-Witness coordinator	34,339	22,958	7,519	15,439
Law library	38,000	38,000	38,000	0
Grand and petit juries	64,808	64,808	68,377	(3,569)
Total Judicial	<u>1,877,636</u>	<u>1,931,839</u>	<u>1,834,087</u>	<u>97,752</u>
Executive:				
Administrator	321,242	321,242	251,416	69,826
Elections:				
Registration and elections	595,287	595,287	529,843	65,444
Financial Administration:				
Finance Office	725,838	725,838	562,730	163,108
Tax Office	493,562	493,562	303,512	190,050
Professional services	40,000	40,000	34,386	5,614
Total Financial Administration	<u>1,259,400</u>	<u>1,259,400</u>	<u>900,628</u>	<u>358,772</u>
Legal:				
Legal counsel	184,424	184,424	153,222	31,202
Other legal/professional	58,000	58,000	58,258	(258)
Total legal	<u>242,424</u>	<u>242,424</u>	<u>211,480</u>	<u>30,944</u>
Personnel Administration:				
Human Resources department	330,574	330,574	239,780	90,794
Human resources board of appeals	6,572	6,572	1,439	5,133
Wellness/Employee recognition	22,975	22,975	14,800	8,175
Total personnel administration	<u>360,121</u>	<u>360,121</u>	<u>256,019</u>	<u>104,102</u>
Planning and Zoning:				
Planning and zoning department	231,978	249,953	244,670	5,283
Land use planning	152,032	152,032	157,041	(5,009)
Total Planning and Zoning	<u>384,010</u>	<u>401,985</u>	<u>401,711</u>	<u>274</u>
General Services:				
County Building Maintenance	1,142,847	1,166,497	1,222,347	(55,850)
Data Processing	222,240	222,240	199,082	23,158
Total general services	<u>1,365,087</u>	<u>1,388,737</u>	<u>1,421,429</u>	<u>(32,692)</u>

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
EXPENDITURES (Continued):						
<u>General Government (continued):</u>						
Other general government:						
Liquor control board	113,782	113,782	113,318	464		
Insurance	314,000	314,000	318,788	(4,788)		
Employee benefits	355,000	355,000	31,129	323,871		
Post retirement benefits	543,200	543,200	507,861	35,339		
Total Other General Government	<u>1,325,982</u>	<u>1,325,982</u>	<u>971,096</u>	<u>354,886</u>		
Total General Government	<u>8,077,429</u>	<u>8,173,257</u>	<u>7,075,045</u>	<u>1,098,212</u>		
<u>Public Safety:</u>						
Police:						
Sheriffs department	1,930,412	1,999,620	2,036,653	(37,033)		
Aggressive driver grant	5,000	5,000	1,649	3,351		
Highway safety	4,000	11,620	12,542	(922)		
C3I Unit	13,000	13,000	11,608	1,392		
Multi-agency team 90%	54,935	54,935	52,656	2,279		
Attendance resource program	63,236	63,236	4,486	58,750		
Multi-agency team 100%	50,580	60,000	57,412	2,588		
Parents and law enforcement	4,576	4,576	2,432	2,144		
Marijuana eradication	2,000	2,000	-	2,000		
CASASTART/Substance abuse	29,606	29,606	1,854	27,752		
Total Police	<u>2,157,345</u>	<u>2,243,593</u>	<u>2,181,292</u>	<u>62,301</u>		
Fire:						
Suppression of forest fires	6,500	6,500	-	6,500		
Volunteer fire companies	<u>938,101</u>	<u>938,101</u>	<u>921,578</u>	<u>16,523</u>		
Total Fire	<u>944,601</u>	<u>944,601</u>	<u>921,578</u>	<u>23,023</u>		
Correction:						
County detention center maintenance	143,585	143,585	141,283	2,302		
County detention center	6,210,601	6,210,601	5,777,622	432,979		
JSA crisis intervention	36,396	36,396	33,265	3,131		
Juvenile service grant	14,194	14,194	14,091	103		
Alternative sentencing	148,599	156,385	139,699	16,686		
Home detention grant	125,229	125,229	112,332	12,897		
Total Correction	<u>6,678,604</u>	<u>6,686,390</u>	<u>6,218,292</u>	<u>468,098</u>		
Other Protection:						
Permits & enforcement	299,189	299,189	289,491	9,698		
Building Codes	117,531	172,031	168,383	3,648		
Emergency Management Agency	196,028	208,280	208,109	171		
Local emergency planning	12,500	17,500	10,028	7,472		
Transportation planning	107,597	107,597	92,310	15,287		
Animal control	293,624	293,624	299,878	(6,254)		
Animal shelter	77,665	77,665	80,002	(2,337)		
911	1,471,170	1,503,970	1,503,628	342		
Hazardous materials operations	83,873	83,873	80,592	3,281		
Public safety department	-	106,875	122,209	(15,334)		
Emergency medical assistance	40,000	40,000	44,539	(4,539)		
Domestic preparedness grant	337,550	337,550	346,095	(8,545)		
Community emergency response	7,500	8,000	8,000	-		
Flood control	45,000	45,000	17,477	27,523		
Total Other Protection	<u>3,089,227</u>	<u>3,301,154</u>	<u>3,270,741</u>	<u>30,413</u>		
Total Public Safety	<u>12,869,777</u>	<u>13,175,738</u>	<u>12,591,903</u>	<u>583,835</u>		

Continued

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
EXPENDITURES (Continued):						
<u>Public Works:</u>						
Public Services:						
Airport	240,000	240,000	240,000	-		
Waste collection:						
Solid waste disposal	409,367	409,367	388,011	21,356		
Solid waste recycling	172,069	172,069	163,250	8,819		
Household hazardous waste	15,000	15,000	11,284	3,716		
UPRC	353,228	353,228	353,228	-		
County engineer	1,070,908	1,070,908	1,108,695	(37,787)		
Total Public Works	<u>2,260,572</u>	<u>2,260,572</u>	<u>2,264,468</u>	<u>(3,896)</u>		
<u>Health and Hospitals:</u>						
Brook Building	231,617	215,562	192,505	23,057		
Willowbrook Office	290,302	290,302	265,846	24,456		
Health Department supplemental	33,308	33,308	28,287	5,021		
Western Maryland Health Planning	6,348	6,348	6,348	-		
Pre-hospital Care Coordinator	20,000	20,000	-	20,000		
Prescribed medication program	30,000	30,000	30,000	-		
Total Health and Hospitals	<u>611,575</u>	<u>595,520</u>	<u>522,986</u>	<u>72,534</u>		
<u>Social Services:</u>						
HRDC child care operations	-	220,000	153,721	66,279		
Family violence council	-	31,521	44,799	(13,278)		
Medtrans/Alltrans	1,093,924	1,093,924	1,163,865	(69,941)		
Pauper's burials	1,950	1,950	1,572	378		
TANF grant	24,665	24,665	1,368	23,297		
Human Resources Devel. Comm.	683,400	683,400	683,400	-		
Emergency shelter grant	30,000	30,000	30,411	(411)		
New Hope, Inc.	-	2,134	2,133	1		
Child abuse coordinator	92,481	92,481	91,586	895		
Family Crisis Center	83,000	83,000	83,000	-		
Food distribution to the needy	18,000	18,000	12,100	5,900		
Total Social Services	<u>2,027,420</u>	<u>2,281,075</u>	<u>2,267,955</u>	<u>13,120</u>		
<u>Education:</u>						
Maryland School for the Blind	500	500	-	500		
State debt reimbursement	26,500	26,500	289,589	(263,089)		
Parkside Flag-in-the-Air	7,500	7,500	6,750	750		
Total Education	<u>34,500</u>	<u>34,500</u>	<u>296,339</u>	<u>(261,839)</u>		
<u>Recreation and Culture:</u>						
Program Open Space	1,508,363	1,508,363	241,256	1,267,107		
Allegany County fair	168,386	168,386	165,511	2,875		
Fairgrounds maintenance	192,710	210,757	223,585	(12,828)		
Highland trail operations	50,037	50,037	96,789	(46,752)		
Allegany County Arts Council	34,000	34,000	34,000	-		
Cumberland Summer Theatre	8,000	8,000	8,000	-		
Agriculture Expo	14,000	14,000	14,000	-		
Allegany Co. homecoming	2,250	2,250	2,250	-		
Total Recreation and Culture	<u>1,977,746</u>	<u>1,995,793</u>	<u>785,391</u>	<u>1,210,402</u>		

(continued)

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)		
	Original	Final				
EXPENDITURES (Continued):						
<u>Conservation of Natural Resources:</u>						
Agricultural Extension Service	119,445	119,445	114,649	4,796		
Soil conservation services	165,983	165,983	164,745	1,238		
Gypsy moth control	-	8,700	7,548	1,152		
Total Conservation of Natural Resources	<u>285,428</u>	<u>294,128</u>	<u>286,942</u>	<u>7,186</u>		
<u>Community Development & Housing</u>						
Office of Community Assistance	113,226	113,226	112,194	1,032		
Capital projects office	85,285	85,285	1,898	83,387		
Allegany Co. Public Housing Authority	8,000	8,000	8,000	-		
Total Community Development & Housing	<u>206,511</u>	<u>206,511</u>	<u>122,092</u>	<u>84,419</u>		
<u>Economic Development:</u>						
Department of Economic Development	482,010	482,010	401,153	80,857		
Scenic railroad development	320,000	320,000	170,000	150,000		
Tri-County Council	20,000	20,000	20,000	-		
Tourism department	512,103	512,103	582,755	(70,652)		
Toll House	6,400	6,400	3,112	3,288		
Thrasher Museum	67,000	67,000	67,000	-		
Community promotion	11,000	11,000	8,900	2,100		
Total Economic Development	<u>1,418,513</u>	<u>1,418,513</u>	<u>1,252,920</u>	<u>165,593</u>		
<u>Appropriations to Other Governmental Units:</u>						
Grants in Lieu of Taxes	28,704	28,704	28,704	-		
Health Department	1,125,222	1,125,222	1,123,940	1,282		
Department of Social Services	9,800	9,800	9,800	-		
Total Appropriations to Other Gov't Units:	<u>1,163,726</u>	<u>1,163,726</u>	<u>1,162,444</u>	<u>1,282</u>		
<u>Miscellaneous:</u>						
Contingency	248,119	49,479	-	49,479		
Miscellaneous	25,600	25,600	20,974	4,626		
Total Miscellaneous	<u>273,719</u>	<u>75,079</u>	<u>20,974</u>	<u>54,105</u>		
<u>Payments to Component Units</u>						
Allegany Co. Board of Education	27,380,000	27,380,000	27,380,000	-		
Allegany College	6,375,000	6,382,000	6,382,000	-		
Allegany County Library	875,000	875,000	875,000	-		
Information Technology	311,576	311,576	311,568	(8)		
Total payments to component units	<u>34,941,576</u>	<u>34,948,576</u>	<u>34,948,568</u>	<u>(8)</u>		
Total Expenditures	<u>66,148,492</u>	<u>66,622,988</u>	<u>63,598,027</u>	<u>3,024,945</u>		
Excess (deficiency) of revenues over (under) expenditures	<u>5,224,543</u>	<u>5,163,168</u>	<u>10,019,700</u>	<u>4,856,516</u>		

Continued

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2007**

OTHER FINANCING SOURCES (USES)	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
<u>Unexpended balance - prior years</u>	<u>1,600,000</u>	<u>1,761,375</u>	-	<u>(1,761,375)</u>
Transfers In from other funds:				
Transfers from special revenue funds	45,380	45,380	52,380	7,000
Transfers from capital project funds	-	-	-	-
Transfers from enterprise funds	406,226	406,226	98,104	(308,122)
Total Transfers In	<u>451,606</u>	<u>451,606</u>	<u>150,484</u>	<u>(301,122)</u>
Operating Transfers to Other Funds:				
Special revenue funds:				
Highway fund	(1,800,000)	(1,800,000)	(1,800,000)	-
Transit Fund	(251,381)	(251,381)	(316,727)	(65,346)
Community Development Block Grant	-	-	(28,143)	(28,143)
Housing & Section 8 fund	(194,481)	(194,481)	(178,807)	15,674
Narcotics Task Force	(19,416)	(19,416)	(19,293)	123
Public Safety Fund	-	(100,000)	(93,543)	6,457
Debt service Fund:				
From General government	(4,870,051)	(4,870,051)	(4,666,573)	203,478
From Sheriff department	(51,948)	(51,948)	(51,948)	-
From Attendence resource program	(7,874)	(7,874)	(7,873)	1
From CASASTART program	(7,812)	(7,812)	(7,812)	-
Capital projects funds:				
Capital projects fund	-	-	(297,515)	(297,515)
Pay-As-You-GO Capital Proj. Fund	-	-	(1,140,000)	(1,140,000)
Enterprise funds:				
Water fund	-	-	(8,146)	(8,146)
Sanitary fund	(88,186)	(88,186)	(87,383)	803
Allconet II Fund	-	-	(82,443)	(82,443)
Loan fund	-	-	(322,819)	(322,819)
Total operating transfers to other funds	<u>(7,291,149)</u>	<u>(7,391,149)</u>	<u>(9,109,025)</u>	<u>(1,717,876)</u>
<u>Sale of capital assets</u>	<u>15,000</u>	<u>15,000</u>	<u>308,274</u>	<u>293,274</u>
Total Other Financing Sources and Uses	<u>(5,224,543)</u>	<u>(5,163,168)</u>	<u>(8,650,267)</u>	<u>(3,487,099)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses			1,369,433	<u>1,369,417</u>
Fund balance, beginning, as restated			14,132,213	
Fund balance, ending			\$ <u>15,501,646</u>	

**ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
HIGHWAY SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007**

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Taxes - State shared	4,860,000	4,860,000	4,823,654	(36,346)
Intergovernmental:				
Federal	-	-	-	-
Interest	-	-	38,789	38,789
Miscellaneous	-	-	1,994	1,994
Total Revenues	<u>4,860,000</u>	<u>4,860,000</u>	<u>4,864,437</u>	<u>4,437</u>
EXPENDITURES				
Public works - Highway	<u>7,438,730</u>	<u>7,438,730</u>	<u>6,861,959</u>	<u>576,771</u>
Total Expenditures	<u>7,438,730</u>	<u>7,438,730</u>	<u>6,861,959</u>	<u>576,771</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,578,730)</u>	<u>(2,578,730)</u>	<u>(1,997,522)</u>	<u>581,208</u>
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	778,730	778,730	-	(778,730)
Transfer from other funds	1,800,000	1,800,000	1,800,000	-
Transfers to other funds	-	-	-	-
Total Other Financing Sources and Uses	<u>2,578,730</u>	<u>2,578,730</u>	<u>1,800,000</u>	<u>(778,730)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>(197,522)</u>	<u>(197,522)</u>
Fund balance, beginning			1,425,275	
Fund balance, ending			<u>1,227,753</u>	

ALLEGANY COUNTY, MARYLAND
BUDGETARY COMPARISON SCHEDULE
REVOLVING BUILDING FUND SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 2007

	Budgeted Amounts		Actual Amount	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental:				
Federal	500,000	500,000	579,497	79,497
State	-	-	2,500,000	2,500,000
Interest	-	-	28,887	28,887
Miscellaneous	2,195,422	2,195,422	2,293,696	98,274
Total Revenues	2,695,422	2,695,422	5,402,080	2,706,658
EXPENDITURES				
Economic development	3,835,273	3,835,273	2,841,020	994,253
Total Expenditures	3,835,273	3,835,273	2,841,020	994,253
Excess (deficiency) of revenues over (under) expenditures	(1,139,851)	(1,139,851)	2,561,060	3,700,911
OTHER FINANCING SOURCES AND USES:				
Unexpended balance - prior years	2,145,526	2,145,526	-	(2,145,526)
Transfer from other funds	-	-	-	-
Transfers to other funds	(1,005,675)	(1,005,675)	(1,004,320)	1,355
Proceeds from debt issuance	-	-	6,050,000	6,050,000
Sale of capital assets	-	-	50,600	50,600
Total Other Financing Sources and Uses	1,139,851	1,139,851	5,096,280	3,956,429
Net change in fund balances	-	-	7,657,340	7,657,340
Fund balance, beginning			1,758,084	
Fund balance, ending			9,415,424	

Notes to Required Supplementary Information
June 30, 2007

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.

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.

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

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

**ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007**

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund
ASSETS:						
Cash	\$ -	\$ 275	\$ -	\$ 15,888	\$ 5,221	\$ 500
Cash - restricted						100,000
Investments	1,050,000					
Receivables						
Notes and loans				363,911		
Other	2,537	672,559			8,731	10,202
Due from other funds	102,157		104,445	166,318	142,797	111,281
Inventory		61,810				
Prepays					68,525	
Total Assets	<u>1,154,694</u>	<u>734,644</u>	<u>104,445</u>	<u>546,117</u>	<u>225,274</u>	<u>221,983</u>
LIABILITIES:						
Accounts payable	106,596	34,138	1,960		1,235	
Accrued payroll		9,300			3,005	752
Accrued payroll fringe		5,137			1,448	207
Due to other funds		650,181				
Amounts held in escrow					5,221	151,602
Unearned revenue			98,637	363,911	206,276	
Miscellaneous		33,734	(198)			
Total Liabilities	<u>106,596</u>	<u>732,490</u>	<u>100,399</u>	<u>363,911</u>	<u>217,185</u>	<u>152,561</u>
FUND BALANCES						
Reserved:						
For noncurrent assets						
For prepaid items					8,089	
For inventories		2,154				
For fund projects/programs						
Unreserved/Designated:						
For next fiscal year	147,189		4,046	100,000		
For specific programs	900,909			82,206		69,422
Undesignated						
Total Fund Balances	<u>1,048,098</u>	<u>2,154</u>	<u>4,046</u>	<u>182,206</u>	<u>8,089</u>	<u>69,422</u>
Total Liabilities and Fund Balances	<u>\$ 1,154,694</u>	<u>\$ 734,644</u>	<u>\$ 104,445</u>	<u>\$ 546,117</u>	<u>\$ 225,274</u>	<u>\$ 221,983</u>

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2007

Special Revenue Funds			Debt Service		Capital Project Funds			Total Nonmajor Governmental Funds
Gaming Fund	State Fire, Rescue & Public Safety Fund	Total	Debt Service Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds		775
\$	\$	\$	\$	\$	\$	\$	\$	
-	-	21,109	-	-	-	-	-	21,109
-	247,330	1,397,330	317,190	2,354,737	821,796	3,176,533		4,891,053
-	-	363,911	-	-	-	-	-	363,911
28,004	16,937	738,970	17,445	5,562	1,986	7,548		763,963
547,399	209,504	1,383,901	1,352,975	727,217	1,116	728,333		3,465,209
-	-	61,810	-	-	-	-	-	61,810
-	-	68,525	-	-	-	-	-	68,525
575,403	473,771	4,036,331	1,687,610	3,087,516	824,898	3,912,414		9,636,355
599	9,284	153,812	-	280,084	132,825	412,909		566,721
1,836	981	15,874	-	-	-	-	-	15,874
524	300	7,616	-	-	-	-	-	7,616
-	-	650,181	-	-	37,504	37,504		687,685
-	-	156,823	-	-	-	-	-	156,823
-	-	668,824	-	-	-	-	-	668,824
-	-	33,536	-	-	-	-	-	33,536
2,959	10,565	1,686,666	-	280,084	170,329	450,413		2,137,079
-	-	8,089	-	-	-	-	-	8,089
-	-	2,154	-	-	-	-	-	2,154
-	463,206	463,206	-	-	644,138	644,138		1,107,344
-	-	251,235	197,035	1,171,500	-	1,171,500		1,619,770
572,444	-	1,624,981	1,490,575	1,583,425	-	1,583,425		4,698,981
572,444	463,206	2,349,665	1,687,610	52,507	10,431	62,938		62,938
\$ 575,403	\$ 473,771	\$ 4,036,331	\$ 1,687,610	\$ 3,087,516	\$ 824,898	\$ 3,912,414		\$ 9,636,355

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Special Revenue Funds					
	Coal Haul Roads Fund	Transit Fund	Community Development Block Grant Fund	Block Grant Program Income Fund	Community Development & Housing Fund	Drug Task Force Fund
REVENUES:						
Taxes - State Shared	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other local taxes	98,417	-	-	-	-	-
Intergovernmental:						
Federal	-	539,730	244,893	2,229	786,851	-
State	-	192,567	-	-	259,354	-
Other	-	-	43,000	-	9,000	19,266
Service charges	-	179,620	-	-	28,000	-
Fines and forfeitures	-	-	-	-	-	83,751
Interest	48,547	-	-	7	-	1,982
Miscellaneous	-	13,639	-	5,406	1,290	9,219
Total Revenues	<u>146,964</u>	<u>925,556</u>	<u>287,893</u>	<u>7,642</u>	<u>1,084,495</u>	<u>114,218</u>
EXPENDITURES:						
Current:						
General government	-	-	23,174	-	-	105,429
Public safety	-	-	1,219,535	23,246	-	-
Public works	113,841	-	-	-	-	-
Highway	-	-	145,450	-	-	-
Health & hospitals	-	-	-	-	-	-
Social Services	-	-	-	-	-	-
Community Development and Housing	-	-	96,644	48,398	1,268,383	-
Economic development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital Outlay:						
General government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Education	-	-	-	-	-	-
Library	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Payments to component units:						
Allegany College	-	-	-	-	-	-
Board of Education	-	-	-	-	-	-
Total Expenditures	<u>113,841</u>	<u>1,219,535</u>	<u>288,514</u>	<u>48,398</u>	<u>1,268,383</u>	<u>105,429</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,123</u>	<u>(293,979)</u>	<u>(621)</u>	<u>(40,756)</u>	<u>(183,888)</u>	<u>8,789</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	316,727	28,143	-	178,807	19,293
Transfers out	-	(22,748)	-	-	-	-
Debt issued	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Total Other Financing Sources and uses	<u>-</u>	<u>293,979</u>	<u>28,143</u>	<u>-</u>	<u>178,807</u>	<u>19,293</u>
Net change in fund balances	<u>33,123</u>	<u>-</u>	<u>27,522</u>	<u>(40,756)</u>	<u>(5,081)</u>	<u>28,082</u>
Fund balance, beginning, as restated, see note	<u>1,014,975</u>	<u>2,154</u>	<u>(23,476)</u>	<u>222,962</u>	<u>13,170</u>	<u>41,340</u>
Fund balance, ending	<u><u>\$ 1,048,098</u></u>	<u><u>\$ 2,154</u></u>	<u><u>\$ 4,046</u></u>	<u><u>\$ 182,206</u></u>	<u><u>\$ 8,089</u></u>	<u><u>\$ 69,422</u></u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

Special Revenue Funds			Debt Service	Capital Project Funds			Total Nonmajor Governmental Funds
Gaming Fund	State Fire, Rescue & Public Safety Fund	Total Special Revenue Funds	Debt Service Fund	PAYGO Capital Project Fund	Public Improvement Bond Fund	Total Capital Projects Funds	
\$	\$	\$	\$	\$	\$	\$	\$
650,153	-	748,570	-	-	-	-	748,570
-	-	1,573,703	-	-	-	-	1,573,703
-	231,606	683,527	-	-	-	-	683,527
-	-	71,266	-	-	-	-	71,266
55,000	114,653	377,273	-	-	-	-	377,273
-	-	83,751	-	-	-	-	83,751
-	10,075	60,611	17,445	120,486	69,397	189,883	267,939
-	80,019	109,573	-	84,460	-	84,460	194,033
705,153	436,353	3,708,274	17,445	204,946	69,397	274,343	4,000,062
128,816	-	128,816	-	-	-	-	128,816
141,633	477,867	748,103	-	-	-	-	748,103
-	-	1,242,781	-	-	-	-	1,242,781
-	-	113,841	-	-	-	-	113,841
-	-	145,450	-	-	-	-	145,450
-	-	-	-	-	-	-	-
-	-	1,413,425	-	-	-	-	1,413,425
-	-	-	-	-	-	-	-
-	-	-	4,775	-	-	-	4,775
-	-	-	-	-	-	-	-
-	-	-	-	4,213,086	-	-	4,213,086
-	-	-	-	1,317,568	-	-	1,317,568
-	-	-	-	37,200	83,601	120,801	120,801
-	-	-	-	14,382	8,705	23,087	23,087
-	-	-	-	883,336	-	883,336	883,336
-	-	-	-	-	141,281	141,281	141,281
-	-	-	-	-	124,186	124,186	124,186
-	-	-	-	-	3,747	3,747	3,747
-	-	-	-	-	-	-	-
270,449	477,867	3,792,416	5,535,429	934,918	96,720	96,720	96,720
434,704	(41,514)	(84,142)	(5,517,984)	(729,972)	(388,843)	(1,118,815)	(6,720,941)
(3,893)	93,543 (7,000)	636,513 (33,641)	5,688,394 -	1,140,000 (456,777)	(2,030,807) 3,030,000	1,140,000 (2,487,584) 3,030,000	7,464,907 (2,521,225) 3,030,000
(3,893)	86,543	602,872	5,688,394	683,223	999,193	1,682,416	7,973,682
430,811	45,029	518,730	170,410	(46,749)	610,350	563,601	1,252,741
141,633	418,177	1,830,935	1,517,200	2,854,181	44,219	2,898,400	6,246,535
\$ 572,444	\$ 463,206	\$ 2,349,665	\$ 1,687,610	\$ 2,807,432	\$ 654,569	\$ 3,462,001	\$ 7,499,276

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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds

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

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

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

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
June 30, 2007

ASSETS	Allconet II	Allegany County Loan Fund	Total
Current Assets:			
Cash:	\$ -	\$ -	\$ -
Cash	\$ -	\$ -	\$ -
Receivables:			
Accounts (net)	52,967	304,274	357,241
Other	- - -	- - -	- - -
Due from other funds	- - -	678,658	678,658
Miscellaneous assets	- - -	- - -	- - -
Total current assets	<u>52,967</u>	<u>982,932</u>	<u>1,035,899</u>
Non-current Assets:			
Advances to other funds	- - -	495,221	495,221
Construction in Progress	- - -	- - -	- - -
Capital assets subject to depreciation	2,940,287	- - -	2,940,287
Accumulated depreciation	<u>(837,643)</u>	- - -	<u>(837,643)</u>
Total noncurrent assets	<u>2,102,644</u>	<u>495,221</u>	<u>2,597,865</u>
Total Assets	<u>2,155,611</u>	<u>1,478,153</u>	<u>3,633,764</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	4,207	- - -	4,207
Accrued payroll	- - -	- - -	- - -
Accrued payroll fringe	- - -	- - -	- - -
Due to other funds	- - -	- - -	- - -
Miscellaneous liabilities	- - -	- - -	- - -
Total current liabilities	<u>4,207</u>	- - -	<u>4,207</u>
Noncurrent Liabilities:			
Cash advance due to General Fund	- - -	- - -	- - -
Long term debt:			
Compensated absences	- - -	- - -	- - -
Total noncurrent liabilities	- - -	- - -	- - -
Total Liabilities	<u>4,207</u>	- - -	<u>4,207</u>
NET ASSETS			
Invested in capital assets, net of related debt			
Unrestricted	2,102,644	- - -	2,102,644
Total Net Assets	<u>48,760</u>	<u>1,478,153</u>	<u>1,526,913</u>
	<u>\$ 2,151,404</u>	<u>\$ 1,478,153</u>	<u>\$ 3,629,557</u>

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Allconet II	Allegany County Loan Fund	Total
OPERATING REVENUES:			
Service charges	\$ 13,448	\$ -	\$ 13,448
Patient fees	-	-	-
Miscellaneous	-	1,793	1,793
Total Operating Revenues	13,448	1,793	15,241
OPERATING EXPENSES:			
Salaries	769	-	769
Employee benefits	60	-	60
Office expenses	4,998	-	4,998
Utilities	8,827	-	8,827
Repairs & maintenance	4,832	-	4,832
Contractual services	-	-	-
Treatment costs	-	-	-
Professional services	2,593	-	2,593
Materials and supplies	-	-	-
Insurance	4,837	-	4,837
Miscellaneous	-	-	-
Depreciation	419,142	-	419,142
Total operating expenses	446,058	-	446,058
Operating Income (Loss)	(432,610)	1,793	(430,817)
NON-OPERATING REVENUE (EXPENSES):			
Interest income	2,704	-	2,704
Interest expense	-	-	-
Loss on sale of capital assets	-	-	-
Other income (expense)	-	-	-
Total non-operating revenue (expenses)	2,704	-	2,704
Income (Loss) before contributions and transfers	(429,906)	1,793	(428,113)
Transfer in	82,443	322,819	405,262
Transfer out	-	(98,104)	(98,104)
Change in net assets	(347,463)	226,508	(120,955)
Total net assets - beginning	2,498,867	1,251,645	3,750,512
Total net assets - ending	\$ 2,151,404	\$ 1,478,153	\$ 3,629,557

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE - NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2007

	Allconet II	Allegany County Loan Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 17,347	\$ 101,794	\$ 119,141
Cash payments for goods and services	(22,152)	-	(22,152)
Cash payments to employees for services	(1,658)	-	(1,658)
Other operating revenues	-	-	-
Net cash provided by operating activities	<u>(6,463)</u>	<u>101,794</u>	<u>95,331</u>
Cash flows from noncapital financing activities:			
Advances from other funds	34,593	98,204	132,797
Advances to other funds	(102,494)	(424,713)	(527,207)
Transfers from other funds	82,443	322,819	405,262
Transfers to other funds	-	(98,104)	(98,104)
Net cash provided by noncapital financing activities	<u>14,542</u>	<u>(101,794)</u>	<u>(87,252)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(10,783)	-	(10,783)
Proceeds from sale of assets	-	-	-
Grant revenues	-	-	-
Net cash used for capital and related financing activities	<u>(10,783)</u>	<u>-</u>	<u>(10,783)</u>
Cash flows from investing activities:			
Purchase of investments	-	-	-
Sale of investments	-	-	-
Interest on investments	2,704	-	2,704
Net cash used in investing activities	<u>2,704</u>	<u>-</u>	<u>2,704</u>
Net increase (decrease) in cash	-	-	-
Cash at beginning of the year	-	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	<u>\$ (432,610)</u>	<u>\$ 1,793</u>	<u>\$ (430,817)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	419,142	-	419,142
Provision for uncollectible accounts	-	-	-
Change in assets & liabilities:			
(Increase) decrease in receivables	3,898	100,001	103,899
(Increase) decrease in inventory	-	-	-
(Increase) decrease in prepaids	-	-	-
Increase (decrease) in acc'ts payable	3,936	-	3,936
Increase (decrease) in accrued payroll	(829)	-	(829)
Total adjustments	<u>426,147</u>	<u>100,001</u>	<u>526,148</u>
Net cash provided by operating activities	<u>\$ (6,463)</u>	<u>\$ 101,794</u>	<u>\$ 95,331</u>

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

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

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**ALLEGANY COUNTY, MARYLAND
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007**

	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues:				
Interest	-	-	17,445	17,445
Expenditures:				
Current:				
Miscellaneous:				
Paying agent fees	\$ 25,000	\$ 25,000	\$ 4,775	\$ 20,225
Debt Service:				
Principal payments on :				
General obligation debt	3,943,680	3,943,680	3,660,286	283,394
State loans	552,620	552,620	552,800	(180)
Total principal payments	<u>4,496,300</u>	<u>4,496,300</u>	<u>4,213,086</u>	<u>283,214</u>
Interest payments on:				
General obligation debt	1,283,628	1,283,628	1,055,822	227,806
State loans	262,587	262,587	261,746	841
Total interest payments	<u>1,546,215</u>	<u>1,546,215</u>	<u>1,317,568</u>	<u>228,647</u>
Total Expenditures	<u>6,067,515</u>	<u>6,067,515</u>	<u>5,535,429</u>	<u>532,086</u>
Deficiency of revenues under expenditures	<u>(6,067,515)</u>	<u>(6,067,515)</u>	<u>(5,517,984)</u>	<u>549,531</u>
Other Financing Sources and (Uses):				
Unexpended fund balance	197,035	197,035	-	(197,035)
Transfers from other funds:				
From the General Fund	4,937,685	4,937,685	4,734,206	(203,479)
From the Transit Fund	-	-	22,748	22,748
From the Revolving Building Fund	932,795	932,795	931,440	(1,355)
Total Other Financing Sources and Uses	<u>6,067,515</u>	<u>6,067,515</u>	<u>5,688,394</u>	<u>(379,121)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>170,410</u>	<u>\$ 170,410</u>
Fund balance, beginning			<u>1,517,200</u>	
Fund balance, ending			<u>\$ 1,687,610</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, 2007

	Highway Fund				Coal Haul Roads Fund				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	\$ 4,860,000	\$ 4,860,000	\$ 4,823,654	\$ (36,346)	\$ 120,000	\$ 120,000	\$ 98,417	\$ (21,583)	
Other local taxes									
Intergovernmental:									
Federal			38,789	38,789	941,400	941,400			(941,400)
State									
Other									
Service charges									
Fines and forfeitures									
Interest			1,994	1,994					48,547
Miscellaneous									48,547
Total Revenues	<u>4,860,000</u>	<u>4,860,000</u>	<u>4,864,437</u>	<u>4,437</u>	<u>1,061,400</u>	<u>1,061,400</u>	<u>146,964</u>	<u>(914,436)</u>	
EXPENDITURES:									
General government									
Public safety									
Public works									
Health & hospitals									
Highway	7,438,730	7,438,730	6,861,959	576,771	1,176,800	1,176,800	113,841	1,062,959	
Social Services									
Community Development and Housing									
Economic development									
Miscellaneous									
Payments to Component Units									
Total Expenditures	<u>7,438,730</u>	<u>7,438,730</u>	<u>6,861,959</u>	<u>576,771</u>	<u>1,176,800</u>	<u>1,176,800</u>	<u>113,841</u>	<u>1,062,959</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(2,578,730)</u>	<u>(2,578,730)</u>	<u>(1,997,522)</u>	<u>581,208</u>	<u>(115,400)</u>	<u>(115,400)</u>	<u>33,123</u>	<u>148,523</u>	
OTHER FINANCING SOURCES AND (USES):									
Unexpended balance - prior years	778,730	778,730		(778,730)	115,400	115,400			(115,400)
Transfer from other funds	1,800,000	1,800,000	1,800,000						
Transfers to other funds									
Debt issued									
Sale of capital assets									
Total Other Financing Sources and Uses	<u>2,578,730</u>	<u>2,578,730</u>	<u>1,800,000</u>	<u>(778,730)</u>	<u>115,400</u>	<u>115,400</u>			<u>(115,400)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(197,522)</u>	<u>\$ (197,522)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>33,123</u>	<u>\$ 33,123</u>	
Fund balance, beginning									
As adjusted				1,425,275					
Fund balance, ending				<u>\$ 1,227,753</u>					<u>\$ 1,048,098</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, 2007

Transit Fund				Community Development Block Grant Fund			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-
829,510	829,510	539,730	(289,780)	76,500	76,500	244,893	168,393
233,176	233,176	192,567	(40,609)	-	42,500	42,500	500
155,000	155,000	179,620	24,620	-	-	-	-
-	-	-	-	-	-	-	-
5,000	5,000	13,639	8,639	-	-	-	-
<u>1,222,686</u>	<u>1,222,686</u>	<u>925,556</u>	<u>(297,130)</u>	<u>119,000</u>	<u>119,000</u>	<u>287,893</u>	<u>168,893</u>
-	-	-	-	-	-	-	-
1,517,718	1,517,718	1,219,535	298,183	-	-	-	-
-	-	-	-	75,000	75,000	145,450	(23,174)
-	-	-	-	-	-	-	(23,246)
-	-	-	-	-	-	-	(70,450)
-	-	-	-	44,000	44,000	96,644	-
-	-	-	-	-	-	-	(52,644)
-	-	-	-	-	-	-	-
<u>1,517,718</u>	<u>1,517,718</u>	<u>1,219,535</u>	<u>298,183</u>	<u>119,000</u>	<u>119,000</u>	<u>288,514</u>	<u>(169,514)</u>
<u>(295,032)</u>	<u>(295,032)</u>	<u>(293,979)</u>	<u>1,053</u>	<u>-</u>	<u>-</u>	<u>(621)</u>	<u>(621)</u>
-	-	-	-	-	-	-	-
43,651	43,651	-	(43,651)	-	-	-	-
251,381	251,381	316,727	65,346	-	-	28,143	28,143
-	-	(22,748)	(22,748)	-	-	-	-
-	-	-	-	-	-	-	-
<u>295,032</u>	<u>295,032</u>	<u>293,979</u>	<u>(1,053)</u>	<u>-</u>	<u>-</u>	<u>28,143</u>	<u>28,143</u>
<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>27,522</u>	<u>\$ 27,522</u>
		<u>2,154</u>				<u>(23,476)</u>	
		<u><u>\$ 2,154</u></u>				<u><u>\$ 4,046</u></u>	

(Continued)

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Block Grant Program Income Fund				Community Development & Housing Fund				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	-	-	2,229	2,229	1,050,969	1,050,969	786,851	(264,118)	
State	-	-	-	-	360,434	360,434	259,354	(101,080)	
Other	-	-	-	-	7,500	7,500	9,000	1,500	
Service charges	-	-	-	-	32,800	32,800	28,000	(4,800)	
Fines and forfeitures	-	-	-	-	-	-	-	-	
Interest	-	-	7	7	-	-	-	-	
Miscellaneous	5,400	5,400	5,406	6	1,000	1,000	1,290	290	
Total Revenues	<u>5,400</u>	<u>5,400</u>	<u>7,642</u>	<u>2,242</u>	<u>1,452,703</u>	<u>1,452,703</u>	<u>1,084,495</u>	<u>(368,208)</u>	
EXPENDITURES:									
General government	-	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	-	
Public works	-	-	-	-	-	-	-	-	
Health & hospitals	-	-	-	-	-	-	-	-	
Highway	-	-	-	-	-	-	-	-	
Social Services	-	-	-	-	-	-	-	-	
Community Development and Housing	145,400	145,400	48,398	97,002	1,647,184	1,647,184	1,268,383	378,801	
Economic development	-	-	-	-	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	
Payments to Component Units	-	-	-	-	-	-	-	-	
Total Expenditures	<u>145,400</u>	<u>145,400</u>	<u>48,398</u>	<u>97,002</u>	<u>1,647,184</u>	<u>1,647,184</u>	<u>1,268,383</u>	<u>378,801</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(140,000)</u>	<u>(140,000)</u>	<u>(40,756)</u>	<u>99,244</u>	<u>(194,481)</u>	<u>(194,481)</u>	<u>(183,888)</u>	<u>10,593</u>	
OTHER FINANCING SOURCES AND (USES):									
Unexpended balance - prior years	140,000	140,000	-	(140,000)	-	-	-	-	
Transfer from other funds	-	-	-	-	194,481	194,481	178,807	(15,674)	
Transfers to other funds	-	-	-	-	-	-	-	-	
Debt issued	-	-	-	-	-	-	-	-	
Sale of capital assets	-	-	-	-	-	-	-	-	
Total Other Financing Sources and Uses	<u>140,000</u>	<u>140,000</u>	<u>-</u>	<u>(140,000)</u>	<u>194,481</u>	<u>194,481</u>	<u>178,807</u>	<u>(15,674)</u>	
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(40,756)</u>	<u>\$ (40,756)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(5,081)</u>	<u>\$ (5,081)</u>	
Fund balance, beginning									
As adjusted				222,962				13,170	
Fund balance, ending				<u>\$ 182,206</u>				<u>\$ 8,089</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, 2007

Drug Task Force Fund				Gaming Fund			
<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Positive (Negative)</u>
\$	\$	\$	\$	\$	\$	\$	\$
-	-	-	-	-	-	-	-
19,416	19,416	19,266	(150)	-	-	-	-
51,800	51,800	83,751	31,951	54,000	54,000	55,000	1,000
-	-	1,982	1,982	-	-	-	-
-	-	9,219	9,219	-	-	-	-
<u>71,216</u>	<u>71,216</u>	<u>114,218</u>	<u>43,002</u>	<u>695,836</u>	<u>695,836</u>	<u>705,153</u>	<u>9,317</u>
90,632	90,632	105,429	(14,797)	129,168	129,168	128,816	352
-	-	-	-	141,667	141,667	141,633	34
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>90,632</u>	<u>90,632</u>	<u>105,429</u>	<u>(14,797)</u>	<u>270,835</u>	<u>270,835</u>	<u>270,449</u>	<u>386</u>
<u>(19,416)</u>	<u>(19,416)</u>	<u>8,789</u>	<u>28,205</u>	<u>425,001</u>	<u>425,001</u>	<u>434,704</u>	<u>9,703</u>
19,416	19,416	19,293	(123)	-	-	-	-
-	-	-	-	(425,001)	(425,001)	(3,893)	421,108
-	-	-	-	-	-	-	-
<u>19,416</u>	<u>19,416</u>	<u>19,293</u>	<u>(123)</u>	<u>(425,001)</u>	<u>(425,001)</u>	<u>(3,893)</u>	<u>421,108</u>
<u>\$ -</u>	<u>\$ -</u>	<u>28,082</u>	<u>\$ 28,082</u>	<u>\$ -</u>	<u>\$ -</u>	<u>430,811</u>	<u>\$ 430,811</u>
		<u>41,340</u>				<u>141,633</u>	
		<u>\$ 69,422</u>				<u>\$ 572,444</u>	

(Continued)

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

	Revolving Building Fund				Fire, Rescue & Public Safety 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	500,000	500,000	579,497	79,497	228,445	228,445	231,606	3,161
State			2,500,000	2,500,000				
Other					84,000	84,000	114,653	30,653
Service charges								
Fines and forfeitures			28,887	28,887	9,000	9,000	10,075	1,075
Interest					50,000	50,000	80,019	30,019
Miscellaneous	2,195,422	2,195,422	2,293,696	98,274	371,445	371,445	436,353	64,908
Total Revenues	2,695,422	2,695,422	5,402,080	2,706,658				
EXPENDITURES:								
General government					619,890	719,890	477,867	242,023
Public safety								
Public works								
Health & hospitals								
Highway								
Social Services								
Community Development and Housing								
Economic development	3,835,273	3,835,273	2,841,020	994,253				
Miscellaneous								
Payments to Component Units					619,890	719,890	477,867	242,023
Total Expenditures	3,835,273	3,835,273	2,841,020	994,253				
Excess (deficiency) of revenues over (under) expenditures	(1,139,851)	(1,139,851)	2,561,060	3,700,911	(248,445)	(348,445)	(41,514)	306,931
OTHER FINANCING SOURCES AND (USES):								
Unexpended balance - prior year	2,145,526	2,145,526		(2,145,526)	248,445	248,445		(248,445)
Transfer from other funds					100,000	93,543		(6,457)
Transfers to other funds	(1,005,675)	(1,005,675)	(1,004,320)	1,355		(7,000)		(7,000)
Debt issued			6,050,000	6,050,000				
Sale of capital assets			50,600	50,600				
Total Other Financing Sources and Uses	1,139,851	1,139,851	5,096,280	3,956,429	248,445	348,445	86,543	(261,902)
Net change in fund balances	\$ -	\$ -	7,657,340	\$ 7,657,340	\$ -	\$ -	45,029	\$ 45,029
Fund balance, beginning							418,177	
As adjusted				1,758,084				\$ 463,206
Fund balance, ending				\$ 9,415,424				

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

Total Special Revenue Funds			Variance With Final Budget
Original Budget	Final Budget	Actual	
\$ 4,860,000	\$ 4,860,000	\$ 4,823,654	\$ (36,346)
761,836	761,836	748,570	(13,266)
3,398,379	3,398,379	2,191,989	(1,206,390)
822,055	822,055	3,183,527	2,361,472
69,416	69,416	71,266	1,850
325,800	325,800	377,273	51,473
51,800	51,800	83,751	31,951
9,000	9,000	91,492	82,492
<u>2,256,822</u>	<u>2,256,822</u>	<u>2,403,269</u>	<u>146,447</u>
<u>12,555,108</u>	<u>12,555,108</u>	<u>13,974,791</u>	<u>1,419,683</u>
129,168	129,168	128,816	352
852,189	952,189	748,103	204,086
1,517,718	1,517,718	1,242,781	274,937
75,000	75,000	145,450	(70,450)
8,615,530	8,615,530	6,975,800	1,639,730
-	-	-	-
1,836,584	1,836,584	1,413,425	423,159
3,835,273	3,835,273	2,841,020	994,253
<u>16,861,462</u>	<u>16,961,462</u>	<u>13,495,395</u>	<u>3,466,067</u>
<u>(4,306,354)</u>	<u>(4,406,354)</u>	<u>479,396</u>	<u>4,885,750</u>
3,471,752	3,471,752	-	(3,471,752)
2,265,278	2,365,278	2,436,513	71,235
(1,430,676)	(1,430,676)	(1,037,961)	392,715
-	-	6,050,000	6,050,000
-	-	50,600	50,600
<u>4,306,354</u>	<u>4,406,354</u>	<u>7,499,152</u>	<u>3,092,798</u>
<u>\$ -</u>	<u>\$ -</u>	<u>7,978,548</u>	<u>\$ 7,978,548</u>
		5,014,294	
		<u>\$ 12,992,842</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, 2007

	Capital Improvement Projects Fund				Pay-As-You-Go (PAYGO) Fund				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:									
Intergovernmental									
Federal grants	\$ 3,928,500	\$ 3,928,500	\$ 1,546,723	\$ (2,381,777)	\$ -	\$ -	\$ -	\$ -	\$ -
State grants	1,148,000	1,148,000	2,124,802	976,802	1,000,000	1,000,000	-	-	(1,000,000)
Other	-	-	14,000	14,000	-	-	-	-	-
Miscellaneous:									
Interest	-	-	12,173	12,173	-	-	120,486	120,486	
Miscellaneous	-	-	20	20	-	-	84,460	84,460	
Total Revenues	5,076,500	5,076,500	3,697,718	(1,378,782)	1,000,000	1,000,000	204,946	(795,054)	
EXPENDITURES:									
General Government	-	-	23,956	(23,956)	200,000	200,000	37,200	162,800	
Public Safety	705,000	705,000	1,065,616	(360,616)	10,000	10,000	14,382	(4,382)	
Public Works	180,300	180,300	198,469	(18,169)	1,550,000	1,550,000	883,336	666,664	
Health	-	-	3,292,768	(3,292,768)	-	-	-	-	
Social Services	-	-	-	-	-	-	-	-	
Education	-	-	-	-	-	-	-	-	
Recreation, Culture & Libraries	-	-	-	-	-	-	-	-	
Conservation of Natural Resources	-	-	-	-	-	-	-	-	
Economic Development	4,383,600	4,383,600	2,592,197	1,791,403	-	-	-	-	
Miscellaneous	-	-	-	-	-	-	-	-	
Payments to component units	10,000,000	10,000,000	2,222,871	7,777,129	-	-	-	-	
Total Expenditures	15,268,900	15,268,900	9,395,877	5,873,023	1,760,000	1,760,000	934,918	825,082	
Excess (deficiency) of revenues over (under) expenditures	(10,192,400)	(10,192,400)	(5,698,159)	4,494,241	(760,000)	(760,000)	(729,972)	30,028	
OTHER FINANCING SOURCES AND USES:									
Unexpended fund balance	192,400	192,400	-	(192,400)	760,000	760,000	-	(760,000)	
Transfers In:									
From other funds	-	-	2,788,992	2,788,992	-	-	1,140,000	1,140,000	
Transfers Out:									
To other funds	-	-	-	-	-	-	(456,777)	(456,777)	
Debt issued	10,000,000	10,000,000	5,061,516	(4,938,484)	-	-	-	-	
Capital leases	-	-	-	-	-	-	-	-	
Sale of capital assets	-	-	-	-	-	-	-	-	
Total Other Financing Uses	10,192,400	10,192,400	7,850,508	(2,341,892)	760,000	760,000	683,223	(76,777)	
Net change in fund balances	\$ -	\$ -	2,152,349	\$ 2,152,349	\$ -	\$ -	(46,749)	\$ (46,749)	
Fund balance, beginning			(366,710)				2,854,181		
Fund balance, ending			\$ 1,785,639				\$ 2,807,432		

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2007

Public Improvement Bonds Capital Projects Fund				Total All Capital Projects			
Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance With Final Budget Positive (Negative)
\$ - 1,000,000	\$ - 1,000,000	\$ - -	\$ - (1,000,000)	\$ 3,928,500	\$ 3,928,500	\$ 1,546,723	\$ (2,381,777)
- - -	- - -	69,397	69,397	3,148,000	3,148,000	2,124,802	(1,023,198)
- - -	- - -	- - -	- - -	- - -	- - -	14,000	14,000
- - -	- - -	- - -	- - -	- - -	- - -	202,056	202,056
- - -	- - -	- - -	- - -	- - -	- - -	84,480	84,480
1,000,000	1,000,000	69,397	(930,603)	7,076,500	7,076,500	3,972,061	(3,104,439)
70,000	70,000	83,601	(13,601)	270,000	270,000	144,757	125,243
1,840,000	1,840,000	8,705	1,831,295	2,555,000	2,555,000	1,088,703	1,466,297
- - -	- - -	- - -	- - -	1,730,300	1,730,300	1,081,805	648,495
2,125,000	2,125,000	- - -	2,125,000	2,125,000	2,125,000	3,292,768	(1,167,768)
588,000	588,000	141,281	446,719	588,000	588,000	141,281	446,719
145,000	145,000	124,186	20,814	145,000	145,000	124,186	20,814
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
375,000	375,000	- - -	375,000	4,758,600	4,758,600	2,592,197	2,166,403
- - -	- - -	3,747	(3,747)	- - -	- - -	3,747	(3,747)
- - -	- - -	96,720	(96,720)	10,000,000	10,000,000	2,319,591	7,680,409
5,143,000	5,143,000	458,240	4,684,760	22,171,900	22,171,900	10,789,035	11,382,865
(4,143,000)	(4,143,000)	(388,843)	3,754,157	(15,095,400)	(15,095,400)	(6,816,974)	8,278,426
- - -	- - -	- - -	- - -	952,400	952,400	- - -	(952,400)
- - -	- - -	- - -	- - -	- - -	- - -	3,928,992	3,928,992
- - -	- - -	(2,030,807)	(2,030,807)	- - -	- - -	(2,487,584)	(2,487,584)
4,143,000	4,143,000	3,030,000	(1,113,000)	14,143,000	14,143,000	8,091,516	(6,051,484)
- - -	- - -	- - -	- - -	- - -	- - -	- - -	- - -
4,143,000	4,143,000	999,193	(3,143,807)	15,095,400	15,095,400	9,532,924	(5,562,476)
\$ -	\$ -	610,350	\$ 610,350	\$ -	\$ -	2,715,950	\$ 2,715,950
			44,219			2,531,690	
			\$ 654,569			\$ 5,247,640	

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CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2007

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

	Proj No.	Project Length Budget	Revenues and other Sources				
			Federal Grants	State Grants	Other Intergov'l	Service Charges	Miscell. Revenues
Capital Improvement Projects Fund							
Boat Ramp - Fairgrounds	409B			36,681			
Upper Potomac Ind. Park	409G	1,760,000	1,406,000				83,183
Eckhart School Roof	409K	51,000					
Dry Run Phase II	409L		900				
NRCS Flood Project	409M	2,081,910	1,515,002	5,120	127,851		38,625
Health Department Relocation	409N	8,000,000		125,000	14,000		3,876,693
Barton Reservoir	409O						
Rye Street Bridge	409R	796,600		10,738			
Potomac River Water	409T	70,000	15,000				25,000
Cooperative Extension	409U						
Public Safety Building	409V						
Mt. Ridge High School	409W	11,000,000					6,644
FEMA FMAP 05 Flood Mitigation	409Y		196,579	30,881			
FEMA FMAP 06 Flood Mitigation	409Z		45,885				
Landfill Closeout	4090	1,589,160		200,000			293,672
State Flood Grant	410D	167,000		173,879			8,478
Riverside Industrial Park	410R	2,099,971					400,270
Highland Trail	410X	10,606,000	3,224,644	5,150,783	6,772		215,706
			6,404,010	5,696,401	148,623		4,948,271
Pay-As-You-Go Capital Project Fund							
Computer Network	418I	150,000					
Roads Paving Program	418R	2,350,000					
Capital Outlay	418Z	276,048					22,224
Bowman's Addition Flood Buyouts	420B	2,332,300	1,083,979	498,534			
LaVale Blvd Storm Drain	420O	1,500,000					55,000
County Office Building Addition	420R	500,000					
Payroll/General Ledger Software	420S	500,000					
Disaster Emergency Capital	420V						
Animal Shelter Quarantine Addn	420X	10,000					29,460
Telecommunications Program	420Z	160,000					
OP Roads Improvements	4203	500,000				16,392	
Capital Project Reserves	418I						2,781,556
			1,083,979	498,534		16,392	2,888,240
Public Improvement Bonds Capital Project Fund							
Allegany College, Physical Ed.	430A	1,511,510					
Bond Interest	430Z	18,803					29,266
Bond Closing Costs	4311						
Allegany College, Library	4312	1,000					
Health Department Bldg	4313	2,125,000					
Hazardous Materials Building	4314	240,000					
BOE Warehouse	4315	487,000					
Westernport Library	4316	145,000					
Bond Interest	431Z						67,235
Braddock Run Restoration	4323	800,000					
Jennings Run Restoration	4324	800,000					96,501
Total Capital Project Funds			\$ 7,487,989	\$ 6,194,935	\$ 148,623	\$ 16,392	\$ 7,933,012

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2007

Revenues and other Sources			Expenditures and other Uses			Remaining	
Debt Proceeds	Transfers In	Total Sources	Expenditures	Transfers Out	Total Uses	Project Balance	Project Budget
		36,681	36,681		36,681	-	(36,681)
-	265,500	1,754,683	1,743,918	-	1,743,918	10,765	16,082
-	51,000	51,000	51,000	-	51,000	-	-
	94,527	95,427	1,200		1,200	94,227	(1,200)
	526,000	2,212,598	2,095,574	-	2,095,574	117,024	(13,664)
	3,112,628	7,128,321	7,128,321	-	7,128,321	-	871,679
	30,000	30,000			-	30,000	-
-	187,150	197,888	171,220	-	171,220	26,668	625,380
	50,000	65,000	62,527		62,527	2,473	7,473
		25,000	-		-	25,000	-
	328,322	328,322	837,816		837,816	(509,494)	(837,816)
5,000,000	1,000,000	6,006,644	3,308,943	-	3,308,943	2,697,701	7,691,057
	64,249	291,709	291,709		291,709	-	(291,709)
	82,000	127,885	61,180		61,180	66,705	(61,180)
713,834	127,240	1,334,746	1,048,974	285,772	1,334,746	-	254,414
-	17,851	200,208	200,208	-	200,208	-	(33,208)
-	2,016,465	2,416,735	1,930,740	484,282	2,415,022	1,713	(315,051)
-	261,649	8,859,554	9,636,697	-	9,636,697	(777,143)	969,303
5,713,834	8,214,581	31,125,720	28,570,027	770,054	29,340,081	1,785,639	8,881,560
	155,725	155,725	114,992	5,725	120,717	35,008	29,283
	4,081,607	4,081,607	2,648,249	250,347	2,898,596	1,183,011	(548,596)
298,304	279,827	600,355	446,768	88,587	535,355	65,000	(259,307)
-	250,150	1,832,663	1,818,136	14,527	1,832,663	-	499,637
	447,187	502,187	269,632		269,632	232,555	1,230,368
	250,000	250,000	8,500		8,500	241,500	491,500
-	485,000	485,000	385,314	-	385,314	99,686	114,686
	200,000	200,000	-	-	-	200,000	-
		29,460	4,500		4,500	24,960	5,500
-	170,000	170,000	160,686		160,686	9,314	(686)
-	666,731	683,123	607,982	-	607,982	75,141	(107,982)
-	2,134,595	4,916,151	-	4,274,894	4,274,894	641,257	(4,274,894)
298,304	9,120,822	13,906,271	6,464,759	4,634,080	11,098,839	2,807,432	(2,820,491)
	1,463,490	51,510	1,515,000	1,515,000	-	-	(3,490)
		29,266	29,266		29,266	-	(10,463)
37,598	-	37,598	2,096	35,502	37,598	-	(37,598)
272,595	-	272,595	96,551	-	96,551	176,044	(95,551)
2,000,000	-	2,000,000	-	2,000,000	2,000,000	-	125,000
30,807	-	30,807	-	30,807	30,807	-	209,193
487,000	-	487,000	96,720	-	96,720	390,280	390,280
202,000	-	202,000	124,186	-	124,186	77,814	20,814
-	-	67,235	48,099	-	48,099	19,136	(48,099)
-	-	-	728	-	728	(728)	799,272
-	-	-	7,977	-	7,977	(7,977)	792,023
4,493,490	51,510	4,641,501	1,920,623	2,066,309	3,986,932	654,569	2,141,381
\$ 10,505,628	\$ 17,386,913	\$ 49,673,492	\$ 36,955,409	\$ 7,470,443	\$ 44,425,852	\$ 5,247,640	\$ 8,202,450

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CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2007

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, 2007

	Boat Ramp Fairgrounds 409B	Upper Potomac Ind Park (409G)	Eckhart School Roof (409K)	Dry Run Phase II 409L	NRCS Flood Project (409M)
REVENUES:					
Intergovernmental:					
Federal:					
FEMA grant	\$ -	\$ -	\$ -	\$ -	\$ -
Soil Conservation grant	-	-	-	-	1,948
FmHA grant	-	-	-	-	900
EDA grant	-	1,406,000	-	-	-
State:					
State Aid Highway	-	-	-	-	-
MD Dept. of Natural Resources	36,681	-	-	-	-
Program Open Space	-	-	-	-	-
Miscellaneous State Grants	-	-	-	-	-
Other Intergovernmental					
Miscellaneous:					
Interest	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	<u>36,681</u>	<u>1,406,000</u>	-	<u>900</u>	<u>1,948</u>
EXPENDITURES:					
General government	-	-	-	-	
Public Safety	-	40,233	-	-	(5,144)
Public Works	-	-	-	-	1,200
Health and hospitals	-	-	-	-	-
Economic Development	36,681	-	-	-	-
Payments to component units:					
Board of Education	-	-	-	-	
Total Expenditures	<u>36,681</u>	<u>40,233</u>	-	<u>1,200</u>	<u>(5,144)</u>
OTHER FINANCING SOURCES and (USES):					
Transfers-in from:					
General Fund	-	-	-	-	-
General Fund, internal transfers	-	-	-	-	-
Gaming Fund	-	-	3,893	-	-
PAYGO Fund	-	-	-	-	94,527
Public Improvement Bond Fund	-	-	-	-	-
Debt issued	-	-	-	-	-
Total Other Financing	-	-	3,893	94,527	-
Sources and Uses	-	-	-	-	-
Net change in fund balances	-	1,365,767	3,893	94,227	7,092
Fund Balance, beginning	-	(1,355,002)	(3,893)	-	109,932
Fund Balance, Ending	<u>\$ -</u>	<u>\$ 10,765</u>	<u>\$ -</u>	<u>\$ 94,227</u>	<u>\$ 117,024</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2007

Health Department Relocation (409N)	Barton Reservoir (409O)	Rye Street Bridge (409R)	Potomac River Water Study (409T)	CoOperative Extension (409U)	Total This Page
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	1,948
-	-	-	15,000	-	15,900
-	-	-	-	-	1,406,000
-	-	-	-	-	-
-	-	-	-	-	36,681
-	-	-	-	-	-
125,000	-	-	-	-	125,000
14,000	-	-	-	-	14,000
-	-	-	-	-	-
20	-	-	-	-	20
<u>139,020</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>1,599,549</u>
-	-	-	-	-	-
-	-	-	-	-	35,089
-	-	125,176	22,765	-	149,141
3,292,768	-	-	-	-	3,292,768
-	-	-	-	-	36,681
<u>3,292,768</u>	<u>-</u>	<u>125,176</u>	<u>22,765</u>	<u>-</u>	<u>3,513,679</u>
-	-	-	-	-	-
-	-	62,490	-	-	62,490
-	-	-	-	-	3,893
77,250	30,000	-	50,000	-	251,777
2,000,000	-	-	-	-	2,000,000
<u>2,077,250</u>	<u>30,000</u>	<u>62,490</u>	<u>50,000</u>	<u>-</u>	<u>2,318,160</u>
<u>(1,076,498)</u>	<u>30,000</u>	<u>(62,686)</u>	<u>42,235</u>	<u>-</u>	<u>404,030</u>
<u>1,076,498</u>	<u>-</u>	<u>89,354</u>	<u>(39,762)</u>	<u>25,000</u>	<u>(97,873)</u>
<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 26,668</u>	<u>\$ 2,473</u>	<u>\$ 25,000</u>	<u>\$ 306,157</u>

(Continued)

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
CAPITAL IMPROVEMENT PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2007

	Total Previous Page	Public Safety Building (409V)	Mt. Ridge High School (409W)	FEMA Flood Grant (409Y)
REVENUES:				
Intergovernmental:				
Federal:				
FEMA Grant	\$ -	\$ -	\$ -	\$ 76,990
Soil Conservation grant	1,948	-	-	-
FmHA grant	15,900	-	-	-
EDA grant	1,406,000	-	-	-
State:				
State Aid Highway	-	-	-	-
MD Dept. of Natural Resources	36,681	-	-	-
Program Open Space	-	-	-	21,668
Miscellaneous State Grants	125,000	-	-	-
Other Intergovernmental	14,000	-	-	-
Miscellaneous:				
Interest	-	-	6,644	-
Miscellaneous	20	-	-	-
Total Revenues	1,599,549	-	6,644	98,658
EXPENDITURES:				
General government	-	-	23,956	-
Public Safety	35,089	837,816	-	131,531
Public Works	149,141	-	-	-
Health and hospitals	3,292,768	-	-	-
Economic Development	36,681	-	-	-
Payments to component units:				
Board of Education	-	-	2,222,871	-
Total Expenditures	3,513,679	837,816	2,246,827	131,531
OTHER FINANCING SOURCES and (USES):				
Transfers in:				
General Fund	-	297,515	-	-
General Fund, internal transfers	62,490	-	-	1,249
Gaming Fund	3,893	-	-	-
PAYGO Fund	251,777	-	-	-
Public Improvement Bond Fund	2,000,000	30,807	-	-
Debt issued	-	-	5,000,000	-
Total Other Financing Sources and Uses	2,318,160	328,322	5,000,000	1,249
Net change in fund balances	404,030	(509,494)	2,759,817	(31,624)
Fund Balance, beginning	(97,873)	-	(62,116)	31,624
Fund Balance, Ending	\$ 306,157	\$ (509,494)	\$ 2,697,701	\$ -

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, 2007

FEMA Flood Grant (409Z)	Landfill Closeout (4090)	\$3.2 Million Flood Grant (410D)	Riverside Industrial Park (410R)	Highland Trail (410X)	Fund Total
\$ 45,885	\$ -	\$ -	\$ -	\$ -	\$ 122,875
-	-	-	-	-	1,948
-	-	-	-	-	15,900
-	-	-	-	-	1,406,000
-	-	-	-	1,941,453	1,941,453
-	-	-	-	-	36,681
-	-	-	-	-	21,668
-	-	-	-	-	125,000
-	-	-	-	-	14,000
-	4,582	-	947	-	12,173
-	-	-	-	-	20
<u>45,885</u>	<u>4,582</u>	<u>-</u>	<u>947</u>	<u>1,941,453</u>	<u>3,697,718</u>
61,180	-	-	-	-	23,956
-	49,328	-	-	-	1,065,616
-	-	-	-	-	198,469
-	-	-	-	-	3,292,768
-	-	-	59	2,555,457	2,592,197
<u>61,180</u>	<u>49,328</u>	<u>-</u>	<u>59</u>	<u>2,555,457</u>	<u>9,395,877</u>
-	(65,073)	509	825	-	297,515
-	-	-	-	-	3,893
-	-	-	-	205,000	456,777
-	-	-	-	-	2,030,807
-	61,516	-	-	-	5,061,516
<u>-</u>	<u>(3,557)</u>	<u>509</u>	<u>825</u>	<u>205,000</u>	<u>7,850,508</u>
(15,295)	(48,303)	509	1,713	(409,004)	2,152,349
82,000	48,303	(509)	-	(368,139)	(366,710)
<u>\$ 66,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,713</u>	<u>\$ (777,143)</u>	<u>\$ 1,785,639</u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PAY-AS-YOU-GO (PAYGO) CAPITAL PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2007

	Computer (418I)	Roads Paving Program (418R)	Capital Outlay (418Z)	Bowman's Addition (420B)	LaVale Storm Drains (420O)	County Office Building (420R)
REVENUES:						
Miscellaneous:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions & donations					55,000	
Miscellaneous					55,000	
Total Revenues					55,000	
EXPENDITURES:						
General Government	6,650					7,924
Public safety				9,882		
Public works		568,430			269,632	
Payments to component units:						
Board of Education				9,882	269,632	7,924
Total Expenditures	6,650	568,430		9,882	269,632	7,924
OTHER FINANCING SOURCES and (USES):						
Transfers-in from:						
General fund		500,000	65,000		200,000	
General Fund, internal transfers					47,187	
Transfers -out to:				(14,527)		
Capital Projects Fund						
Capital leases						
Total Other Financing Sources and Uses		500,000	65,000	(14,527)	247,187	
Net change in fund balances	(6,650)	(68,430)	65,000	(24,409)	32,555	(7,924)
Fund Balance, beginning	41,658	1,251,441		24,409	200,000	249,424
Fund Balance, Ending	\$ 35,008	\$ 1,183,011	\$ 65,000	\$ -	\$ 232,555	\$ 241,500

**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, 2007**

Gen Ledger	Animal	Tele-	Road	Capital	Designated		
Software Upgrade (420S)	Emergency Capital (420V)	Shelter Quarantine (420X)	communications Project (420Z)	Improvements (4203)	Reserves (4181)	Projects (4181)	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,486	\$ 120,486
		29,460					29,460
		-					55,000
		29,460				120,486	204,946
13,658	-	-	8,968	-	-	-	37,200
-	-	4,500	-	-	-	-	14,382
-	-	-	-	45,274	-	-	883,336
13,658	-	4,500	8,968	45,274	-	-	934,918
-	-	-	-	25,000	-	350,000	1,140,000
-	-	-	10,000	20,000	-	(77,187)	-
-	-	-	-	-	(96,055)	(346,195)	(456,777)
-	-	-	10,000	45,000	(96,055)	(73,382)	683,223
(13,658)	-	24,960	1,032	(274)	(96,055)	47,104	(46,749)
113,344	200,000	-	8,282	75,415	148,562	541,646	2,854,181
\$ 99,686	\$ 200,000	\$ 24,960	\$ 9,314	\$ 75,141	\$ 52,507	\$ 588,750	\$ 2,807,432

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, 2007

	2004 Public Improvement Bonds			2006 Public Improvement Bonds		
	Allegany College, Md Physical Ed (430A)	Bond Interest (430Z)	2004 Public Improvement Bond Total	Bond Closing Costs (4311)	Allegany College Library (4312)	Health Department Building (4313)
REVENUES:						
Miscellaneous:						
Interest	\$ -	\$ 2,162	\$ 2,162	\$ -	\$ -	\$ -
Miscellaneous:						
Total Revenues	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES:						
General government					35,502	
Public safety						
Education	44,730		44,730		96,551	
Recreation, culture and libraries						
Miscellaneous		3,747	3,747			
Payments to component units:						
Board of Education						
Total Expenditures	<u>44,730</u>	<u>3,747</u>	<u>48,477</u>	<u>35,502</u>	<u>96,551</u>	<u> </u>
OTHER FINANCING SOURCES and (USES):						
Transfers in:						
PAYGO fund						
Transfers to:						
Capital projects fund						(2,000,000)
Debt issued				37,598	272,595	2,000,000
Total Other Financing Sources and Uses	<u> </u>	<u> </u>	<u> </u>	<u>37,598</u>	<u>272,595</u>	<u> </u>
Net change in fund balances	(44,730)	(1,585)	(46,315)	2,096	176,044	
Fund Balance, beginning	<u>44,730</u>	<u>1,585</u>	<u>46,315</u>	<u>(2,096)</u>	<u> </u>	<u> </u>
Fund Balance, Ending	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>176,044</u>	<u> </u>

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECTS FUND
PUBLIC IMPROVEMENT BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BY PROJECT
FOR THE YEAR ENDED JUNE 30, 2007

2006 Public Improvement Bonds					2007 Public Improvement Bonds				Total Public Improvement Bonds Fund
Hazards Materials Building (4314)	Board of Education Warehouse (4315)	Westernport Library (4316)	Bond Interest (431Z)	2006 Public Improvement Bond Total	Braddock Run Restoration (4323)	Jennings Run Restoration (4324)	2007 Public Improvement Bond Total		
\$ -	\$ -	\$ -	\$ 67,235	67,235	\$ -	\$ -	\$ -	\$ 69,397	
<u>-</u>	<u>-</u>	<u>-</u>	<u>67,235</u>	<u>67,235</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>69,397</u>	
			48,099	83,601				83,601	
-	-	-	-	-	728	7,977	8,705	8,705	
-	-	-	-	96,551	-	-	-	141,281	
-	-	124,186	-	124,186	-	-	-	124,186	
-	-	-	-	-	-	-	-	3,747	
<u>-</u>	<u>96,720</u>	<u>124,186</u>	<u>48,099</u>	<u>96,720</u>	<u>728</u>	<u>7,977</u>	<u>8,705</u>	<u>96,720</u>	
<u>-</u>	<u>96,720</u>	<u>124,186</u>	<u>48,099</u>	<u>401,058</u>	<u>728</u>	<u>7,977</u>	<u>8,705</u>	<u>458,240</u>	
(30,807)	-	-	-	(2,030,807)	-	-	-	(2,030,807)	
<u>30,807</u>	<u>487,000</u>	<u>202,000</u>	<u>-</u>	<u>3,030,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,030,000</u>	
-	487,000	202,000	-	999,193	-	-	-	999,193	
-	390,280	77,814	19,136	665,370	(728)	(7,977)	(8,705)	610,350	
\$ -	\$ 390,280	\$ 77,814	\$ 19,136	\$ 663,274	\$ (728)	\$ (7,977)	\$ (8,705)	\$ 44,219	
<u>\$ -</u>	<u>\$ 390,280</u>	<u>\$ 77,814</u>	<u>\$ 19,136</u>	<u>\$ 663,274</u>	<u>\$ (728)</u>	<u>\$ (7,977)</u>	<u>\$ (8,705)</u>	<u>\$ 654,569</u>	

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ENTERPRISE FUNDS
COMBINING SCHEDULES

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

SANITARY DISTRICTS
COMBINING SCHEDULE
OF NET ASSETS

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

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2007

	General Operating 5011	Grahamtown 501A	Consol 501B	Barton Ind. Park 501C	Oldtown Road 5012	McCoole 5013
OPERATING REVENUES:						
Service charges	\$ -	\$ 119,750	\$ 30,968	\$ 2,422	\$ 164,591	\$ 155,843
Miscellaneous	49,794	-	-	-	-	-
Total Operating Revenues	<u>49,794</u>	<u>119,750</u>	<u>30,968</u>	<u>2,422</u>	<u>164,591</u>	<u>155,843</u>
OPERATING EXPENSES:						
Salaries	-	15,462	4,567	-	18,586	22,359
Fringe benefits	-	7,040	2,079	-	8,463	8,071
Office expenses	-	23	7	-	27	31
Utilities	-	57,982	15,051	8,777	51,071	53,353
Repairs and maintenance	-	3,078	625	-	3,229	16,614
Professional fees	-	-	-	-	-	-
Materials and supplies	-	470	93	22	456	612
Insurance	-	-	-	-	-	-
Indirect cost	-	6,287	1,896	2,422	6,556	8,355
Miscellaneous	-	-	-	-	-	-
Depreciation	-	39,569	18,210	44,422	73,883	96,698
Total Operating Expenses	<u>0</u>	<u>129,911</u>	<u>42,528</u>	<u>55,643</u>	<u>162,271</u>	<u>206,093</u>
Operating Income (Loss)	<u>49,794</u>	<u>(10,161)</u>	<u>(11,560)</u>	<u>(53,221)</u>	<u>2,320</u>	<u>(50,250)</u>
NON-OPERATING REVENUE (EXPENSES):						
Interest income	-	2,123	-	-	2,641	3,001
Interest expense	-	(30,144)	(4,566)	(15,820)	(19,008)	(47,729)
Total Non-operating Revenue (Expenses)	-	<u>(28,021)</u>	<u>(4,566)</u>	<u>(15,820)</u>	<u>(16,367)</u>	<u>(44,728)</u>
Income Before Contributions and Transfers	49,794	(38,182)	(16,126)	(69,041)	(14,047)	(94,978)
Capital Contributions:						
Federal grants	15,000	-	-	-	-	-
Transfers in:						
General fund	-	-	-	8,146	-	-
Revolving Building Fund	-	-	-	<u>20,000</u>	-	-
Change in Net Assets	<u>\$ 64,794</u>	<u>\$ (38,182)</u>	<u>\$ (16,126)</u>	<u>\$ (40,895)</u>	<u>\$ (14,047)</u>	<u>\$ (94,978)</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY WATER DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2007

Ellerslie 5014	Eckhart 5015	Hoffman 5016	Route 36 Vale Summit 5017	Borden/ Zhilman,Morantown 5018	Carlos/Shaft Klondike 5019	Total Total
\$ 300,510	\$ 229,913	\$ 7,011	\$ 50,134	\$ 94,673	\$ 158,159	\$ 1,313,974
16,850	-	-	-	-	-	66,644
<u>317,360</u>	<u>229,913</u>	<u>7,011</u>	<u>50,134</u>	<u>94,673</u>	<u>158,159</u>	<u>1,380,618</u>
 41,259	28,601	1,041	6,168	14,564	22,274	174,881
18,786	13,022	474	2,227	5,257	8,040	73,459
61	42	2	8	20	31	252
179,214	85,392	3,048	29,535	46,867	88,486	618,776
23,623	63,353	83	478	4,123	2,872	118,078
-	500	-	-	-	-	500
1,844	822	21	118	279	426	5,163
158	158	-	-	-	-	316
9,731	10,928	296	2,927	4,535	8,211	62,144
 68,531	54,706	2,336	28,600	34,610	87,188	548,753
<u>343,207</u>	<u>257,524</u>	<u>7,301</u>	<u>70,061</u>	<u>110,255</u>	<u>217,528</u>	<u>1,602,322</u>
 (25,847)	<u>(27,611)</u>	<u>(290)</u>	<u>(19,927)</u>	<u>(15,582)</u>	<u>(59,369)</u>	<u>(221,704)</u>
 11,273	11,072	147	685	3,167	2,820	36,929
-	(19,913)	(66)	-	(20,868)	(37,764)	(195,878)
<u>11,273</u>	<u>(8,841)</u>	<u>81</u>	<u>685</u>	<u>(17,701)</u>	<u>(34,944)</u>	<u>(158,949)</u>
 (14,574)	(36,452)	(209)	(19,242)	(33,283)	(94,313)	(380,653)
-	-	-	-	140,021	-	155,021
-	-	-	-	-	-	8,146
-	-	-	-	-	-	20,000
 \$ <u>(14,574)</u>	<u>\$ (36,452)</u>	<u>\$ (209)</u>	<u>\$ (19,242)</u>	<u>\$ 106,738</u>	<u>\$ (94,313)</u>	<u>(197,486)</u>
 Total net assets - beginning, as restated						15,273,174
Total net assets - ending						\$ <u>15,075,688</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE: (ENTERPRISE FUNDS)

June 30, 2007

ASSETS	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek	McCoole
Current Assets:							
Cash:							
Cash	\$ 627,751	\$ -	\$ -	\$ 275,830	\$ -	\$ -	\$ -
Cash - Restricted	-	-	-	-	-	-	-
Investments	186,020	65,613	44,491	-	54,645	-	-
Receivables:							
Accounts (net)	2,487	167,698	71,083	228,317	97,113	77,504	14,530
Taxes - restricted	-	17,521	13,897	776	10,270	4,797	4,800
Accounts (net) - restricted	-	-	-	-	-	5,807	3,716
Other	13,006	86	60	3,000	2,948	-	-
Due from other funds	-	1,418,741	1,950,512	167,121	-	-	-
Inventory	156,169	-	-	-	-	-	-
Total current assets	<u>985,433</u>	<u>1,669,659</u>	<u>2,080,043</u>	<u>675,044</u>	<u>164,976</u>	<u>88,108</u>	<u>23,046</u>
Noncurrent Assets:							
Land	-	6,750	5,000	500	1,000	1,500	-
Construction in progress	3,459,527	-	-	-	-	-	-
Capital assets subject to depreciation	2,717,160	5,396,430	2,718,876	3,239,056	4,907,943	6,105,179	2,282,006
Less: Accumulated depreciation	(1,322,643)	(2,972,949)	(1,476,775)	(2,447,766)	(2,928,761)	(3,604,624)	(1,133,521)
Total noncurrent assets	<u>4,854,044</u>	<u>2,430,231</u>	<u>1,247,101</u>	<u>791,790</u>	<u>1,980,182</u>	<u>2,502,055</u>	<u>1,148,485</u>
Total Assets	<u>5,839,477</u>	<u>4,099,890</u>	<u>3,327,144</u>	<u>1,466,834</u>	<u>2,145,158</u>	<u>2,590,163</u>	<u>1,171,531</u>
LIABILITIES							
Current liabilities:							
Accounts payable	287,348	28,444	2,698	124,950	19,336	16,808	16,794
Accrued wages payable	18,519	-	-	-	-	-	-
Accrued payroll fringe benefits	8,191	-	-	-	-	-	206
Accrued interest payable	5,340	2,855	2,980	-	2,541	-	-
Current portion of long term debt	68,717	15,463	14,243	-	30,476	-	16,726
Bonds & loans	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-
Compensated absences	48,641	-	-	-	-	-	-
Due to other funds	3,729,342	-	-	-	340,561	1,356,569	461,784
Miscellaneous liabilities	4,357	-	-	213,323	-	-	-
Total current liabilities	<u>4,170,455</u>	<u>46,762</u>	<u>19,921</u>	<u>338,273</u>	<u>392,914</u>	<u>1,373,377</u>	<u>495,510</u>
Noncurrent Liabilities:							
Cash advance due General Fund	-	-	-	-	-	300,000	-
Long term debt:							
Bonds & loans	1,028,153	1,204,151	1,112,610	-	127,854	-	-
Advances from other funds	-	-	-	-	-	-	-
Compensated absences	286,646	-	-	-	-	-	-
Total noncurrent liabilities	<u>1,314,799</u>	<u>1,204,151</u>	<u>1,112,610</u>	<u>-</u>	<u>127,854</u>	<u>300,000</u>	<u>-</u>
Total Liabilities	<u>5,485,254</u>	<u>1,250,913</u>	<u>1,132,531</u>	<u>338,273</u>	<u>520,768</u>	<u>1,673,377</u>	<u>495,510</u>
NET ASSETS							
Invested in capital assets, net of related debt	3,757,174	1,210,617	120,248	791,790	1,821,852	2,502,055	1,131,759
Restricted for debt service	-	17,521	13,897	776	10,270	10,604	8,516
Unrestricted	(3,402,951)	1,620,839	2,060,468	335,995	(207,732)	(1,595,873)	(464,254)
Total Net Assets	<u>\$ 354,223</u>	<u>\$ 2,848,977</u>	<u>\$ 2,194,613</u>	<u>\$ 1,128,561</u>	<u>\$ 1,624,390</u>	<u>\$ 916,786</u>	<u>\$ 676,021</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2007

Oldtown	Flintstone	Georges Creek	Franklin/Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 627,751
-	-	-	-	-	-	-	-	-	275,830
-	-	171,944	-	-	-	-	-	-	522,713
3,931	8,002	195,202	17,330	16,633	153,605	5,337	18,349	313	1,077,434
268	2,090	24,451	245	-	2,683	1,387	4,531	-	87,716
2,712	1,273	69,608	-	-	-	-	-	-	83,116
-	-	1,315	-	1,465	6,365	-	-	-	28,245
-	-	1,565,085	437,649	808,753	621,887	-	41,977	-	7,011,725
-	-	-	-	-	-	-	-	-	156,169
6,911	11,365	2,027,605	455,224	826,851	784,540	6,724	64,857	313	9,870,699
500	3,000	5,968	-	-	2,500	-	1,000	-	27,718
-	-	869,824	-	-	-	-	-	-	4,329,351
852,987	1,152,461	24,018,860	561,728	21,631,209	4,211,255	813,332	2,816,919	2,114,519	85,539,920
(442,449)	(568,044)	(10,734,591)	(277,508)	(2,048,260)	(1,217,834)	(223,666)	(698,040)	(46,050)	(32,143,481)
411,038	587,417	14,160,061	284,220	19,582,949	2,995,921	589,666	2,119,879	2,068,469	57,753,508
417,949	598,782	16,187,666	739,444	20,409,800	3,780,461	596,390	2,184,736	2,068,782	67,624,207
714	1,459	25,255	2,212	27,762	78,194	-	1,190	469	633,633
-	-	-	-	2,444	-	-	-	-	20,963
-	-	-	-	1,232	-	-	-	-	9,423
196	2,188	16,691	-	42,504	4,000	862	3,267	-	83,630
3,272	9,816	49,715	-	468,913	81,920	2,238	8,490	-	769,989
-	-	-	-	-	-	-	334	-	334
-	-	-	-	-	-	-	-	-	48,641
48,729	141,481	-	-	-	-	1,719	-	183,522	6,263,707
-	-	5,735	-	40,001	-	-	-	-	263,416
52,911	154,944	97,396	2,212	582,856	164,114	4,819	13,281	183,991	8,093,736
-	-	-	-	-	-	-	-	-	300,000
11,038	33,115	770,951	-	7,726,001	418,797	125,384	475,518	-	13,033,572
-	-	-	-	-	-	-	19,169	-	19,169
11,038	33,115	770,951	-	7,726,001	418,797	125,384	494,687	-	13,639,387
63,949	188,059	868,347	2,212	8,308,857	582,911	130,203	507,968	183,991	21,733,123
396,728	544,486	13,339,395	284,220	11,388,035	2,495,204	462,044	1,616,368	2,068,469	43,930,444
2,980	3,363	94,059	245	-	2,683	1,387	4,531	-	170,832
(45,708)	(137,126)	1,885,865	452,767	712,908	699,663	2,756	55,869	(183,678)	1,789,808
\$ 354,000	\$ 410,723	\$ 15,319,319	\$ 737,232	\$ 12,100,943	\$ 3,197,550	\$ 466,187	\$ 1,676,768	\$ 1,884,791	\$ 45,891,084

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2007

	General Fund	Bowling Green	Cresaptown	Braddock Run	Bedford Road	Jennings Run/Wills Creek	McCoole
OPERATING REVENUES:							
Service charges	\$ 9,680	\$ 694,796	\$ 310,129	\$ 876,383	\$ 350,276	\$ 287,700	\$ 60,912
Miscellaneous	(39,993)	50,966	3,671	11,057	7,188	5,320	1,049
Total Operating Revenues	<u>(30,313)</u>	<u>745,762</u>	<u>313,800</u>	<u>887,440</u>	<u>357,464</u>	<u>293,020</u>	<u>61,961</u>
OPERATING EXPENSES:							
Wages and salaries	2,942	101,424	43,262	130,025	84,681	62,649	12,418
Employee benefits	1,472	46,180	19,698	59,202	38,556	28,525	5,654
Office expenses	169	10,091	3,860	11,625	7,557	5,807	1,103
Utilities	3,559	308,405	14,638	60,089	23,886	15,056	11,755
Repairs and maintenance	3,122	81,637	27,105	39,197	19,556	20,798	3,408
Contractual services	93	4,976	2,122	6,393	4,156	3,076	606
Water/Sewage treatment costs	-	352,054	312,110	585,494	179,627	142,540	62,533
Professional fees	39	4,658	899	2,708	1,760	1,303	257
Materials and supplies	3,205	21,246	11,601	30,516	15,208	11,914	6,469
Insurance	266	14,267	6,086	18,330	11,915	12,300	1,739
Indirect cost	918	49,240	21,006	63,265	41,125	30,438	6,002
Miscellaneous	9	832	555	1,164	2,402	1,798	59
Depreciation	495	134,311	65,792	109,236	120,965	139,188	52,095
Total Operating Expenses	<u>16,289</u>	<u>1,129,321</u>	<u>528,734</u>	<u>1,117,244</u>	<u>551,394</u>	<u>475,392</u>	<u>164,098</u>
Operating Income (Loss)	<u>(46,602)</u>	<u>(383,559)</u>	<u>(214,934)</u>	<u>(229,804)</u>	<u>(193,930)</u>	<u>(182,372)</u>	<u>(102,137)</u>
NON-OPERATING REVENUE (EXPENSES):							
Real and personal property taxes	-	165,305	164,198	12,339	97,568	34,881	15,956
Interest & Penalties, taxes	-	4,851	5,142	352	1,862	1,179	1,457
Discounts, taxes	-	(826)	(714)	(62)	(468)	(167)	(54)
Enterprise/industrial exemptions	-	-	-	23	-	-	-
Collection fees	-	(3,819)	(3,824)	(292)	(2,143)	(803)	(404)
Front footage assessments	-	1	-	-	767	17,873	9,129
Interest income	224	16,615	8,479	15,967	15,906	15,868	3,866
Interest income, debt service	-	87	60	-	157	365	196
Interest expense	(10,667)	(4,015)	(3,821)	-	(15,923)	(207)	(1,763)
Allocated debt service revenue	78,783	(7,843)	(6,177)	(18,589)	(12,084)	(8,945)	(1,767)
Sale of capital assets	-	-	-	-	-	-	-
Miscellaneous non-operating revenue	-	-	-	6,658	-	-	-
Total Nonoperating revenue (expenses)	<u>68,340</u>	<u>170,356</u>	<u>163,343</u>	<u>16,396</u>	<u>85,642</u>	<u>60,044</u>	<u>26,616</u>
Income Before Contributions and Transfers	<u>21,738</u>	<u>(213,203)</u>	<u>(51,591)</u>	<u>(213,408)</u>	<u>(108,288)</u>	<u>(122,328)</u>	<u>(75,521)</u>
Capital Contributions:							
Federal	-	-	-	-	-	-	-
State	-	-	-	-	-	-	-
Other	-	-	-	16,143	-	-	-
Transfers in:							
General Fund	-	-	-	-	-	-	-
Change in Net Assets	<u>21,738</u>	<u>(213,203)</u>	<u>(51,591)</u>	<u>(197,265)</u>	<u>(108,288)</u>	<u>(122,328)</u>	<u>(75,521)</u>
Net assets - beginning	332,485	3,062,180	2,246,204	1,325,826	1,732,678	1,039,114	\$ 751,542
Net assets - ending	<u>\$ 354,223</u>	<u>\$ 2,848,977</u>	<u>\$ 2,194,613</u>	<u>\$ 1,128,561</u>	<u>\$ 1,624,390</u>	<u>\$ 916,786</u>	<u>\$ 676,021</u>

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
FOR THE YEAR ENDED JUNE 30, 2007

		Georges Creek	Franklin/ Brophytown	Celanese Treatment Plant	Mexico Farms	Cash Valley Road	Oldtown Road	Barton Industrial Park	Total All Districts
Oldtown	Flintstone								
\$ 15,434	\$ 25,989	\$ 628,494	\$ 85,831	\$ 1,161,679	\$ 1,064,825	\$ 19,250	\$ 79,001	\$ 1,166	\$ 5,671,545
219	359	11,063	11,262	-	2,515	375	1,456	-	66,507
<u>15,653</u>	<u>26,348</u>	<u>639,557</u>	<u>97,093</u>	<u>1,161,679</u>	<u>1,067,340</u>	<u>19,625</u>	<u>80,457</u>	<u>1,166</u>	<u>5,738,052</u>
3,965	6,533	196,510	5,688	119,173	29,642	4,406	17,144	18,477	838,939
1,988	3,272	98,083	2,590	54,162	13,497	2,006	7,806	10,629	393,320
296	427	12,921	507	2,558	2,645	394	1,531	92	61,583
13,419	18,719	127,646	31,003	277,193	635,928	222	7,763	16,085	1,565,366
4,835	9,367	71,373	13,752	107,113	10,062	669	4,473	3,545	420,012
127	207	6,396	278	-	1,455	217	841	-	30,943
101	-	720	5,863	4,082	138,911	10,056	9,468	-	1,803,559
54	88	3,285	118	8,395	616	92	356	-	24,628
1,288	2,366	40,050	1,013	78,799	11,126	788	8,239	4,469	248,297
364	2,404	31,586	799	-	4,170	621	4,223	-	109,070
1,255	2,052	63,295	2,756	-	14,392	2,143	8,329	-	306,216
12	20	5,294	27	-	141	21	81	-	12,415
<u>17,519</u>	<u>24,069</u>	<u>516,937</u>	<u>12,704</u>	<u>416,798</u>	<u>96,335</u>	<u>21,488</u>	<u>82,178</u>	<u>42,609</u>	<u>1,852,719</u>
<u>45,223</u>	<u>69,524</u>	<u>1,174,096</u>	<u>77,098</u>	<u>1,068,273</u>	<u>958,920</u>	<u>43,123</u>	<u>152,432</u>	<u>95,906</u>	<u>7,667,067</u>
<u>(29,570)</u>	<u>(43,176)</u>	<u>(534,539)</u>	<u>19,995</u>	<u>93,406</u>	<u>108,420</u>	<u>(23,498)</u>	<u>(71,975)</u>	<u>(94,740)</u>	<u>(1,929,015)</u>
2,053	9,431	175,300	6,468	-	27,164	9,900	46,361	-	766,924
130	355	6,288	71	-	853	513	982	-	24,035
(11)	(43)	(894)	(55)	-	(121)	(42)	(202)	-	(3,659)
-	-	-	-	-	-	-	-	-	23
(51)	(199)	(4,065)	(147)	-	(633)	(242)	(1,038)	-	(17,660)
2,890	3,515	70,435	170	-	-	-	-	-	104,780
899	928	25,634	740	43,719	3,931	2,028	1,593	-	156,397
109	129	2,080	34	-	-	-	21	-	3,238
(1,080)	(2,860)	(21,686)	-	(111,634)	(31,052)	(5,774)	(22,795)	-	(233,277)
(370)	(606)	(17,436)	(640)	-	(1,245)	(631)	(2,450)	-	0
-	-	-	-	-	-	-	-	-	0
<u>4,569</u>	<u>10,650</u>	<u>235,656</u>	<u>6,641</u>	<u>(67,915)</u>	<u>(1,103)</u>	<u>5,752</u>	<u>22,473</u>	<u>-</u>	<u>6,659</u>
<u>(25,001)</u>	<u>(32,526)</u>	<u>(298,883)</u>	<u>26,636</u>	<u>25,491</u>	<u>107,317</u>	<u>(17,746)</u>	<u>(49,502)</u>	<u>(94,740)</u>	<u>(1,121,555)</u>
-	-	-	-	-	-	-	-	103,877	103,877
-	-	-	-	528,350	-	-	-	-	528,350
-	-	-	-	-	-	-	-	-	16,143
-	-	-	-	42,753	-	-	-	52,130	94,883
<u>(25,001)</u>	<u>(32,526)</u>	<u>(298,883)</u>	<u>26,636</u>	<u>596,594</u>	<u>107,317</u>	<u>(17,746)</u>	<u>(49,502)</u>	<u>61,267</u>	<u>(378,302)</u>
<u>379,001</u>	<u>443,249</u>	<u>15,618,202</u>	<u>710,596</u>	<u>11,504,349</u>	<u>3,090,233</u>	<u>483,933</u>	<u>1,726,270</u>	<u>1,823,524</u>	<u>46,269,386</u>
<u>\$ 354,000</u>	<u>\$ 410,723</u>	<u>\$ 15,319,319</u>	<u>\$ 737,232</u>	<u>\$ 12,100,943</u>	<u>\$ 3,197,550</u>	<u>\$ 466,187</u>	<u>\$ 1,676,768</u>	<u>\$ 1,884,791</u>	<u>\$ 45,891,084</u>

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AGENCY FUND

STATEMENT OF CHANGES IN ASSETS and LIABILITIES

ALLEGANY COUNTY, MARYLAND
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2007

ASSETS:	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
	<u>July 1, 2006</u>			<u>June 30, 2007</u>
Taxes levied for State:				
Taxes receivable - State	\$ 334,610	\$ 2,931,233	\$ 2,961,253	\$ 304,590
Bay restoration fee	150,625	492,883	445,869	197,639
Other receivables	(25)	7,530	7,503	2
Taxes levied for Special Areas:				
Lonaconing, Town of	10,678	95,457	95,801	10,334
Midland, Town of	3,921	35,322	35,547	3,696
Westernport, Town of	35,290	311,688	308,169	38,809
Cumberland differential	6,220	108	1,397	4,931
Bel Air Special Tax Area	945	25,106	24,883	1,168
Bowling Green Fire Co.	2,902	26,762	26,743	2,921
Bedford Road Fire Co.	2,314	28,620	27,455	3,479
Bowling Green Special Tax Area	979	10,254	10,263	970
Cresaptown Ambulance	7,722	105,929	105,811	7,840
Cresaptown Civic Imp. Assoc.	1,990	18,701	18,740	1,951
Cresaptown Fire Co.	8,642	139,389	138,845	9,186
Corriganville Light & Imp.	1,569	12,790	12,711	1,648
Ellerslie Special Tax Area	1,274	7,188	7,691	771
LaVale Volunteer Fire Dept.	6,909	122,589	121,963	7,535
LaVale Rescue Squad	3,458	61,294	60,985	3,767
LaVale Sanitary District	28,907	443,444	442,472	29,879
McCoole Special Tax Area	1,082	3,438	3,580	940
Moscow Light	458	2,591	2,659	390
Mt. Savage Special Tax Area	987	7,938	7,777	1,148
Potomac Park Special Tax Area	1,165	8,721	8,777	1,109
Rawlings Fire Co.	1,753	23,530	23,824	1,459
Sub-total special areas	<u>129,165</u>	<u>1,490,859</u>	<u>1,486,093</u>	<u>133,931</u>
Due from other funds	<u>158,293</u>	<u>5,261,501</u>	<u>5,267,046</u>	<u>152,748</u>
Total Assets	<u>\$ 772,668</u>	<u>\$ 10,184,006</u>	<u>\$ 10,167,764</u>	<u>\$ 788,910</u>
 LIABILITIES:				
Accounts payable	\$ 158,268	\$ 5,889,055	\$ 5,894,573	\$ 152,750
A/P Special Areas	<u>129,165</u>	<u>1,490,859</u>	<u>1,486,093</u>	<u>133,931</u>
Taxes payable - State	334,610	2,931,233	2,961,253	304,590
A/P Bay restoration fee	150,625	552,575	505,561	197,639
Total Liabilities	<u>\$ 772,668</u>	<u>\$ 10,863,722</u>	<u>\$ 10,847,480</u>	<u>\$ 788,910</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, 2007 and 2006

ASSETS	Primary Government				Net Book Value As Restated June 30, 2006	
	At June 30, 2007			Net Book Value June 30, 2006		
	Cost	Accumulated Depreciation	Book Value			
Land	\$ 20,537,494	\$ -	\$ 20,537,494	\$ 17,213,375		
Construction in progress	4,197,814	-	4,197,814	7,144,836		
Buildings	46,576,168	12,076,973	34,499,195	28,704,901		
Infrastructure	41,418,044	25,876,917	15,541,127	14,878,828		
Furniture & fixtures	590,959	498,900	92,059	101,270		
Machinery & equipment	5,292,631	3,541,116	1,751,515	1,674,215		
Vehicles	7,828,950	5,682,364	2,146,586	2,049,614		
Heavy equipment	3,525,642	2,805,408	720,234	833,798		
Other capital assets	914,004	427,169	486,835	495,661		
Total Assets	<u>\$ 130,881,706</u>	<u>\$ 50,908,847</u>	<u>\$ 79,972,859</u>	<u>\$ 73,096,498</u>		
FUND EQUITY						
Investment in capital assets acquired before July 1, 1993 - source unidentified			\$ 9,562,420	\$ 10,517,084		
Investment in construction in progress			4,197,814	7,144,836		
Investment in capital assets by source:						
General Fund:						
General revenues			5,956,053	4,158,058		
Federal grants			1,492,259	1,239,149		
State grants			819,691	842,914		
Miscellaneous revenues			444,626	455,416		
Debt proceeds			212,400	212,400		
Special Revenue Funds:						
General revenues			40,087,592	40,006,547		
Federal grants			4,353,130	4,664,630		
State grants			3,002,364	2,079,265		
Miscellaneous revenues			194,574	215,592		
Debt proceeds			3,316,952	3,316,952		
Capital Project Funds:						
General revenues			14,279,214	9,103,556		
Federal grants			8,132,663	8,038,319		
State grants			21,846,909	19,261,877		
Miscellaneous revenues			1,082,822	1,082,822		
Debt proceeds			10,528,633	8,489,315		
Other			1,371,590	1,371,590		
Less:						
Accumulated depreciation			(50,908,847)	(49,103,824)		
Total Fund Equity			<u>\$ 79,972,859</u>	<u>\$ 73,096,498</u>		

CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2007

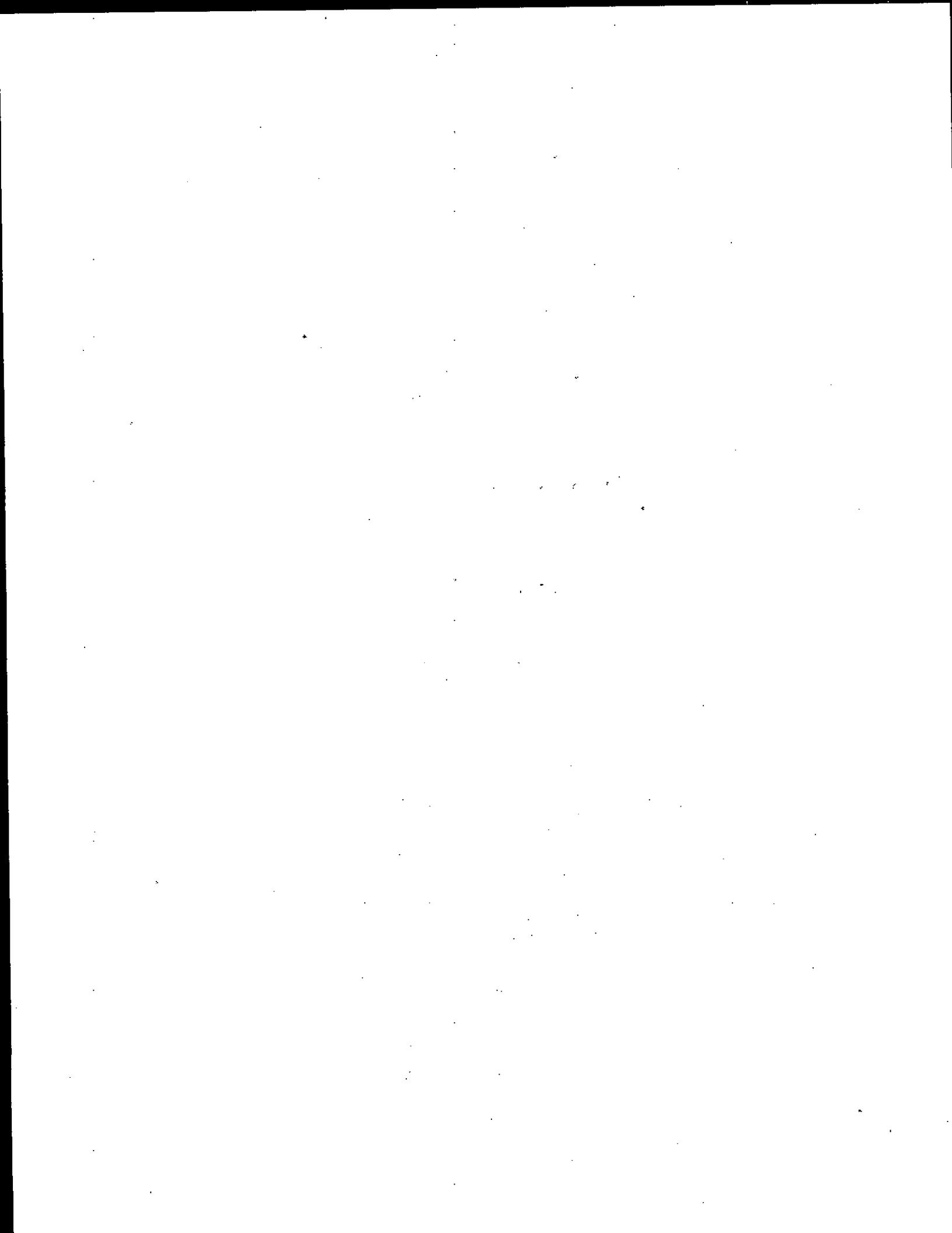
Function	Land	Buildings	Infrastructure	Furniture & Fixtures	Equipment	Vehicles	Other Capital Assets	Construction In Progress	Total Cost	Less Depreciation	Total
General Government	\$ 1,732,426	\$ 4,517,860	\$ 39,776	\$ 142,981	\$ 1,429,315	\$ 281,605	\$ 125,181	\$ 80,331	\$ 8,349,775	\$ (3,154,013)	\$ 5,195,762
General Government	\$ 1,740,773	\$ 1,754,246	\$ 1,743,304	\$ 145,319	\$ 2,925,168	\$ 1,186,886	\$ 126,131	\$ 211,912	\$ 25,592,739	\$ (5,335,539)	\$ 20,258,200
Public Safety	\$ 1,449,166	\$ 1,189,779	\$ 35,775,786	\$ 298,253	\$ 726,866	\$ 5,523,308	\$ 3,674,750	\$ 754,466	\$ 49,382,374	\$ (34,423,374)	\$ 14,969,000
Public Works	\$ 575,119	\$ 6,553,202	-	-	-	-	\$ 4,121	-	\$ 7,132,442	\$ (22,324)	\$ 7,110,118
Health	\$ 116	-	\$ 24,331	-	\$ 74,650	\$ 674,287	\$ 13,000	-	\$ 786,384	\$ (288,882)	\$ 497,502
Social Services	\$ 583,119	\$ 2,620,688	\$ 214,288	\$ 246	\$ 6,528	\$ 39,246	\$ 414,531	-	\$ 3,878,646	\$ (808,037)	\$ 3,070,609
Recreation & Culture	\$ 6,000	\$ 1,631,033	-	-	-	-	-	\$ 1,637,033	\$ (391,985)	\$ 1,245,048	
Libraries	-	-	-	-	-	-	-	-	\$ 31,838	\$ (30,788)	\$ 1,050
Natural Resources	-	-	-	-	\$ 15,839	\$ 15,999	-	-	\$ 532,453	\$ (265,116)	\$ 267,337
Urban Development & Housing	\$ 56,637	\$ 426,508	-	\$ 4,160	\$ 35,846	\$ 9,302	-	-	\$ 66,887,899	\$ (66,887,899)	\$ 27,358,233
Economic Development	\$ 14,394,138	\$ 12,122,352	\$ 3,620,559	-	\$ 78,419	\$ 98,317	\$ 81,632	\$ 3,151,105	\$ 33,547,022	\$ (50,908,847)	\$ 79,972,859
Total General Capital Assets:	\$ 20,537,494	\$ 46,576,168	\$ 41,418,044	\$ 590,959	\$ 5292,631	\$ 7,828,950	\$ 4,439,646	\$ 4,197,814	\$ 130,881,706	\$ (50,908,847)	\$ 79,972,859

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2007

Function	Capital Assets As Restated June 30, 2006	Transfers to Other Funds	Asset Reclass	\$ Additions	\$ Deductions	Total Cost	Accumulated Depreciation As Restated June 30, 2006	Less Depreciation June 30, 2006	Current Year Depreciation	Less Depreciation on Disposals	Add Depreciation	Capital Assets
General Government	\$ 8,261,990	\$ (20,99)	-	\$ 409,745	\$ (321,960)	\$ 8,349,775	\$ (2,667,408)	\$ (508,611)	\$ (2,159,167)	\$ 22,006	\$ 22,006	\$ 5,195,762
General Government	\$ 24,266,882	\$ (20,99)	-	\$ 1,476,855	\$ (149,998)	\$ 25,592,739	\$ (4,477,134)	\$ (900,249)	\$ (4,000,155)	\$ 42,444	\$ 42,444	\$ 20,258,200
Public Safety	\$ 48,509,956	-	\$ 1,384,997	\$ (481,580)	\$ 49,392,374	\$ (33,837,269)	\$ (1,074,434)	\$ (1,148,703)	\$ (1,148,703)	\$ 488,329	\$ 488,329	\$ 14,969,000
Public Works	\$ 3,839,673	-	\$ 3,292,769	-	\$ (54,260)	\$ 7,132,442	\$ (4,121)	\$ (223,781)	\$ (223,781)	-	-	\$ 7,110,118
Health	\$ 840,644	-	-	-	\$ (2)	\$ 3,878,646	\$ (706,655)	\$ (101,382)	\$ (101,382)	\$ 27,512	\$ 27,512	\$ 497,502
Social Services	\$ 3,878,648	-	-	-	-	\$ 1,637,033	\$ (310,684)	\$ (61,301)	\$ (61,301)	-	-	\$ 3,070,609
Recreation & Culture	\$ 1,637,033	-	-	-	-	\$ 31,838	\$ (30,369)	\$ (419)	\$ (419)	\$ 1,245,048	\$ 1,245,048	\$ 1,050
Libraries	\$ 31,838	-	-	\$ 4,682	-	\$ 532,453	\$ (245,841)	\$ (19,275)	\$ (19,275)	-	-	\$ 267,337
Natural Resources	\$ 527,771	-	-	\$ 4,026,338	\$ (885,203)	\$ 33,547,022	\$ (6,579,962)	\$ (427,637)	\$ 818,810	\$ 818,810	\$ 818,810	\$ 27,358,233
Urban Development & Housing	\$ 30,405,887	\$ (20,99)	-	\$ 10,395,386	\$ (1,893,003)	\$ 130,881,706	\$ (49,103,824)	\$ (3,204,124)	\$ (3,204,124)	\$ 1,399,101	\$ 1,399,101	\$ 79,972,859
Total Capital Assets	\$ 122,200,322	\$ (20,99)	-	\$ 10,395,386	\$ (1,893,003)	\$ 130,881,706	\$ (49,103,824)	\$ (3,204,124)	\$ (3,204,124)	\$ 1,399,101	\$ 1,399,101	\$ 79,972,859

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Statistical Section



Statistical Section

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

<u>Contents</u>		<u>Pages</u>
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 Assets by Component, Last Five Fiscal Years.....		F-5
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Fund Balances, Governmental Funds, Last Ten Years.....		F-8
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Revenue Capacity		
These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax		
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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		
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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.		
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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.		
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The County implemented GASB Statement 34 in FY 2003; schedules presenting government-wide information include information beginning in that year.

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FINANCIAL TRENDS

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Invested in capital assets, net of related debt	\$ 49,601,139	\$ 53,978,694	\$ 60,161,453	\$ 66,160,686	\$ 70,105,110
Restricted	1,684,063	2,093,507	3,021,117	2,277,836	13,043,675
Unrestricted	(11,733,113)	(5,166,240)	(4,128,194)	3,048,018	(4,635,623)
Total governmental activities net assets	<u>\$ 39,552,089</u>	<u>\$ 50,905,961</u>	<u>\$ 59,054,376</u>	<u>\$ 71,486,540</u>	<u>\$ 78,513,162</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 51,533,344	\$ 56,841,888	\$ 59,474,528	\$ 67,030,468	\$ 62,978,258
Restricted	185,808	159,657	172,797	167,898	170,832
Unrestricted	5,398,109	1,439,367	1,552,398	(1,694,100)	878,952
Total business-type activities net assets	<u>\$ 57,117,261</u>	<u>\$ 58,440,912</u>	<u>\$ 61,199,723</u>	<u>\$ 65,504,266</u>	<u>\$ 64,028,042</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 101,134,483	\$ 110,820,582	\$ 119,635,981	\$ 133,191,154	\$ 133,083,368
Restricted	1,869,871	2,253,164	3,193,914	2,445,734	13,214,507
Unrestricted	(6,335,004)	(3,726,873)	(2,575,796)	1,353,918	(3,756,671)
Total primary government net assets	<u>\$ 96,669,350</u>	<u>\$ 109,346,873</u>	<u>\$ 120,254,099</u>	<u>\$ 136,990,806</u>	<u>\$ 142,541,204</u>

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

Expenses	Fiscal Year				
	2003	2004	2006	2006	2007
Governmental activities:					
General Government:	\$ 5,650,431	\$ 6,433,962	\$ 6,569,557	\$ 6,966,383	\$ 7,455,528
Payment to data processing	235,757	264,767	279,661	294,847	311,568
Public Safety	10,729,932	10,878,035	13,320,579	14,571,046	13,938,396
Public Works	10,320,589	9,277,355	9,691,963	11,176,350	11,365,688
Health	1,311,200	1,345,102	1,422,154	1,610,957	1,778,704
Social Services	3,158,083	3,372,943	3,220,006	1,987,579	2,371,360
Education:	106,438	51,733	796,573 a	709,584	437,620
Payment to public school system	27,832,107	27,503,531	27,638,498	27,262,735	29,699,591
Payments to community college	5,543,512	5,575,000	5,715,000	6,010,000	6,382,000
Recreation, culture & libraries:	535,002	517,937	637,904	720,024	1,072,292
Payment to public library system	769,000	781,000	794,000	835,000	875,000
Conservation of natural resources	336,469	232,345	264,776	230,040	293,066
Community development & housing	1,338,847	1,659,272	2,031,225	1,666,591	1,556,909
Economic Development	2,865,480	2,412,688	3,487,397	2,487,397	3,083,041
Miscellaneous	47,479	49,232	283,971	79,925	58,202
Interest on long term debt	1,972,084	1,741,634	1,582,087	1,377,559	1,351,127
Total governmental activities expenses	\$ 72,762,410	\$ 72,096,636	\$ 77,505,361	\$ 77,986,575	\$ 82,095,092
Business-type activities:					
Water:	1,446,660	1,483,542	1,448,043	1,751,458	1,798,200
Sewer	5,845,641	5,798,718	6,398,687	7,137,019	7,900,344
Nursing Home	8,174,160	8,620,632	9,550,145 b	9,657,283	10,292,274
Other Funds				487,108	446,058
Total business-type activities expenses	<u>15,486,461</u>	<u>15,900,832</u>	<u>17,398,875</u>	<u>19,032,668</u>	<u>20,436,876</u>
Total primary government expenses	<u>88,228,871</u>	<u>87,997,518</u>	<u>95,002,236</u>	<u>97,019,443</u>	<u>102,531,968</u>
Program Revenues					
Governmental activities:					
Charges For services:					2,385,029
Public safety	1,279,568	1,903,640	2,210,969	2,585,073	957,924
Public works	838,844	915,434	834,819	850,935	2,179,128
Economic development	1,259,978	1,152,183	1,936,832	2,477,981	783,227
Other activities	478,640	597,748	626,097	935,592	5,564,276
Operating grants and contributions	5,657,933	6,398,218	6,549,718	6,162,976	5,205,639
Capital grants and contributions	5,783,782	5,704,736	10,626,139 c	4,861,929	
Total governmental activities program revenues	<u>15,318,745</u>	<u>16,671,959</u>	<u>22,804,574</u>	<u>17,869,456</u>	<u>17,075,223</u>
Business-type activities:					
Charges For services:					
Water	1,059,355	1,107,522	1,152,638	1,379,464	1,313,974
Sewer	4,522,491	4,614,481	5,12,139	5,488,342	5,671,545
Nursing Home	8,027,848	8,690,049	8,464,607	9,030,901	9,455,148
Other Funds	157,703	128,362	163,815	53,667	13,448
Operating grants and contributions					
Capital grants and contributions	2,054,418	3,816,273 d	3,320,783	3,560,637	803,391
Total business-type activities program revenues	<u>15,821,815</u>	<u>18,356,687</u>	<u>18,243,982</u>	<u>19,513,011</u>	<u>17,257,506</u>
Total primary government program revenues	<u>31,140,560</u>	<u>35,028,646</u>	<u>41,048,556</u>	<u>37,382,477</u>	<u>34,332,729</u>

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

	Fiscal Year				
	2003	2004	2005	2006	2007
Net (Expense)/Revenue					
Governmental activities	(57,443,665)	(55,424,677)	(54,800,787)	(60,117,109)	(65,019,869)
Business-type activities	355,354	2,455,805	847,107	480,143	(3,179,370)
Total primary government net expense	<u><u>(57,088,311)</u></u>	<u><u>(52,968,872)</u></u>	<u><u>(53,953,680)</u></u>	<u><u>(59,636,966)</u></u>	<u><u>(68,199,239)</u></u>
General Revenues And Other Changes In Net Assets					
Governmental Activities:					
Taxes					
Property taxes	\$ 25,545,018	\$ 26,865,528	\$ 27,060,585	\$ 29,094,141	\$ 30,141,707
Income taxes	19,451,155	21,536,150	21,407,667	23,407,305	23,177,237
Other local taxes	5,384,866	6,170,086	7,132,917	8,769,370	8,915,907
Licenses	411,923	426,638	410,720	308,405	323,025
Unrestricted grants	8,374,810	7,791,350	6,252,618	6,300,447	7,570,738
Investment earnings	1,641,108	827,216	1,046,600	1,436,172	1,634,969
Gain/(loss) on sale/retirement of capital assets	45,381	(396,544)	(112,531)	2,876,383	707,145
Miscellaneous	555,409	421,048	505,188	393,305	392,063
Transfers	882,228	1,776,087	551,293	96,895	(430,187)
Special item	(2,108,051)	1,360,990	0	-	-
Total governmental activities	<u><u>\$ 60,183,727</u></u>	<u><u>\$ 66,778,549</u></u>	<u><u>\$ 64,320,057</u></u>	<u><u>\$ 72,682,423</u></u>	<u><u>\$ 72,492,604</u></u>
Business-type activities:					
Property taxes	\$ 474,742	\$ 542,636	\$ 684,529	\$ 732,367	\$ 884,340
Investment earnings	71,022	92,621	159,528	181,098	196,246
Miscellaneous	8,202	8,676	49,342	78,326	192,372
Transfers	\$(882,228)	\$(1,776,087)	\$(551,293)	\$(96,895)	430,187
Total business-type activities	<u><u>\$ (328,262)</u></u>	<u><u>\$ (1,132,154)</u></u>	<u><u>\$ 342,106</u></u>	<u><u>\$ 894,896</u></u>	<u><u>\$ 1,703,145</u></u>
Total primary government	<u><u>\$ 59,855,465</u></u>	<u><u>\$ 65,646,395</u></u>	<u><u>\$ 64,662,163</u></u>	<u><u>\$ 73,577,319</u></u>	<u><u>\$ 74,195,749</u></u>
Change In Net Assets					
Governmental activities	\$ 2,740,062	\$ 11,353,872	\$ 9,519,270	\$ 12,565,314	\$ 7,472,735
Business-type activities	27,092	1,323,651	1,189,213	1,375,039	(1,476,225)
Total primary government	<u><u>\$ 2,767,154</u></u>	<u><u>\$ 12,677,523</u></u>	<u><u>\$ 10,708,483</u></u>	<u><u>\$ 13,940,353</u></u>	<u><u>\$ 5,996,510</u></u>

Note: Expenses include indirect expense allocation.

Explanation of Significant Variances:

- a Increase due to Allegany County's portion of new school construction.
- b Increase due to an increase in personnel salaries and fringe.
- c Increase in grants due to significant grants received for Allegany Highlands Trail and Barton Business Park.
- d Increase in grants due to grants received for Celanese Wastewater Treatment Plant.
- e Increase due to donation of land from the State of Maryland for the Allegany Highlands Trail.
- f Increase due to revenue growth from sources such as increase in tax rate, income tax increase, changes from boarding federal/state prisoners while expenses remained relatively the same.

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Fund										
Reserved	\$ 3,307,928	\$ 3,019,557	\$ 2,185,628	\$ 1,928,325	\$ 1,705,332	\$ 2,300,641	\$ 2,709,317	\$ 3,302,308	\$ 3,586,015	\$ 3,825,655
Unreserved	6,933,998	8,619,547	9,835,272	8,083,225	8,193,338	8,274,597	9,990,236	9,369,968	10,361,286	11,675,991
Total General Fund	<u>\$ 10,241,926</u>	<u>\$ 11,639,104</u>	<u>\$ 12,020,900</u>	<u>\$ 10,011,550</u>	<u>\$ 9,898,890</u>	<u>\$ 10,575,238</u>	<u>\$ 12,699,553</u>	<u>\$ 12,702,276</u>	<u>\$ 13,947,301</u>	<u>\$ 15,501,646</u>
All Other Governmental Funds										
Reserved	\$ 1,887,278	\$ 8,439,283	\$ 4,304,911	\$ 2,144,563	\$ 1,740,443	\$ 416,165	\$ 100,856	\$ 1,294,529	\$ 424,349	\$ 10,240,090
Unreserved, reported in:										
Special revenue funds	1,815,662	2,505,082	3,568,955	1,796,349	2,559,231	3,260,273	3,793,401	5,102,167	5,001,124	5,182,529
Capital project funds	2,789,465	5,850,003	9,889,200	5,724,934	2,745,547	1,370,878	2,228,198	1,220,786	2,487,471	2,817,863
Debt service funds			300,000	1,400,000	1,400,000	1,275,000	1,150,000	1,175,000	1,517,200	1,687,610
Total all other governmental funds	<u>\$ 6,492,405</u>	<u>\$ 16,794,368</u>	<u>\$ 17,863,066</u>	<u>\$ 11,065,846</u>	<u>\$ 8,445,221</u>	<u>\$ 6,322,316</u>	<u>\$ 7,272,465</u>	<u>\$ 8,752,482</u>	<u>\$ 9,430,144</u>	<u>\$ 19,928,092</u>

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Revenues										
Property taxes	\$ 23,767,146	\$ 24,974,964	\$ 26,028,928	\$ 26,049,688	\$ 26,823,761	\$ 27,527,977	\$ 28,460,485	\$ 29,786,204	\$ 30,740,703	
Income taxes	16,831,635	17,212,342	17,007,620	19,177,773	18,441,780	19,391,155	21,536,150	21,472,567	22,103,548	23,977,520
Highway user taxes	3,499,706	3,936,506	4,025,755	4,108,731	4,207,379	3,942,972	3,360,759	3,688,177	4,813,872	4,823,854
Other local taxes	1,451,159	1,793,080	1,610,351	1,535,919	1,842,004	1,683,107	3,205,042	3,912,061	4,709,748	4,837,769
Licenses and permits	468,556	486,641	508,317	534,121	558,218	580,555	606,228	583,575	586,286	616,222
Intergovernmental:										
Federal	3,810,077	3,720,745	4,674,620	5,484,707	4,528,456	4,012,379	5,047,771	7,136,309	6,784,009	5,206,553
State	6,804,911	6,482,782	13,858,827	8,194,787	12,990,625	14,842,988	13,997,115	13,829,081	10,779,726	14,134,749
Other	39,787	73,417	95,310	55,926	110,275	135,025	269,579	495,599	561,733	399,757
Service charges	1,458,140	1,702,350	1,569,630	1,796,506	1,772,777	1,813,967	2,454,089	3,397,304	3,136,916	2,878,752
Fines and forfeitures	39,582	59,531	101,025	56,531	72,000	147,986	2,560	91,420	79,618	109,922
Interest	956,099	1,597,702	1,282,274	1,625,162	680,463	343,052	194,563	402,229	752,182	948,156
Miscellaneous	2,132,919	1,748,194	4,797,971	2,631,075	2,120,149	2,293,436	2,131,346	2,584,812	3,047,951	2,908,467
Total revenues	\$ 61,298,717	\$ 63,788,264	\$ 75,560,628	\$ 71,412,526	\$ 76,010,183	\$ 76,273,498	\$ 76,033,179	\$ 86,53,719	\$ 87,141,793	\$ 91,582,024
Expenditures										
General government	\$ 4,693,493	\$ 5,037,060	\$ 5,328,287	\$ 5,875,131	\$ 5,844,282	\$ 5,561,787	5,830,837	6,081,966	6,403,875	7,203,861
Public safety	5,894,660	6,308,244	6,551,254	7,895,973	8,526,503	9,882,124	10,531,391	11,845,960	13,162,203	13,340,006
Public works	8,319,389	7,704,681	7,724,526	8,873,226	8,382,583	9,914,877	8,718,237	11,014,386	10,483,049	10,483,049
Health and Hospitals	285,882	310,805	296,818	299,806	291,868	297,275	314,944	385,730	547,635	668,436
Social Services	1,355,751	1,774,249	1,778,194	2,719,978	2,821,402	3,217,712	3,340,700	3,153,780	2,481,137	2,267,395
Education	400	400	-	-	6,872	106,438	7,125	6,487	6,788	296,339
Recreation, culture and libraries	464,854	381,286	310,749	284,468	529,568	400,679	416,091	525,238	525,173	785,391
Conservation of natural resources	1,71,048	179,116	189,422	236,807	212,488	236,597	223,675	254,764	222,849	286,942
Community Development and Housing	1,284,327	1,217,612	1,269,185	1,360,449	1,485,712	1,367,694	1,640,267	1,981,444	1,666,589	1,535,517
Economic development	1,361,763	2,022,876	2,671,828	3,444,518	1,972,049	1,870,090	2,778,199	5,244,944	4,313,128	4,093,940
Miscellaneous	11,333	11,383	21,332	11,693	4,678	18,775	18,721	13,991	17,671	25,449
Appropriation to other governments	782,607	647,446	847,128	905,343	961,388	990,488	1,005,981	1,017,170	1,044,128	1,162,444
Capital Outlay	5,089,879	8,685,724	10,444,573	8,625,593	8,168,579	4,505,874	6,737,970	10,838,212	8,594,428	10,789,335
Debt Service										
Interest	2,315,773	2,455,549	2,648,162	2,530,986	2,178,629	2,027,073	1,839,382	1,624,695	1,442,163	1,317,568
Principal	2,830,350	2,890,117	3,606,289	3,777,228	3,936,483	4,096,571	4,221,604	4,005,632	4,716,262	4,213,086
Payments to Component Units	28,689,620	28,189,806	31,624,945	31,970,969	32,557,486	34,400,376	32,205,767	32,278,661	33,734,847	34,948,568
Total expenditures	\$ 63,551,129	\$ 67,816,154	\$ 75,112,692	\$ 78,815,368	\$ 76,080,570	\$ 78,883,530	\$ 79,642,095	\$ 88,556,911	\$ 89,925,262	\$ 93,417,986
Excess of revenues over (under) Expenditures	\$ (2,232,412)	\$ (4,027,890)	\$ 447,936	\$ (7,402,842)	\$ (3,807,072)	\$ (2,873,347)	\$ 691,084	\$ (2,503,192)	\$ (2,783,469)	\$ (1,835,862)
Other Financing Sources (Uses)										
Proceeds from borrowing	\$ 207,625	\$ 15,251,008	\$ 400,000	\$ -	\$ 322,680	\$ 63,710	\$ 588,607	\$ 2,258,256	\$ 149,483	\$ 14,141,516
Proceeds from refunding	-	-	-	-	9,683,148	-	-	-	-	-
Payments to escrow agent	10,892,874	11,120,891	12,503,354	11,504,826	10,704,292	10,516,889	11,735,629	14,107,776	10,558,497	12,204,383
Transfers in										
Transfers from component units	(10,293,126)	(10,644,868)	(11,900,806)	(12,298,277)	(9,953,385)	(65,050)	(9,959,540)	(13,556,482)	(10,461,602)	(12,634,570)
Transfers out										
Sale of capital assets										
Total Other Financing Sources (Uses)	\$ 807,373	\$ 15,727,031	\$ 1,002,568	\$ (793,451)	\$ 1,073,587	\$ 1,426,990	\$ 2,383,370	\$ 3,498,263	\$ 4,799,308	\$ 14,070,203
Net Change in fund balances	\$ (1,475,039)	\$ 11,699,141	\$ 1,450,494	\$ (8,196,293)	\$ (2,733,495)	\$ (1,446,357)	\$ 3,074,454	\$ 995,071	\$ 2,015,839	\$ 12,234,341
Debt service as a percentage of noncapital expenditures	8.8%	9.0%	9.7%	9.0%	8.7%	8.2%	8.3%	7.2%	7.6%	6.7%

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REVENUE CAPACITY

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

Fiscal Year	Real Property				Corporate Personal Property				Personal & Corporate Personal	
	Real Property		Personal Property		Corporate Personal Property		Market Value		Total Direct Tax Rate	
	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Assessed Value	Market Value	Total Direct Tax Rate
1998	1,830,044,875	732,017,950	0.9880	11,762,460	11,762,460	426,419,050	426,419,050	2,268,226,385	1,170,199,460	2.4700
1999	1,908,270,840	763,308,336	0.9880	10,700,350	10,700,350	529,490,145	529,490,145	2,448,461,335	1,303,498,831	2.4700
2000	1,986,596,538	794,638,615	0.9880	10,869,940	10,869,940	736,321,330	736,321,330	2,733,787,808	1,541,829,885	2.4700
2001	2,027,094,175	810,837,670	0.9840	8,839,920	8,839,920	662,748,955	662,748,955	2,698,683,050	1,482,456,545	2.4600
2002	2,072,981,398	2,072,981,398	0.9840	10,142,410	10,142,410	493,595,405	493,595,405	2,576,719,213	2,576,719,213	2.4600
2003	2,158,322,043	2,158,322,043	0.9838	10,417,090	10,417,090	360,582,630	360,582,630	2,529,321,763	2,529,321,763	2.4595
2004	2,223,185,344	2,223,185,344	1.0000	11,255,730	11,255,730	334,611,519	334,611,519	2,569,052,593	2,569,052,593	2.5000
2005	2,346,218,412	2,346,218,412	1.0007	10,263,280	10,263,280	351,375,290	351,375,290	2,707,846,982	2,707,846,982	2.5018
2006	2,439,119,223	2,439,119,223	1.0007	9,047,760	9,047,760	344,568,390	344,568,390	2,792,735,373	2,792,735,373	2.5018
2007	2,542,803,943	2,542,803,943	0.9829	8,701,450	8,701,450	358,861,080	358,861,080	2,910,366,473	2,910,366,473	2.4573

Source: Allegany County Finance Office & Allegany Tax Office

Note: Tax rates expressed in \$100 of assessed value
 Real property tax rate Years 2001 and prior have been restated to a full cash value assessment

Allegany County, Maryland
Schedule Of Real Property Tax Rates - Direct And Overlapping
Last Ten Fiscal Years

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>
<u>Allegany County Direct Tax Rates</u>										
Barton	0.9494	0.9727	0.9724	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480	0.9480
Cumberland	0.9087	0.9309	0.9248	1.0000	0.9838	0.9840	0.9040	0.9040	0.9040	0.9000
Frostburg	0.9111	0.9366	0.9305	0.9312	0.9128	0.9128	0.9120	0.9120	0.9120	0.9120
Lonaconing	0.9283	0.9548	0.9517	0.9535	0.9334	0.9330	0.9320	0.9320	0.9320	0.9320
Luke	0.9227	0.9516	0.9484	0.9498	0.9299	0.9287	0.9280	0.9280	0.9280	0.9280
Midland	0.9474	0.9727	0.9724	0.9721	0.9520	0.9513	0.9520	0.9520	0.9480	0.9480
Westernport	0.9263	0.9548	0.9517	0.9535	0.9344	0.9330	0.9320	0.9320	0.9320	0.9320
Unincorporated	0.9829	1.0007	1.0007	1.0000	0.9838	0.9840	0.9840	0.9880	0.9880	0.9880
<u>Municipal Direct Tax Rates</u>										
Barton	0.2220	0.2220	0.2220	0.2220	0.2260	0.2320	0.2320	0.2320	0.2320	0.2320
Cumberland	0.9479	0.9479	0.9479	0.8720	0.8720	0.8720	1.0400	1.0480	1.0480	1.0480
Frostburg	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5000	0.5000	0.5000	0.5000
Lonaconing	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400	0.3400
Luke	0.5000	0.5000	0.3500	0.3500	0.2400	0.2400	0.2400	0.2400	0.2400	0.2320
Midland	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800	0.2800
Westernport	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000	0.6000
<u>Special Taxing Areas</u>										
Sanitary Districts										
Bedford Road	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0880	0.0880	0.0880	0.0880
Bowling Green	0.2530	0.2530	0.2530	0.1580	0.1480	0.1480	0.1440	0.1560	0.1560	0.1560
Braddock Run	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0160	0.0160	0.0160
Cresaptown	0.3000	0.3000	0.3000	0.1600	0.0480	0.0480	0.0360	0.0360	0.0360	0.0360
Jennings Run - Wills Creek	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0320	0.0320	0.0320	0.0320
Cash Valley Subdistrict	0.2200	0.2200	0.2440	0.2440	0.2440	0.2440	0.2320	0.2440	0.2440	0.2440
McCoole	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400	0.1400
Flintstone/ Gilpin	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Franklin/ Brophytown	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920	0.0920
Oldtown	0.0960	0.0960	0.0960	0.0960	0.0960	0.0960	0.0880	0.0880	0.0880	0.0880
George's Creek	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600	0.1600
Mexico Farms	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.1840	0.2000	0.2000	0.2000
Oldtown Road	0.2400	0.2400	0.2600	0.2600	0.2600	0.2600	0.2600	0.3840	0.3840	0.3840
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	0.0320	0.0320	0.0320	0.0320	0.0400	0.0320	0.0320	0.0320	0.0320	0.0320
Bowling Green Volunteer Fire Co	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Corriganville Light & Imp Assoc.	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Cresaptown Ambulance Taxing Area	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280	0.0280
Cresaptown Civic Improvement Ass.	0.0400	0.0400	0.0400	0.0400	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Cresaptown Special Fire Tax Area	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0520	0.0400	0.0400
Ellerslie Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Sanitary Commission	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1200	0.1200
LaVale Fire Department	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
LaVale Volunteer Rescue Squad	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
McCoole Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.1200	0.1200
Moscow Special Taxing Area	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200	0.1200
Mt Savage Special Taxing Area	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Potomac Park Citizens Committee	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
Rawlings Special Fire Tax Area	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600

Notes:

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

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

Source: Allegany County Finance Department; Maryland State Assessment Office

Allegany County, Maryland
Principal Property Tax Payers
Current Year and Nine Years Ago

Taxpayer	2007			1998		
	Taxable Assessed Value	Rank	Percentage Of County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage Of County Taxable Assessed Value
AES WR Limited Partnership	\$ 125,977,000	1	4.33%			
New Page (Mead/Westvaco)	67,367,348	2	2.31%	\$ 225,122,120	1	19.24%
Potomac Edison Co	51,977,800	3	1.79%	48,571,410	2	4.15%
Verizon-Maryland (Bell Atlantic)	38,768,500	4	1.33%	47,584,620	3	4.07%
LaVale Associates	28,752,280	5	0.99%	12,800,000	4	1.09%
Columbia Gas of Maryland	22,590,600	6	0.78%	12,988,210	5	1.11%
CSX Transportation	19,891,394	7	0.68%	10,332,720	6	0.88%
Hunter Douglas Northeast, Inc.	14,328,250	8	0.49%			
American Woodmark Corp	9,907,800	9	0.34%			
Allegany Coal	9,059,315	10	0.31%			
MD Economic Development Corp.				5,210,640	7	0.45%
S. Company, Inc.				4,689,070	9	0.40%
Biederlack Of America Corp				6,510,820	10	0.56%
Superfos Packaging, Inc.				6,087,540	8	0.52%
Total	\$ 388,620,287		13.35%	\$ 379,897,150		32.47%

Source: Allegany County Tax and Utility Office

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
1998	17,295,160	15,927,233	92.09%	(3,009)	1,340,102	17,292,151	17,267,335	99.86%
1999	18,044,743	16,559,997	91.77%	(47,375)	1,412,420	17,997,368	17,972,417	99.86%
2000	18,779,731	17,392,441	92.61%	(79,846)	1,282,094	18,699,885	18,674,535	99.86%
2001	19,287,454	17,801,226	92.29%	(40,881)	1,417,719	19,246,573	19,218,945	99.86%
2002	19,739,787	18,208,781	92.24%	(49,200)	1,445,749	19,690,587	19,654,530	99.82%
2003	20,190,074	18,729,500	92.77%	(9,540)	1,417,259	20,180,534	20,146,759	99.83%
2004	21,239,040	19,838,116	93.40%	(25,649)	1,352,722	21,213,391	21,190,838	99.89%
2005	22,263,407	20,665,094	92.82%	(40,552)	1,516,466	22,222,855	22,181,560	99.81%
2006	23,311,852	21,894,064	93.06%	(8,171)	951,111	23,303,681	22,845,175	97.17%
2007	24,152,164	22,574,066	93.47%			24,152,164	22,574,066	93.47%

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
1998	280,996	205,900	73.28%	(47,180)	24,536	233,816	230,436	98.55%
1999	269,137	198,792	73.86%	(43,425)	23,810	225,712	222,602	98.62%
2000	259,145	204,901	79.07%	(49,613)	(769)	209,532	204,132	97.42%
2001	191,726	170,281	88.81%	9,355	23,106	201,081	193,387	96.17%
2002	240,872	195,019	80.96%	(10,898)	21,586	229,974	216,605	94.19%
2003	249,305	196,207	78.70%	(18,456)	14,680	230,849	210,887	91.35%
2004	274,789	216,817	78.90%	(17,943)	15,776	256,846	232,593	90.56%
2005	249,585	217,982	87.34%	(2,164)	14,836	247,421	232,818	94.10%
2006	221,878	201,105	90.64%	1,918	5,074	223,796	206,179	92.13%
2007	208,932	186,368	89.20%			208,932	186,368	89.20%

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
1998	10,061,447	9,625,733	95.67%	(92,594)	326,041	9,968,853	9,951,774	99.83%
1999	12,431,900	12,085,500	97.21%	(30,486)	281,797	12,401,414	12,367,297	99.72%
2000	17,560,034	17,393,342	99.05%	(112,553)	26,679	17,447,481	17,420,021	99.84%
2001	15,858,558	15,708,793	99.06%	(71,244)	42,776	15,787,314	15,751,569	99.77%
2002	11,671,917	11,416,395	97.81%	(21,174)	192,625	11,650,743	11,609,020	99.64%
2003	9,282,992	9,163,854	98.72%	(2,274)	81,887	9,280,718	9,245,741	99.62%
2004	8,897,728	8,790,614	98.80%	(275,764)	(195,145)	8,621,964	8,595,469	99.69%
2005	8,501,900	8,407,644	98.89%	(106,282)	(62,386)	8,395,618	8,345,258	99.40%
2006	8,408,395	8,276,381	98.43%	(34,961)	42,858	8,373,434	8,319,239	99.35%
2007	8,210,266	8,094,923	98.60%			8,210,266	8,094,923	98.60%

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
1998	27,637,603	25,758,866	93.20%	(142,783)	1,690,679	27,494,820	27,449,545	99.84%
1999	30,745,780	28,844,289	93.82%	(121,286)	1,718,027	30,624,494	30,562,316	99.80%
2000	36,598,910	34,990,684	95.61%	(242,012)	1,308,004	36,356,898	36,298,688	99.84%
2001	35,337,738	33,680,300	95.31%	(102,770)	1,483,601	35,234,968	35,163,901	99.80%
2002	31,652,576	29,820,195	94.21%	(81,272)	1,659,960	31,571,304	31,480,155	99.71%
2003	29,722,371	28,089,561	94.51%	(30,270)	1,513,826	29,692,101	29,603,387	99.70%
2004	30,411,557	28,845,547	94.85%	(319,356)	1,173,353	30,092,201	30,018,900	99.76%
2005	31,014,892	29,290,720	94.44%	(148,998)	1,468,916	30,865,894	30,759,636	99.66%
2006	31,942,125	30,171,550	94.46%	(41,214)	999,043	31,900,911	31,170,593	97.71%
2007	32,571,362	30,855,357	94.73%			32,571,362	30,855,357	94.73%

DEBT CAPACITY

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

Fiscal Year	Governmental Activities				Business - Type Activities				Total Primary Government	Percentage of Personal Income	Debt Per Capita		
	General Obligation Bonds	Water		Sanitary		State Loans	Sanitary Term Notes	State Capital Bonds	Sanitary Term Notes				
		Term Notes	Capital Leases	Water Federal Loans	Federal Loans								
1998	31,520,000	1,266,629	272,282	9,101,455	360,634	712,342	-	1,785,482	2,542,007	1,130,415	3.37%		
1999	44,370,000	1,207,551	233,671	8,710,034	307,986	705,333	-	1,504,933	2,365,755	2,213,367	4.16%		
2000	41,215,000	1,145,756	145,619	8,808,593	251,041	1,685,463	-	1,207,983	2,181,089	2,190,587	58,831,131		
2001	37,945,000	1,080,232	51,783	8,490,725	189,449	1,665,100	-	2,120,833	2,014,938	2,166,706	55,694,766		
2002	35,115,000	1,013,492	82,761	8,046,052	122,832	3,303,469	-	1,792,880	1,840,612	1,079,369	52,398,467		
2003	31,580,000	941,011	41,978	7,667,455	50,779	3,263,926	-	1,455,938	1,842,994	1,064,987	47,908,068		
2004	27,945,000	864,699	-	7,787,748	4,811	3,326,911	-	172,977	8,432,882	1,049,890	49,584,918		
2005	26,596,000	784,473	112,435	7,337,164	3,130	4,103,242	-	115,294	10,177,907	1,034,042	525,000		
2006	22,944,000	699,910	206,123	6,433,258	156,183	4,218,791	-	77,435	10,137,902	1,017,406	501,088		
2007	28,532,000	5,610,818	126,929	5,941,976	475,717	4,161,123	-	19,503	10,012,618	3,790,944	475,926		
											59,147,554		

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

Source: Allegany County Finance Office and Bureau Of Economic Analysis

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

General Obligation Debt Outstanding

Fiscal Year	General Obligation Bonds	Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Debt Per Capita
1998	31,520,000	1,170,199,460	2.69%	75,547	417.22
1999	44,370,000	1,303,498,831	3.40%	75,288	589.34
2000	41,215,000	1,541,829,885	2.67%	74,819	550.86
2001	37,945,000	1,482,426,545	2.56%	74,449	509.68
2002	35,115,000	2,576,719,213	1.36%	74,059	474.15
2003	31,580,000	2,529,321,763	1.25%	73,867	427.53
2004	27,945,000	2,569,052,593	1.09%	73,999	377.64
2005	26,596,000	2,707,846,982	0.98%	73,639	361.17
2006	22,944,000	2,792,735,373	0.82%	72,831	315.03
2007	28,532,000	2,910,366,473	0.98%	73,000	390.85

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population	75,547	75,288	74,819	74,449	74,059	73,867	73,999	73,639	72,831	73,000
Inmate population excluded	-	-	3,279	3,279	3,279	3,279	3,279	3,279	3,279	3,279
Net population for debt limit	75,547	75,288	71,540	71,170	70,780	70,588	70,720	70,360	69,552	69,721
Debt Per Capita	585	585	585	585	585	585	585	585	585	585
Debt Limit	44,194,995	44,043,480	41,850,900	41,634,450	41,406,300	41,293,980	41,371,200	41,160,600	40,687,920	40,786,785
Total Net Debt applicable to limit	42,160,366	54,521,256	51,314,968	47,537,740	44,257,305	40,230,444	36,597,447	34,850,072	30,283,291	40,211,723
Legal Debt Margin	2,034,629	(10,477,776)	(9,464,068)	(5,903,290)	(2,851,005)	1,063,536	4,773,753	6,310,528	10,404,629	575,062
Total net debt applicable to the limit as a percentage of debt limit	95.4%	123.8%	122.6%	114.2%	106.9%	97.4%	88.5%	84.7%	74.4%	98.6%

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
2007	6,800,108	5,835,667	964,441	750,057	233,277	983,334	0.98
2006	6,390,329	5,189,019	1,201,310	436,091	190,715	626,806	1.92
2005	6,138,374	4,705,332	1,433,042	342,541	206,399	548,940	2.61
2004	5,380,331	4,121,055	1,259,276	379,008	(3)	219,141	2.11
2003	5,196,676	4,135,237	1,061,439	534,257	253,771	788,028	1.35
2002	5,322,012	3,870,291	1,451,721	515,979	288,075	804,054	1.81
2001	5,225,033	3,805,192	1,419,841	477,182	301,188	778,370	1.82
2000	4,717,029	3,407,505	1,309,524	504,396	333,245	837,641	1.56
1999	4,489,346	3,383,497	1,105,849	473,846	344,220	818,066	1.35
1998	4,102,355	3,375,064	727,291	445,802	342,069	787,871	0.92

WATER DISTRICTS

Fiscal Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2007	1,417,547	1,053,569	363,978	60,953	195,878	256,831	1.42
2006	1,430,789	1,068,917	361,872	55,436	181,207	236,643	1.53
2005	1,180,132	833,099	347,033	48,352	158,073	206,425	1.68
2004	1,124,973	909,646	215,327	87,484	144,383	231,867	0.93
2003	1,073,757	878,777	194,980	111,596	150,978	262,574	0.74
2002	1,043,256	826,387	216,869	101,883	139,236	241,119	0.90
2001	754,227	682,149	72,078	81,955	87,478	169,433	0.43
2000	606,260	565,537	40,723	70,515	76,905	147,420	0.28
1999	533,325	478,747	54,578	59,657	65,273	124,930	0.44
1998	465,612	298,190	167,422	53,837	64,571	118,408	1.41

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

2 - Total operating expenses less depreciation and interest expense

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

DEMOGRAPHIC AND ECONOMIC INFORMATION

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

Year	Population	Personal Income In 000s	Per Capita Personal Income	Public School Enrollment	Unemployment Rate
1998	75,547	1,443,913	19,113	11,110	8.80%
1999	75,288	1,479,760	19,655	10,987	7.10%
2000	74,819	1,556,953	20,810	10,678	5.90%
2001	74,449	1,623,601	21,808	10,425	6.70%
2002	74,059	1,661,981	22,441	10,180	6.50%
2003	73,867	1,701,416	23,034	10,128	6.30%
2004	73,999	1,785,371	24,127	9,926	6.40%
2005	73,639	1,884,432	25,590	9,840	6.50%
2006	72,831 (a)	1,922,121 (b)	26,392	9,715	5.59%
2007	73,000 (a)	1,960,563 (b)	26,857	9,526	5.63%

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

(a) Estimated
 (b) Estimated based on 2% growth

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

Employer	2007			1998		
	Employees	Rank	Percentage Of Total County Employment	Employees	Rank	Percentage Of Total County Employment
Western Maryland Health Systems	2,400	1	7.18%	2,200	1	6.70%
Allegany County Board Of Education	1,421	2	4.25%	1,290	3	3.93%
New Page Corporation (Westvaco)	1,100	3	3.29%	1,680	2	5.11%
ATK Tactical System	1,032	4	3.09%			
CSX Transportation	925	5	2.77%	1,000	4	3.04%
Frostburg State University	904	6	2.70%	850	5	2.59%
Allegany County Government	589	7	1.76%	425	8	1.29%
Hunter Douglas	570	8	1.71%	470	7	1.43%
Allegany College	507	9	1.52%			
Spherix	475	10	1.42%			
S. Schwab Company				570	6	1.73%
Bayliner Marine Corporation				375	9	1.14%
Kelly Springfield Tire Company				350	10	1.07%
Total	9,923		29.69%	9,210		28.03%

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

OPERATING INFORMATION

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

Function/Program	Full-time Equivalent Employees as of June 30				
	2003	2004	2005	2006	2007
General Government					
Commissioners & Staff	7.0	7.0	7.0	7.0	8.0
Judicial	28.5	26.5	27.3	27.3	28.0
Finance	9.3	9.3	9.3	9.6	9.6
Tax Office	7.5	7.5	7.5	7.5	7.5
Maintenance	16.1	15.5	16.5	16.1	16.4
Other	33.3	35.8	28.7	32.1	38.6
Public Safety					
Sheriff	27.0	24.0	27.9	31.6	33.2
Detention Center	78.5	79.8	84.8	85.3	85.0
911	17.2	19.3	21.0	25.0	24.6
Other	5.1	1.1	13.9	13.1	13.4
Public Works					
Roads division	76.3	76.3	74.5	74.5	74.5
Engineering	18.3	18.2	16.7	15.4	16.5
Solid Waste	5.5	5.4	5.4	5.4	5.3
Transit	27.1	27.1	27.1	29.6	32.7
Health and Hospitals					
Social Services	3.3	3.3	3.3	3.3	2.3
Recreation, culture, libraries, tourism	6.0	7.0	7.0	1.0	1.0
Conservation of natural resources	1.0	5.0	2.0	2.0	2.0
Community Development and Housing	2.0	2.0	2.0	2.0	2.0
Economic Development	5.3	4.3	5.6	5.6	4.3
Sanitary	8.2	9.4	9.1	10.1	7.2
Nursing Home	23.5	23.5	23.0	24.0	25.0
Total	556.0	557.3	581.1	593.0	589.2

Source: Allegany County Finance Office-Budget

Allegany County, Maryland
Operating Indicators By Function/Program
Last Five Fiscal Years

Function/Program	2003	2004	2005	2006	2007
General Government					
Average number of tax bills issued	38,000	38,020	38,060	38,130	38,124
Number of building permits issued	421	479	469	424	460
Public Safety					
Total Number of arrests	1,430	1,505	1,341	1,246	608
Total Number of traffic tickets issued	1,157	199	613	1,527	1,153
Average number of inmates	176	180	180	172	179
Number of Volunteer Fire Stations	23	23	23	23	23
Public Works					
Miles of roads maintained	544	544	544	544	544
Street resurfacing (miles)	56	47	35	23	31
Recycling, total tons (calendar year)	20,577	20,058	22,468	24,685	Not Available
Social Services					
Transit route miles	538,567	470,456	445,957	500,772	675,570
Transit passengers	88,650	99,441	94,813	119,027	138,131
Community Development and Housing					
Number of families' rent subsidized	253	274	253	262	267
Low-Income Housing loans issued	42	32	43	36	43
Sanitary					
Average number of sanitary/water customers	8,500	8,500	8,500	8,500	8,500
Nursing Home					
Total Number of Beds Available, Annually	55,845	55,998	55,845	55,845	55,845
Number of Beds Occupied Annually	49,660	51,427	48,701	47,422	48,400
Occupancy Rate, Annual	89%	92%	87%	85%	86.67
Gaming					
Games Sold	N/A	39,935	50,870	49,901	48,800
Operators Licensed	N/A	79	94	100	79
Inspections Conducted	N/A	1,200	1,180	1,035	965

* Only in operation for 7 months of the fiscal year

Source: Various County Departments

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

<u>Function/Program</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Government					
Number of major buildings maintained	10	10	10	10	11
Public Safety					
Number of police stations	1	1	1	1	1
Number of patrol vehicles	9	9	9	9	9
Public Works					
Miles of roads maintained	544	544	544	544	544
Average number of highway vehicles	140	140	140	140	140
Number of Garages-Roads Dept	4	4	4	4	4
Number of operating transit buses	9	9	9	10	10
Economic Development					
Number of Industrial parks	8	8	8	8	8
Number of Buildings leased	14	14	14	14	15
Sanitary					
Sanitary/Water (miles)	175	175	175	175	175
Number of Wastewater Treatment plants	6	6	6	6	6
Number of Water Storage Tanks	6	6	6	6	6
Nursing Home					
Number of buildings maintained	1	1	1	1	1

Source: Various County Departments

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ALLEGANY COUNTY



Evitts Creek
Photographed by Allegany County Resident David Dorsey

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2007

MARYLAND

