

Financial Planning for a Bright Future!



Allegany County, Maryland COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2003



ALLEGANY COUNTY, MARYLAND
COMPREHENSIVE ANNUAL
FINANCIAL REPORT

FOR THE FISCAL YEAR
JULY 1, 2002 - JUNE 30, 2003

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



ALLEGANY COUNTY, MARYLAND

Finance Office

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BOARD OF COMMISSIONERS

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

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

January 16, 2003

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, 2003, 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, 2003, 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, 2003, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Allegany County

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

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

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

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

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

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

BUDGET

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

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

Operating Budget

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

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

Capital Budget

The Capital Budget is prepared by the Planning Division Chief 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, the County Engineer and the Planning Division Chief. 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 8.9% in 1998 to 5.7% at June 30, 2003. The region has diverse manufacturing and industrial base of paper manufacturing, rail transportation and the manufacturing of window coverings. A varied service provider base gives the area relative stability of the unemployment rate. Major service providers include health services, government, education, and call centers.

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

Allegany County has a total labor force of 30,791. The total labor remains relatively unchanged which mirrors the population census of the county. Recent population projections have the county maintaining its current population which reverses decades of population loss.

Long-term financial planning: The County adopts a five-year Capital Improvement Program each year as required by state law. A major emphasis on economic development is being embarked upon to retain and grow the county's population and disposable income. A site for an advanced manufacturing park has been identified and plans are continuing to provide access and

water and sewer service to the site. Plans are also being undertaken to redevelop a manufacturing plant owned by the county. These projects will be undertaken with a variety of federal and state grants but will also require some borrowing by the county. The county is also involved in the development of a wireless internet system that would be one of the first in the county for a rural area. High speed internet access is critical in the future development of the county.

The County is also working on constructing a new high school which would be the first in 50 years within the county. This project is critical to replace aging structures and to attract the types of jobs the county is trying to emphasize. Other renovations requiring county borrowing of \$5.0 million are planned. The County will also invest \$2.7M in projects for Allegany College which is a two-year community college to enhance and maintain training programs vital to the workforce of the region. Work continues on the Allegheny Highlands Trail which is expected to attract many hiking and biking enthusiasts. When completed, the trail is expected to have a major financial impact on the county and enhance the quality of life for residents. The trail will be constructed entirely with federal, state, and donor contributions.

Cash Management

Expenditures for all funds, except those required by law or agreement, are made from one bank account to maximize investment income and for efficient operation of the accounting system.

The County's investment policy is to minimize risk while achieving a competitive yield on its cash balances. Deposits were either insured by federal depository insurance or collateralized. All collateral on deposits was held by the County's agent in the County's name. All investments of the County were classified in the lowest risk category as defined by the Governmental Accounting Standards Board.

Cash temporarily idle during the year was invested in certificates of deposit and repurchase agreements. The maturities of the investments range from 7 days to 365 days, with an average maturity of 119 days and an average yield on investments of 1.65 percent.

Risk Management

Allegany County retains an insurance advisor who monitors health and life insurance coverage. Periodical inspections of County buildings and property by the insurance carriers ensure the property levels of liability and building and contents coverage. The County's exposure to risk is limited to immaterial deductible amounts.

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, 2002. This was the eleventh 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, 2002

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.



President

Executive Director

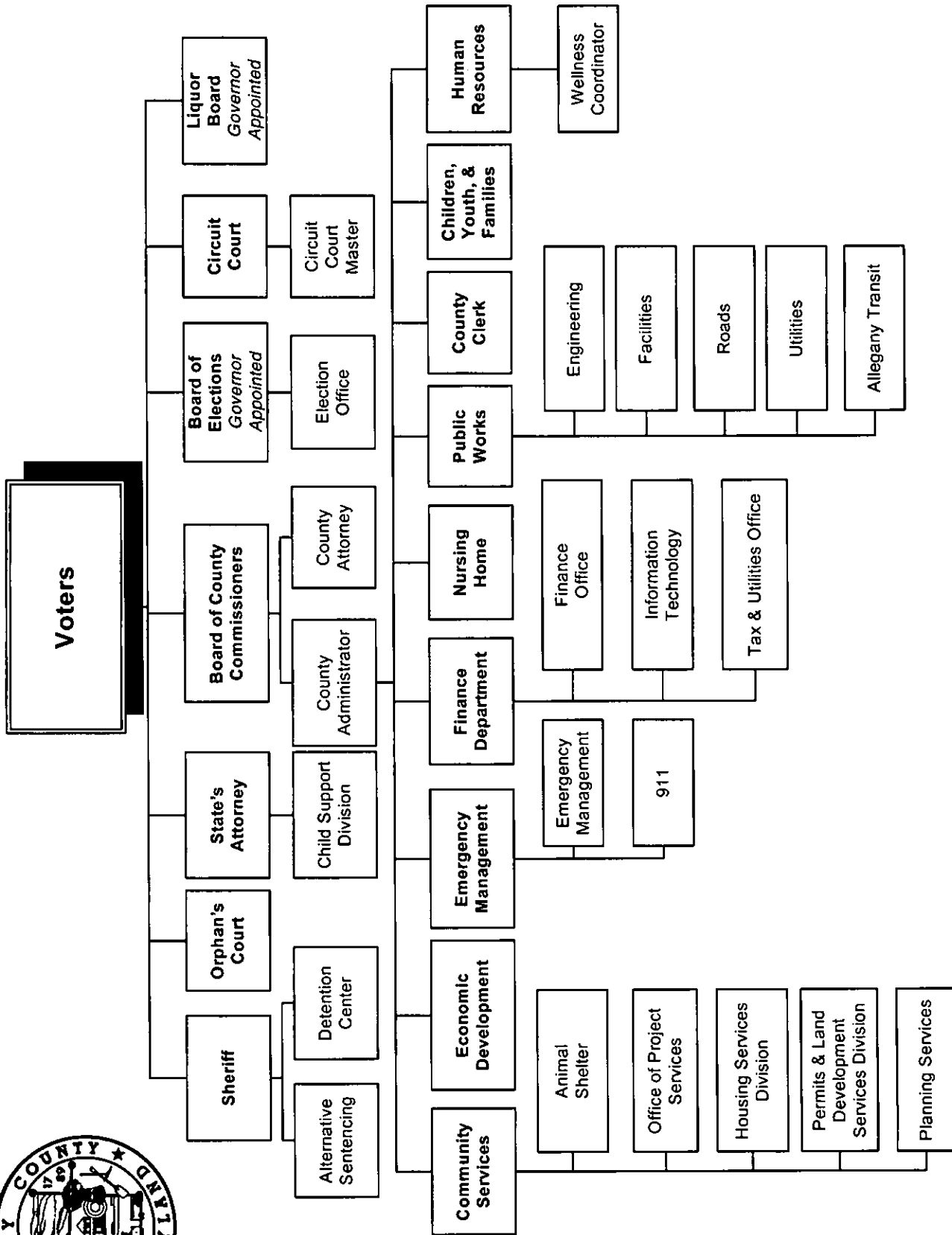
Allegany County, Maryland
Summary of Certain Officials
June 30, 2003

Board of Commissioners

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

| | |
|---|----------------------------|
| County Administrator | Vance C. Ishler |
| Clerk of the Board | Carol A. Gaffney |
| Director of Finance | Jerry L. Frantz, CPA |
| Director of Public Works | W. Stephen Young, P.E. |
| Director of Community Services | David A. Eberly |
| Director of Economic Development | Thomas E. Cooley |
| Director of Interagency Data Processing | Dennis M. Shankle |
| Director of Human Resources & Personnel Services | Debra A. Amyot |
| 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 Organizational Chart



FINANCIAL SECTION

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CERTIFIED PUBLIC ACCOUNTANTS

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CERTIFIED PUBLIC ACCOUNTANTS

DAVID W. TURNBULL, CPA

RICHARD J. HOOVER, CPA

BERNARD B. KAHL, CPA

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

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Allegany County, Maryland (the County) as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Allegany County, Maryland's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Allegany County Board of Education and the LaVale Sanitary Commission, which represent 72 percent and 78 percent, respectively, of the 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 upon 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, 2003 and the



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

As described in Note 16, the County has implemented a new financial reporting model, as required by the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as of June 30, 2003.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 16, 2004 on our consideration of Allegany County, Maryland's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis on pages B-1 through B-8, 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 supplementary information. However, we did not audit the information and express no opinion on it.

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

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Cumberland, MD
January 16, 2004

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of Allegany County's financial performance provides an overview of the County's financial activities for the year ended June 30, 2003. Please read it in conjunction with the transmittal letter beginning on page vii and the County's financial statements, which begin on page C-5.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages C5 and C6) provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements start on page C-11. For governmental activities, these statements explain how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as an agent for the benefit of those outside of the government.

Reporting the County as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the County as a whole begins on page B-3. One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's net assets and changes in them. You can think of the County's net assets—the difference between assets and liabilities—as one way to measure the County's financial health, or financial position. Over time, increases or decreases in the County's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's infrastructure, to assess the overall health of the County.

In the Statement of Net Assets and the Statement of Activities, we divide the County into two kinds of activities:

- **Governmental activities**—Most of the County's basic services are reported here, including general administration, public safety, public works, economic development and

payments to component units. Property taxes, income taxes, federal and state grants and service charges or fees finance most of these activities.

- **Business-type activities**—The County charges a fee to customers to help cover all or most of the cost of certain services it provides. The County's water districts, sewer districts and nursing home are reported here.

Reporting the County's Most Significant Funds

Fund Financial Statements

Our analysis of the County's major funds begin on page B-4. The Fund financial statements begin on page C-11 and provide detailed information about the most significant funds—not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County establishes many other funds to help it control and manage money for particular purposes (like the Highway Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the Governor's Office for Children, Youth and Families). The County's two types of funds—governmental and proprietary—use different accounting approaches.

- **Governmental funds**—Most of the County's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method referred to as modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.
- **Proprietary funds**—When the County charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the County's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flow.

The County as Trustee

Reporting the County's Fiduciary Responsibilities

The County is the agent and is responsible for billing, collecting and remitting taxes to twenty-two special taxing districts which include the State of Maryland, four towns and seventeen

special purpose districts. All of the County's fiduciary activities are reported in a separate Statement of Changes in Assets and Liabilities—Agency Fund on page C-26. We exclude these activities from the County's other financial statements because the County can not use these assets to finance its operations.

THE COUNTY AS A WHOLE

For the year ended June 30, 2003, net assets changed as follows:

| | Governmental Activities | Business-type Activities | Total |
|-------------------------------------|----------------------------|-----------------------------|----------------------|
| Beginning net assets as restated | \$ 36,810,820 | \$ 57,091,376 | \$ 93,902,196 |
| Increase in net assets | 2,741,269 | 25,885 | 2,767,154 |
| Ending net assets | <u>\$ 39,552,089</u> | <u>\$ 57,117,261</u> | <u>\$ 96,669,350</u> |

Since this is the first year to report all activities on the accrual basis of accounting, a comparison to the prior year is not possible (with the exception of the above comparison). However, in future years, this section will explain the differences between the current- and prior-year assets, liabilities, and changes in net assets.

Governmental Activities

Again, because this is the first year to report governmental activities on the accrual basis of accounting, a comparison to the prior year is not possible. However, in next year's discussion this section will show a condensed financial comparison of revenues and expenses and provide explanations for significant differences.

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues for that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the County's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

- General Government - Collection fees, processing fees and state grants for court operations.
- Public Safety - Prisoner boarding fees, building inspection fees, 911 fees, operating grants from the State for policy and grants from the State and Federal governments for flood control.
- Public Works - Waste disposal fees, recycling fees, transit service charges, operating and capital grants from the Federal and State governments.
- Social Services - Federal medical transportation grants and the Governor's Office for Children, Youth and Families operating grants.

- Community Development and Housing - Section 8 Housing grants and Community Development block grants for home improvements.
- Economic Development - Rent and lease payments on buildings and a MD Department of Business and Economic Development capital grant for construction of a wireless wide area connection network.

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

Business-type Activities

In reviewing the business-type activities net (expense)/revenue, several items need to be examined more closely. The water activity is showing net revenue of \$967,498, which is the result of receiving \$1,354,803 in capital grants for the construction of new water systems. The grant revenues are used to construct assets which are depreciated over time and are not recorded as expenses. An actual loss, before grant contributions, of (\$372,903) resulted from the operations of the County's water systems. These losses will continue in the future without an adjustment to the rate structure.

The sewer system's net loss of (\$744,076) also includes capital grants of \$579,074 for improvements to the Celanese Wastewater Treatment Plant. In addition, the sewer system received non-program revenues in the form of property taxes and front footage assessments which reduced the loss, before grant contributions, to (\$663,182).

The County's Funds

With the implementation of new accounting standards, an analysis of current and prior year governmental fund (in particular the general fund) balance sheets is difficult to do. In subsequent years, this section will discuss and analyze significant differences. However, some individual funds were not affected by these new accounting standards and a review of those funds follows.

The Highway and Transit Funds reported a significant decline in fund balances due to the State economy, State shared revenues and grants and at the same time experienced an increase in weather related expenditures. The Pay-As-You Go (PAYGO) Capital Projects Fund saw a sharp decline in fund balance as fund balance reserves are being used to fund capital projects.

The following schedule presents a summary of general, special revenue, debt service and capital project revenues for the fiscal year ended June 30, 2003, and the amount and percentage of increases and decreases in relation to the prior year.

| | Fiscal year ended June 30, 2003 | Percent of Total | Increase (Decrease) from Prior Year | Percent Increase (Decrease) |
|-------------------------|---------------------------------------|---------------------|--|-----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 26,823,761 | 35.3% | \$ (125,603) | -0.5% |
| Income taxes | 19,391,155 | 25.5% | 949,375 | 5.1% |
| Other local taxes | 5,626,079 | 7.4% | (423,304) | -7.0% |
| Licenses and permits | 580,355 | 0.8% | 22,137 | 4.0% |
| Federal grants | 4,012,379 | 5.3% | (516,077) | -11.4% |
| State grants | 14,842,988 | 19.5% | 1,852,363 | 14.3% |
| Other intergovernmental | 135,025 | 0.2% | 24,750 | 22.4% |
| Service charges | 1,813,967 | 2.4% | 41,190 | 2.3% |
| Fines & forfeitures | 147,986 | 0.2% | 75,978 | 105.5% |
| Interest | 343,052 | 0.5% | (337,411) | -49.6% |
| Miscellaneous | 2,293,436 | 3.0% | 173,287 | 8.2% |
| Total Revenues | \$ 76,010,183 | 100.1% | \$ 1,736,685 | 2.3% |

State grants experienced an increase due to a growth in the State disparity grant of \$2,325,954. Interest income declined due to a reduction in cash available to invest and falling interest rates. An increase in service charges was the result of increased revenue for boarding state and federal prisoners.

The following schedule presents a summary of general, special revenue, debt service and capital project expenditures for the fiscal year ended June 30, 2003, and the amount and percentage of increases and decreases in relation to the prior year.

| | Fiscal year ended June 30, 2003 | Percent of Total | Increase (Decrease) from Prior Year | Percent Increase (Decrease) |
|---|---------------------------------------|---------------------|--|-----------------------------------|
| Expenditures: | | | | |
| General government: | \$ 6,649,026 | 8.4% | \$ 403,177 | 6.5% |
| Payment to data processing | 255,757 | 0.3% | 14,733 | 6.1% |
| Public safety | 11,463,335 | 14.5% | (986,014) | -7.9% |
| Public works | 10,968,332 | 13.9% | (407,411) | -3.6% |
| Health | 297,275 | 0.4% | 5,407 | 1.9% |
| Social services | 3,217,712 | 4.1% | 396,310 | 14.0% |
| Education: | 106,438 | 0.1% | 96,776 | 1001.6% |
| Payment to public school system | 25,530,000 | 32.4% | 500,000 | 2.0% |
| Payment to public school system - capital | 2,302,107 | 2.9% | 1,030,645 | 81.1% |
| Payment to community college | 5,475,000 | 6.9% | 200,000 | 3.8% |
| Payment to community college - capital | 68,512 | 0.1% | 68,512 | |
| Recreation, culture & libraries: | 705,776 | 0.9% | (189,891) | -21.2% |
| Payment to public library system | 769,000 | 1.0% | 29,000 | 3.9% |
| Conservation of natural resources | 332,746 | 0.4% | (16,082) | -4.6% |
| Community development and housing | 1,362,694 | 1.7% | (123,018) | -8.3% |
| Economic development | 2,222,746 | 2.8% | (4,873) | -0.2% |
| Miscellaneous | 48,942 | 0.1% | (245,943) | -83.4% |
| Intergovernmental | 990,488 | 1.3% | 29,100 | 3.0% |
| Debt service | 6,117,644 | 7.8% | 2,532 | 0.0% |
| Total Expenditures | \$ 78,883,530 | 100.0% | \$ 802,960 | 1.0% |

The increase in general government expenditures was due to slightly over \$1 million dollars being spent to convert the old jail building to office space. The reduction in public safety expenditures was the result of the new correctional facility being substantially completed in the prior year. Social service expenditures increased because of increased activity of the Office of Children, Youth and Families.

General Fund budgetary highlights:

- Throughout FY 2003, budget amendments were publicly approved by the Allegany County Commissioners. These amendments were in regard to unexpected operating matters and adjustments to the general fund grants in the amount of \$62,010.
- Primarily, all general fund revenues were on the budget target except for Income Tax, Housing Federal Prisoners and Interest Income. The Income Tax revenue had a favorable increase of almost \$2.1M over the prior year or a 5.15 percent growth. This was due to improvements in withholding and an extraordinary tax result of a fiduciary tax return.
- Housing Federal Prisoner revenue was off some \$440,000 because the population capacity of the facility declined. These revenues are expected to improve in FY 2004.
- Interest income has steadily fallen and in FY 2003, went even lower. In FY 2001, interest revenue generated \$1,046,000; in FY 2002 \$504,137 and in FY 2003, \$276,725. It is expected to decline more in FY 2004 due to even lower rates.
- Also, during the fiscal year, the Administration approved an additional \$100,000 to the Board of Education for the purchase of textbooks. Some 1,822 books were obtained due to this supplemental funding.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2003, the County had (net of depreciation) \$119 million invested in capital assets including highways, bridges, building, equipment and water and sewer facilities. This represents a net increase of almost \$1.4 million, or 1.2 percent, over last year.

| | Governmental Activities | | Business -type Activities | | Totals | |
|----------------------|-------------------------|----------------------|---------------------------|----------------------|-----------------------|-----------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Land | \$ 7,813,116 | \$ 6,699,831 | \$ 34,288 | \$ 34,288 | \$ 7,847,404 | \$ 6,734,119 |
| Work in process | 2,247,480 | 12,512,161 | 3,695,780 | 556,377 | 5,943,260 | 13,068,538 |
| Buildings | 31,803,711 | 26,781,879 | 1,478,551 | 1,436,031 | 33,282,262 | 28,217,910 |
| Infrastructure | 11,481,332 | 7,457,272 | 52,894,725 | 54,589,190 | 64,376,057 | 62,046,462 |
| Furniture & fixtures | 183,720 | 225,781 | 761,125 | 790,096 | 944,845 | 1,015,877 |
| Equipment | 1,396,312 | 1,208,641 | 492,809 | 511,477 | 1,889,121 | 1,720,118 |
| Vehicles | 1,844,161 | 2,014,736 | 212,471 | 155,316 | 2,056,632 | 2,170,052 |
| Heavy equipment | 1,093,593 | 1,104,338 | 7,476 | 10,934 | 1,101,069 | 1,115,272 |
| Other fixed assets | 516,830 | 536,676 | 2,058,726 | 2,033,492 | 2,575,556 | 2,570,168 |
| | <u>\$ 58,380,255</u> | <u>\$ 58,541,315</u> | <u>\$ 61,635,951</u> | <u>\$ 60,117,201</u> | <u>\$ 120,016,206</u> | <u>\$ 118,658,516</u> |

This year's major capital asset additions included:

| | |
|---|---------------------|
| Celanese Wastewater Treatment Plant Upgrade - construction in progress funded by grants and loans | \$ 1,865,637 |
| Consol Water Project - construction in progress funded by grants and loans | 606,896 |
| Water Storage Tanks - construction in progress funded by grants | 583,545 |
| Jail Reuse - construction in progress funded by capital reserves | 1,083,697 |
| Correctional Facility - Project completed, funded by a state grant and the 1998 Public Improvement Bond. | 615,544 |
| Pleasant Valley Road - project completed, funded by State grant and capital reserves. | 904,392 |
| Bowman's Addition Flood Project - project in process, funded by Federal, grants State grants and 1998 Public Improvement Bond proceeds. | 298,301 |
| Highland Trail - funded by various sources including: state grants and donations from other agencies and organizations. | 298,733 |
| | <u>\$ 6,256,745</u> |

Debt

At year-end the County had \$47,909,068 in outstanding long-term debt and capital leases compared to \$52,396,467 last year. A decrease in debt of 8.5 percent.

| | Governmental Activities | | Business -type Activities | | Totals | |
|----------------|-------------------------|----------------------|---------------------------|---------------------|----------------------|----------------------|
| | 2003 | 2002 | 2003 | 2002 | 2003 | 2002 |
| Bonds | \$ 31,580,000 | \$ 35,115,000 | \$ - | \$ - | \$ 31,580,000 | \$ 35,115,000 |
| Notes | 671,556 | 740,436 | - | - | 671,556 | 740,436 |
| Capital leases | 41,978 | 82,761 | - | - | 41,978 | 82,761 |
| State loans | 7,667,455 | 8,046,052 | 1,657,679 | 1,840,612 | 9,325,134 | 9,886,664 |
| Federal loans | 269,455 | 273,056 | 4,514,228 | 4,382,838 | 4,783,683 | 4,655,894 |
| Advances | - | - | 1,506,717 | 1,915,712 | 1,506,717 | 1,915,712 |
| | <u>\$ 40,230,444</u> | <u>\$ 44,257,305</u> | <u>\$ 7,678,624</u> | <u>\$ 8,139,162</u> | <u>\$ 47,909,068</u> | <u>\$ 52,396,467</u> |

The only new debt issued this year was through the Maryland Department of Environment for Loans of \$63,710 (of \$730,000 authorized) for covering an old landfill and \$185,315 (of \$8,100,000 authorized) to make improvements to the Celanese Wastewater Treatment Plant.

ECONOMIC FACTORS AND NEXT YEAR'S YEARS BUDGET AND RATES

Overall, the current financial condition of the County is healthy, and looking out to FY 2004 and beyond, will depend upon action of the State of Maryland with their revenue situation, National, State and County economies and of course, financial decisions of the Administration. The State revenue estimators are not projecting much of a rebound of the economy to relieve the State of its projected shortfall in revenues with the next projection scheduled in December 2003. This could force the State into making further State cuts to funding agencies such as Allegany County. As addressed in the FY 2004 Budget, the County had to take care of \$3.2M worth of revenue decreases or expenditure increases of which \$1.8M was State of Maryland budget cuts. It will be very difficult on the County to maintain all of the existing funding if this reoccurs in FY 2005.

In finalizing and balancing the FY 2004 Budget, property taxes were raised by slightly more than \$0.01, an \$0.80 rate increase in the recordation tax rate, elimination of the early payment discount allowed on personal property and a \$0.25 per month 911 fee increase effective October 1, 2003. These increases are expected to generate almost \$950,000.

No employee pay increases were granted due to the present economic conditions of the County and due to numerous cuts in State aid to the County. Overall, General Fund growth was less than one percent but did allow for slight funding increases for the Board of Education and Allegany College of Maryland.

The FY 2004 Budget and those beyond will be a challenge to the County and the citizens we serve, but we are optimistic that there are brighter days ahead.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional information, contact the Allegany County Finance Office at 701 Kelly Road, Cumberland, Maryland.

Jerry L. Frantz, CPA
Director of Finance

BASIC FINANCIAL STATEMENTS

**GOVERNMENT WIDE
FINANCIAL
STATEMENTS**

ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET ASSETS
JUNE 30, 2003

| | 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 | \$ 7,043,658 | \$ 418,998 | \$ 7,462,656 | \$ 14,082,006 | \$ (526,606) | \$ 162,000 | \$ 1,115,887 |
| Investments | 5,603,784 | 380,342 | 5,984,126 | 3,300,932 | 5,448,957 | 1,220,824 | - |
| Property taxes receivable | 2,694,069 | - | 2,694,069 | - | - | - | - |
| Receivables: | | | | | | | |
| Accounts | - | 4,319,629 | 4,319,629 | - | 523,571 | 1,248 | 597,388 |
| Loans to enterprise funds | 171,652 | - | 171,652 | - | - | - | - |
| Other | 10,232,731 | 1,205,184 | 11,437,915 | 3,780,983 | 540,414 | - | 70,475 |
| Prepaid expenditures/expenses | 300,704 | 14,098 | 314,802 | - | 3,054 | 6,995 | 15,472 |
| Internal balances | (758,655) | 758,655 | - | - | - | - | - |
| Inventory | 30,471 | 125,028 | 155,499 | 222,833 | 209,066 | - | 148,772 |
| Restricted Assets: | | | | | | | |
| Cash | 93,564 | 238,576 | 332,140 | - | - | - | - |
| Taxes | - | 62,999 | 62,999 | - | - | - | - |
| Receivables | - | 122,809 | 122,809 | - | - | - | - |
| Non-current Assets: | | | | | | | |
| Receivables | - | - | - | - | 126,122 | - | - |
| Loans to enterprise funds | 1,335,065 | - | 1,335,065 | - | - | - | - |
| Capital assets | 99,290,459 | 89,607,101 | 188,897,560 | 114,633,938 | 41,684,798 | 9,141,789 | 14,046,419 |
| Accumulated depreciation | (43,157,684) | (31,666,930) | (74,824,614) | (58,823,895) | (18,159,889) | (5,490,073) | (6,715,702) |
| Work In Progress | 2,247,480 | 3,695,780 | 5,943,260 | - | 24,380 | - | 984,082 |
| Total Assets | 85,127,298 | 69,282,269 | 154,409,567 | 77,196,797 | 29,873,867 | 5,042,783 | 10,262,793 |
| LIABILITIES: | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts payable | 1,707,062 | 1,261,435 | 2,968,497 | 4,357,207 | 458,146 | 4,823 | 325,583 |
| Accrued wages payable | 561,069 | 204,676 | 765,745 | 3,144,015 | 460,270 | 27,895 | - |
| Accrued fringe benefits payable | 230,399 | 80,759 | 311,158 | 4,763,787 | 193,670 | - | - |
| Accrued interest | 520,536 | 69,681 | 590,217 | - | - | - | 6,775 |
| Current portion of long-term debt: | | | | | | | |
| Bonds and loans | 4,193,472 | 256,811 | 4,450,283 | - | - | - | 7,577 |
| Capital leases | 41,977 | - | 41,977 | - | 111,671 | - | - |
| Loans from general fund | - | 171,653 | 171,653 | - | - | - | - |
| Due to Agency Fund | 161,899 | - | 161,899 | - | - | - | - |
| Deferred revenue | 530,703 | - | 530,703 | 1,020,493 | 302,388 | - | - |
| Miscellaneous liabilities | 636,158 | 201,457 | 837,615 | 1,487,753 | 119,837 | - | - |
| Non-current liabilities: | | | | | | | |
| Cash advance due general fund | (2,062,850) | 2,062,850 | - | - | - | - | - |
| Bonds and loans | 35,994,995 | 5,915,098 | 41,910,093 | - | - | - | 496,431 |
| Capital leases | - | - | - | - | 268,136 | - | - |
| Loans from general fund | - | 1,335,064 | 1,335,064 | - | - | - | - |
| Compensated absences | 3,059,789 | 605,524 | 3,665,313 | 2,750,190 | - | 46,896 | - |
| Total Liabilities | 45,575,209 | 12,165,008 | 57,740,217 | 17,523,445 | 1,914,118 | 79,614 | 836,366 |
| NET ASSETS | | | | | | | |
| Invested in capital assets net of related debt | 49,601,139 | 51,533,344 | 101,134,483 | 55,810,043 | 23,169,482 | 3,651,716 | 7,810,791 |
| Restricted for: | | | | | | | |
| Public safety | 367,957 | - | 367,957 | - | - | - | - |
| Highways | 605,414 | - | 605,414 | - | - | - | - |
| Community development & housing | 595,973 | 185,808 | 781,781 | - | - | - | - |
| Office for Children, Youth and Families | 114,719 | - | 114,719 | - | - | - | - |
| Other purposes | - | - | - | 1,588,441 | 131,625 | 405,757 | - |
| Unrestricted | (11,733,113) | 5,398,109 | (6,335,004) | 2,274,868 | 4,658,642 | 905,696 | - |
| Total Net Assets | \$ 39,552,089 | \$ 57,117,261 | \$ 96,669,350 | \$ 59,673,352 | \$ 27,959,749 | \$ 4,963,169 | \$ 1,615,636 |

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, 2003

| Functions/Programs | Expenses | | Expenses | | Program Revenues | |
|--------------------------------------|--|-----------------------------------|---|-------------------------|--|--|
| | Before Indirect Expense Allocation | Indirect Expense Allocation | After Indirect Expense Allocation | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government:: | | | | | | |
| Governmental activities: | | | | | | |
| General government: | \$ 6,144,838 | \$ (495,614) | \$ 5,649,224 | \$ 196,758 | \$ 353,718 | \$ - |
| Payment to data processing | 255,757 | - | 255,757 | - | - | - |
| Public safety | 10,729,932 | - | 10,729,932 | 1,279,568 | 953,724 | 1,354,110 |
| Public works | 10,278,399 | 42,190 | 10,320,589 | 858,844 | 632,586 | 1,729,581 |
| Health | 359,216 | - | 359,216 | - | 18,770 | - |
| Social services | 3,087,736 | 60,547 | 3,148,283 | 11,611 | 2,355,948 | - |
| Education: | 106,438 | - | 106,438 | - | - | - |
| Payment to public school system | 27,832,107 | - | 27,832,107 | - | - | - |
| Payment to community college | 5,543,512 | - | 5,543,512 | - | - | - |
| Recreation, culture & libraries: | 525,002 | - | 525,002 | 211,894 | 216,840 | 35,500 |
| Payment to public library system | 769,000 | - | 769,000 | - | - | - |
| Conservation of natural resources | 336,469 | - | 336,469 | 30,885 | 20,000 | 87,055 |
| Community development and housing | 1,338,847 | - | 1,338,847 | 27,492 | 1,023,707 | - |
| Economic development | 2,865,480 | - | 2,865,480 | 1,259,978 | 82,640 | 2,512,486 |
| Miscellaneous | 18,775 | - | 18,775 | - | - | - |
| Intergovernmental | 990,488 | - | 990,488 | - | - | - |
| Interest on long term debt | 1,972,084 | - | 1,972,084 | - | - | - |
| Total governmental activities | <u>73,154,080</u> | <u>(392,877)</u> | <u>72,761,203</u> | <u>3,877,030</u> | <u>5,657,933</u> | <u>5,718,732</u> |
| Business-type activities: | | | | | | |
| Water | 1,417,864 | 28,796 | 1,446,660 | 1,059,355 | - | 1,354,803 |
| Sewer | 5,697,668 | 147,973 | 5,845,641 | 4,522,491 | - | 579,074 |
| Nursing Home | 7,958,052 | 216,108 | 8,174,160 | 8,027,848 | - | - |
| Loan fund | - | - | - | 157,703 | - | - |
| Total business-type activities | <u>15,073,584</u> | <u>392,877</u> | <u>15,466,461</u> | <u>13,767,397</u> | <u>-</u> | <u>1,933,877</u> |
| Total primary government | <u>\$ 88,227,664</u> | <u>\$ -</u> | <u>\$ 88,227,664</u> | <u>\$ 17,644,427</u> | <u>\$ 5,657,933</u> | <u>\$ 7,652,609</u> |
| Component units: | | | | | | |
| Board of Education | | | \$ 93,444,228 | \$ 2,361,633 | \$ 21,845,503 | \$ 852,749 |
| Allegany College of Md. | | | 24,069,969 | 7,905,551 | | 229,018 |
| County Library | | | 1,652,592 | 45,911 | 8,856 | 111,180 |
| LaVale Sanitary Commission | | | 2,864,930 | 2,651,516 | - | - |
| Total component units | | | <u>\$ 122,031,719</u> | <u>\$ 12,964,611</u> | <u>\$ 21,854,359</u> | <u>\$ 1,192,947</u> |

General revenues:
 Property taxes
 Income taxes
 Other local taxes
 Appropriation from Allegany County
 Appropriation from Allegany County, other
 Licenses
 Grants & contributions not restricted
 to specific programs
 Unrestricted fees
 Unrestricted investment earnings
 Front footage assessments
 Gain (loss) on sale/retirement of capital assets
 Miscellaneous
 Payment from component unit
 Transfers
 Special item, loss on disposal of buildings
 (see Note 17.)
 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, 2003

Net (Expense) Revenue and Changes in Net Assets

| Primary Government | | | Component Units | | | |
|-------------------------|--------------------------|----------------|--------------------|------------------------|----------------|----------------------------|
| Governmental Activities | Business-Type Activities | Total | Board of Education | Allegany College of MD | County Library | LaVale Sanitary Commission |
| \$ (5,098,748) | \$ - | \$ (5,098,748) | \$ - | \$ - | \$ - | \$ - |
| (255,757) | - | (255,757) | - | - | - | - |
| (7,142,530) | - | (7,142,530) | - | - | - | - |
| (7,099,578) | - | (7,099,578) | - | - | - | - |
| (340,446) | - | (340,446) | - | - | - | - |
| (780,724) | - | (780,724) | - | - | - | - |
| (106,438) | - | (106,438) | - | - | - | - |
| (27,832,107) | - | (27,832,107) | - | - | - | - |
| (5,543,512) | - | (5,543,512) | - | - | - | - |
| (60,768) | - | (60,768) | - | - | - | - |
| (769,000) | - | (769,000) | - | - | - | - |
| (198,529) | - | (198,529) | - | - | - | - |
| (287,648) | - | (287,648) | - | - | - | - |
| 989,624 | - | 989,624 | - | - | - | - |
| (18,775) | - | (18,775) | - | - | - | - |
| (990,488) | - | (990,488) | - | - | - | - |
| (1,972,084) | - | (1,972,084) | - | - | - | - |
| (57,507,508) | - | (57,507,508) | - | - | - | - |
| - | 967,498 | 967,498 | - | - | - | - |
| - | (744,076) | (744,076) | - | - | - | - |
| - | (146,312) | (146,312) | - | - | - | - |
| - | 157,703 | 157,703 | - | - | - | - |
| - | 234,813 | 234,813 | - | - | - | - |
| (57,507,508) | 234,813 | (57,272,695) | - | - | - | - |
| - | - | - | (68,384,343) | - | - | - |
| - | - | - | - | (15,935,400) | - | - |
| - | - | - | - | - | (1,486,645) | - |
| - | - | - | - | - | - | (213,414) |
| - | - | - | (68,384,343) | (15,935,400) | (1,486,645) | (213,414) |
| 25,545,098 | 474,742 | 26,019,840 | - | - | - | 363,092 |
| 19,451,155 | - | 19,451,155 | - | - | - | 363,336 |
| 5,384,666 | - | 5,384,666 | - | - | - | - |
| - | - | - | 25,530,000 | 5,475,000 | 769,000 | - |
| - | - | - | 113,812 | 68,512 | - | - |
| 411,923 | - | 411,923 | - | - | - | - |
| 8,150,432 | - | 8,150,432 | 41,274,075 | 11,462,424 | 634,868 | - |
| 224,378 | - | 224,378 | - | - | - | - |
| 1,641,108 | 71,022 | 1,712,130 | 177,044 | 61,511 | 25,650 | 7,190 |
| - | 120,541 | 120,541 | - | - | - | - |
| 45,381 | (1,207) | 44,174 | (45,216) | (4,801) | (42,354) | 6,000 |
| 555,409 | 8,202 | 563,611 | 714,384 | - | 307,784 | 3,639 |
| 65,050 | - | 65,050 | - | - | (65,050) | - |
| 882,228 | (882,228) | - | - | - | - | - |
| (2,108,051) | - | (2,108,051) | - | - | - | - |
| 60,248,777 | (208,928) | 60,039,849 | 67,764,099 | 17,062,646 | 1,629,898 | 743,257 |
| 2,741,269 | 25,885 | 2,767,154 | (620,244) | 1,127,246 | 143,253 | 529,843 |
| 36,810,820 | 57,091,376 | 93,902,196 | 60,293,596 | 26,832,503 | 4,819,916 | 8,896,584 |
| \$ 39,552,089 | \$ 57,117,261 | \$ 96,669,350 | \$ 59,673,352 | \$ 27,959,749 | \$ 4,963,169 | \$ 9,426,427 |

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

**FUND
FINANCIAL
STATEMENTS**

ALLEGANY COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2003

| ASSETS; | General Fund | Highway Fund | Capital Improvements Projects Fund | Pay-As-You-Go Capital Projects Fund | Other Governmental Funds | Total |
|--|----------------------|---------------------|---|--|---------------------------------|----------------------|
| Cash | \$ 5,450,960 | \$ - | \$ - | \$ 1,500,000 | \$ 92,698 | \$ 7,043,658 |
| Cash -restricted | - | - | - | - | 93,564 | 93,564 |
| Investments | 2,775,000 | 1,000,000 | 648,444 | 675,000 | 505,340 | 5,603,784 |
| Property tax receivable | 2,844,069 | - | - | - | - | 2,844,069 |
| Receivables | | | | | | |
| Notes and loans | - | 1,519 | - | - | 322,781 | 324,300 |
| Other receivables | 2,742,488 | 500,546 | 210,844 | 6,842 | 779,485 | 4,240,205 |
| Due from other funds | - | 189,823 | - | 55,046 | 3,079,306 | 3,324,175 |
| Advances to other funds | 2,062,850 | - | - | - | - | 2,062,850 |
| Inventory | - | - | - | - | 30,471 | 30,471 |
| Prepays | 237,791 | - | - | - | 62,913 | 300,704 |
| Total Assets | \$ 16,113,158 | \$ 1,691,888 | \$ 859,288 | \$ 2,236,888 | \$ 4,966,558 | \$ 25,867,780 |
| LIABILITIES AND FUND BALANCES: | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 409,771 | \$ 233,132 | \$ 109,608 | \$ 419,401 | \$ 535,149 | \$ 1,707,061 |
| Accrued payroll | 419,927 | 105,022 | - | - | 36,120 | 561,069 |
| Accrued payroll fringe | 160,156 | 54,451 | - | - | 15,792 | 230,399 |
| Due to other funds | 1,588,297 | 1,519 | 440,321 | - | 707,875 | 2,738,012 |
| Amounts held in escrow | 310,536 | 109,000 | - | - | 116,322 | 535,858 |
| Deferred revenue | 2,569,950 | - | - | - | 527,577 | 3,097,527 |
| Miscellaneous | 79,283 | - | - | - | 21,017 | 100,300 |
| Total Liabilities | 5,537,920 | 503,124 | 549,929 | 419,401 | 1,959,852 | 8,970,226 |
| Fund Balances: | | | | | | |
| Reserved: | | | | | | |
| For non-current assets | 2,062,850 | - | - | - | 322,781 | 2,385,631 |
| For prepaid items | 237,791 | - | - | - | 62,913 | 300,704 |
| For inventories | - | - | - | - | 30,471 | 30,471 |
| Unreserved/Designated: | | | | | | |
| For next fiscal year | 2,121,433 | 1,188,764 | 232,428 | 967,162 | 221,136 | 4,730,923 |
| For contingencies | 4,628,500 | - | - | - | - | 4,628,500 |
| For specific programs, reported in: | | | | | | |
| General fund | 60,000 | - | - | - | - | 60,000 |
| Special revenue funds | - | - | - | - | 1,296,576 | 1,296,576 |
| Debt service fund | - | - | - | - | 1,275,000 | 1,275,000 |
| Capital Project funds | - | - | 76,931 | 850,325 | - | 927,256 |
| Undesignated | 1,464,664 | - | - | - | (202,171) | 1,262,493 |
| Total Fund Balances | 10,575,238 | 1,188,764 | 309,359 | 1,817,487 | 3,006,706 | 16,897,554 |
| Total Liabilities and Fund Balances | \$ 16,113,158 | \$ 1,691,888 | \$ 859,288 | \$ 2,236,888 | \$ 4,966,558 | |

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. | 58,380,254 |
| Other long-term assets are not available to pay current-period expenditures and are deferred in the funds. | 8,085,050 |
| Long-term debt, including compensated absences, is not due and payable in the current period and therefore is not reported in the funds. | (43,290,233) |
| Other long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. | (520,536) |

Net assets of governmental activities \$ 39,552,089

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, 2003

| | General Fund | Highway Fund | Capital Improvements Projects Fund | Pay-As-You-Go Capital Projects Fund | Other Governmental Funds | Total |
|--|----------------------|---------------------|---|--|--------------------------------|----------------------|
| REVENUES: | | | | | | |
| Taxes: | | | | | | |
| Property taxes | \$ 26,823,761 | \$ - | \$ - | \$ - | \$ - | \$ 26,823,761 |
| Income taxes | 19,391,155 | - | - | - | - | 19,391,155 |
| Other local taxes | 1,583,457 | 3,942,972 | - | - | 99,650 | 5,626,079 |
| Licenses and permits | 580,355 | - | - | - | - | 580,355 |
| Intergovernmental: | | | | | | |
| Federal | 1,169,271 | 563,767 | 520,263 | 286,614 | 1,472,464 | 4,012,379 |
| State | 9,076,125 | 113,812 | 3,457,574 | 37,196 | 2,158,281 | 14,842,988 |
| Other | 59,344 | - | 37,142 | - | 38,539 | 135,025 |
| Service charges | 1,571,565 | - | - | - | 242,402 | 1,813,967 |
| Fines and forfeitures | 99,477 | - | - | - | 48,509 | 147,986 |
| Interest | 276,725 | - | 7,931 | 41,093 | 17,303 | 343,052 |
| Miscellaneous | 318,809 | 620 | 247,880 | - | 1,726,127 | 2,293,436 |
| Total Revenues | <u>60,950,044</u> | <u>4,621,171</u> | <u>4,270,790</u> | <u>364,903</u> | <u>5,803,275</u> | <u>76,010,183</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| General government | 5,561,787 | - | - | - | - | 5,561,787 |
| Public safety | 9,499,978 | - | - | - | 382,146 | 9,882,124 |
| Public works | 2,103,016 | 6,560,366 | - | - | 1,251,495 | 9,914,877 |
| Health and Hospitals | 297,275 | - | - | - | - | 297,275 |
| Social Services | 1,940,887 | - | - | - | 1,276,825 | 3,217,712 |
| Education | 106,438 | - | - | - | - | 106,438 |
| Recreation, culture and libraries | 400,679 | - | - | - | - | 400,679 |
| Conservation of natural resources | 236,697 | - | - | - | - | 236,697 |
| Community Development and Housing | 8,000 | - | - | - | 1,354,694 | 1,362,694 |
| Economic development | 1,271,234 | - | - | - | 598,856 | 1,870,090 |
| Miscellaneous | 10,517 | - | - | - | 8,258 | 18,775 |
| Appropriation to other governments | 990,488 | - | - | - | - | 990,488 |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | 4,090,571 | 4,090,571 |
| Interest | - | - | - | - | 2,027,073 | 2,027,073 |
| Capital Outlay: | | | | | | |
| General government | - | - | - | 1,087,239 | - | 1,087,239 |
| Public safety | - | - | 638,071 | 327,596 | 615,544 | 1,581,211 |
| Public works | - | - | 960,572 | 92,883 | - | 1,053,455 |
| Education | - | - | - | - | - | - |
| Recreation, culture and libraries | - | - | 301,397 | - | 3,700 | 305,097 |
| Conservation of natural resources | - | - | 96,049 | - | - | 96,049 |
| Economic development | - | - | 321,371 | 31,285 | - | 352,656 |
| Miscellaneous | - | - | - | - | 30,167 | 30,167 |
| Total Expenditures | <u>22,426,996</u> | <u>6,560,366</u> | <u>2,317,460</u> | <u>1,539,003</u> | <u>11,639,329</u> | <u>44,483,154</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | 1,191,191 | 1,542,973 | 672,965 | 463,678 | 6,646,082 | 10,516,889 |
| Transfers from component units | - | - | 65,050 | - | - | 65,050 |
| Transfers out | (7,014,310) | (261,277) | (328,129) | (701,830) | (1,329,113) | (9,634,659) |
| Transfers to component units | (32,029,757) | - | (1,965,939) | (333,118) | (71,562) | (34,400,376) |
| Debt Proceeds | - | - | 63,710 | - | - | 63,710 |
| Sale of capital assets | 6,376 | - | - | - | 409,624 | 416,000 |
| Total Other Financing Sources and uses | <u>(37,846,500)</u> | <u>1,281,696</u> | <u>(1,492,343)</u> | <u>(571,270)</u> | <u>5,655,031</u> | <u>(32,973,386)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 676,548 | (657,499) | 460,987 | (1,745,370) | (181,023) | (1,446,357) |
| Fund balance, beginning | 9,898,690 | 1,846,263 | (151,628) | 3,562,857 | 3,187,729 | 18,343,911 |
| Fund balance, ending | <u>\$ 10,575,238</u> | <u>\$ 1,188,764</u> | <u>\$ 309,359</u> | <u>\$ 1,817,487</u> | <u>\$ 3,006,706</u> | <u>\$ 16,897,554</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, 2003

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) \$ (1,446,357)

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

| | | |
|----------------|--------------------|-----------|
| Capital outlay | \$ 5,398,050 | |
| Depreciation | <u>(3,442,323)</u> | 1,955,727 |

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets. (2,116,788)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 245,797

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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

| | | |
|----------------------|------------------|-----------|
| Debt proceeds | \$ (63,710) | |
| Payment of principal | <u>4,090,571</u> | 4,026,861 |

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. 76,029

Change in net assets of governmental activities (pages C6-C7) \$ 2,741,269

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

ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------|------------------|---------------|---------------|----------------|
| | Original | Final | Amount | Final Budget - |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES | | | | |
| <u>Taxes:</u> | | | | |
| Property Taxes: | | | | |
| Real and personal property | \$ 32,144,186 | \$ 32,144,186 | \$ 30,140,361 | \$ (2,003,825) |
| Payments in lieu of taxes: | | | | |
| Coal companies | 180,000 | 180,000 | 221,444 | 41,444 |
| Housing Authorities | 35,000 | 35,000 | 61,294 | 26,294 |
| Interest on Delinquent taxes | 585,000 | 585,000 | 649,353 | 64,353 |
| Sub-total | 32,944,186 | 32,944,186 | 31,072,452 | (1,871,734) |
| Less: | | | | |
| Prompt payment discounts | 150,000 | 150,000 | 135,416 | 14,584 |
| Tax credits for elderly | - | - | - | - |
| Deferred revenues | 100,000 | 100,000 | 173,122 | (73,122) |
| Industrial exemptions | 5,850,000 | 5,850,000 | 3,657,276 | 2,192,724 |
| Coal tax exemptions | 125,000 | 125,000 | 122,362 | 2,638 |
| Enterprise zone exemptions | 120,000 | 120,000 | 160,515 | (40,515) |
| Brownfield's Credit | 20,000 | 20,000 | - | 20,000 |
| Sub-total | 6,365,000 | 6,365,000 | 4,248,691 | 2,116,309 |
| Total Net Property Taxes | 26,579,186 | 26,579,186 | 26,823,761 | 244,575 |
| Income Taxes | 17,300,000 | 17,300,000 | 19,391,155 | 2,091,155 |
| Other Local Taxes: | | | | |
| Hotel/motel tax | 180,000 | 180,000 | 183,780 | 3,780 |
| Admissions | 200,000 | 200,000 | 194,928 | (5,072) |
| Recordation | 620,000 | 620,000 | 754,830 | 134,830 |
| 911 Fees | 310,000 | 310,000 | 241,413 | (68,587) |
| Trailer court | 71,000 | 71,000 | 73,091 | 2,091 |
| Transfer Tax | 116,000 | 116,000 | 135,415 | 19,415 |
| Total Local Taxes | 1,497,000 | 1,497,000 | 1,583,457 | 86,457 |
| Total Taxes | 45,376,186 | 45,376,186 | 47,798,373 | 2,422,187 |
| <u>Licenses and Permits:</u> | | | | |
| Alcoholic beverages licenses | 87,000 | 87,000 | 84,410 | (2,590) |
| Amusement licenses | 10,000 | 10,000 | 5,757 | (4,243) |
| Traders licenses | 86,000 | 86,000 | 99,471 | 13,471 |
| Occupational licenses | 1,300 | 1,300 | 1,200 | (100) |
| Animal licenses | 16,000 | 16,000 | 16,514 | 514 |
| Building permits | 31,000 | 31,000 | 35,423 | 4,423 |
| Marriage licenses | 6,000 | 6,000 | 5,635 | (365) |
| Cable franchise fees | 260,000 | 260,000 | 301,060 | 41,060 |
| Sediment control permits | 25,000 | 25,000 | 30,885 | 5,885 |
| Total Licenses and Permits | 522,300 | 522,300 | 580,355 | 58,055 |

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

Continued

ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|------------------------------------|------------------|-----------|-----------|----------------|
| | Original | Final | Amount | Final Budget - |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES (Continued): | | | | |
| <u>Intergovernmental:</u> | | | | |
| Federal Funds: | | | | |
| Domestic Violence program | 20,000 | 20,000 | 78,232 | 58,232 |
| Civil defense | 28,000 | 28,000 | 40,263 | 12,263 |
| FEMA Grant | 5,000 | 5,000 | - | (5,000) |
| EMT Grant | 20,000 | 20,000 | 34,607 | 14,607 |
| MTA Grant | 100,402 | 100,402 | 119,092 | 18,690 |
| MTA Transportation planning | 81,515 | 81,515 | 109,948 | 28,433 |
| Federal highway grant | - | 3,000 | 2,995 | (5) |
| Health and Human Services Grant | 209,000 | 209,000 | 211,001 | 2,001 |
| Med Trans Grant | 333,727 | 333,727 | 418,958 | 85,231 |
| Food distribution to the needy | 11,685 | 11,685 | 17,766 | 6,081 |
| Summer camp program | 2,500 | 2,500 | 2,302 | (198) |
| Emergency shelter grant | 34,380 | 34,380 | 25,790 | (8,590) |
| ARC Grants | 30,000 | 30,000 | 30,000 | - |
| Masters program | 74,510 | 74,510 | 74,147 | (363) |
| Miscellaneous federal grants | 13,000 | 13,000 | - | (13,000) |
| Payments in lieu of property taxes | 2,500 | 2,500 | 4,170 | 1,670 |
| Sub-total Federal funds | 966,219 | 969,219 | 1,169,271 | 200,052 |
| State Funds: | | | | |
| Public Health | 22,000 | 22,000 | 18,770 | (3,230) |
| State Health Grant | 12,600 | 12,600 | - | (12,600) |
| Police protection | 225,000 | 225,000 | 235,151 | 10,151 |
| State MTA operating assistance | 50,202 | 50,202 | 59,546 | 9,344 |
| Alltrans Grant | 146,271 | 146,271 | 146,271 | - |
| State highway grants | - | - | 7,860 | 7,860 |
| State transportation planning | 10,190 | 10,190 | 13,744 | 3,554 |
| Summer camp program | 11,500 | 11,500 | 11,114 | (386) |
| Juvenile services grant | 13,718 | 13,718 | 13,423 | (295) |
| JSA Crisis Intervention | 22,847 | 22,847 | 21,022 | (1,825) |
| Dept. of Social Services | 85,202 | 85,202 | 67,283 | (17,919) |
| Department of Natural Resources | 150,000 | 150,000 | 219,294 | 69,294 |
| Conservation aid salary | 20,000 | 20,000 | 20,000 | - |
| Program Open Space grant | 389,795 | 389,795 | 216,840 | (172,955) |
| Fire suppression, DNR | 1,000 | 1,000 | 21 | (979) |
| Disparity grant | 7,590,374 | 7,590,374 | 7,590,374 | - |
| State Jury Reimbursement | 50,000 | 50,000 | 34,710 | (15,290) |
| Governors Office of Crime Control | 16,623 | 23,623 | 26,393 | 2,770 |
| Work Crew Supervisor | 40,000 | 40,000 | 41,204 | 1,204 |
| Victim/Witness Program | 37,400 | 37,400 | 33,339 | (4,061) |
| Miscellaneous | 228,161 | 228,161 | 299,766 | 71,605 |
| Sub-total State Funds | 9,122,883 | 9,129,883 | 9,076,125 | (53,758) |

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

Continued

ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|---------------------------------------|------------------|------------|------------|----------------|
| | Original | Final | Amount | Final Budget - |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES (Continued) | | | | |
| <u>Intergovernmental (continued):</u> | | | | |
| Other Intergovernmental: | | | | |
| Other agencies | 20,000 | 72,010 | 59,344 | (12,666) |
| Sub-total Other Intergovernmental: | 20,000 | 72,010 | 59,344 | (12,666) |
| Total Intergovernmental | 10,109,102 | 10,171,112 | 10,304,740 | 133,628 |
| <u>Service Charges:</u> | | | | |
| General government charges: | | | | |
| State civil process | 25,000 | 25,000 | 28,755 | 3,755 |
| Child support incentive | - | - | - | - |
| Sheriff fees | 6,000 | 6,000 | 9,301 | 3,301 |
| Publication sales | - | - | - | - |
| Plans & specifications | 3,000 | 3,000 | 13,680 | 10,680 |
| Regulation & Maps | 3,000 | 3,000 | 3,726 | 726 |
| Tax sale fees | 15,000 | 15,000 | 24,521 | 9,521 |
| Election Filing fee | - | - | 4,839 | 4,839 |
| Security interest filing fee | - | - | - | - |
| License application fees | 9,000 | 9,000 | 8,080 | (920) |
| Liquor License transfer fee | 4,000 | 4,000 | 2,845 | (1,155) |
| Semiannual service charge | - | - | - | - |
| Health Ins Admin fee | 850 | 850 | 766 | (84) |
| Collection fees-special areas | 35,000 | 35,000 | 35,954 | 954 |
| Liquor License Collection fee | 3,500 | 3,500 | 3,152 | (348) |
| Hotel/Motel collection fee | 10,700 | 10,700 | 11,671 | 971 |
| Partial payment fee | 1,500 | 1,500 | 1,066 | (434) |
| Engineering fees | 25,000 | 25,000 | 74,948 | 49,948 |
| Miscellaneous general government | 488,758 | 488,758 | 2,785 | (485,973) |
| Sub-total general government charges | 630,308 | 630,308 | 226,089 | (404,219) |
| Public safety charges: | | | | |
| Police protection charges | 11,000 | 11,000 | 7,738 | (3,262) |
| Fingerprinting fee | 1,500 | 1,500 | 1,360 | (140) |
| Jail work release | 45,271 | 45,271 | 72,385 | 27,114 |
| Boarding state prisoners | 225,000 | 225,000 | 298,549 | 73,549 |
| Boarding Federal prisoners | 534,360 | 534,360 | 94,217 | (440,143) |
| Community service fee | 11,000 | 11,000 | 12,800 | 1,800 |
| Home detention fee | 37,000 | 37,000 | 24,915 | (12,085) |
| Inmate Medical Copay | 1,200 | 1,200 | 2,503 | 1,303 |
| Building Inspection fees | 45,000 | 45,000 | 23,596 | (21,404) |
| Sub-total public safety charges | 911,331 | 911,331 | 538,063 | (373,268) |
| Sanitation and Waste Removal: | | | | |
| Landfill fees | 195,000 | 195,000 | 167,611 | (27,389) |
| Recycling fees | 112,500 | 112,500 | 106,180 | (6,320) |
| Recycled material sales | 15,000 | 15,000 | 18,534 | 3,534 |
| Sub-total Sanitation and Waste | 322,500 | 322,500 | 292,325 | (30,175) |

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

Continued

ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------------|------------------|------------|------------|----------------|
| | Original | Final | Amount | Final Budget - |
| | | | | Positive |
| | | | | (Negative) |
| REVENUES (Continued): | | | | |
| <u>Service Charges (continued):</u> | | | | |
| Health service charges: | | | | |
| Dog adoption fees | 18,000 | 18,000 | 19,859 | 1,859 |
| Sub-total Health service charges | 18,000 | 18,000 | 19,859 | 1,859 |
| Recreation Charges: | | | | |
| Host fee, Rocky Gap | 72,000 | 72,000 | 71,853 | (147) |
| Hotel fee, Rocky gap | 110,000 | 110,000 | 82,133 | (27,867) |
| Sub-total recreation service charges | 182,000 | 182,000 | 153,986 | (28,014) |
| Public service enterprises: | | | | |
| Upper Potomac River Commission | 305,336 | 305,336 | 328,731 | 23,395 |
| AllTrans fares | 19,000 | 19,000 | 11,612 | (7,388) |
| Road closing fees | 500 | 500 | 900 | 400 |
| Sub-total public service charges | 324,836 | 324,836 | 341,243 | 16,407 |
| Total Service Charges | 2,388,975 | 2,388,975 | 1,571,565 | (817,410) |
| <u>Fines and Forfeitures:</u> | | | | |
| Circuit court fines | 8,000 | 8,000 | 13,394 | 5,394 |
| Criminal court costs | 200 | 200 | - | (200) |
| Dog ordinance fines | 12,000 | 12,000 | 15,965 | 3,965 |
| Other fines | 5,400 | 5,400 | 70,118 | 64,718 |
| Total Fines and Forfeitures | 25,600 | 25,600 | 99,477 | 73,877 |
| <u>Miscellaneous:</u> | | | | |
| Interest | 477,256 | 477,256 | 276,725 | (200,531) |
| Rents and concessions | 215,610 | 215,610 | 214,668 | (942) |
| Contributions & donations | - | - | 3,197 | 3,197 |
| Miscellaneous | 92,700 | 92,700 | 100,944 | 8,244 |
| Total Miscellaneous | 785,566 | 785,566 | 595,534 | (190,032) |
| Total Revenues | 59,207,729 | 59,269,739 | 60,950,044 | 1,680,305 |

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

(continued)

ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|-----------|-----------|----------------|
| | Original | Final | Amount | Final Budget - |
| | | | | Positive |
| | | | | (Negative) |
| EXPENDITURES: | | | | |
| <u>General Government:</u> | | | | |
| Legislative: | | | | |
| County Commissioners | 129,748 | 129,748 | 130,280 | (532) |
| County Commissioners Office | 152,446 | 152,446 | 119,494 | 32,952 |
| Total legislative | 282,194 | 282,194 | 249,774 | 32,420 |
| Judicial: | | | | |
| Alternative dispute resolution | 20,000 | 20,000 | 13,099 | 6,901 |
| Circuit court masters program | 119,748 | 119,748 | 121,179 | (1,431) |
| Circuit court | 264,353 | 264,353 | 255,801 | 8,552 |
| Family Law Master | 203,701 | 203,701 | 184,379 | 19,322 |
| Orphans court | 34,909 | 34,909 | 49,003 | (14,094) |
| State's attorney | 762,028 | 762,028 | 755,921 | 6,107 |
| State's attorney child support division | - | - | - | - |
| Domestic violence program | - | - | 19,741 | (19,741) |
| Domestic violence protective order | 16,623 | 16,623 | - | 16,623 |
| Law library | 25,000 | 25,000 | 25,000 | - |
| Victim-Witness coordinator | 37,400 | 37,400 | 33,339 | 4,061 |
| Grand and petit juries | 62,255 | 62,255 | 51,170 | 11,085 |
| Total Judicial | 1,546,017 | 1,546,017 | 1,508,632 | 37,385 |
| Executive: | | | | |
| Administrator | 211,767 | 211,767 | 169,201 | 42,566 |
| Elections: | | | | |
| Registration and elections | 430,086 | 430,086 | 329,611 | 100,475 |
| Financial Administration: | | | | |
| Finance Office | 580,191 | 580,191 | 458,254 | 121,937 |
| Tax Office | 417,863 | 430,957 | 377,617 | 53,340 |
| Professional services | 28,000 | 28,000 | 19,737 | 8,263 |
| Total Financial Administration | 1,026,054 | 1,039,148 | 855,608 | 183,540 |
| Legal: | | | | |
| Legal counsel | 171,052 | 171,052 | 138,716 | 32,336 |
| Other legal | 48,000 | 48,000 | 55,289 | (7,289) |
| Total legal | 219,052 | 219,052 | 194,005 | 25,047 |
| Personnel Administration: | | | | |
| Human Resources department | 162,967 | 162,967 | 79,183 | 83,784 |
| Civil service commission | 11,455 | 11,455 | 7,230 | 4,225 |
| Wellness/Employee recognition | 23,566 | 23,566 | 12,729 | 10,837 |
| Total personnel administration | 197,988 | 197,988 | 99,142 | 98,846 |
| Planning and Zoning: | | | | |
| Planning and zoning department | 177,471 | 177,471 | 132,648 | 44,823 |
| Land use planning | 66,598 | 78,986 | 77,448 | 1,538 |
| Total Planning and Zoning | 244,069 | 256,457 | 210,096 | 46,361 |
| General Services: | | | | |
| County Building Maintenance | 1,050,418 | 1,050,418 | 942,246 | 108,172 |
| Data Processing | 131,210 | 131,210 | 105,764 | 25,446 |
| Total general services | 1,181,628 | 1,181,628 | 1,048,010 | 133,618 |

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

Continued

ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|-----------|-----------|----------------|
| | Original | Final | Amount | Final Budget - |
| | | | | Positive |
| | | | | (Negative) |
| EXPENDITURES (Continued): | | | | |
| <u>General Government (continued):</u> | | | | |
| Other general government: | | | | |
| Liquor control board | 103,578 | 103,578 | 99,795 | 3,783 |
| Insurance | 220,500 | 220,500 | 202,175 | 18,325 |
| Employee benefits | 172,200 | 172,200 | 296,586 | (124,386) |
| Post retirement benefits | 402,000 | 402,000 | 423,427 | (21,427) |
| Miscellaneous general government | - | - | (124,275) | 124,275 |
| Total Other General Government | 898,278 | 898,278 | 897,708 | 570 |
| Total General Government | 6,237,133 | 6,262,615 | 5,561,787 | 700,828 |
| <u>Public Safety:</u> | | | | |
| Police: | | | | |
| Sheriffs department | 1,545,749 | 1,559,117 | 1,674,147 | (115,030) |
| Hot Spot Grant | 12,000 | 12,000 | - | 12,000 |
| Aggressive driver grant | - | 9,000 | 3,940 | 5,060 |
| Highway Safety | - | 16,300 | 10,848 | 5,452 |
| C3I Unit | 10,000 | 26,343 | 27,578 | (1,235) |
| Family Agency network | 49,639 | 49,639 | 44,668 | 4,971 |
| Police grant health department | - | 2,000 | 1,071 | 929 |
| Marijuana eradication | 2,000 | 2,000 | - | 2,000 |
| Total Police | 1,619,388 | 1,676,399 | 1,762,252 | (85,853) |
| Fire: | | | | |
| Suppression of forest fires | 7,500 | 7,500 | - | 7,500 |
| Volunteer fire companies | 850,933 | 850,933 | 835,956 | 14,977 |
| Total Fire | 858,433 | 858,433 | 835,956 | 22,477 |
| Correction: | | | | |
| County jail maintenance | 93,291 | 93,291 | 83,600 | 9,691 |
| County jail | 5,041,646 | 5,046,646 | 4,804,754 | 241,892 |
| JSA crisis intervention | 22,847 | 22,847 | 21,022 | 1,825 |
| Juvenile service grant | 13,718 | 13,718 | 13,423 | 295 |
| Alternative sentencing | 119,606 | 119,606 | 118,953 | 653 |
| Jail mental health | 12,600 | 12,600 | - | 12,600 |
| Home detention grant | 70,131 | 70,131 | 58,845 | 11,286 |
| Total Correction | 5,373,839 | 5,378,839 | 5,100,597 | 278,242 |
| Other Protection: | | | | |
| Permits & enforcement | 254,478 | 254,478 | 249,538 | 4,940 |
| Building Codes | 101,104 | 101,104 | 79,874 | 21,230 |
| Emergency Management Agency | 128,283 | 128,283 | 123,415 | 4,868 |
| Transportation planning | 108,617 | 108,617 | 140,604 | (31,987) |
| Animal control | 154,911 | 154,911 | 133,420 | 21,491 |
| Animal shelter | 146,075 | 146,075 | 145,995 | 80 |
| 911 | 772,890 | 772,890 | 726,758 | 46,132 |
| Hazardous materials operations | 73,263 | 73,263 | 55,666 | 17,597 |
| Emergency medical assistance | 40,000 | 40,000 | 58,516 | (18,516) |
| Domestic preparedness grant | - | - | 73,198 | (73,198) |
| Flood Control | 45,000 | 45,000 | 7,860 | 37,140 |
| Project Impact | 5,000 | 5,000 | 6,329 | (1,329) |
| Total Other Protection | 1,829,621 | 1,829,621 | 1,801,173 | 28,448 |
| Total Public Safety | 9,681,281 | 9,743,292 | 9,499,978 | 243,314 |

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

Continued

**ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003**

| | Budgeted Amounts | | Actual | Variance with |
|-----------------------------------|------------------|-----------|-----------|--|
| | Original | Final | Amount | Final Budget - Positive (Negative) |
| EXPENDITURES (Continued): | | | | |
| <u>Public Works:</u> | | | | |
| Public Services: | | | | |
| Airport | 250,000 | 250,000 | 246,699 | 3,301 |
| Waste collection: | | | | |
| Solid waste disposal | 426,218 | 426,218 | 372,922 | 53,296 |
| Households hazardous waste | 15,000 | 15,000 | 12,617 | 2,383 |
| Solid waste recycling | 188,472 | 188,472 | 144,930 | 43,542 |
| UPRC | 381,670 | 381,670 | 381,670 | - |
| County engineer | 898,938 | 898,938 | 944,178 | (45,240) |
| Total Public Works | 2,160,298 | 2,160,298 | 2,103,016 | 57,282 |
| <u>Health and Hospitals:</u> | | | | |
| Health Dept bldg. maintenance | 299,016 | 299,016 | 244,729 | 54,287 |
| Allegany County Health Department | 32,430 | 32,430 | 27,323 | 5,107 |
| Western Maryland Health Planning | 5,223 | 5,223 | 5,223 | - |
| Prehospital Care Coordinator | 20,000 | 20,000 | 20,000 | - |
| Total Health and Hospitals | 356,669 | 356,669 | 297,275 | 59,394 |
| <u>Social Services:</u> | | | | |
| Medtrans | 404,662 | 404,662 | 527,140 | (122,478) |
| Alltrans | 336,339 | 336,339 | 346,392 | (10,053) |
| Pauper's burials | 1,950 | 1,950 | - | 1,950 |
| TANF Grant | 209,000 | 209,000 | 211,373 | (2,373) |
| Service linked housing | 35,000 | 35,000 | 5,783 | 29,217 |
| Human Resources Devel. Comm. | 683,400 | 683,400 | 683,400 | - |
| Emergency shelter grant | 34,380 | 34,380 | 25,790 | 8,590 |
| New Hope, Inc. | 14,000 | 14,000 | 13,416 | 584 |
| Child abuse coordinator | 38,927 | 40,277 | 39,827 | 450 |
| Family Crisis Center | 70,000 | 70,000 | 70,000 | - |
| Food distribution to the needy | 11,685 | 11,685 | 17,766 | (6,081) |
| Total Social Services | 1,839,343 | 1,840,693 | 1,940,887 | (100,194) |
| <u>Education:</u> | | | | |
| Maryland School for the Blind | 500 | 500 | - | 500 |
| State debt reimbursement | 26,500 | 26,500 | - | 26,500 |
| Parkside Flag-in-the-Air | - | 7,000 | 6,488 | 512 |
| Other Education, text books | - | - | 99,950 | (99,950) |
| Total Education | 27,000 | 34,000 | 106,438 | (72,438) |
| <u>Recreation and Culture:</u> | | | | |
| Program Open Space | 404,795 | 404,795 | 53,576 | 351,219 |
| Allegany County fair | 134,110 | 134,110 | 147,578 | (13,468) |
| Fairgrounds maintenance | 110,812 | 110,812 | 134,775 | (23,963) |
| Allegany County Arts Council | 25,000 | 25,000 | 25,000 | - |
| Cumberland Summer Theatre | 7,500 | 7,500 | 7,500 | - |
| Historic Society | 11,500 | 11,500 | 11,500 | - |
| Agriculture Expo | 13,500 | 13,500 | 13,500 | - |
| Allegany Co. homecoming | 7,250 | 7,250 | 7,250 | - |
| Total Recreation and Culture | 714,467 | 714,467 | 400,679 | 313,788 |

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

(continued)

**ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003**

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|------------|------------|--|
| | Original | Final | Amount | Final Budget - Positive (Negative) |
| <u>EXPENDITURES (Continued):</u> | | | | |
| <u>Conservation of Natural Resources:</u> | | | | |
| Agricultural Extension Service | 104,205 | 104,205 | 98,444 | 5,761 |
| Soil conservation services | 139,396 | 139,396 | 138,253 | 1,143 |
| Total Conservation of Natural Resources | 243,601 | 243,601 | 236,697 | 6,904 |
| <u>Community Development & Housing</u> | | | | |
| Allegany Co. Public Housing Authority | 8,000 | 8,000 | 8,000 | - |
| Total Community Development & Housing | 8,000 | 8,000 | 8,000 | - |
| <u>Economic Development:</u> | | | | |
| Office of Project Services | 179,460 | 179,460 | 197,501 | (18,041) |
| Department of Economic Development | 450,007 | 450,007 | 447,041 | 2,966 |
| Scenic railroad development | 170,000 | 170,000 | 244,168 | (74,168) |
| Tri-County Council | 15,000 | 16,250 | 16,250 | - |
| Visitors Bureau | 246,643 | 246,643 | 293,867 | (47,224) |
| Toll House | 5,600 | 5,600 | 3,159 | 2,441 |
| Thrasher Museum | 66,250 | 66,250 | 57,777 | 8,473 |
| Thrasher Museum grant | 12,000 | 12,000 | 3,271 | 8,729 |
| Community promotion | 10,000 | 10,000 | 8,200 | 1,800 |
| Total Economic Development | 1,154,960 | 1,156,210 | 1,271,234 | (115,024) |
| <u>Miscellaneous:</u> | | | | |
| Contingency | 105,644 | 70,562 | - | 70,562 |
| Miscellaneous | 25,600 | 25,600 | 10,517 | 15,083 |
| Total Miscellaneous | 131,244 | 96,162 | 10,517 | 85,645 |
| <u>Appropriations to Other Governmental Units:</u> | | | | |
| Grants in Lieu of Taxes | 28,704 | 28,704 | 28,704 | - |
| Health Department | 973,719 | 973,719 | 951,984 | 21,735 |
| Department of Social Services | 9,800 | 9,800 | 9,800 | - |
| Total Appropriations to Other Gov't Units: | 1,012,223 | 1,012,223 | 990,488 | 21,735 |
| Total Expenditures | 23,566,219 | 23,628,230 | 22,426,996 | 1,201,234 |
| Excess (deficiency) of revenues over (under) expenditures | 35,641,510 | 35,641,509 | 38,523,048 | 2,881,539 |
| <u>OTHER FINANCING SOURCES (USES):</u> | | | | |
| Unexpended balance - prior years | 1,886,196 | 1,886,196 | - | (1,886,196) |
| <u>Transfers In:</u> | | | | |
| Transfers from special revenue funds | 130,564 | 130,564 | 130,564 | - |
| Transfers from capital project funds | 203,399 | 203,399 | 178,399 | (25,000) |
| Transfers from enterprise funds | 856,265 | 856,265 | 882,228 | 25,963 |
| Total Transfers In | 1,190,228 | 1,190,228 | 1,191,191 | 963 |

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

Continued

ALLEGANY COUNTY, MARYLAND
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Budgeted Amounts | | Actual | Variance with |
|--|------------------|------------------|------------------|-----------------|
| | Original | Final | Amount | Final Budget - |
| | | | | Positive |
| | | | | (Negative) |
| OTHER FINANCING SOURCES (USES) (continued): | | | | |
| <u>Transfers out:</u> | | | | |
| <u>Transfers to Component Units:</u> | | | | |
| Allegany Co. Board of Education | (25,530,000) | (25,530,000) | (25,530,000) | - |
| Allegany College | (5,475,000) | (5,475,000) | (5,475,000) | - |
| Allegany County Library | (769,000) | (769,000) | (769,000) | - |
| Information Technology | (255,757) | (255,757) | (255,757) | - |
| Total transfers to component units | (32,029,757) | (32,029,757) | (32,029,757) | - |
| <u>Operating Transfers to Other Funds:</u> | | | | |
| Highway fund | (1,454,330) | (1,454,330) | (1,454,330) | - |
| Transit Fund | (108,438) | (108,438) | (108,438) | - |
| Housing & Section 8 fund | (208,958) | (208,958) | (210,014) | (1,056) |
| Narcotics Task Force | (18,508) | (18,508) | (9,254) | 9,254 |
| Revolving Building Fund | (16,000) | (16,000) | (16,000) | - |
| Public Safety Fund | - | - | (3,650) | (3,650) |
| Debt service Fund | (4,891,943) | (4,891,942) | (4,870,889) | 21,053 |
| Capital Projects Fund | - | - | (320,000) | (320,000) |
| Pay-As-You-GO Capital Proj. Fund | - | - | (21,735) | (21,735) |
| Total operating transfers to other funds | (6,698,177) | (6,698,176) | (7,014,310) | (316,134) |
| <u>Sale of fixed assets</u> | 10,000 | 10,000 | 6,376 | (3,624) |
| Total Other Financing Sources and Uses | (35,641,510) | (35,641,509) | (37,846,500) | (2,204,991) |
| Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses | - | - | 676,548 | 676,548 |
| Fund balance, beginning | | | 9,898,690 | |
| Fund balance, ending | | | \$ 10,575,238 | |

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

ALLEGANY COUNTY, MARYLAND
STATEMENT OF NET ASSETS
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
June 30, 2003

| | Allegany County Water Districts | Allegany County Sanitary Districts | Allegany County Nursing Home | Allegany County Loan Fund | Total |
|-----------------------------------|--|---|---------------------------------------|------------------------------------|----------------------|
| ASSETS | | | | | |
| Current Assets: | | | | | |
| Cash: | | | | | |
| Cash | \$ - | \$ 417,798 | \$ 1,200 | \$ - | \$ 418,998 |
| Cash - restricted | - | 238,576 | - | - | 238,576 |
| Investments | 164,752 | 215,590 | - | - | 380,342 |
| Receivables: | - | - | - | - | - |
| Accounts (net) | 339,770 | 970,308 | 1,055,996 | 1,953,555 | 4,319,629 |
| Taxes - restricted | - | 62,999 | - | - | 62,999 |
| Accounts (net) - restricted | - | 122,809 | - | - | 122,809 |
| Other | 25 | 1,050,624 | 154,535 | - | 1,205,184 |
| Due from other funds | - | 3,689,406 | - | 607,702 | 4,297,108 |
| Prepaid expenses | - | - | 14,098 | - | 14,098 |
| Inventory | - | 101,753 | 23,275 | - | 125,028 |
| Non-current Assets: | | | | | |
| Advances to other funds | - | - | - | 1,506,717 | 1,506,717 |
| Property, plant and equipment | 18,096,978 | 66,220,815 | 5,289,308 | - | 89,607,101 |
| Construction in Progress | 1,349,932 | 2,345,848 | - | - | 3,695,780 |
| Depreciation | (3,273,963) | (25,527,640) | (2,865,327) | - | (31,666,930) |
| Total Assets | <u>16,677,494</u> | <u>49,908,886</u> | <u>3,673,085</u> | <u>4,067,974</u> | <u>74,327,439</u> |
| LIABILITIES | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 56,585 | 1,067,235 | 137,615 | - | 1,261,435 |
| Accrued payroll | - | 34,357 | 170,319 | - | 204,676 |
| Accrued payroll fringe | - | 13,696 | 67,063 | - | 80,759 |
| Accrued interest | 12,416 | 57,265 | - | - | 69,681 |
| Current portion of long-term debt | | | | | |
| Revenue debt: | | | | | |
| Bonds and loans | 41,181 | 215,630 | - | - | 256,811 |
| Advances from other funds | 45,968 | 125,685 | - | - | 171,653 |
| Due to other funds | 868,296 | 4,176,874 | - | - | 5,045,170 |
| Miscellaneous liabilities | - | 200,737 | - | 720 | 201,457 |
| Noncurrent Liabilities: | | | | | |
| Cash advance due to General Fund | - | 900,000 | 1,162,850 | - | 2,062,850 |
| Long term debt: | | | | | |
| Revenue debt: | | | | | |
| Bonds and loans | 3,222,747 | 2,692,351 | - | - | 5,915,098 |
| Advance from other funds | 4,811 | 1,330,253 | - | - | 1,335,064 |
| Compensated absences | - | 279,883 | 325,641 | - | 605,524 |
| Total Liabilities | <u>4,252,004</u> | <u>11,093,966</u> | <u>1,863,488</u> | <u>720</u> | <u>17,210,178</u> |
| NET ASSETS | | | | | |
| Invested in capital assets, | | | | | |
| net of related debt | 12,858,240 | 38,675,104 | - | - | 51,533,344 |
| Restricted for debt service | - | 185,808 | - | - | 185,808 |
| Unrestricted | (432,750) | (45,992) | 1,809,597 | 4,067,254 | 5,398,109 |
| Total Net Assets | <u>\$ 12,425,490</u> | <u>\$ 38,814,920</u> | <u>\$ 1,809,597</u> | <u>\$ 4,067,254</u> | <u>\$ 57,117,261</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, 2003

| | Allegany County Water Districts | Allegany County Sanitary Districts | Allegany County Nursing Home | Allegany County Loan Fund | Total |
|---|--|---|---------------------------------------|------------------------------------|---------------|
| OPERATING REVENUES: | | | | | |
| Service charges | \$ 1,054,557 | \$ 4,393,598 | \$ - | \$ - | \$ 5,448,155 |
| Patient fees | - | - | 7,961,223 | - | 7,961,223 |
| Miscellaneous | 4,798 | 128,893 | 66,625 | 157,703 | 358,019 |
| Total Operating Revenues | 1,059,355 | 4,522,491 | 8,027,848 | 157,703 | 13,767,397 |
| OPERATING EXPENSES: | | | | | |
| Salaries | 147,244 | 661,733 | 3,776,459 | - | 4,585,436 |
| Employee benefits | 71,072 | 312,369 | 1,900,737 | - | 2,284,178 |
| Office expenses | 1,642 | 35,072 | 136,483 | - | 173,197 |
| Utilities | 574,214 | 1,178,384 | 156,325 | - | 1,908,923 |
| Repairs & maintenance | 23,071 | 225,968 | 121,486 | - | 370,525 |
| Contractual services | 699 | 34,517 | 27,949 | - | 63,165 |
| Treatment costs | - | 1,113,261 | - | - | 1,113,261 |
| Professional services | 1,584 | 68,654 | 799,027 | - | 869,265 |
| Materials and supplies | 29,363 | 221,728 | 739,897 | - | 990,988 |
| Insurance | 1,090 | 111,958 | 70,658 | - | 183,706 |
| Indirect cost | 28,796 | 147,972 | 216,108 | - | 392,876 |
| Miscellaneous | 2 | 10,404 | 20,148 | - | 30,554 |
| Depreciation | 416,905 | 1,469,850 | 208,883 | - | 2,095,638 |
| Total operating expenses | 1,295,682 | 5,591,870 | 8,174,160 | - | 15,061,712 |
| Operating Income (Loss) | (236,327) | (1,069,379) | (146,312) | 157,703 | (1,294,315) |
| NON-OPERATING INCOME (EXPENSES) | | | | | |
| Real and personal property taxes | - | 473,930 | - | - | 473,930 |
| Interest & penalties on taxes | - | 14,028 | - | - | 14,028 |
| Discounts on taxes | - | (2,521) | - | - | (2,521) |
| Enterprise/industrial exemptions | - | 24 | - | - | 24 |
| Collection fees | - | (10,720) | - | - | (10,720) |
| Front footage assessments | - | 120,543 | - | - | 120,543 |
| Interest income | 14,402 | 53,531 | 137 | - | 68,070 |
| Interest income, debt service | - | 2,953 | - | - | 2,953 |
| Interest expense | (150,978) | (253,771) | - | - | (404,749) |
| Gain (Loss) on sale of capital assets | - | - | (1,207) | - | (1,207) |
| Other income (expense) | - | 8,200 | - | - | 8,200 |
| Total non-operating revenue (expenses) | (136,576) | 406,197 | (1,070) | - | 268,551 |
| Income (Loss) before contributions and transfers | (372,903) | (663,182) | (147,382) | 157,703 | (1,025,764) |
| Federal grants | 561,203 | - | - | - | 561,203 |
| State grants | 793,600 | 574,408 | - | - | 1,368,008 |
| Other grants | - | 4,666 | - | - | 4,666 |
| Operating transfer in | - | - | - | - | - |
| Operating transfer out | - | - | - | (882,228) | (882,228) |
| Change in net assets | 981,900 | (84,108) | (147,382) | (724,525) | 25,885 |
| Residual equity transfer | - | - | - | - | - |
| Total net assets - beginning | 11,443,590 | 38,899,028 | 1,956,979 | 4,791,779 | 57,091,376 |
| Total net assets - ending | \$ 12,425,490 | \$ 38,814,920 | \$ 1,809,597 | \$ 4,067,254 | \$ 57,117,261 |

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, 2003

| | Allegany County Water Districts | Allegany County Sanitary Districts | Allegany County Nursing Home | Allegany County Loan Fund | Total |
|---|--|---|---------------------------------------|------------------------------------|----------------|
| Cash flows from operating activities: | | | | | |
| Cash received from customers | \$ 1,031,145 | \$ 4,619,264 | \$ 7,816,827 | \$ 861,280 | \$ 14,328,516 |
| Cash payments for goods and services | (697,230) | (2,475,023) | (2,430,780) | - | (5,603,033) |
| Cash payments to employees for service | (218,315) | (1,020,078) | (5,657,076) | - | (6,895,469) |
| Other operating revenues | 4,798 | 127,902 | 66,625 | - | 199,325 |
| Net cash provided by operating activities | 120,398 | 1,252,065 | (204,404) | 861,280 | 2,029,339 |
| Cash flows from noncapital financing activities: | | | | | |
| Advances from other funds | 2,613,268 | 12,415,586 | 8,339,478 | 504,413 | 23,872,745 |
| Advances to other funds | (2,480,700) | (11,265,868) | (7,915,050) | (483,465) | (22,145,083) |
| Operating transfers from other funds | - | - | - | - | - |
| Operating transfers to other funds | - | - | - | (882,228) | (882,228) |
| Net cash provided by noncapital financing activities | 132,568 | 1,149,718 | 424,428 | (861,280) | 845,434 |
| Cash flows from capital and related financing activities: | | | | | |
| Proceeds from new debt | - | 185,315 | - | - | 185,315 |
| Acquisition and construction of capital assets | (1,357,254) | (2,040,397) | (221,490) | - | (3,619,141) |
| Principal paid on capital debt | (111,594) | (534,257) | - | - | (645,851) |
| Interest paid on capital debt | (149,829) | (259,890) | - | - | (409,719) |
| Proceeds from sale of assets | - | 2,219 | 1,329 | - | 3,548 |
| Grant revenues | 1,354,803 | (363,471) | - | - | 991,332 |
| Debt fees | - | 644,273 | - | - | 644,273 |
| Net cash used for capital and related financing activities | (263,874) | (2,366,208) | (220,161) | - | (2,850,243) |
| Cash flows from investing activities: | | | | | |
| Purchase of investments | (164,752) | (215,590) | - | - | (380,342) |
| Sale of investments | 161,247 | 210,316 | - | - | 371,563 |
| Interest on investments | 14,413 | 54,328 | 137 | - | 68,878 |
| Net cash used in investing activities | 10,908 | 49,054 | 137 | - | 60,099 |
| Net increase (decrease) in cash | - | 84,629 | - | - | 84,629 |
| Cash at beginning of the year | - | 571,745 | 1,200 | - | 572,945 |
| Cash at end of year | \$ - | \$ 656,374 | \$ 1,200 | \$ - | \$ 657,574 |
| Reconciliation of operating income to net cash provided by operating activities: | | | | | |
| Operating income (loss) | \$ (236,327) | \$ (1,069,379) | \$ (146,312) | \$ 157,703 | \$ (1,294,315) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation | 416,905 | 1,469,850 | 208,883 | - | 2,095,638 |
| Provision for uncollectable accounts | 14,930 | 20,084 | - | - | 35,014 |
| Change in assets & liabilities: | | | | | |
| (Increase) decrease in receivables | (38,342) | 204,587 | (144,396) | 728,577 | 750,426 |
| (Increase) decrease in inventory | - | 31,426 | (1,622) | - | 29,804 |
| (Increase) decrease in prepaids | - | - | 693 | - | 693 |
| Increase (decrease) in acc'ts payable | (36,768) | 641,474 | (141,771) | (25,000) | 437,935 |
| Increase (decrease) in accrued payroll | - | (45,977) | 20,121 | - | (25,856) |
| Total adjustments | 356,725 | 2,321,444 | (58,092) | 703,577 | 3,323,654 |
| Net cash provided by operating activities | \$ 120,398 | \$ 1,252,065 | \$ (204,404) | \$ 861,280 | \$ 2,029,339 |

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

ALLEGANY COUNTY, MARYLAND
AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2003

| | Balance July 1, 2002 | Additions | Deductions | Balance June 30, 2003 |
|---------------------------------|-------------------------|---------------------|---------------------|--------------------------|
| ASSETS: | | | | |
| Taxes levied for State: | | | | |
| Taxes receivable - State | \$ 207,971 | \$ 1,886,739 | \$ 1,894,608 | \$ 200,102 |
| Other receivables | - | 946 | - | 946 |
| Taxes levied for Special Areas: | | | | |
| Lonaconing, Town of | 6,543 | 107,670 | 106,190 | 8,023 |
| Midland, Town of | 2,562 | 25,443 | 25,658 | 2,347 |
| Westernport, Town of | 43,720 | 305,736 | 304,652 | 44,804 |
| Cumberland differential | 47,934 | 616,756 | 612,215 | 52,475 |
| Bel Air Special Tax Area | 927 | 23,828 | 23,783 | 972 |
| Bowling Green Fire Co. | 2,684 | 23,156 | 23,258 | 2,582 |
| Bedford Road Fire Co. | 1,984 | 25,361 | 24,642 | 2,703 |
| Bowling Green Special Tax Area | 920 | 10,840 | 10,553 | 1,207 |
| Cresaptown Ambulance | 7,192 | 85,173 | 85,067 | 7,298 |
| Cresaptown Civic Imp. Assoc. | 1,206 | 12,608 | 12,312 | 1,502 |
| Cresaptown Fire Co. | 7,526 | 108,695 | 108,422 | 7,799 |
| Corriganville Light & Imp. | 1,601 | 10,496 | 10,609 | 1,488 |
| Ellerslie Special Tax Area | 917 | 5,288 | 5,594 | 611 |
| LaVale Volunteer Fire Dept. | 7,432 | 105,632 | 105,033 | 8,031 |
| LaVale Rescue Squad | 3,716 | 52,816 | 52,516 | 4,016 |
| LaVale Sanitary District | 30,390 | 378,727 | 377,585 | 31,532 |
| McCoole Special Tax Area | 1,050 | 3,122 | 2,926 | 1,246 |
| Moscow Light | 415 | 2,479 | 2,594 | 300 |
| Mt. Savage Special Tax Area | 955 | 8,765 | 8,696 | 1,024 |
| Potomac Park Special Tax Area | 1,092 | 7,481 | 7,619 | 954 |
| Rawlings Fire Co. | 2,419 | 20,438 | 20,519 | 2,338 |
| Other special areas | 54,220 | - | 54,220 | - |
| Sub-total special areas | 227,405 | 1,940,510 | 1,984,663 | 183,252 |
| Due from other funds | 110,225 | 51,674 | - | 161,899 |
| Total Assets | <u>\$ 545,601</u> | <u>\$ 3,879,869</u> | <u>\$ 3,879,271</u> | <u>\$ 546,199</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 110,225 | \$ 52,620 | \$ - | \$ 162,845 |
| A/P Special Areas | 227,405 | 1,940,510 | 1,984,663 | 183,252 |
| Taxes payable - State | 207,971 | 1,886,739 | 1,894,608 | 200,102 |
| Total Liabilities | <u>\$ 545,601</u> | <u>\$ 3,879,869</u> | <u>\$ 3,879,271</u> | <u>\$ 546,199</u> |

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

**Notes
to the
Financial Statements
June 30, 2003**

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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, 2003

Note 1. Summary of Significant Accounting Policies - continued

B. *Reporting Entity – continued*

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

1. The Board of Education – operates the public school system. The Board of Education may not issue debt without the County's approval and the County provides a significant portion of the Board's funding. The members of the board are elected by the voters of Allegany County.
2. The Allegany County Library – operates the County's Library system. The Library System may not issue debt without the County's approval. The County provides a major portion of the Library's funding and appoints the members of the board.
3. The LaVale Sanitary Commission – provides water and waste treatment facilities for LaVale and surrounding areas. Allegany County has pledged its full faith and credit for the debt of the LaVale Sanitary Commission. The governing board is appointed by the County Commissioners. The County provides no operating subsidies to the LaVale Sanitary Commission.
4. Allegany College of Maryland – offers two years of higher education to area residents. The College is fiscally dependent on Allegany County which provides a significant portion of the funding for its operations and the local contribution for capital projects from bond proceeds to be repaid by the County. The College has elected to report its financial information in accordance with GASB 34 special-purpose governments 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, 2003

Note 1. Summary of Significant Accounting Policies - continued

C. *Government-wide and Fund Financial Statements*

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectable within the current period or soon enough thereafter to pay the liabilities of the current period. For this purpose, the County considers property tax revenues to be available if they are collected within 60 days of the year-end and a 90-day availability period is used for all other general fund revenues. All other governmental funds use a 6-month availability period for revenue recognition. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the payment is due.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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 Capital Improvements Project Fund and the Pay-As-You-Go (PAYGO) Capital Projects funds account for most of the activity used to acquire or construct capital assets for the County or on the behave of other organizations.

The government reports the following major proprietary funds:

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

The Sewer and Water Fund accounts for the activities of fifteen individual sewer and water districts in various unincorporated areas of the County.

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

Additionally, the government reports the following fund types:

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 1. Summary of Significant Accounting Policies - continued

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

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

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

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

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

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.

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 1. Summary of Significant Accounting Policies - continued

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

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.

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 1. Summary of Significant Accounting Policies - continued

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

The assessment of all real and personal property for purposes of property taxation by the County is the sole responsibility of the State Department of Assessments and Taxation. Real property is valued at market value and is assessed at 100% of that value. The real estate assessment of 100% is the result of The Maryland Truth in Taxation Act, Chapter 80 of the Laws of Maryland of 2000 effective October 1, 2000. Prior to the law change, the assessment was 40% of the market value. Real property tax rates were adjusted to make the law revenue neutral. Tangible personal property is assessed at cost, less 10% depreciation for each year held, to a minimum of 25% of cost. The County granted tax differential rates to municipalities located within the County in accordance with Article 32A of the Annotated Code of Maryland which reduced the tax rates for owners of municipal property. The various tax rates for Allegany County for fiscal year 2003 are as follows:

| | <u>Real</u> | <u>Personal Property</u> |
|----------------|-------------|--------------------------|
| Unincorporated | .9838 | 2.4595 |
| Barton | .9520 | 2.3800 |
| Cumberland* | .9838 | 2.4595 |
| Frostburg | .9128 | 2.2820 |
| Lonaconing | .9344 | 2.3360 |
| Luke | .9299 | 2.3247 |
| Midland | .9520 | 2.3800 |
| Westport | .9344 | 2.3360 |

* A tax differential rate of \$0.0788 for real property and \$0.1970 for personal property was collected by the County and remitted to the City of Cumberland.

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.

4. Restricted assets

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 1. Summary of Significant Accounting Policies - continued

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

5. Capital assets

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

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

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

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

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

6. Compensated absences

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 1. Summary of Significant Accounting Policies - continued

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

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

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

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

County employees earn fifteen sick leave days per year with no accumulation ceiling. It is the policy of the County to pay for up to 120 days of sick leave accumulated, upon the retirement of most employees. Thus, an employee may be eligible for up to 120 days of additional pay upon retirement for accumulated sick leave.

At June 30, 2003, compensated absence liabilities for Allegany County are summarized as follows:

| | |
|--|---------------------|
| Total Governmental Fund Types | \$ 3,059,789 |
| Nursing Home | 325,641 |
| Sanitary Districts | 279,883 |
| Total Allegany County primary government | <u>\$ 3,665,313</u> |

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.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 1. Summary of Significant Accounting Policies - continued

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.

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 \$43,290,233 are as follows:

| | |
|--|----------------------|
| Bonds payable | \$ 31,580,000 |
| Notes payable | 941,011 |
| Capital leases | 41,978 |
| State loans | 7,667,455 |
| Compensated absences | <u>3,059,789</u> |
| Net adjustments to reduce fund balance - total governmental funds to arrive at net assets – governmental activities. | <u>\$ 43,290,233</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net 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 \$1,955,727 difference are as follows:

| | |
|--|--------------------|
| Capital outlay | 5,398,050 |
| Depreciation expense | <u>(3,442,323)</u> |
| Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$1,955,727</u> |

Another element of that reconciliation states the "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this \$(2,116,788) 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. \$ (2,205,501)

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources. 88,713

Net adjustment to increase *net changes in fund balances—total governmental funds* to arrive at *changes in net assets of governmental activities*. \$(2,116,790)

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."

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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

The details of this \$4,026,861 difference are as follows:

| | |
|--|--------------------|
| Debt issued or incurred: | |
| Issuance of general obligation debt: | \$ (63,710) |
| Principal repayments: | |
| General obligation debt | <u>4,090,571</u> |
| Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$4,026,861</u> |

Another element of that reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this \$76,029 difference are as follows:

| | |
|--|------------------|
| Compensated absences | \$ 21,040 |
| Accrued interest adjustment, net | <u>54,989</u> |
| Net adjustment to decrease <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i> | <u>\$ 76,029</u> |

Note 3. Stewardship, Compliance, and Accountability

A. Budgetary Information

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 3. Stewardship, Compliance, and Accountability - continued

B. *Budgetary Information - continued*

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

1. Prior to January 15, the County Administrator submits recommended budget guidelines to the Board of Commissioners for their approval.
2. After receiving approval of the budget guidelines, the County Administrator and the Director of Finance meet with the various departments and agencies to explain and distribute the guidelines.
3. The County Administrator and the Director of Finance compile all budget requests; after making departmental and agency review of the requests, a recommended budget is presented to the Board of County Commissioners for review and approval.
4. A public hearing is held to obtain public input and opinion of a preliminary budget.
5. Under Local Code Home Rule, the property tax rate must be set by June 30, and by that time, the budget is publicly adopted by the County Commissioners.
6. During the year supplemental appropriations shall be made by public approval of the Board of Commissioners. Supplemental appropriations in the General Fund for fiscal year 2003 were increased by \$62,010 and were funded by grants and fund balance designated for those programs. The Office of Children, Youth and Families special revenue fund supplemental appropriations were decreased by \$11,489 and were funded entirely by additional state grants
7. During the year, budget amendments within a department are approved by the Director of Finance. Budget amendments between departments and/or funds require Commissioner public approval.
8. Legally, total expenditures for all individual governmental funds may not exceed the total budget for a particular fund except for emergencies, state-mandated programs, or by approval of a majority of the Board of Commissioners.
9. Appropriations lapse at the end of the fiscal year for all funds, except the Capital Project Funds, and certain federal grants that do not have a year-end date of June 30.
10. Budget monitoring is the responsibility of the Finance Department and the appropriate department head.

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 3. Stewardship, Compliance, and Accountability - continued

C. *Excess of Expenditures Over Appropriations*

For the year ended June 30, 2003, expenditures exceeded appropriations for the following funds (the legal level of budgetary control):

| Fund | Excess |
|--|-----------|
| Debt Service Fund | \$ 90,514 |
| Highway Fund | 379,036 |
| Community Development Block Grant Fund | 123,378 |
| Drug Task Force Fund | 8,581 |
| Public Improvement Bond Capital Project Fund | 649,411 |

- The expenditures over budget in the Debt Service Fund were funded by transfers from the Revolving Building Fund.
- The Highway Fund expenditures over budget were funded by using available undesignated fund balance.
- 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 expenditures over budget were funded by greater than anticipated seizures of drug money.
- The expenditures over budget in the Public Improvement Bond Capital Projects Fund are projects proceeding in advance of a bond issue where the "intent is to reimburse" the County with bond proceeds.

D. *Deficit Fund Equity*

The Public Improvement Bond capital project fund had a deficit balance at June 30, 2003 of \$755,968. The deficit will be funded by a state grant for the newly constructed correctional facility and the proceeds from a future bond issue for all other projects.

Note 4. Deposits and Investments

Allegany County Primary Government:

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 4. Deposits and Investments - continued

Allegany County Primary Government:

A reconciliation of cash and investments as shown on the Combined Balance Sheet for Allegany County at June 30, 2003 follows:

| | |
|--|----------------------|
| Cash and cash equivalents | \$ 7,462,656 |
| Cash and cash equivalents - restricted | 332,140 |
| Investments | 5,984,126 |
| | <u>\$ 13,778,922</u> |

| | |
|---------------------------------|----------------------|
| Deposits and investment summary | |
| Cash on hand | \$ 6,216 |
| Carrying amount of deposits | 11,139,418 |
| Carrying amount of investments | 2,633,288 |
| | <u>\$ 13,778,922</u> |

Cash Deposits – At year-end, the carrying amount of the County's cash deposits was \$11,139,418 the bank balances were \$12,953,108. The entire bank balance was either covered by federal depository insurance or collateralized by securities held by the County's agent in the name of the County.

Investments – investments are categorized as follows to give an indication of the level of risk assumed by the County or its component units at year-end.

Category 1 – includes investments that are insured or registered or for which the securities are held by the County (or Component Unit) or the County's agent in the County's (or Component Unit's) name.

Category 2 – includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department (if a Bank) or agent in the County's or Component Unit's name.

Category 3 – includes uninsured and unregistered investments for which the securities are held by the counterparty in the County's name or held by the counterparty's trust department (if a Bank) or agent but not in the County's or Component Unit's name.

| Investments: | Category | | | Carrying Amount | Fair Value |
|-----------------------|--------------|------|------|-----------------|--------------|
| | 1 | 2 | 3 | | |
| Repurchase agreements | \$ 2,633,288 | \$ - | \$ - | \$ 2,633,288 | \$ 2,633,288 |
| Total investments | \$ 2,633,288 | \$ - | \$ - | \$ 2,633,288 | \$ 2,633,288 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 4. Deposits and Investments - continued

The County carries its investments at cost. Investments consist entirely of nonparticipating contracts (nonnegotiable certificates of deposit) or repurchase agreements with maturities of less than one year.

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 \$18,806,207 and the bank balance was \$19,547,403. Of the bank balances, \$409,588 was covered by depository insurance, \$19,076,049 was covered by collateral held at various banks in the Board's name, and \$61,766 was uncollateralized.

Allegany County Library System

Cash deposits – At year-end, the carrying amount of the Library's cash deposits was \$161,425 and the bank balance was \$153,883. The entire bank balance was covered by federal depository insurance or a separate collateral agreement at June 30, 2003 and throughout the year. Cash on hand was \$575.

| Investments: | Category | | | Carrying Amount | Fair Value |
|--|------------|------|------|-----------------|--------------|
| | 1 | 2 | 3 | | |
| U.S. Treasury Bonds | \$ 15,000 | \$ - | \$ - | \$ 15,000 | \$ 15,000 |
| Other Federal | | | | | |
| Government Obligations | 126,028 | | | 126,028 | 128,224 |
| Investments not subject to categorization: | | | | | |
| Investments in MD Local Gov't Fund Pool | | | | 1,079,796 | 1,079,796 |
| Total investments | \$ 141,028 | \$ - | \$ - | \$ 1,220,824 | \$ 1,223,020 |

The Maryland Local Government Investment Pool is administered by the Mercantile-Safe Deposit and Trust Company and oversight, by State law, is provided by the Maryland State Treasurer's Office. Due to the short-term nature of the Pool's assets and liabilities the carrying value of the Library's share of the pool is carried at cost which approximates fair value.

LaVale Sanitary Commission

Cash deposits – At year-end, the carrying amount of the LaVale Sanitary Commission's cash deposits was \$1,115,737, the bank balance was \$1,141,650, and cash on hand was \$155. The entire bank balance was either covered by federal depository insurance or by collateral held by LaVale Sanitary Commission's agent in the Commission's name.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 4. Deposits and Investments - continued

Allegany College

Cash deposits – At year-end, the carrying amount of the College's cash deposits was \$9,526,606, the bank balance was \$646,396 which was either covered by federal depository insurance or was covered by collateral held by the College's agent in the College's name.

| Investments: | Category | | | Carrying Amount | Fair Value |
|-----------------------------|--------------|------|------|-----------------|--------------|
| | 1 | 2 | 3 | | |
| U.S. Government Obligations | \$ 3,844,658 | \$ - | \$ - | \$ 3,844,658 | \$ 3,849,061 |
| Repurchase agreements | 1,604,299 | - | - | 1,604,299 | 1,604,299 |
| Total investments | \$ 5,448,957 | \$ - | \$ - | \$ 5,448,957 | \$ 5,453,360 |

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. The County bills and collects its own property taxes. County property tax revenues are recognized when levied to the extent that they result in current receivables, collectible within sixty days after year-end, as defined by the Government Accounting Standards Board (GASB).

Property tax receivables at June 30, 2003 were \$2,694,069 (net of an allowance of \$150,000) of which \$1,632,811 was current year's taxes receivable and the balance of \$1,211,258 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 | Capital Projects Fund | PAYGO Capital Proj. Fund | Non-major Governmental Funds | Total |
|--------------------------|--------------|--------------|-----------------------|--------------------------|------------------------------|---------------|
| Receivables: | | | | | | |
| Interest | \$ 1,089 | \$ - | \$ 1,824 | \$ 2,741 | \$ 760 | \$ 6,414 |
| Other | 3,788,726 | 500,546 | 209,020 | 4,101 | 778,725 | 5,281,118 |
| Leases, capital | | | | | 1,885,084 | 1,885,084 |
| Loans, notes | | 1,519 | - | - | 3,058,596 | 3,060,115 |
| Total receivables | \$ 3,789,815 | \$ 502,065 | \$ 210,844 | \$ 6,842 | \$ 5,723,165 | \$ 10,232,731 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 6. Other Receivables - continued

| Business-type Activities: | Water Districts | Sewer Districts | Nursing Home | Loan Fund | Total |
|------------------------------|--------------------|---------------------|---------------------|---------------------|---------------------|
| Receivables: | | | | | |
| Interest | \$ 25 | \$ 964 | \$ - | \$ - | \$ 989 |
| Accounts, other | - | 1,049,661 | 154,535 | - | 1,204,196 |
| Accounts, trade | 375,938 | 1,097,580 | 1,175,996 | - | 2,649,514 |
| Less allowance | (36,168) | (127,273) | (120,000) | - | (283,441) |
| Net accounts, trade | 339,770 | 970,307 | 1,055,996 | - | 2,366,073 |
| Accounts, restricted | - | 198,761 | - | - | 198,761 |
| Less allowance | - | (12,953) | - | - | (12,953) |
| Net accounts, restricted | - | 185,808 | - | - | 185,808 |
| Loans | - | - | - | 2,203,555 | 2,203,555 |
| Less allowance | - | - | - | (250,000) | (250,000) |
| Net loans | - | - | - | 1,953,555 | 1,953,555 |
| Total receivables | \$ 339,795 | \$ 2,206,740 | \$ 1,210,531 | \$ 1,953,555 | \$ 5,710,621 |

Leases - Capital:

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

| Fiscal Year | Principal | Interest | Total |
|-------------|---------------------|-------------------|---------------------|
| 2004 | \$ 136,828 | \$ 121,605 | \$ 258,433 |
| 2005 | 146,129 | 112,304 | 258,433 |
| 2006 | 156,064 | 102,369 | 258,433 |
| 2007 | 166,676 | 91,757 | 258,433 |
| 2008 | 178,010 | 80,423 | 258,433 |
| 2009- | 1,101,376 | 256,628 | 1,358,004 |
| Totals | <u>\$ 1,885,083</u> | <u>\$ 765,086</u> | <u>\$ 2,650,169</u> |

Deferred Revenues:

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows.

| | |
|---|---------------------|
| Delinquent property taxes receivable, general fund | \$ 2,566,823 |
| Grants received prior to meeting eligibility requirements | |
| General fund | 3,127 |
| Office of Children, Youth and Families | 469,352 |
| Community Development & Housing Fund | 58,225 |
| Total governmental funds deferred revenue | <u>\$ 3,097,527</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 6. Other Receivables - continued

Loans receivable:

The following table summarizes the loan receivable balances in the County Loan Fund at June 30, 2003:

| Entity | Source of funds | Balance June 30, 2003 |
|----------------------------------|----------------------|--------------------------|
| Loans: | | |
| MEDCO | General Fund | \$ 1,429,290 |
| Fire Companies | General Fund | \$ 21,668 |
| Western Maryland Scenic Railroad | Gen Fund/PIB of 1988 | 250,000 |
| City of Frostburg | PIB of 1991 | 114,805 |
| YMCA | General Fund | 100,000 |
| Paving project | General Fund | 157,950 |
| Agriculture Expo Building (1) | General Fund | 33,151 |
| Agriculture Expo Building (2) | General Fund | 96,691 |
| Allowance for doubtful accounts | | (250,000) |
| Total | | \$ 1,953,555 |

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

During 1987, the County loaned \$3,500,000 to the Maryland Economic Development Company (MEDCO) for the development of a new corporate headquarters for the Kelly-Springfield Tire Company in Cumberland, Maryland. This note is a receivable and is recorded in the County Loan Fund. The new corporate headquarters is owned by MEDCO and leased to the Kelly-Springfield Tire Company. MEDCO is scheduled to repay the County's loan over a twenty-year period at an interest rate of three percent beginning November 1, 1989 with monthly payments ranging from \$0 to \$33,295 with the final payment due October 2, 2007.

As the stated interest rate of three percent was substantially below prevailing market interest rates, generally accepted accounting principles required that the note be discounted utilizing a fair market interest rate.

For this purpose, the County had used an interest rate of nine- percent resulting in a net present value of \$1,647,048 as of May 18, 1987, the date of the County's disbursements to MEDCO. The discount, which amounted to \$1,852,952, was recorded as a reduction in the face amount of the note receivable and as economic development expenditure in fiscal year 1987. This discount is being amortized over the term of the note.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 7. Capital Assets

Capital asset activity for the year ended June 30, 2003 was as follows:

| Primary Government: | Beginning Balance | Increases | Decreases | Transfers In (Out) | Ending Balance |
|---|--------------------------|------------------|------------------|---------------------------|-----------------------|
| Governmental activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 6,699,831 | \$ 1,143,241 | \$ (29,956) | \$ - | \$ 7,813,116 |
| Work in Progress | 12,512,161 | 4,449,081 | (14,713,762) | - | 2,247,480 |
| Total capital assets not being depreciated: | 19,211,992 | 5,592,322 | (14,743,718) | - | 10,060,596 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 34,239,279 | 8,815,511 | (2,358,883) | - | 40,695,907 |
| Infrastructure | 30,977,109 | 4,519,154 | (141,125) | - | 35,355,138 |
| Furniture & Fixtures | 878,385 | 6,794 | (29,043) | - | 856,136 |
| Equipment | 3,076,058 | 591,115 | (128,212) | - | 3,538,961 |
| Vehicles | 6,587,658 | 453,894 | (225,042) | - | 6,816,510 |
| Heavy Equipment | 3,191,524 | 202,709 | (20,000) | - | 3,374,233 |
| Other Fixed Assets | 828,906 | 19,028 | (7,476) | - | 840,458 |
| Total capital assets, being depreciated: | 79,778,919 | 14,608,205 | (2,909,781) | - | 91,477,343 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (7,457,400) | (1,684,832) | 250,036 | - | (8,892,196) |
| Infrastructure | (23,519,837) | (458,205) | 104,236 | - | (23,873,806) |
| Furniture & Fixtures | (652,604) | (47,705) | 27,893 | - | (672,416) |
| Equipment | (1,867,417) | (403,444) | 128,212 | - | (2,142,649) |
| Vehicles | (4,572,922) | (603,285) | 203,858 | - | (4,972,349) |
| Heavy Equipment | (2,087,186) | (213,454) | 20,000 | - | (2,280,640) |
| Other Fixed Assets | (292,230) | (31,398) | - | - | (323,628) |
| Total accumulated depreciation | (40,449,596) | (3,442,323) | 734,235 | - | (43,157,684) |
| Total capital assets, being depreciated, net: | 39,329,323 | 11,165,882 | (2,175,546) | - | 48,319,659 |
| Governmental activities capital assets, net | \$58,541,315 | \$16,758,204 | \$ (16,919,264) | \$ - | \$58,380,255 |

| Primary Government: | Beginning Balance | Increases | Decreases | Transfers In (Out) | Ending Balance |
|---|--------------------------|------------------|------------------|---------------------------|-----------------------|
| Business-type activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 34,288 | \$ - | \$ - | \$ - | \$ 34,288 |
| Work in Progress | 556,377 | 3,257,531 | (118,128) | - | 3,695,780 |
| Total capital assets not being depreciated: | 590,665 | 3,257,531 | (118,128) | - | 3,730,068 |
| Capital assets, being depreciated: | | | | | |
| Buildings | 2,884,478 | 122,953 | - | - | 3,007,431 |
| Infrastructure | 80,220,834 | - | - | (17,350) | 80,203,484 |
| Furniture & Fixtures | 1,440,734 | 51,555 | (8,624) | - | 1,483,665 |
| Equipment | 1,552,436 | 74,678 | (36,975) | 17,350 | 1,607,489 |
| Vehicles | 556,513 | 109,974 | (42,168) | - | 624,319 |
| Heavy Equipment | 188,269 | - | (1,349) | - | 186,920 |
| Other Fixed Assets | 2,338,927 | 120,578 | - | - | 2,459,505 |
| Total capital assets, being depreciated: | 89,182,191 | 479,738 | (89,116) | - | 89,572,813 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (1,448,447) | (80,433) | - | - | (1,528,880) |
| Infrastructure | (25,631,644) | (1,677,115) | - | - | (27,308,759) |
| Furniture & Fixtures | (650,638) | (79,974) | 8,072 | - | (722,540) |
| Equipment | (1,040,959) | (108,590) | 34,869 | - | (1,114,680) |
| Vehicles | (401,197) | (50,724) | 40,073 | - | (411,848) |
| Heavy Equipment | (177,335) | (3,458) | 1,349 | - | (179,444) |
| Other Fixed Assets | (305,435) | (95,344) | - | - | (400,779) |
| Total accumulated depreciation | (29,655,655) | (2,095,638) | 84,363 | - | (31,666,930) |
| Total capital assets, being depreciated, net: | 59,526,536 | (1,615,900) | (4,753) | - | 57,905,883 |
| Business-type activities capital assets, net | \$60,117,201 | \$ 1,641,631 | \$ (122,881) | \$ - | \$61,635,951 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 7. Capital Asset - continued

Accumulated depreciation for governmental activities capital assets at June 30, 2002 originally reported as \$40,139,114 was restated as \$40,449,596. Additional depreciation expense related to prior periods in the amount of \$310,482 was recorded as a prior period adjustment.

Depreciation expense was charged to functions/programs of the primary government, as reported in the statement of activities, for the year ended June 30, 2003 as follows:

| | |
|--|---------------------|
| Governmental activities: | |
| General government | \$ 195,737 |
| Public safety | 801,786 |
| Public works | 1,236,391 |
| Health | 60,317 |
| Social services | 23,467 |
| Recreation, culture and libraries | 132,231 |
| Natural resources | 5,076 |
| Community development and housing | 23,342 |
| Economic development | 963,976 |
| Total depreciation expense – governmental activities | <u>\$ 3,442,323</u> |
| Business-type activities: | |
| Water districts | \$ 416,905 |
| Sewer districts | 1,469,850 |
| Nursing Home | 208,883 |
| Total depreciation expense – governmental activities | <u>\$ 2,095,638</u> |

Construction Commitments

The County has active construction projects as of June 30, 2003. The projects include industrial park infrastructure, a wastewater treatment plant upgrade, and three new water districts. At year end the County's commitments with contractors are as follows:

| Project | Spent-to-date | Remaining Commitment |
|--|---------------------|-------------------------|
| Barton Industrial Park Water | \$ - | \$ 1,830,947 |
| Celanese Wastewater Treatment Plant Upgrade | 751,809 | 9,949,276 |
| Consul Water Project | 480,055 | 334,486 |
| Klondike Water Project | - | 1,396,231 |
| Grahamtown Water | 13,824 | - |
| Highland Trail | 34,233 | 318,782 |
| Totals | <u>\$ 1,279,921</u> | <u>\$ 13,829,722</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, 2003

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, 2003, was as follows:

| Board of Education | Beginning | | | Ending |
|---|------------------|------------------|------------------|----------------|
| Governmental activities: | Balance | Increases | Decreases | Balance |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,355,555 | \$ 22,434 | \$ - | \$ 2,377,989 |
| Total capital assets not being depreciated: | 2,355,555 | 22,434 | - | 2,377,989 |
| Capital assets, being depreciated: | | | | |
| Buildings & Improvements | 103,417,229 | 1,921,110 | - | 105,338,339 |
| Furniture, Equipment & Vehicles | 6,356,968 | 560,774 | (394,568) | 6,523,174 |
| Total capital assets, being depreciated: | 109,774,197 | 2,481,884 | (394,568) | 111,861,513 |
| Less accumulated depreciation for: | | | | |
| Buildings & Improvements | (50,603,466) | (3,205,328) | - | (53,808,794) |
| Furniture, Equipment & Vehicles | (4,758,024) | (358,491) | 379,156 | (4,737,359) |
| Total accumulated depreciation | (55,361,490) | (3,563,819) | 379,156 | (58,546,153) |
| Total capital assets, being depreciated, net: | 54,412,707 | (1,081,935) | (15,412) | 53,315,360 |
| Governmental activities capital assets, net | \$56,768,262 | \$ (1,059,501) | \$ (15,412) | 55,693,349 |

| Board of Education | Beginning | | | Ending |
|--|------------------|------------------|------------------|----------------|
| Business-type activities: | Balance | Increases | Decreases | Balance |
| Capital assets, being depreciated: | | | | |
| Furniture, Equipment & Vehicles | \$ 447,357 | \$ 114,345 | \$ (167,266) | \$ 394,436 |
| Less accumulated depreciation | (383,591) | (25,610) | 131,459 | (277,742) |
| Business-type activities capital assets, net | \$ 63,766 | \$ 88,735 | \$ (35,807) | \$ 116,694 |

Capital asset activity for the Library of Allegany County for the year ended June 30, 2003, was as follows:

| Library | Beginning | | | Ending |
|---|------------------|------------------|------------------|----------------|
| Governmental activities: | Balance | Increases | Decreases | Balance |
| Capital assets, being depreciated: | | | | |
| Buildings & Improvements | \$ 3,277,220 | \$ - | \$ - | \$ 3,277,220 |
| Furniture & Equipment | 640,585 | 103,594 | (50,156) | \$ 694,023 |
| Vehicles/Bookmobile | 118,698 | - | - | \$ 118,698 |
| Library Books | 5,266,019 | 154,811 | (368,982) | \$ 5,051,848 |
| Total capital assets, being depreciated: | 9,302,522 | 258,405 | (419,138) | 9,141,789 |
| Less accumulated depreciation for: | | | | |
| Buildings & Improvements | (588,030) | (65,543) | - | \$ (653,573) |
| Furniture & Equipment | (237,748) | (69,172) | 45,081 | \$ (261,839) |
| Vehicles/Bookmobile | (98,380) | (8,292) | - | \$ (106,672) |
| Library Books | (4,638,384) | (161,308) | 331,703 | \$ (4,467,989) |
| Total accumulated depreciation | (5,562,542) | (304,315) | 376,784 | (5,490,073) |
| Total capital assets, being depreciated, net: | \$ 3,739,980 | \$ (45,910) | \$ (42,354) | \$ 3,651,716 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 7. Capital Assets - continued

Capital asset activity for Allegany College of Maryland for the year ended June 30, 2003, was as follows:

| Allegany College of Maryland | Beginning Balance | Increases | Decreases | Ending Balance |
|---|--------------------------|------------------|------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 382,150 | \$ - | \$ - | \$ 382,150 |
| Work in Progress | 20,611 | 24,380 | (20,611) | 24,380 |
| Total capital assets not being depreciated: | 402,761 | 24,380 | (20,611) | 406,530 |
| Capital assets, being depreciated: | | | | |
| Buildings | 28,809,643 | 696,700 | - | 29,506,343 |
| Equipment | 9,651,562 | 1,207,697 | (220,427) | 10,638,832 |
| Auxiliary Equipment | 219,167 | 22,927 | - | 242,094 |
| Library Books | 888,528 | 61,173 | (34,322) | 915,379 |
| Total capital assets, being depreciated: | 39,568,900 | 1,988,497 | (254,749) | 41,302,648 |
| Less accumulated depreciation for: | | | | |
| Buildings | (7,827,057) | (693,687) | - | (8,520,744) |
| Equipment | (7,922,563) | (926,788) | 215,626 | (8,633,725) |
| Auxiliary Equipment | (205,616) | (10,733) | - | (216,349) |
| Library Books | (761,433) | (61,960) | 34,322 | (789,071) |
| Total accumulated depreciation | (16,716,669) | (1,693,168) | 249,948 | (18,159,889) |
| Total capital assets, being depreciated, net: | 22,852,231 | 295,329 | (4,801) | 23,142,759 |
| Business-type activities capital assets, net | \$23,254,992 | \$ 319,709 | \$ (25,412) | \$23,549,289 |

Capital asset activity for the LaVale Sanitary Commission for the year ended June 30, 2003, was as follows:

| LaVale Sanitary Commission | Beginning Balance | Increases | Decreases | Ending Balance |
|---|--------------------------|------------------|------------------|-----------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 176,385 | \$ - | \$ - | \$ 176,385 |
| Work in Progress | 109,549 | 874,533 | - | 984,082 |
| Total capital assets not being depreciated: | 285,934 | 874,533 | - | 1,160,467 |
| Capital assets, being depreciated: | | | | |
| Buildings | 320,574 | 180,844 | - | 501,418 |
| Infrastructure | 12,376,013 | 47,310 | - | 12,423,323 |
| Machinery, Vehicles & Equipment | 857,812 | 118,018 | (77,196) | 898,634 |
| Office Furniture and Equipment | 54,371 | - | (7,712) | 46,659 |
| Total capital assets, being depreciated: | 13,608,770 | 346,172 | (84,908) | 13,870,034 |
| Less accumulated depreciation for: | | | | |
| Buildings | (6,426,004) | (289,698) | - | (6,715,702) |
| Total capital assets, being depreciated, net: | 7,182,766 | 56,474 | (84,908) | 7,154,332 |
| Business-type activities capital assets, net | \$ 7,468,700 | \$ 931,007 | \$ (84,908) | \$ 8,314,799 |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 8. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2003, is as follows:

A. Due to/from other funds

| | Due from Other Funds | Due to Other Funds |
|------------------------------------|-------------------------|-----------------------|
| Governmental funds: | | |
| General Fund | \$ - | \$ 1,588,297 |
| Highway Fund | 189,823 | 1,519 |
| Capital Improvements Projects Fund | - | 440,321 |
| PAYGO Capital Projects Fund | 55,046 | - |
| Non-major governmental funds | 3,079,306 | 707,875 |
| Sub-total | 3,324,175 | 2,738,012 |
| Enterprise Funds: | | |
| Water Districts | - | 868,296 |
| Sanitary Districts | 3,689,406 | 4,176,874 |
| County Loan Fund | 607,702 | - |
| Sub-total | 4,297,108 | 5,045,170 |
| Fudiciary funds: | | |
| Agency Fund | 161,899 | - |
| TOTALS | \$ 7,783,182 | \$ 7,783,182 |

B. Advances and Loans To/From Other Funds

| | Advances to Other Funds | Advances from Other Funds |
|-------------------------------------|----------------------------|------------------------------|
| Advances: | | |
| General Fund | \$ 2,062,850 | |
| Nursing Home Fund | | \$ 1,162,850 |
| Sanitary Districts | | 900,000 |
| Loans: | | |
| General Fund | 1,506,717 | |
| Allegany County Sanitary Districts: | | |
| Long-term debt | | 1,330,253 |
| Current portion of long-term debt | | 125,685 |
| Allegany County Water Districts: | | |
| Long-term debt | | 4,811 |
| Current portion of long-term debt | | 45,968 |
| | \$ 3,569,567 | \$ 3,569,567 |

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, 2003

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

C. Transfers

Transfers to other funds for the year ending June 30, 2003 are as follows:

| Transferred From: Transferred To: | Amount | Total By Fund |
|---|----------------------|----------------------|
| From the General Fund to: | | |
| Highway Fund | \$ 1,454,330 | |
| Capital Projects Fund | 320,000 | |
| Pay-As-You-Go Capital Reserve Fund | 21,735 | |
| Non-major funds | 5,218,245 | \$ 7,014,310 |
| From the Highway Fund to: | | |
| Capital Projects Fund | 147,465 | |
| Pay-As-You-Go Capital Reserve Fund | 113,812 | 261,277 |
| From the Capital Projects Fund to: | | |
| Pay-As-You-Go Capital Reserve Fund | 328,129 | 328,129 |
| From the Pay-As-You-Go Capital Reserve Fund to: | | |
| General Fund | 178,399 | |
| Highway Fund | 88,643 | |
| Capital Projects Fund | 434,788 | 701,830 |
| From the Non-major Funds to: | | |
| General Fund | 130,564 | |
| Capital Projects Fund | 68,536 | |
| Other Non-major Funds | 1,130,013 | 1,329,113 |
| From the County Loan Fund to: | | |
| General Fund | 882,228 | 882,228 |
| TOTALS | \$ 10,516,887 | \$ 10,516,887 |

Transfers to component units for the year ending June 30, 2003 are as follows:

| Payment From: Payment To: | Amount | Total By Fund Type |
|--|----------------------|-----------------------|
| From the General Fund to: | | |
| Board of Education | \$ 25,530,000 | |
| Board of Education, Data Processing | 255,757 | |
| Allegany College of Maryland | 5,475,000 | |
| Library | 769,000 | \$ 32,029,757 |
| From the County Capital Projects Funds to: | | |
| Allegany College of Maryland | 68,512 | |
| Board of Education | 2,302,107 | 2,370,619 |
| | \$ 34,400,376 | \$ 34,400,376 |

Note 9. Short-term Debt

Allegany County did not issue short-term debt during the fiscal year ending June 30, 2003 and had no balance payable at year end.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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

Long-term liability activity of the County for the year ended June 30, 2003, 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 | \$ 35,115,000 | \$ - | \$ (3,535,000) | \$ 31,580,000 | \$ 3,635,000 |
| Notes | 1,013,492 | - | (72,481) | 941,011 | 76,299 |
| Capital Leases | 82,761 | - | (40,783) | 41,978 | 41,978 |
| State Loans | 8,046,052 | 63,710 | (442,307) | 7,667,455 | 482,173 |
| Total | <u>\$ 44,257,305</u> | <u>\$ 63,710</u> | <u>\$ (4,090,571)</u> | <u>\$ 40,230,444</u> | <u>\$ 4,235,450</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 | \$ 3,303,469 | \$ - | \$ (39,543) | \$ 3,263,926 | \$ 41,181 |
| County loans | 122,832 | - | (72,053) | 50,779 | 45,968 |
| Total water districts | <u>\$ 3,426,301</u> | <u>\$ -</u> | <u>\$ (111,596)</u> | <u>\$ 3,314,705</u> | <u>\$ 87,149</u> |
| Sewer districts: | | | | | |
| Maryland water quality loans | \$ 1,840,612 | \$ - | \$ (182,933) | \$ 1,657,679 | \$ 192,003 |
| Maryland environmental loans | - | 185,315 | - | 185,315 | 8,524 |
| Rural development loans | 1,079,369 | - | (14,382) | 1,064,987 | 15,103 |
| County loans | 1,792,880 | - | (336,942) | 1,455,938 | 125,685 |
| Total sewer districts | <u>\$ 4,712,861</u> | <u>\$ 185,315</u> | <u>\$ (534,257)</u> | <u>\$ 4,363,919</u> | <u>\$ 341,315</u> |
| Total business-type activities: | | | | | |
| Maryland water quality loans | \$ 1,840,612 | \$ - | \$ (182,933) | \$ 1,657,679 | \$ 192,003 |
| Maryland environmental loans | - | 185,315 | - | 185,315 | 8,524 |
| Rural development loans | 4,382,838 | - | (53,925) | 4,328,913 | 56,284 |
| County loans | 1,915,712 | - | (408,995) | 1,506,717 | 171,653 |
| Total business-type activities | <u>\$ 8,139,162</u> | <u>\$ 185,315</u> | <u>\$ (645,853)</u> | <u>\$ 7,678,624</u> | <u>\$ 428,464</u> |
| Other Long-term Liabilities | | | | | |
| Governmental Activities | | | | | |
| | <u>Beginning Balance as restated</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | |
| Compensated Absences | <u>\$ 3,080,829</u> | <u>\$ 218,449</u> | <u>\$ (239,489)</u> | <u>\$ 3,059,789</u> | |
| Business-type activities | | | | | |
| Water & sewer districts | | | | | |
| Compensated absences | \$ 330,754 | \$ (33,227) | \$ (17,644) | \$ 279,883 | |
| Nursing Home | | | | | |
| Compensated Absences | 228,355 | 99,138 | (1,852) | 325,641 | |
| Total | <u>\$ 559,109</u> | <u>\$ 65,911</u> | <u>\$ (19,496)</u> | <u>\$ 605,524</u> | |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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, 2003 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 |
| 2004 | \$ 3,635,000 | \$ 1,342,419 | \$ 76,299 | \$ 49,299 | \$ 41,978 | \$ 2,288 | \$ 482,173 | \$ 427,029 | \$ 4,235,450 | \$ 1,821,035 |
| 2005 | 3,435,000 | 1,185,363 | 80,327 | 45,271 | - | - | 510,752 | 398,451 | 4,026,079 | 1,629,085 |
| 2006 | 3,540,000 | 1,035,916 | 84,567 | 41,031 | - | - | 541,074 | 368,128 | 4,165,641 | 1,445,075 |
| 2007 | 3,380,000 | 885,514 | 89,032 | 36,566 | - | - | 552,429 | 335,952 | 4,021,461 | 1,258,032 |
| 2008 | 2,765,000 | 749,502 | 93,732 | 31,866 | - | - | 495,426 | 303,155 | 3,354,158 | 1,084,523 |
| 2009-2013 | 11,935,000 | 1,880,571 | 297,404 | 92,588 | - | - | 2,509,475 | 1,080,843 | 14,741,879 | 3,054,002 |
| 2014-2018 | 2,890,000 | 166,965 | 37,716 | 58,524 | - | - | 1,968,874 | 411,741 | 4,896,590 | 637,230 |
| 2019-2023 | - | - | 50,076 | 46,164 | - | - | 607,252 | 45,531 | 657,328 | 91,695 |
| 2024-2028 | - | - | 66,486 | 29,754 | - | - | - | - | 66,486 | 29,754 |
| 2029-2033 | - | - | 65,372 | 8,430 | - | - | - | - | 65,372 | 8,430 |
| | <u>\$ 31,580,000</u> | <u>\$ 7,246,250</u> | <u>\$ 941,011</u> | <u>\$ 439,493</u> | <u>\$ 41,978</u> | <u>\$ 2,288</u> | <u>\$ 7,667,455</u> | <u>\$ 3,370,830</u> | <u>\$ 40,230,444</u> | <u>\$ 11,058,861</u> |

Annual debt service requirements to maturity for Allegany County's business-type activities long-term debt outstanding as of June 30, 2003 are as follows:

The annual debt service requirements to maturity for the Water Districts long-term debt outstanding at June 30, 2003 are:

| Year Ending June 30, | Farmers Home Admin. Loans | | County Advances | | Totals | |
|-------------------------|---------------------------|------------------|-----------------|--------------|------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest |
| 2004 | 41,181 | 139,775 | 45,968 | 3,161 | 87,149 | 142,936 |
| 2005 | 42,961 | 137,995 | 1,681 | 352 | 44,642 | 138,347 |
| 2006 | 44,819 | 136,137 | 1,819 | 215 | 46,638 | 136,352 |
| 2007 | 46,761 | 134,195 | 1,311 | 66 | 48,072 | 134,261 |
| 2008 | 48,790 | 132,166 | - | - | 48,790 | 132,166 |
| 2009-2013 | 277,744 | 627,036 | - | - | 277,744 | 627,036 |
| 2014-2018 | 344,187 | 560,593 | - | - | 344,187 | 560,593 |
| 2019-2023 | 427,270 | 477,510 | - | - | 427,270 | 477,510 |
| 2024-2028 | 531,344 | 373,436 | - | - | 531,344 | 373,436 |
| 2029-2033 | 615,705 | 243,552 | - | - | 615,705 | 243,552 |
| 2034-2038 | 652,414 | 111,059 | - | - | 652,414 | 111,059 |
| 2039-2040 | 190,750 | 10,918 | - | - | 190,750 | 10,918 |
| Totals | <u>3,263,926</u> | <u>3,084,372</u> | <u>50,779</u> | <u>3,794</u> | <u>3,314,705</u> | <u>3,088,166</u> |

The annual debt service requirements to maturity for the Sanitary Districts long-term debt outstanding at June 30, 2003 are:

| Year Ending June 30, | Water Quality Loans | | Md. Environmental Loans | | Farmers Home Admin. Loans | | County Advances | | Totals | |
|-------------------------|---------------------|----------------|-------------------------|---------------|---------------------------|------------------|------------------|----------------|------------------|------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2004 | 192,003 | 89,890 | 8,524 | 1,588 | 15,103 | 51,623 | 125,685 | 81,952 | 341,315 | 225,053 |
| 2005 | 201,516 | 81,329 | 8,598 | 1,514 | 15,853 | 50,873 | 119,681 | 74,411 | 345,648 | 208,127 |
| 2006 | 204,892 | 70,254 | 8,673 | 1,439 | 16,641 | 50,085 | 121,921 | 67,201 | 352,127 | 188,979 |
| 2007 | 215,122 | 60,024 | 8,748 | 1,364 | 17,469 | 49,257 | 124,248 | 59,867 | 365,587 | 170,512 |
| 2008 | 225,868 | 49,236 | 8,824 | 1,288 | 18,338 | 48,388 | 47,275 | 52,401 | 300,305 | 151,313 |
| 2009-2013 | 599,670 | 105,090 | 45,285 | 5,276 | 106,336 | 227,294 | 278,976 | 219,402 | 1,030,267 | 557,062 |
| 2014-2018 | 18,608 | 2,567 | 47,286 | 3,275 | 135,647 | 197,983 | 365,920 | 132,459 | 567,461 | 336,284 |
| 2019-2023 | - | - | 49,377 | 1,184 | 173,134 | 160,496 | 272,232 | 26,794 | 494,743 | 188,474 |
| 2024-2028 | - | - | - | - | 218,947 | 112,547 | - | - | 218,947 | 112,547 |
| 2029-2033 | - | - | - | - | 251,908 | 53,432 | - | - | 251,908 | 53,432 |
| 2034-2038 | - | - | - | - | 95,611 | 6,428 | - | - | 95,611 | 6,428 |
| 2039-2040 | - | - | - | - | - | - | - | - | - | - |
| Totals | <u>1,657,679</u> | <u>458,390</u> | <u>185,315</u> | <u>16,928</u> | <u>1,064,987</u> | <u>1,008,406</u> | <u>1,455,938</u> | <u>714,487</u> | <u>4,363,919</u> | <u>2,198,211</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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

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

| Allegany County Primary Government Schedule of Long - Term General Obligation Debt: | | | | | |
|--|------------------|---------------------|----------------------|---------------|---------------|
| General Obligation Bonds: | Date of Issue | Date of Maturity | Interest Rate (%) | June 30, | |
| Public Improvement Bonds: | | | | 2003 | 2002 |
| Bonds of 1991 | 08/01/91 | 08/01/03 | 5.4 - 7.125 | \$ 565,000 | \$ 1,130,000 |
| Bonds of 1992 | 08/01/92 | 04/01/03 | 2.75-5.70 | - | 165,000 |
| Bonds of 1994 | 01/01/94 | 01/01/09 | 4.05-4.70 | 2,495,000 | 2,850,000 |
| Bonds of 1995 | 11/01/95 | 11/01/10 | 4.25-5.10 | 3,815,000 | 4,195,000 |
| Bonds of 1996 | 06/15/96 | 11/01/03 | 4.8-6.25 | 205,000 | 400,000 |
| Bonds of 1997 | 03/01/97 | 03/01/10 | 3.65-5.4 | 3,350,000 | 3,745,000 |
| Bonds of 1998 | 08/15/98 | 08/01/13 | 4.375-4.65 | 12,050,000 | 12,895,000 |
| Bonds of 2001 | 09/01/01 | 11/01/16 | 3.5-4.4 | 9,100,000 | 9,735,000 |
| Notes: | | | | | |
| Farmers Home Admin | 1992 | 2032 | 5.75 | 269,455 | 273,056 |
| Tri - County Council Loan | 06/22/93 | 06/22/08 | 5.0 | 44,364 | 51,445 |
| PPG Loan | 01/05/96 | 2011 | 5.2 | 627,192 | 688,992 |
| Capital Leases: | | | | | |
| Home detention equipment | 6/99 | 08/2002 | 4.8 | - | 977 |
| Sheriff's vehicles | 12/03/01 | 01/03/04 | 5.45 | 41,978 | 81,784 |
| State Loans: | | | | | |
| Md Industrial Land Act: | | | | | |
| Precise Metals Bldg | 03/19/80 | 03/19/09 | 6.316 | 364,116 | 446,482 |
| Superfos Expansion | 1991 | 2028 | 6.9 | 643,692 | 671,846 |
| Blue Cross Bldg | 1992 | 2012 | 6.8 | 1,099,317 | 1,138,687 |
| Schwab Bldg I | 1992 | 2012 | 6.44 | 529,854 | 578,155 |
| Hunter Douglas | 1993 | 2019 | 5.93 | 433,947 | 450,977 |
| Micro - Integration | 1994 | 2014 | 5.93 | 679,521 | 725,512 |
| Superfos III | 1995 | 2014 | 5.93 | 1,003,733 | 1,064,895 |
| Hunter Douglas II | 1998 | 2018 | 4.64 | 78,881 | 82,972 |
| MICRF Loans: | | | | | |
| Potomac Farms | 06/22/93 | 06/22/08 | 5.0 | 209,290 | 245,314 |
| PPG Purchase | 01/05/96 | 2020 | 5.0 | 2,117,070 | 2,185,725 |
| PPG Improvements | 2001 | 2022 | 4.69 | 236,110 | 245,587 |
| MAHF Loan | 08/10/90 | 08/10/30 | 1.0 | 58,214 | 59,899 |
| MD Historical Trust Loan | 2000 | 2020 | 1.0 | 150,000 | 150,000 |
| Md Environmental Loan | 2003 | 2023 | 0.89 | 63,710 | - |
| Total Long - Term General Obligation Debt | | | | 40,230,444 | 44,257,305 |
| Compensated Absences | | | | 3,059,789 | 3,080,829 * |
| Total long-term liabilities | | | | \$ 43,290,233 | \$ 47,338,134 |

* as restated, the compensated absence liability balance as of June 30, 2002 was originally reported as \$2,863,389. A prior period adjustment of \$217,440 for expenses attributable to prior years resulted in a restated June 30, 2002 balance of \$3,080,829.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

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

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

| Schedule of Business-type Debt | | | | | | |
|--|------------------|---------------------|----------------------|--------------|--------------|--|
| | Date of Issue | Date of Maturity | Interest Rate (%) | June 30, | | |
| | | | | 2003 | 2002 | |
| Water Districts Debt: | | | | | | |
| Eckhart FHA Loan 1991 Series A | 02/21/91 | 2013 | 6.0 | \$ 102,532 | \$ 103,936 | |
| Eckhart FHA Loan 1991 Series B | 02/21/91 | 2013 | 6.0 | 250,328 | 253,758 | |
| Borden/Zhilman FHA Loan 1998 | 10/22/97 | 2037 | 4.5 | 320,438 | 324,258 | |
| Carlos/Shaft FHA Loan 2000 | 12/28/99 | 12/28/2039 | 3.25 | 485,572 | 492,443 | |
| Oldtown Rd FHA Loan 2000 R-1 | 12/28/99 | 12/28/2039 | 3.25 | 229,093 | 232,333 | |
| Oldtown Rd FHA Loan 2000 R-2 | 12/28/99 | 12/28/2039 | 3.25 | 233,865 | 237,173 | |
| Grahmtown FHA Loan 2001 R-2 | | | 4.5 | 591,595 | 597,236 | |
| McCoole FHA Loan | 1999 | 2039 | 4.5 | 1,050,503 | 1,062,332 | |
| Eckhart Allegany Co. Advance | 07/01/88 | 06/30/03 | 8.0 | - | 29,553 | |
| Ellerslie Allegany Co. Advance | 01/01/89 | 06/30/04 | 8.0 | 44,413 | 85,476 | |
| Hoffman Allegany Co. Advance | 06/30/93 | 06/30/23 | 8.0 | 6,366 | 7,803 | |
| Sub - total | | | | 3,314,705 | 3,426,301 | |
| Less: Current maturities of long - term debt | | | | (87,149) | (111,528) | |
| Total Water Districts long - term debt | | | | \$ 3,227,556 | \$ 3,314,773 | |
| Sanitary Districts Debt: | | | | | | |
| Maryland Water Quality Loans | | | | | | |
| Bowling Green | 1974 | 2004 | 5.9 | \$ 5,765 | \$ 8,419 | |
| Bowling Green | 1980 | 2010 | 5.5 | 5,471 | 6,099 | |
| Bowling Green | 1984 | 2014 | 8.3 | 37,641 | 39,441 | |
| Cresaptown | 1974 | 2004 | 5.9 | 6,581 | 9,611 | |
| Cresaptown | 1980 | 2010 | 5.5 | 5,244 | 5,846 | |
| Cresaptown | 1984 | 2014 | 8.3 | 23,444 | 24,565 | |
| Cresaptown | 1986 | 2015 | 8.8 | 12,046 | 12,536 | |
| Bedford Road | 1977 | 2007 | 5.5 | 46,769 | 54,719 | |
| Bedford Road | 1983 | 2013 | 8.2 | 214,300 | 227,870 | |
| McCoole | 1978 | 2008 | 5.5 | 75,468 | 88,297 | |
| Oldtown | 1981 | 2011 | 6.1 | 25,622 | 28,056 | |
| Flintstone | 1980 | 2010 | 6.1 | 76,867 | 84,168 | |
| Georges Creek | 1981 | 2011 | 6.1 | 156,668 | 169,476 | |
| Georges Creek | 1982 | 2012 | 6.1 | 275,905 | 295,558 | |
| Celanese Treatment Plant | 1991 | 2010 | 3.705 | 269,305 | 302,602 | |
| Mexico Farms | 1992 | 2009 | 3.705 | 420,583 | 483,349 | |
| Sub - total | | | | 1,657,679 | 1,840,612 | |
| Maryland Department of Environment | | | | | | |
| Celanese WWTP Upgrade | 06/03 | 2023 | 0.0867 | 185,315 | - | |
| Farmers Home Administration Loans | | | | | | |
| Georges Creek | 1988 | 2027 | 5.0 | 36,442 | 37,206 | |
| Mexico Farms | 1992 | 2032 | 5.5 | 378,515 | 383,561 | |
| Cash Valley Road | 1966 | 2036 | 4.5 | 135,635 | 137,423 | |
| Oldtown Road | 1966 | 2036 | 4.5 | 514,395 | 521,179 | |
| McCoole Water | 1999 | 2039 | 4.5 | - | - | |
| Sub - total | | | | 1,064,987 | 1,079,369 | |
| Allegany County Advances: | | | | | | |
| Bowling Green | 07/01/88 | 06/30/03 | 8.0 | - | 62,270 | |
| Jennings Run | 07/01/88 | 06/30/03 | 8.0 | - | 58,136 | |
| Georges Creek | 07/01/88 | 06/30/03 | 8.0 | - | 30,213 | |
| Georges Creek | 07/01/88 | 06/30/03 | 8.0 | - | 63,262 | |
| Franklin | 01/01/89 | 06/30/04 | 8.0 | 8,125 | 15,636 | |
| Braddock Run | 1991 | 2007 | 5.4-7.125 | 87,334 | 109,159 | |
| Jennings Run | 1992 | 2007 | 5.4-7.125 | 71,204 | 88,998 | |
| Georges Creek | 1992 | 2007 | 5.4-7.125 | 92,912 | 116,190 | |
| Bedford Road | 1992 | 2007 | 5.4-7.125 | 66,544 | 83,155 | |
| I&I Study | 2001 | 2021 | 5.5 | 1,129,819 | 1,165,861 | |
| Sub - total | | | | 1,455,938 | 1,792,880 | |
| Total | | | | 4,363,919 | 4,712,861 | |
| Less: Current maturities of long - term debt | | | | (341,315) | (534,261) | |
| Total Sanitary Districts Long - term Debt | | | | \$ 4,022,604 | \$ 4,178,600 | |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 10. Long-Term Debt - continued

The following is a summary of debt transactions for the discretely presented funds for the fiscal year ended June 30, 2003

| Long-term Liabilities - Component Units | | | |
|---|------------------------------------|----------------------------------|--|
| Long-term debt activity for the year ended June 30, 2003: | | | |
| | Allegany College of Maryland | LaVale Sanitary Commission | |
| Payable at July 1, 2002 | \$ 365,772 | \$ - | |
| Amount issued | 94,780 | 504,008 | |
| Amount retired | (80,745) | - | |
| Payable at June 30, 2003 | <u>\$ 379,807</u> | <u>\$ 504,008</u> | |

| Annual debt service requirements to maturity: | | | | | | |
|---|---|------------------|-------------------|--|-------------------|-------------------|
| Fiscal Year | Allegany College of Maryland (Capital Leases) | | | LaVale Sanitary Commission (Bank loan) | | |
| | Principal | Interest | Total | Principal | Interest | Total |
| 2004 | \$ 111,671 | \$ 26,618 | \$ 138,289 | \$ 7,577 | \$ 15,998 | \$ 23,575 |
| 2005 | 119,672 | 17,746 | 137,418 | 8,807 | 21,010 | 29,817 |
| 2006 | 123,354 | 8,296 | 131,650 | 9,186 | 20,630 | 29,816 |
| 2007 | 21,403 | 1,230 | 22,633 | 9,584 | 20,233 | 29,817 |
| 2008 | 3,707 | 192 | 3,899 | 9,997 | 19,820 | 29,817 |
| 2009-2013 | - | - | - | 56,845 | 92,238 | 149,083 |
| 2014-2018 | - | - | - | 70,227 | 78,857 | 149,084 |
| 2019-2023 | - | - | - | 86,756 | 62,327 | 149,083 |
| 2024-2028 | - | - | - | 107,176 | 41,907 | 149,083 |
| 2029-2033 | - | - | - | 132,403 | 16,679 | 149,082 |
| 2033- | - | - | - | 5,450 | 71 | 5,521 |
| | <u>\$ 379,807</u> | <u>\$ 54,082</u> | <u>\$ 433,889</u> | <u>\$ 504,008</u> | <u>\$ 389,770</u> | <u>\$ 893,778</u> |

Note 11. Pension and Retirement Systems

Allegany County Primary Government

Plan Descriptions

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 11. Pension and Retirement Systems - continued

Allegany County Primary Government-continued

Allegany County has also established two defined contribution plans; the County Administrator's Retirement Plan and the Management Contractual Employees Retirement Plan, to provide retirement benefits to certain contractual employees of the County. The ICMA Retirement Corporation administers both plans. At June 30, 2003, there are 7 members enrolled in the plans.

Funding Policy

Employees covered under the retirement system are required to contribute five percent of their base salary, and the County is required to contribute at an actuarially determined rate. The current rate is 9.37% 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 4.38% 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, 2003, 2002, 2001, were \$660,088, \$575,289 and \$636,150 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 4.38% to the Management Contractual Employees Retirement Plan of annual covered payroll. The annual covered payroll was \$360,719 and the required contribution was \$20,415, which was made. Plan provisions and contribution requirements are established and may be amended by the County Commissioners.

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

Allegany County Component Units

Board of Education-Component Unit

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

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 11. Pension and Retirement Systems - continued

Allegany County Component Units - continued

Board of Education-Component Unit - continued

Members of the contributory pensions are required to make contributions of 2% of earnable compensation. The Board of Education is required to contribute at an actuarially determined rate for individuals in the employee retirement system and the employee contributory pension system. The current rates are 9.37% and 4.37% 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, 2003, 2002 and 2001 were \$746,408, \$675,213 and, \$747,297, 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 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, 2003. The Library's contributions for the years ended June 30, 2003, 2002 and 2001 were \$3,570, \$3,501, and \$4,184, respectively, equal to the required employer contributions for custodial staff for each year. All payments have been made by the State of Maryland for the non-custodial employees.

Allegany College-Component Unit

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

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 11. Pension and Retirement Systems - continued

Allegany College-Component Unit - continued

Detailed information on the College's retirement plan provisions, funding status, required contributions and trends may be obtained in their financial reports for the period ending June 30, 2003. Allegany College's contributions for the years ended June 30, 2003, 2002 and 2001 were \$40,103, \$47,577, and \$57,812, respectively, equal to the required employer contributions for each year. All payments have been made by the State of Maryland for those employees for whom they are responsible.

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 the County participates in. 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, 2003. LaVale Sanitary's contributions for the years ended June 30, 2003, 2002 and 2001 were \$63,377, \$48,911, and \$71,403, respectively, equal to the required employer contributions for each year.

Note 12. Risk Management

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

Note 13. Pending Claims and Litigation

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

Note 14. Contingent Liabilities

The County and the Allegany County Sanitary Districts participate in a number of state- and federally-assisted grant programs, principal of which are Community Development Block Grants, as well as, Appalachian Regional Commission, Economic Development Administration, and Housing and Urban Development economic development and housing assistance grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The audits of these programs for and including the year ended June 30, 2003 may not have been concluded.

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 14. Contingent Liabilities - continued

The State of Maryland's Department of the Environment and Allegany County have 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 2003, expenditures of \$450,450 were recorded for post-retirement benefits for 258 retirees in the governmental and proprietary funds.

Note 16. Prior Period Adjustment – Change in Accounting Principles - New Reporting Standard

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement 34 "Basic Financial Statements and Management's Discussions and Analysis for State and Local Governments." This Statement requires the use of a new reporting model to provide additional information to the users of a governmental entity's financial statements. Allegany County implemented Statement 34 for financial statement presentation for the year ended June 30, 2003. The statement presents new information and a restructure of much of the information presented in the past and comparability with reports issued in all prior years is affected. As a result, the beginning net assets for the statement of activities has been restated as follows:

| | |
|--|----------------------|
| Ending fund balance, June 30, 2002 | \$ 18,343,911 |
| Adjustments: | |
| Record capital assets as of June 30, 2002 | 86,478,750 |
| Record accumulated depreciation as of June 30, 2002 | (40,449,596) |
| Record long-term debt as of June 30, 2002 | (47,338,134) |
| Work-in-process as of June 30, 2002 | 12,512,161 |
| Restate income tax revenue recorded in the governmental funds for fiscal year 2003 but earned in the prior year. | 480,000 |
| Reclass capital leases as receivables at June 30, 2002 | 4,882,425 |
| Restate interest expense recorded in the governmental funds for fiscal year 2003 but attributable to the prior year. | (575,525) |
| Restate property tax revenue recorded as deferred revenue at June 30, 2002 but earned in prior years | 2,546,781 |
| Record taxes receivable allowance at June 30, 2002 | (150,000) |
| Deferred revenue attributable to July and August 2002 | 80,047 |
| Beginning net assets at July 1, 2002, restated | <u>\$ 36,810,820</u> |

ALLEGANY COUNTY, MARYLAND
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2003

Note 17. Special Item – Loss on Disposal of Buildings

Allegany County has participated in a program, funded largely by Federal and State of Maryland grants, whereby properties residing in flood plains and flood prone areas are acquired by the County. The residential or commercial buildings located on these properties are demolished and removed from the site to eliminate the obstruction to the flow of water and a potential hazard. The disposal of the buildings resulted in a loss on disposal of fixed assets of \$2,108,051 (net of depreciation recorded until disposal date of \$250,036). The buyout program of properties likely to be flooded was substantially completed at year-end.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**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 (six 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

| <u>Contribution For Fiscal Year</u> | <u>Number of Members</u> | <u>Covered Payroll</u> | <u>Contribution Percentage</u> | <u>Required Contributions</u> | <u>Contribution Made</u> | <u>Unfunded Liability</u> |
|---|------------------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|-------------------------------|
| 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 | - | - | - | - | - | - |

Management Contractual Employees Plan

| <u>Contribution For Fiscal Year</u> | <u>Number of Members</u> | <u>Covered Payroll</u> | <u>Contribution Percentage</u> | <u>Required Contributions</u> | <u>Contribution Made</u> | <u>Unfunded Liability</u> |
|---|------------------------------|----------------------------|------------------------------------|-----------------------------------|------------------------------|-------------------------------|
| 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 | - | - | - | - | - | - |

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

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.

Office of Children, Youth and Families Fund - this fund accounts for the revenues from the State Office of Children, Youth and Families which are restricted to providing services to the children, youth and families of Allegany County.

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.

Drug Task Force Fund - this fund accounts for federal and state grants and local seizure revenues that are used to prevent the distribution and manufacture of illegal drugs.

Revolving Building Fund - the building fund is used to account for the financial activity arising from economic development efforts to locate businesses in the County and any revenue derived from those efforts.

State Fire and Rescue Fund - this fund accounts for the receipt and distribution of State Section 508 funds to the various County fire and rescue organizations.

Debt Service Fund

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

Capital Projects Funds

Capital Projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

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

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2003

| | Special Revenue Funds | | | | | |
|--|-------------------------------|-------------------|--|---|-------------------------------------|---|
| | Coal Haul Roads Fund | Transit Fund | Office of Children Youth & Families | Community Development Block Grant Fund | Block Grant Program Income | Community Development & Housing Fund |
| ASSETS: | | | | | | |
| Cash | \$ - | \$ 275 | \$ - | \$ - | \$ - | \$ - |
| Cash - restricted | - | - | - | - | 35,082 | 58,482 |
| Investments | - | - | - | - | - | - |
| Receivables | | | | | | |
| Intergovernmental | - | - | - | - | - | - |
| Notes and loans | - | - | - | - | 322,781 | - |
| Other | - | 493,215 | 242,785 | - | - | 32,947 |
| Due from other funds | 605,414 | 63,104 | 809,316 | 83,841 | 85,936 | 43,414 |
| Inventory | - | 30,471 | - | - | - | - |
| Prepays | - | - | - | - | - | 62,913 |
| Total Assets | <u>605,414</u> | <u>587,065</u> | <u>1,052,101</u> | <u>83,841</u> | <u>443,799</u> | <u>197,756</u> |
| LIABILITIES: | | | | | | |
| Accounts payable | - | 7,069 | 451,551 | 2,197 | 1,345 | 3,408 |
| Accrued payroll | - | 18,359 | 10,021 | - | - | 5,714 |
| Accrued payroll fringe | - | 8,382 | 3,752 | - | - | 2,699 |
| Due to other funds | - | - | - | - | - | - |
| Amounts held in escrow | - | - | - | - | - | 58,482 |
| Deferred revenue | - | - | 469,352 | - | - | 58,225 |
| Miscellaneous | - | 3,816 | 2,706 | - | 10 | (20) |
| Total Liabilities | <u>-</u> | <u>37,626</u> | <u>937,382</u> | <u>2,197</u> | <u>1,355</u> | <u>128,508</u> |
| FUND BALANCES | | | | | | |
| Reserved: | | | | | | |
| For non-current assets | - | - | - | - | 322,781 | - |
| For prepaid items | - | - | - | - | - | 62,913 |
| For inventories | - | 30,471 | - | - | - | - |
| Unreserved/Designated: | | | | | | |
| For next fiscal year | - | 221,136 | - | - | - | - |
| For specific programs | 605,414 | - | 114,719 | 81,644 | 119,663 | 6,335 |
| Undesignated | - | 297,832 | - | - | - | - |
| Total Fund Balances | <u>605,414</u> | <u>549,439</u> | <u>114,719</u> | <u>81,644</u> | <u>442,444</u> | <u>69,248</u> |
| Total Liabilities and Fund Balances | <u>\$ 605,414</u> | <u>\$ 587,065</u> | <u>\$ 1,052,101</u> | <u>\$ 83,841</u> | <u>\$ 443,799</u> | <u>\$ 197,756</u> |

ALLEGANY COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR FUNDS
JUNE 30, 2003

| Special Revenue Funds | | | | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|-----------------------|-------------------------|---|---------------------|---------------------|------------------------------|-----------------------------------|
| Drug Task Force Fund | Revolving Building Fund | State Fire, Rescue & Public Safety Fund | Total | Debt Service Fund | Public Improvement Bond Fund | |
| \$ 92,423 | \$ - | \$ - | \$ 92,698 | \$ - | \$ - | \$ 92,698 |
| - | - | - | 93,564 | - | - | 93,564 |
| - | 250,000 | 255,340 | 505,340 | - | - | 505,340 |
| - | - | - | - | - | - | - |
| - | - | - | 322,781 | - | - | 322,781 |
| 2,862 | 820 | 6,856 | 779,485 | - | - | 779,485 |
| 31,158 | 36,461 | 45,662 | 1,804,306 | 1,275,000 | - | 3,079,306 |
| - | - | - | 30,471 | - | - | 30,471 |
| - | - | - | 62,913 | - | - | 62,913 |
| <u>126,443</u> | <u>287,281</u> | <u>307,858</u> | <u>3,691,558</u> | <u>1,275,000</u> | <u>-</u> | <u>4,966,558</u> |
| 1,540 | 15,192 | 4,754 | 487,056 | - | 48,093 | 535,149 |
| 1,058 | 968 | - | 36,120 | - | - | 36,120 |
| 308 | 651 | - | 15,792 | - | - | 15,792 |
| - | - | - | - | - | 707,875 | 707,875 |
| 57,840 | - | - | 116,322 | - | - | 116,322 |
| - | - | - | 527,577 | - | - | 527,577 |
| - | 14,505 | - | 21,017 | - | - | 21,017 |
| <u>60,746</u> | <u>31,316</u> | <u>4,754</u> | <u>1,203,884</u> | <u>-</u> | <u>755,968</u> | <u>1,959,852</u> |
| - | - | - | 322,781 | - | - | 322,781 |
| - | - | - | 62,913 | - | - | 62,913 |
| - | - | - | 30,471 | - | - | 30,471 |
| - | - | - | 221,136 | - | - | 221,136 |
| 65,697 | - | 303,104 | 1,296,576 | 1,275,000 | - | 2,571,576 |
| - | 255,965 | - | 553,797 | - | (755,968) | (202,171) |
| <u>65,697</u> | <u>255,965</u> | <u>303,104</u> | <u>2,487,674</u> | <u>1,275,000</u> | <u>(755,968)</u> | <u>3,006,706</u> |
| <u>\$ 126,443</u> | <u>\$ 287,281</u> | <u>\$ 307,858</u> | <u>\$ 3,691,558</u> | <u>\$ 1,275,000</u> | <u>\$ -</u> | <u>\$ 4,966,558</u> |

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| | Special Revenue Funds | | | | | |
|---|-------------------------------|-------------------|--|---|-------------------------------------|---|
| | Coal Haul Roads Fund | Transit Fund | Office of Children Youth & Families | Community Development Block Grant Fund | Block Grant Program Income | Community Development & Housing Fund |
| REVENUES: | | | | | | |
| Taxes - State Shared | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other local taxes | 99,650 | - | - | - | - | - |
| Intergovernmental: | | | | | | |
| Federal | - | 434,667 | - | 111,718 | 4,003 | 823,348 |
| State | - | 310,042 | 1,274,005 | - | - | 86,566 |
| Other | - | - | 2,821 | 23,500 | - | 3,000 |
| Service charges | - | 141,663 | - | - | - | 23,489 |
| Fines and forfeitures | - | - | - | - | - | - |
| Interest | - | - | 8,081 | - | 41 | - |
| Miscellaneous | - | 7,498 | - | - | 61,576 | 2,707 |
| Total Revenues | <u>99,650</u> | <u>893,870</u> | <u>1,284,907</u> | <u>135,218</u> | <u>65,620</u> | <u>939,110</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Public safety | - | - | - | - | - | - |
| Highway | 15,888 | - | - | - | - | - |
| Other public works | - | 1,207,941 | - | 27,666 | - | - |
| Social Services | - | - | 1,276,825 | - | - | - |
| Community Development and Housing | - | - | - | 147,712 | 6,145 | 1,200,837 |
| Economic development | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - |
| Capital Outlay: | | | | | | |
| Public Safety | - | - | - | - | - | - |
| Library | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - |
| Total Expenditures | <u>15,888</u> | <u>1,207,941</u> | <u>1,276,825</u> | <u>175,378</u> | <u>6,145</u> | <u>1,200,837</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Transfers in | - | 108,438 | - | - | - | 210,014 |
| Transfers out | - | - | - | (2,284) | - | - |
| Transfers to component units | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - |
| Total Other Financing Sources and uses | <u>-</u> | <u>108,438</u> | <u>-</u> | <u>(2,284)</u> | <u>-</u> | <u>210,014</u> |
| Net change in fund balances | 83,762 | (205,633) | 8,082 | (42,444) | 59,475 | (51,713) |
| Fund balance, beginning | <u>521,652</u> | <u>755,072</u> | <u>106,637</u> | <u>124,088</u> | <u>382,969</u> | <u>120,961</u> |
| Fund balance, ending | <u>\$ 605,414</u> | <u>\$ 549,439</u> | <u>\$ 114,719</u> | <u>\$ 81,644</u> | <u>\$ 442,444</u> | <u>\$ 69,248</u> |

ALLEGANY COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2003

| Special Revenue Funds | | | | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|-----------------------|-------------------------|---|-----------------------------|-------------------|------------------------------|-----------------------------------|
| Drug Task Force Fund | Revolving Building Fund | State Fire, Rescue & Public Safety Fund | Total Special Revenue Funds | Debt Service Fund | Public Improvement Bond Fund | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | 99,650 | - | - | 99,650 |
| - | 98,728 | - | 1,472,464 | - | - | 1,472,464 |
| - | - | 231,695 | 1,902,308 | - | 255,973 | 2,158,281 |
| 9,218 | - | - | 38,539 | - | - | 38,539 |
| - | - | 77,250 | 242,402 | - | - | 242,402 |
| 48,509 | - | - | 48,509 | - | - | 48,509 |
| 2,839 | - | 3,907 | 14,868 | - | 2,435 | 17,303 |
| - | 1,613,170 | 41,176 | 1,726,127 | - | - | 1,726,127 |
| 60,566 | 1,711,898 | 354,028 | 5,544,867 | - | 258,408 | 5,803,275 |
| | | | | | | |
| 73,697 | - | 308,449 | 382,146 | - | - | 382,146 |
| - | - | - | 15,888 | - | - | 15,888 |
| - | - | - | 1,235,607 | - | - | 1,235,607 |
| - | - | - | 1,276,825 | - | - | 1,276,825 |
| - | - | - | 1,354,694 | - | - | 1,354,694 |
| - | 598,856 | - | 598,856 | - | - | 598,856 |
| - | - | - | - | 8,258 | - | 8,258 |
| - | - | - | - | 4,090,571 | - | 4,090,571 |
| - | - | - | - | 2,027,073 | - | 2,027,073 |
| - | - | - | - | - | 615,544 | 615,544 |
| - | - | - | - | - | 3,700 | 3,700 |
| - | - | - | - | - | 30,167 | 30,167 |
| 73,697 | 598,856 | 308,449 | 4,864,016 | 6,125,902 | 649,411 | 11,639,329 |
| | | | | | | |
| 9,254 | 16,000 | 3,650 | 347,356 | 6,000,902 | 297,824 | 6,646,082 |
| - | (1,258,293) | - | (1,260,577) | - | (68,536) | (1,329,113) |
| - | - | - | - | - | (71,562) | (71,562) |
| - | 409,624 | - | 409,624 | - | - | 409,624 |
| 9,254 | (832,669) | 3,650 | (503,597) | 6,000,902 | 157,726 | 5,655,031 |
| | | | | | | |
| (3,877) | 280,373 | 49,229 | 177,254 | (125,000) | (233,277) | (181,023) |
| 69,574 | (24,408) | 253,875 | 2,310,420 | 1,400,000 | (522,691) | 3,187,729 |
| \$ 65,697 | \$ 255,965 | \$ 303,104 | \$ 2,487,674 | \$ 1,275,000 | \$ (755,968) | \$ 3,006,706 |

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

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

**ALLEGANY COUNTY, MARYLAND
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003**

| <u>Expenditures:</u> | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|---|----------------------------|-------------------------|---------------------|---|
| Current: | | | | |
| Miscellaneous: | | | | |
| Paying agent fees | \$ 25,001 | \$ 25,001 | \$ 8,258 | \$ 16,743 |
| Debt Service: | | | | |
| Principal payments on : | | | | |
| General obligation debt | 3,648,369 | 3,648,369 | 3,648,264 | 105 |
| State loans | 360,775 | 360,775 | 442,307 | (81,532) |
| Total principal payments | <u>4,009,144</u> | <u>4,009,144</u> | <u>4,090,571</u> | <u>(81,427)</u> |
| Interest payments on: | | | | |
| General obligation debt | 1,570,333 | 1,570,333 | 1,570,439 | (106) |
| State loans | 430,910 | 430,910 | 456,634 | (25,724) |
| Total interest payments | <u>2,001,243</u> | <u>2,001,243</u> | <u>2,027,073</u> | <u>(25,830)</u> |
| Total Expenditures | <u>6,035,388</u> | <u>6,035,388</u> | <u>6,125,902</u> | <u>(90,514)</u> |
| Other Financing Sources and (Uses): | | | | |
| Unexpended fund balance | 125,000 | 125,000 | - | (125,000) |
| Transfers from other funds: | | | | |
| From the General Fund | 4,892,926 | 4,892,926 | 4,870,889 | (22,037) |
| From the Community Development Block Grant Fund | 2,284 | 2,284 | 2,284 | - |
| From the Revolving Building Fund | 1,015,178 | 1,015,178 | 1,127,729 | 112,551 |
| Total Other Financing Sources and Uses | <u>6,035,388</u> | <u>6,035,388</u> | <u>6,000,902</u> | <u>(34,486)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | (125,000) | <u>\$ (125,000)</u> |
| Fund balance, beginning | | | <u>1,400,000</u> | |
| Fund balance, ending | | | <u>\$ 1,275,000</u> | |

ALLEGANY COUNTY, MARYLAND
SPECIAL REVENUE FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003

| | Highway Fund | | | | Coal Haul Roads Fund | | | |
|--|---------------------|------------------|---------------------|---|-----------------------------|-----------------|-------------------|---|
| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| REVENUES: | | | | | | | | |
| Taxes - State Shared | \$ 4,200,000 | \$ 4,200,000 | \$ 3,942,972 | \$ (257,028) | \$ - | \$ - | \$ - | \$ - |
| Other local taxes | - | - | - | - | 100,000 | 100,000 | 99,650 | (350) |
| Intergovernmental: | | | | | | | | |
| Federal | - | - | 563,767 | 563,767 | - | - | - | - |
| State | 160,000 | 160,000 | 113,812 | (46,188) | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - |
| Miscellaneous | 2,000 | 2,000 | 620 | (1,380) | - | - | - | - |
| Total Revenues | <u>4,362,000</u> | <u>4,362,000</u> | <u>4,621,171</u> | <u>259,171</u> | <u>100,000</u> | <u>100,000</u> | <u>99,650</u> | <u>(350)</u> |
| EXPENDITURES: | | | | | | | | |
| Public safety | - | - | - | - | - | - | - | - |
| Highway | 6,181,330 | 6,181,330 | 6,560,366 | (379,036) | 100,000 | 100,000 | 15,888 | 84,112 |
| Other public works | - | - | - | - | - | - | - | - |
| Social Services | - | - | - | - | - | - | - | - |
| Community Development and Housing | - | - | - | - | - | - | - | - |
| Economic development | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>6,181,330</u> | <u>6,181,330</u> | <u>6,560,366</u> | <u>(379,036)</u> | <u>100,000</u> | <u>100,000</u> | <u>15,888</u> | <u>84,112</u> |
| OTHER FINANCING SOURCES AND (USES): | | | | | | | | |
| Unexpended balance - prior year | 365,000 | 365,000 | - | (365,000) | - | - | - | - |
| Transfer from other funds | 1,454,330 | 1,454,330 | 1,542,973 | 88,643 | - | - | - | - |
| Transfers to other funds | - | - | (261,277) | (261,277) | - | - | - | - |
| Proceeds from debt issuance | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources and Uses | <u>1,819,330</u> | <u>1,819,330</u> | <u>1,281,696</u> | <u>(537,634)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(657,499)</u> | <u>\$ (657,499)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>83,762</u> | <u>\$ 83,762</u> |
| Fund balance, beginning | | | 1,846,263 | | | | 521,652 | |
| Fund balance, ending | | | <u>\$ 1,188,764</u> | | | | <u>\$ 605,414</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, 2003

| Transit Fund | | | | Office of Children, Youth & Families | | | |
|--------------------|------------------|-------------------|---|--------------------------------------|------------------|-------------------|---|
| Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| 710,746 | 710,746 | 434,667 | (276,079) | - | - | - | - |
| 293,404 | 293,404 | 310,042 | 16,638 | 2,172,663 | 1,964,028 | 1,274,005 | (690,023) |
| - | - | - | - | 197,146 | 2,821 | (194,325) | |
| 168,000 | 168,000 | 141,663 | (26,337) | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | 8,081 | 8,081 |
| 10,000 | 10,000 | 7,498 | (2,502) | - | - | - | - |
| <u>1,182,150</u> | <u>1,182,150</u> | <u>893,870</u> | <u>(288,280)</u> | <u>2,172,663</u> | <u>2,161,174</u> | <u>1,284,907</u> | <u>(876,267)</u> |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,406,339 | 1,406,339 | 1,207,941 | 198,398 | 2,172,663 | 2,161,174 | 1,276,825 | 884,349 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>1,406,339</u> | <u>1,406,339</u> | <u>1,207,941</u> | <u>198,398</u> | <u>2,172,663</u> | <u>2,161,174</u> | <u>1,276,825</u> | <u>884,349</u> |
| 115,751 | 115,751 | - | (115,751) | - | - | - | - |
| 108,438 | 108,438 | 108,438 | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>224,189</u> | <u>224,189</u> | <u>108,438</u> | <u>(115,751)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>(205,633)</u> | <u>\$ (205,633)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>8,082</u> | <u>\$ 8,082</u> |
| | | <u>755,072</u> | | | | <u>106,637</u> | |
| | | <u>\$ 549,439</u> | | | | <u>\$ 114,719</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, 2003

| | Community Development Block Grant Fund | | | | Block Grant Program Income | | | |
|--|---|-----------------|------------------|---|-----------------------------------|-----------------|-------------------|---|
| | 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 | 59,284 | 59,284 | 111,718 | 52,434 | 5,400 | 5,400 | 4,003 | (1,397) |
| State | - | - | - | - | - | - | - | - |
| Other | - | - | 23,500 | 23,500 | - | - | - | - |
| Service charges | - | - | - | - | - | - | - | - |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | 41 | 41 |
| Miscellaneous | - | - | - | - | - | - | 61,576 | 61,576 |
| Total Revenues | <u>59,284</u> | <u>59,284</u> | <u>135,218</u> | <u>75,934</u> | <u>5,400</u> | <u>5,400</u> | <u>65,620</u> | <u>60,220</u> |
| EXPENDITURES: | | | | | | | | |
| Public safety | - | - | - | - | - | - | - | - |
| Highway | - | - | - | - | - | - | - | - |
| Other public works | - | - | 27,666 | (27,666) | - | - | - | - |
| Social Services | - | - | - | - | - | - | - | - |
| Community Development and Housing | 52,000 | 52,000 | 147,712 | (95,712) | 45,400 | 45,400 | 6,145 | 39,255 |
| Economic development | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>52,000</u> | <u>52,000</u> | <u>175,378</u> | <u>(123,378)</u> | <u>45,400</u> | <u>45,400</u> | <u>6,145</u> | <u>39,255</u> |
| OTHER FINANCING SOURCES AND (USES): | | | | | | | | |
| Unexpended balance - prior yea | - | - | - | - | 40,000 | 40,000 | - | (40,000) |
| Transfer from other funds | - | - | - | - | - | - | - | - |
| Transfers to other funds | (7,284) | (7,284) | (2,284) | 5,000 | - | - | - | - |
| Proceeds from debt issuance | - | - | - | - | - | - | - | - |
| Sale of capital assets | - | - | - | - | - | - | - | - |
| Total Other Financing Sources and Uses | <u>(7,284)</u> | <u>(7,284)</u> | <u>(2,284)</u> | <u>5,000</u> | <u>40,000</u> | <u>40,000</u> | <u>-</u> | <u>(40,000)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>(42,444)</u> | <u>\$ (42,444)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>59,475</u> | <u>\$ 59,475</u> |
| Fund balance, beginning | | | 124,088 | | | | 382,969 | |
| Fund balance, ending | | | <u>\$ 81,644</u> | | | | <u>\$ 442,444</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, 2003

| Community Development & Housing Fund | | | | Drug Task Force Fund | | | |
|--------------------------------------|------------------|------------------|---|----------------------|-----------------|------------------|---|
| Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | - | - |
| 946,484 | 946,484 | 823,348 | (123,136) | - | - | - | - |
| 229,910 | 229,910 | 86,566 | (143,344) | - | - | - | - |
| 7,500 | 7,500 | 3,000 | (4,500) | 18,508 | 18,508 | 9,218 | (9,290) |
| 14,550 | 14,550 | 23,489 | 8,939 | - | - | - | - |
| - | - | - | - | 25,100 | 25,100 | 48,509 | 23,409 |
| - | - | - | - | 3,000 | 3,000 | 2,839 | (161) |
| 500 | 500 | 2,707 | 2,207 | - | - | - | - |
| <u>1,198,944</u> | <u>1,198,944</u> | <u>939,110</u> | <u>(259,834)</u> | <u>46,608</u> | <u>46,608</u> | <u>60,566</u> | <u>13,958</u> |
| - | - | - | - | 65,116 | 65,116 | 73,697 | (8,581) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| 1,412,902 | 1,412,902 | 1,200,837 | 212,065 | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>1,412,902</u> | <u>1,412,902</u> | <u>1,200,837</u> | <u>212,065</u> | <u>65,116</u> | <u>65,116</u> | <u>73,697</u> | <u>(8,581)</u> |
| - | - | - | - | - | - | - | - |
| 213,958 | 213,958 | 210,014 | (3,944) | 18,508 | 18,508 | 9,254 | (9,254) |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| <u>213,958</u> | <u>213,958</u> | <u>210,014</u> | <u>(3,944)</u> | <u>18,508</u> | <u>18,508</u> | <u>9,254</u> | <u>(9,254)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>(51,713)</u> | <u>\$ (51,713)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(3,877)</u> | <u>\$ (3,877)</u> |
| | | <u>120,961</u> | | | | <u>69,574</u> | |
| | | <u>\$ 69,248</u> | | | | <u>\$ 65,697</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, 2003

| | 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 | 1,602,335 | 1,602,335 | 98,728 | (1,503,607) | - | - | - | - |
| State | 16,625 | 16,625 | - | (16,625) | 224,532 | 224,532 | 231,695 | 7,163 |
| Other | - | - | - | - | - | - | - | - |
| Service charges | - | - | - | - | - | - | 77,250 | 77,250 |
| Fines and forfeitures | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | 3,300 | 3,300 | 3,907 | 607 |
| Miscellaneous | 1,425,648 | 1,425,648 | 1,613,170 | 187,522 | - | - | 41,176 | 41,176 |
| Total Revenues | <u>3,044,608</u> | <u>3,044,608</u> | <u>1,711,898</u> | <u>(1,332,710)</u> | <u>227,832</u> | <u>227,832</u> | <u>354,028</u> | <u>126,196</u> |
| EXPENDITURES: | | | | | | | | |
| Public safety | - | - | - | - | 474,064 | 474,064 | 308,449 | 165,615 |
| Highway | - | - | - | - | - | - | - | - |
| Other public works | - | - | - | - | - | - | - | - |
| Social Services | - | - | - | - | - | - | - | - |
| Community Development and Housing | - | - | - | - | - | - | - | - |
| Economic development | 2,384,509 | 2,384,509 | 598,856 | 1,785,653 | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>2,384,509</u> | <u>2,384,509</u> | <u>598,856</u> | <u>1,785,653</u> | <u>474,064</u> | <u>474,064</u> | <u>308,449</u> | <u>165,615</u> |
| OTHER FINANCING SOURCES AND (USES): | | | | | | | | |
| Unexpended balance - prior year | 111,643 | 111,643 | - | (111,643) | 246,232 | 246,232 | - | (246,232) |
| Transfer from other funds | 16,000 | 16,000 | 16,000 | - | - | - | 3,650 | 3,650 |
| Transfers to other funds | (1,145,742) | (1,145,742) | (1,258,293) | (112,551) | - | - | - | - |
| Proceeds from debt issuance | 358,000 | 358,000 | - | (358,000) | - | - | - | - |
| Sale of capital assets | - | - | 409,624 | 409,624 | - | - | - | - |
| Total Other Financing Sources and Uses | <u>(660,099)</u> | <u>(660,099)</u> | <u>(832,669)</u> | <u>(172,570)</u> | <u>246,232</u> | <u>246,232</u> | <u>3,650</u> | <u>(242,582)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>280,373</u> | <u>\$ 280,373</u> | <u>\$ -</u> | <u>\$ -</u> | <u>49,229</u> | <u>\$ 49,229</u> |
| Fund balance, beginning | | | (24,408) | | | | 253,875 | |
| Fund balance, ending | | | <u>\$ 255,965</u> | | | | <u>\$ 303,104</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, 2003

| Total Special Revenue Funds | | | |
|------------------------------------|-------------------|---------------------|---|
| Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| \$ \$ 4,200,000 | \$ 4,200,000 | \$ \$ 3,942,972 | \$ \$ (257,028) |
| 100,000 | 100,000 | 99,650 | (350) |
| 3,324,249 | 3,324,249 | 2,036,231 | (1,288,018) |
| 3,097,134 | 2,888,499 | 2,016,120 | (872,379) |
| 26,008 | 223,154 | 38,539 | (184,615) |
| 182,550 | 182,550 | 242,402 | 59,852 |
| 25,100 | 25,100 | 48,509 | 23,409 |
| 6,300 | 6,300 | 14,868 | 8,568 |
| 1,438,148 | 1,438,148 | 1,726,747 | 288,599 |
| <u>12,399,489</u> | <u>12,388,000</u> | <u>10,166,038</u> | <u>(2,221,962)</u> |
| 539,180 | 539,180 | 382,146 | 157,034 |
| 6,281,330 | 6,281,330 | 6,576,254 | (294,924) |
| 1,406,339 | 1,406,339 | 1,235,607 | 170,732 |
| 2,172,663 | 2,161,174 | 1,276,825 | 884,349 |
| 1,510,302 | 1,510,302 | 1,354,694 | 155,608 |
| 2,384,509 | 2,384,509 | 598,856 | 1,785,653 |
| - | - | - | - |
| <u>14,294,323</u> | <u>14,282,834</u> | <u>11,424,382</u> | <u>2,858,452</u> |
| 878,626 | 878,626 | - | (878,626) |
| 1,811,234 | 1,811,234 | 1,890,329 | 79,095 |
| (1,153,026) | (1,153,026) | (1,521,854) | 368,828 |
| 358,000 | 358,000 | - | (358,000) |
| - | - | 409,624 | 409,624 |
| <u>14,294,323</u> | <u>14,282,834</u> | <u>11,834,006</u> | <u>3,268,076</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>(480,245)</u> | <u>\$ (480,245)</u> |
| | | <u>4,156,683</u> | |
| | | <u>\$ 3,676,438</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, 2003

| | Capital Improvement Projects Fund | | | | Pay-As-You-Go (PAYGO) Fund | | | |
|--|-----------------------------------|------------------|--------------------|---|----------------------------|------------------|---------------------|---|
| | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) | Original Budget | Final Budget | Actual | Variance With Final Budget Positive (Negative) |
| REVENUES: | | | | | | | | |
| Intergovernmental | | | | | | | | |
| Federal Funds | \$ 1,126,000 | \$ 1,126,000 | \$ 520,263 | \$ (605,737) | \$ 2,500,000 | \$ 2,500,000 | \$ 286,614 | \$ (2,213,386) |
| State Funds | 2,152,400 | 2,152,400 | 3,457,574 | 1,305,174 | 3,408,500 | 3,408,500 | 37,196 | (3,371,304) |
| Other | 150,000 | 150,000 | 37,142 | (112,858) | 100,000 | 100,000 | - | (100,000) |
| Miscellaneous: | - | - | - | - | - | - | - | - |
| Interest | - | - | 7,931 | 7,931 | - | - | 41,093 | 41,093 |
| Miscellaneous | 22,400 | 22,400 | 247,880 | 225,480 | - | - | - | - |
| Total Revenues | <u>3,450,800</u> | <u>3,450,800</u> | <u>4,270,790</u> | <u>819,990</u> | <u>6,008,500</u> | <u>6,008,500</u> | <u>364,903</u> | <u>(5,643,597)</u> |
| EXPENDITURES: | | | | | | | | |
| General Government | - | - | - | - | 5,425,000 | 5,425,000 | 1,087,239 | 4,337,761 |
| Public Safety | - | - | 638,071 | (638,071) | 215,000 | 215,000 | 327,596 | (112,596) |
| Public Works | 1,380,900 | 1,380,900 | 960,572 | 420,328 | 896,000 | 896,000 | 92,883 | 803,117 |
| Health | - | - | - | - | - | - | - | - |
| Social Services | - | - | - | - | - | - | - | - |
| Education | - | - | - | - | 82,667 | 82,667 | - | 82,667 |
| Recreation, Culture & Libraries | - | - | 301,397 | (301,397) | 275,000 | 275,000 | - | 275,000 |
| Conservation of Natural Resources | 225,000 | 225,000 | 96,049 | 128,951 | - | - | - | - |
| Economic Development | 2,057,400 | 2,057,400 | 321,371 | 1,736,029 | - | - | 31,285 | (31,285) |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total Expenditures | <u>3,663,300</u> | <u>3,663,300</u> | <u>2,317,460</u> | <u>1,345,840</u> | <u>6,893,667</u> | <u>6,893,667</u> | <u>1,539,003</u> | <u>5,354,664</u> |
| OTHER FINANCING SOURCES AND USES: | | | | | | | | |
| Unexpended fund balance | 62,500 | 62,500 | - | (62,500) | 1,479,566 | 1,479,566 | - | (1,479,566) |
| Transfers In: | | | | | | | | |
| Other funds | - | - | 672,965 | 672,965 | - | - | 463,678 | 463,678 |
| Component units, Library | - | - | 65,050 | 65,050 | - | - | - | - |
| Transfers Out: | | | | | | | | |
| Other funds | - | - | (328,129) | (328,129) | (203,399) | (203,399) | (701,830) | (498,431) |
| Component units | - | - | (1,965,939) | (1,965,939) | (391,000) | (391,000) | (333,118) | 57,882 |
| Debt proceeds | 150,000 | 150,000 | 63,710 | (86,290) | - | - | - | - |
| Total Other Financing Uses | <u>212,500</u> | <u>212,500</u> | <u>(1,492,343)</u> | <u>(1,704,843)</u> | <u>885,167</u> | <u>885,167</u> | <u>(571,270)</u> | <u>(1,456,437)</u> |
| Net change in fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>460,987</u> | <u>\$ 460,987</u> | <u>\$ -</u> | <u>\$ -</u> | <u>(1,745,370)</u> | <u>\$ (1,745,370)</u> |
| Fund balance, beginning | | | (151,628) | | | | 3,562,857 | |
| Fund balance, ending | | | <u>\$ 309,359</u> | | | | <u>\$ 1,817,487</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, 2003

| 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) |
| \$ - | \$ - | \$ - | \$ - | \$ 3,626,000 | \$ 3,626,000 | \$ 806,877 | \$ (2,819,123) |
| - | - | 255,973 | 255,973 | 5,560,900 | 5,560,900 | 3,750,743 | (1,810,157) |
| - | - | - | - | 250,000 | 250,000 | 37,142 | (212,858) |
| - | - | - | - | - | - | - | - |
| - | - | 2,435 | 2,435 | - | - | 51,459 | 51,459 |
| - | - | - | - | 22,400 | 22,400 | 247,880 | 225,480 |
| - | - | <u>258,408</u> | <u>258,408</u> | <u>9,459,300</u> | <u>9,459,300</u> | <u>4,894,101</u> | <u>(4,565,199)</u> |
| - | - | - | - | 5,425,000 | 5,425,000 | 1,087,239 | 4,337,761 |
| - | - | 615,544 | (615,544) | 215,000 | 215,000 | 1,581,211 | (1,366,211) |
| - | - | - | - | 2,276,900 | 2,276,900 | 1,053,455 | 1,223,445 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 82,667 | 82,667 | - | 82,667 |
| - | - | 3,700 | (3,700) | 275,000 | 275,000 | 305,097 | (30,097) |
| - | - | - | - | 225,000 | 225,000 | 96,049 | 128,951 |
| - | - | - | - | 2,057,400 | 2,057,400 | 352,656 | 1,704,744 |
| - | - | <u>30,167</u> | <u>(30,167)</u> | - | - | <u>30,167</u> | <u>(30,167)</u> |
| - | - | <u>649,411</u> | <u>(649,411)</u> | <u>10,556,967</u> | <u>10,556,967</u> | <u>4,505,874</u> | <u>6,051,093</u> |
| - | - | - | - | 1,542,066 | 1,542,066 | - | (1,542,066) |
| - | - | 297,824 | 297,824 | - | - | 1,434,467 | 1,434,467 |
| - | - | - | - | - | - | 65,050 | 65,050 |
| - | - | (68,536) | (68,536) | (203,399) | (203,399) | (1,098,495) | (895,096) |
| - | - | (71,562) | (71,562) | (391,000) | (391,000) | (2,370,619) | (1,979,619) |
| - | - | - | - | <u>150,000</u> | <u>150,000</u> | <u>63,710</u> | <u>(86,290)</u> |
| - | - | <u>157,726</u> | <u>157,726</u> | <u>1,097,667</u> | <u>1,097,667</u> | <u>(1,905,887)</u> | <u>(3,003,554)</u> |
| <u>\$ -</u> | <u>\$ -</u> | (233,277) | <u>\$ (233,277)</u> | <u>\$ -</u> | <u>\$ -</u> | (1,517,660) | <u>\$ (1,517,660)</u> |
| | | (522,691) | | | | 2,888,538 | |
| | | <u>\$ (755,968)</u> | | | | <u>\$ 1,370,878</u> | |

CAPITAL PROJECT FUNDS

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

FROM INCEPTION TO JUNE 30, 2003

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2003

| | | Project | Revenues and other Sources | | | | |
|---|------|------------|----------------------------|---------------|------------|-----------|--------------|
| | Proj | Length | Federal | State | Other | Service | Miscell. |
| | No. | Budget | Grants | Grants | Intergov'l | Charges | Revenues |
| Capital Improvement Projects Fund | | | | | | | |
| Bowman's Addition Demolition | 409C | 275,700 | \$ 275,699 | \$ - | \$ - | \$ - | \$ - |
| Lonaconing Acid Mine Drainage | 409D | 112,300 | - | 112,273 | - | - | - |
| Potomac Hill Acid Mine Drainage | 409E | 225,000 | - | 87,055 | - | - | - |
| Upper Potomac Ind. Park | 409G | 1,000 | - | - | - | - | - |
| Washington St. Library Exterior | 409I | 162,846 | - | - | 35,500 | - | - |
| Allconet II | 409Q | 2,320,000 | - | 2,000,000 | - | - | - |
| Rye Street Bridge | 409R | 623,300 | - | - | - | - | - |
| Landfill Closeout | 409S | 915,000 | - | - | - | - | 64,101 |
| Washington St. Library Interior | 409A | 442,000 | - | - | - | - | - |
| State Flood Grant | 410D | 167,000 | - | 147,857 | - | - | - |
| Flood Mitigation, Locust Grove | 410I | 512,174 | 391,207 | 62,212 | - | - | - |
| Project Impact | 410L | 1,097,323 | 1,024,882 | 86,251 | 1,200 | 498 | - |
| Donated Assets | 410O | 247,880 | - | - | - | - | 247,880 |
| Westernport Storm Pond | 410P | 95,100 | - | 33,712 | - | - | - |
| Riverside Industrial Park | 410R | 2,099,971 | - | - | - | - | 373,321 |
| Pleasant Valley Road | 410U | 1,822,936 | - | 1,702,109 | - | - | - |
| Lonaconing Greenway Park | 410V | 385,154 | 55,018 | 299,273 | 26,358 | - | - |
| George's Creek Watershed | 410W | 50,853 | 41,586 | - | - | - | - |
| Highland Trail | 410X | 675,000 | 30,000 | 302,750 | - | - | 15,000 |
| Georges Creek FEMA | 410Y | 2,192,105 | 1,358,779 | 277,036 | - | - | - |
| Other Projects | | | - | - | - | - | 3,374 |
| | | | 3,177,171 | 5,110,528 | 63,058 | 498 | 708,676 |
| Pay-As-You-Go Capital Project Fund | | | | | | | |
| Computer Network | 418I | 150,000 | - | - | - | - | - |
| NRCS Flood Projects | 418O | 153,000 | - | 8,175 | - | - | - |
| Town Creek Bridge | 418Q | 1,247,776 | 981,817 | - | - | - | - |
| Roads Paving Program | 418R | 2,350,000 | - | - | - | - | - |
| Lonaconing Roads Garage | 418V | 885,230 | - | 350,000 | - | - | - |
| Capital Outlay | 418Z | 276,048 | - | - | - | - | - |
| Capital Project Reserves | 418I | | - | - | - | - | 2,544,368 |
| Health Dept. Air Conditioning | 4189 | 440,124 | - | - | - | - | - |
| Georges Creek Flood Buyouts | 420A | 20,312 | - | - | - | - | - |
| Bowman's Addition Flood Buyouts | 420B | 2,332,300 | 1,078,936 | 498,534 | - | - | - |
| Board of Education Capital | 420E | 1,069,080 | - | - | - | - | - |
| Allegany College Reroofing | 420F | 58,810 | - | - | - | - | - |
| John Humbird School | 420H | 835,000 | - | - | - | - | - |
| County Signage | 420I | 50,000 | - | - | - | - | - |
| Jail Reuse | 420J | 1,578,000 | - | - | - | - | - |
| Louise Drive Paving | 420L | 277,685 | - | - | - | - | 157,950 |
| PPG Water System Repair | 420P | 50,000 | - | - | - | - | - |
| Payroll/General Ledger Software | 420S | 500,000 | - | - | - | - | - |
| Barton Industrial Park Water | 4202 | 1,882,000 | - | - | - | - | - |
| OP Roads Improvements | 4203 | 500,000 | - | - | - | 16,392 | - |
| | | | 2,060,753 | 856,709 | - | 16,392 | 2,702,318 |
| Public Improvement Bonds Capital Project Fund | | | | | | | |
| LaVale Library | 428B | 236,275 | - | - | - | - | 35,430 |
| Mt Savage School Renovations | 4282 | 4,150,000 | - | - | - | - | - |
| Flood Projects | 4283 | 350,000 | - | - | - | - | - |
| Correctional Facility | 4285 | 14,814,573 | - | 7,653,350 | - | - | 10,120 |
| Bond Interest | 428Z | 1,000,000 | - | - | - | - | 992,351 |
| Allegany College Physical Ed | 420A | 1,583,041 | - | - | - | - | - |
| Cash Valley Elem. Roof | 420B | 96,000 | - | - | - | - | - |
| | | | - | 7,653,350 | - | - | 1,037,901 |
| Total Capital Project Funds | | | \$ 5,237,924 | \$ 13,620,587 | \$ 63,058 | \$ 16,890 | \$ 4,448,895 |

ALLEGANY COUNTY, MARYLAND
CAPITAL PROJECT FUNDS
SCHEDULE OF REVENUES, EXPENDITURES, AND PROJECT BALANCES
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2003

| Revenues and other Sources | | | Expenditures and other Uses | | | Remaining | |
|----------------------------|-----------------|------------------|-----------------------------|------------------|---------------|--------------------|-------------------|
| Debt Proceeds | Transfers In | Total Sources | Expenditures | Transfers Out | Total Uses | Project Balance | Project Budget |
| \$ - | \$ - | \$ 275,699 | \$ 275,699 | \$ - | \$ 275,699 | \$ - | \$ 1 |
| - | - | 112,273 | 112,273 | - | 112,273 | - | 27 |
| - | - | 87,055 | 87,055 | - | 87,055 | - | 137,945 |
| - | - | - | 614 | - | 614 | (614) | 386 |
| - | 132,412 | 132,412 | 167,912 | - | 167,912 | - | (5,066) |
| - | 320,000 | 320,000 | 1,987,842 | - | 1,987,842 | 332,158 | 332,158 |
| - | 124,630 | 124,630 | 13,423 | - | 13,423 | 111,237 | 639,377 |
| 63,710 | 123,547 | 256,353 | 149,322 | - | 149,322 | 107,036 | 765,678 |
| - | 63,500 | 63,500 | 7,376 | - | 7,376 | 56,124 | 434,624 |
| - | - | 147,857 | 170,417 | - | 170,417 | (22,560) | (3,417) |
| - | 58,734 | 512,153 | 512,153 | - | 512,153 | - | 21 |
| - | - | 1,112,831 | 1,103,915 | - | 1,103,915 | 8,916 | (6,592) |
| - | 24,630 | 24,630 | 247,880 | - | 247,880 | - | - |
| - | 2,025,751 | 2,404,072 | 95,097 | - | 95,097 | (36,749) | 3 |
| - | 114,456 | 1,816,545 | 1,845,853 | 484,283 | 2,330,136 | 73,936 | (230,165) |
| - | 4,377 | 385,026 | 1,816,545 | - | 1,816,545 | - | 6,391 |
| - | - | 41,586 | 385,026 | - | 385,026 | - | 128 |
| - | - | 347,750 | 47,439 | - | 47,439 | (5,853) | 3,414 |
| - | 359,791 | 1,995,606 | 683,074 | - | 683,074 | (335,324) | (8,074) |
| - | - | 3,374 | 2,066,393 | - | 2,066,393 | (70,787) | 125,712 |
| 63,710 | 3,356,844 | 12,480,485 | - | 3,374 | 3,374 | - | - |
| - | - | - | 11,775,308 | 487,657 | 12,262,965 | 217,520 | 2,163,051 |
| - | 155,725 | 155,725 | 97,529 | 5,725 | 103,254 | 52,471 | 46,746 |
| - | 105,500 | 113,675 | 107,557 | - | 107,557 | 6,118 | 45,443 |
| - | 265,959 | 1,247,776 | 1,247,776 | - | 1,247,776 | - | - |
| - | 2,350,000 | 2,350,000 | 1,903,869 | - | 1,903,869 | 446,131 | 446,131 |
| 126,048 | 513,269 | 863,269 | 151,326 | 350,000 | 863,269 | - | 21,961 |
| - | 150,000 | 276,048 | 187,461 | 88,587 | 276,048 | - | - |
| - | (150,771) | 2,393,597 | - | 2,283,288 | 2,283,288 | 103,309 | - |
| - | 416,542 | 416,542 | - | 439,653 | 439,653 | (23,111) | 471 |
| - | 20,312 | 20,312 | 20,312 | - | 20,312 | - | - |
| - | 290,150 | 1,867,620 | 1,805,094 | - | 1,805,094 | 62,526 | 527,206 |
| - | 1,069,080 | 1,069,080 | 1,069,080 | - | 1,069,080 | - | - |
| - | 58,810 | 58,810 | 46,922 | - | 46,922 | 11,888 | 11,888 |
| - | 833,000 | 833,000 | 246,706 | - | 246,706 | 586,294 | 588,294 |
| - | 66,152 | 66,152 | 41,152 | - | 41,152 | 25,000 | 8,843 |
| - | 1,173,000 | 1,173,000 | 1,173,863 | - | 1,173,863 | 4,132 | 404,132 |
| - | 119,734 | 277,684 | 277,684 | - | 277,684 | - | 1 |
| - | 50,000 | 50,000 | 36,067 | - | 36,067 | 13,933 | 13,933 |
| - | 500,000 | 500,000 | 204,017 | - | 204,017 | 295,983 | 295,983 |
| - | 287,000 | 287,000 | 68,436 | - | 68,436 | 218,564 | 1,813,564 |
| - | 486,731 | 503,123 | 493,874 | - | 493,874 | 9,249 | 6,126 |
| 126,048 | 8,765,193 | 14,527,413 | 9,540,673 | 3,169,253 | 12,709,926 | 1,817,487 | 4,230,727 |
| 200,840 | - | 236,270 | 236,270 | - | 236,270 | - | 5 |
| 4,150,000 | - | 4,150,000 | 4,150,000 | - | 4,150,000 | - | - |
| 350,000 | - | 350,000 | 350,000 | - | 350,000 | - | - |
| 6,500,000 | 297,824 | 14,461,294 | 15,188,723 | - | 15,188,723 | (727,429) | (374,150) |
| - | - | 992,351 | 608,701 | 381,783 | 990,484 | 1,867 | 9,516 |
| - | - | - | 24,380 | - | 24,380 | (24,380) | 1,133,724 |
| - | - | - | 6,026 | - | 6,026 | (6,026) | 89,974 |
| 11,200,840 | 297,824 | 20,189,915 | 20,564,100 | 381,783 | 20,945,883 | (755,968) | 859,069 |
| \$ 11,390,598 | \$ 12,419,861 | \$ 47,197,813 | \$ 41,880,081 | \$ 4,038,693 | \$ 45,918,774 | \$ 1,279,039 | \$ 7,252,847 |

CAPITAL PROJECT FUNDS

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

FOR THE YEAR ENDED JUNE 30, 2003

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, 2003

| | Bowman's Addition Demolition (409C) | Lonaconing Acid Mine Drainage (409D) | Potomac Hill Acid Mine Drainage (409E) | Upper Potomac Ind Park (409G) | Washington St. Library Exterior (409I) |
|--|--|---|---|--|---|
| REVENUES: | | | | | |
| Intergovernmental: | | | | | |
| Federal: | | | | | |
| FEMA Grant | \$ - | \$ - | \$ - | \$ - | \$ - |
| CDBG Grant | 32,514 | - | - | - | - |
| Miscellaneous Federal Grants | - | - | - | - | - |
| State: | | | | | |
| State Aid Highway | - | - | - | - | - |
| MD Dept. of Environment | - | - | 75,000 | - | - |
| Dept of Business & Econ Devel. | - | - | - | - | - |
| Miscellaneous State Grants | - | - | 12,054 | - | - |
| Other Intergovernmental | - | - | - | - | 35,500 |
| Miscellaneous: | | | | | |
| Interest | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total Revenues | <u>32,514</u> | <u>-</u> | <u>87,054</u> | <u>-</u> | <u>35,500</u> |
| EXPENDITURES: | | | | | |
| Public Safety | 31,838 | - | - | 614 | - |
| Public Works | - | - | - | - | - |
| Recreation, Culture | - | - | - | - | - |
| Libraries | - | - | - | - | 46,141 |
| Conservation of Nat'l Resources | - | 3,988 | 86,672 | - | - |
| Economic Development | - | - | - | - | - |
| Total Expenditures | <u>31,838</u> | <u>3,988</u> | <u>86,672</u> | <u>614</u> | <u>46,141</u> |
| OTHER FINANCING SOURCES and (USES): | | | | | |
| Transfers in: | - | - | - | - | - |
| General Fund | - | - | - | - | 3,623 |
| Highway Fund | - | - | - | - | 4,016 |
| Capital Projects Funds | - | - | - | - | - |
| Component units - Library | - | - | - | - | 65,050 |
| Transfers out: | - | - | - | - | - |
| PAYGO fund | - | - | - | - | - |
| Component units: | | | | | |
| Board of Education | - | - | - | - | - |
| Debt proceeds | - | - | - | - | - |
| Total Other Financing Sources and Uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>72,689</u> |
| Net change in fund balances | 676 | (3,988) | 382 | (614) | 62,048 |
| Fund Balance, beginning | (676) | 3,988 | (382) | - | (62,048) |
| Fund Balance, Ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (614)</u> | <u>\$ -</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, 2003

| <u>Allconet II (409Q)</u> | <u>Rye Street Bridge (409R)</u> | <u>Landfill Closeout (4090)</u> | <u>Washington St. Library Interior (4094)</u> | <u>\$3.2 Million Flood Grant (410D)</u> | <u>Flood Mitigation Locust Grove (410I)</u> | <u>Total This Page</u> |
|-------------------------------|---|---|---|---|---|--------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - | 32,514 |
| - | - | - | - | - | 264 | 264 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | (264) | 74,736 |
| 2,000,000 | - | - | - | - | - | 2,000,000 |
| - | - | - | - | 79,216 | - | 91,270 |
| - | - | - | - | - | - | 35,500 |
| - | - | 4,482 | - | - | - | 4,482 |
| - | - | - | - | - | - | - |
| <u>2,000,000</u> | <u>-</u> | <u>4,482</u> | <u>-</u> | <u>79,216</u> | <u>-</u> | <u>2,238,766</u> |
| - | - | - | - | 50,450 | - | 82,902 |
| - | 13,423 | 42,757 | - | - | - | 56,180 |
| - | - | - | - | - | - | - |
| - | - | - | 7,376 | - | - | 53,517 |
| - | - | - | - | - | - | 90,660 |
| 21,903 | - | - | - | - | - | 21,903 |
| <u>21,903</u> | <u>13,423</u> | <u>42,757</u> | <u>7,376</u> | <u>50,450</u> | <u>-</u> | <u>305,162</u> |
| - | - | - | - | - | - | - |
| 320,000 | 124,660 | (124,660) | - | - | - | 323,623 |
| - | - | - | - | - | - | 4,016 |
| - | - | - | 63,500 | - | - | 63,500 |
| - | - | - | - | - | - | 65,050 |
| - | - | - | - | - | - | - |
| (1,965,939) | - | - | - | - | - | (1,965,939) |
| - | - | 63,710 | - | - | - | 63,710 |
| <u>(1,645,939)</u> | <u>124,660</u> | <u>(60,950)</u> | <u>63,500</u> | <u>-</u> | <u>-</u> | <u>(1,446,040)</u> |
| 332,158 | 111,237 | (99,225) | 56,124 | 28,766 | - | 487,564 |
| - | - | 206,261 | - | (51,326) | - | 95,817 |
| <u>\$ 332,158</u> | <u>\$ 111,237</u> | <u>\$ 107,036</u> | <u>\$ 56,124</u> | <u>\$ (22,560)</u> | <u>\$ -</u> | <u>\$ 583,381</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, 2003

| REVENUES: | Total Previous Page | Project Impact (410L) | Donated Assets (410O) | Westempport Storm Sewer (410P) | Riverside Industrial Park (410R) |
|---|---------------------------|-----------------------------|-----------------------------|---|---|
| REVENUES: | | | | | |
| Intergovernmental: | | | | | |
| Federal: | | | | | |
| FEMA Grant | \$ - | \$ - | \$ - | \$ - | \$ - |
| CDBG Grant | 32,514 | - | - | - | - |
| Miscellaneous Federal Grants | 264 | (264) | - | - | - |
| State: | | | | | |
| State Aid Highway | - | - | - | - | - |
| MD Dept. of Environment | 74,736 | - | - | 10,712 | - |
| Dept of Business & Econ Devel. | 2,000,000 | - | - | - | - |
| Miscellaneous State Grants | 91,270 | - | - | 23,000 | - |
| Other Intergovernmental | 35,500 | - | - | - | - |
| Miscellaneous: | | | | | |
| Interest | 4,482 | - | - | - | 3,449 |
| Miscellaneous | - | - | 247,880 | - | - |
| Total Revenues | 2,238,766 | (264) | 247,880 | 33,712 | 3,449 |
| EXPENDITURES: | | | | | |
| Public Safety | 82,902 | 2,627 | - | 10,712 | - |
| Public Works | 56,180 | - | - | - | - |
| Recreation, Culture | - | - | 247,880 | - | - |
| Libraries | 53,517 | - | - | - | - |
| Conservation of Nat'l Resources | 90,660 | - | - | - | - |
| Economic Development | 21,903 | - | - | - | 735 |
| Total Expenditures | 305,162 | 2,627 | 247,880 | 10,712 | 735 |
| OTHER FINANCING SOURCES and (USES): | | | | | |
| Transfers in: | | | | | |
| General Fund | 323,623 | - | - | - | (249) |
| Highway Fund | 4,016 | - | - | 24,636 | - |
| Capital Projects Funds | 63,500 | - | - | - | - |
| Component units | 65,050 | - | - | - | - |
| Transfers out: | | | | | |
| PAYGO fund | - | - | - | - | (328,129) |
| Component units: | | | | | |
| Board of Education | (1,965,939) | - | - | - | - |
| Debt proceeds | 63,710 | - | - | - | - |
| Total Other Financing Sources and Uses | (1,446,040) | - | - | 24,636 | (328,378) |
| Net change in fund balances | 487,564 | (2,891) | - | 47,636 | (325,664) |
| Fund Balance, beginning | 95,817 | 11,807 | - | (84,385) | 399,600 |
| Fund Balance, Ending | \$ 583,381 | \$ 8,916 | \$ - | \$ (36,749) | \$ 73,936 |

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, 2003

| <u>Pleasant Valley Road (410U)</u> | <u>Lonaconing Greenway Park (410V)</u> | <u>George's Creek Watershed (410W)</u> | <u>Highland Trail (410X)</u> | <u>FEMA Geo Creek (410Y)</u> | <u>Other Projects</u> | <u>Fund Total</u> |
|--|--|--|--------------------------------------|--------------------------------------|---------------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 487,749 | \$ - | \$ 487,749 |
| - | - | - | - | - | - | 32,514 |
| - | - | - | - | - | - | - |
| 918,365 | - | - | 199,733 | - | - | 1,118,098 |
| - | - | - | - | 139,758 | - | 225,206 |
| - | - | - | - | - | - | 2,000,000 |
| - | - | - | - | - | - | 114,270 |
| - | 1,642 | - | - | - | - | 37,142 |
| - | - | - | - | - | - | 7,931 |
| - | - | - | - | - | - | 247,880 |
| <u>918,365</u> | <u>1,642</u> | <u>-</u> | <u>199,733</u> | <u>627,507</u> | <u>-</u> | <u>4,270,790</u> |
| - | - | - | - | 541,830 | - | 638,071 |
| 904,392 | - | - | - | - | - | 960,572 |
| - | - | - | - | - | - | 247,880 |
| - | - | - | - | - | - | 53,517 |
| - | - | 5,389 | - | - | - | 96,049 |
| - | - | - | 298,733 | - | - | 321,371 |
| <u>904,392</u> | <u>-</u> | <u>5,389</u> | <u>298,733</u> | <u>541,830</u> | <u>-</u> | <u>2,317,460</u> |
| - | - | - | - | - | (3,374) | 320,000 |
| 114,436 | 4,377 | - | - | - | - | 147,465 |
| - | - | - | - | 142,000 | - | 205,500 |
| - | - | - | - | - | - | 65,050 |
| - | - | - | - | - | - | (328,129) |
| - | - | - | - | - | - | (1,965,939) |
| - | - | - | - | - | - | 63,710 |
| <u>114,436</u> | <u>4,377</u> | <u>-</u> | <u>-</u> | <u>142,000</u> | <u>(3,374)</u> | <u>(1,492,343)</u> |
| 128,409 | 6,019 | (5,389) | (99,000) | 227,677 | (3,374) | 460,987 |
| <u>(128,409)</u> | <u>(6,019)</u> | <u>(464)</u> | <u>(144,485)</u> | <u>(298,464)</u> | <u>3,374</u> | <u>(151,628)</u> |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ (5,853)</u> | <u>\$ (243,485)</u> | <u>\$ (70,787)</u> | <u>\$ -</u> | <u>\$ 309,359</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, 2003

| | Computer Network (418I) | NRCS Flood Projects (418O) | Town Creek Bridge (418Q) | Roads Paving Program (418R) | Lonaconing Roads Garage (418V) |
|--|-------------------------------|-------------------------------------|-----------------------------------|--------------------------------------|---|
| REVENUES: | | | | | |
| Federal Grants | | | | | |
| Soil Conservation Service | \$ - | \$ 8,175 | \$ - | \$ - | \$ - |
| State Grants | | | | | |
| Md. Department of Environment | - | - | - | - | - |
| Miscellaneous: | | | | | |
| Interest | - | - | - | - | - |
| Total Revenues | - | 8,175 | - | - | - |
| EXPENDITURES: | | | | | |
| General Government | 2,550 | - | - | - | - |
| Public Safety | - | 29,295 | - | - | - |
| Public Works | - | - | - | - | 66,126 |
| Economic Development | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total Expenditures | 2,550 | 29,295 | - | - | 66,126 |
| OTHER FINANCING SOURCES and (USES): | | | | | |
| Transfers from: | | | | | |
| General fund | - | - | 2 | - | - |
| General fund, internal transfers | 5,725 | - | (249,871) | - | 13,269 |
| Highway fund | - | - | - | - | - |
| Capital projects fund | - | - | - | - | - |
| Transfer to: | | | | | |
| General fund | - | - | - | - | - |
| Highway fund | - | - | - | (88,643) | - |
| Capital projects funds | - | - | - | - | - |
| Component Units: | | | | | |
| Board of Education | (5,725) | - | - | - | - |
| Allegany College of Maryland | - | - | - | - | - |
| Total Other Financing Sources and Uses | - | - | (249,869) | (88,643) | 13,269 |
| Net change in fund balances | (2,550) | (21,120) | (249,869) | (88,643) | (52,857) |
| Fund Balance, beginning | 55,021 | 27,238 | 249,869 | 534,774 | 52,857 |
| Fund Balance, Ending | \$ 52,471 | \$ 6,118 | \$ - | \$ 446,131 | \$ - |

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, 2003

| Capital Outlay (418Z) | Capital Reserves (4181) | Health Department Air Conditioning (4189) | George's Creek Flood (420A) | Bowman's Addition Flood (420B) | Detention Center Furniture (420D) | Board of Education Capital (420E) | Total This Page |
|-----------------------------|-------------------------------|---|--------------------------------------|---|--|--|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 278,439 | \$ - | \$ - | \$ 286,614 |
| - | - | - | - | 37,196 | - | - | 37,196 |
| - | 41,093 | - | - | - | - | - | 41,093 |
| - | 41,093 | - | - | 315,635 | - | - | 364,903 |
| - | - | - | - | - | - | - | 2,550 |
| - | - | - | - | 298,301 | - | - | 327,596 |
| - | - | - | - | - | - | - | 66,126 |
| - | - | - | - | - | - | - | - |
| - | - | - | - | 298,301 | - | - | 396,272 |
| - | - | 21,735 | - | - | - | - | 21,737 |
| - | 121,935 | - | (20,312) | - | (200,000) | - | (329,254) |
| - | - | - | - | - | - | 113,812 | 113,812 |
| - | 328,129 | - | - | - | - | - | 328,129 |
| (88,587) | (89,812) | - | - | - | - | - | (178,399) |
| - | - | - | - | - | - | - | (88,643) |
| - | (434,788) | - | - | - | - | - | (434,788) |
| - | - | - | - | - | - | (113,812) | (119,537) |
| - | - | - | - | - | - | - | - |
| (88,587) | (74,536) | 21,735 | (20,312) | - | (200,000) | - | (686,943) |
| (88,587) | (33,443) | 21,735 | (20,312) | 17,334 | (200,000) | - | (718,312) |
| 88,587 | 34,716 | (44,846) | 20,312 | 45,192 | 200,000 | - | 1,263,720 |
| \$ - | \$ 1,273 | \$ (23,111) | \$ - | \$ 62,526 | \$ - | \$ - | \$ 545,408 |

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, 2003

| | Total Previous Page | Allegany College Reroofing (420F) | John Humbird School (420H) | County Signage (420I) | Jail Reuse (420J) |
|--|---------------------------|--|-------------------------------------|-----------------------------|-------------------------|
| REVENUES: | | | | | |
| Federal Grants | | | | | |
| Soil Conservation Service | \$ 286,614 | \$ - | \$ - | \$ - | \$ - |
| State Grants | | | | | |
| Md. Department of Environment | 37,196 | - | - | - | - |
| Miscellaneous: | | | | | |
| Interest | 41,093 | - | - | - | - |
| Total Revenues | <u>364,903</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES: | | | | | |
| General Government | 2,550 | - | - | - | 1,083,697 |
| Public Safety | 327,596 | - | - | - | - |
| Public Works | 66,126 | - | - | - | - |
| Economic Development | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - |
| Total Expenditures | <u>396,272</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,083,697</u> |
| OTHER FINANCING SOURCES and (USES): | | | | | |
| Transfers from: | | | | | |
| General fund | 21,737 | - | - | - | - |
| General fund, internal transfers | (329,254) | - | - | 16,152 | 578,000 |
| Highway fund | 113,812 | - | - | - | - |
| Capital projects fund | 328,129 | - | - | - | - |
| Transfer to: | | | | | |
| General fund | (178,399) | - | - | - | - |
| Highway fund | (88,643) | - | - | - | - |
| Capital projects funds | (434,788) | - | - | - | - |
| Component Units: | | | | | |
| Board of Education | (119,537) | - | (169,449) | - | - |
| Allegany College of Maryland | - | (44,132) | - | - | - |
| Total Other Financing Sources and Uses | <u>(686,943)</u> | <u>(44,132)</u> | <u>(169,449)</u> | <u>16,152</u> | <u>578,000</u> |
| Net change in fund balances | (718,312) | (44,132) | (169,449) | 16,152 | (505,697) |
| Fund Balance, beginning | 1,263,720 | 56,020 | 755,743 | 8,848 | 509,829 |
| Fund Balance, Ending | <u>\$ 545,408</u> | <u>\$ 11,888</u> | <u>\$ 586,294</u> | <u>\$ 25,000</u> | <u>\$ 4,132</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, 2003

| <u>Louise Drive Paving (420L)</u> | <u>PPG Water System Repair (420P)</u> | <u>Payroll/ Gen Ledger Software Upgrade (420S)</u> | <u>Barton Industrial Park Water (4202)</u> | <u>OP Road Improvements (4203)</u> | <u>Other Designated Projects</u> | <u>Fund Total</u> |
|---|---|--|--|--|--|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 286,614 |
| - | - | - | - | - | - | 37,196 |
| - | - | - | - | - | - | 41,093 |
| - | - | - | - | - | - | 364,903 |
| - | - | 992 | - | - | - | 1,087,239 |
| - | - | - | - | - | - | 327,596 |
| 10,657 | - | - | - | 16,100 | - | 92,883 |
| - | - | - | 31,285 | - | - | 31,285 |
| - | - | - | - | - | - | - |
| 10,657 | - | 992 | 31,285 | 16,100 | - | 1,539,003 |
| - | - | - | - | - | - | 21,737 |
| 19,734 | - | - | - | (13,269) | (271,363) | - |
| - | - | - | - | - | - | 113,812 |
| - | - | - | - | - | - | 328,129 |
| - | - | - | - | - | - | (178,399) |
| - | - | - | - | - | - | (88,643) |
| - | - | - | - | - | - | (434,788) |
| - | - | - | - | - | - | (288,986) |
| - | - | - | - | - | - | (44,132) |
| 19,734 | - | - | - | (13,269) | (271,363) | (571,270) |
| 9,077 | - | (992) | (31,285) | (29,369) | (271,363) | (1,745,370) |
| (9,077) | 13,933 | 296,975 | 249,849 | 38,618 | 378,399 | 3,562,857 |
| <u>\$ -</u> | <u>\$ 13,933</u> | <u>\$ 295,983</u> | <u>\$ 218,564</u> | <u>\$ 9,249</u> | <u>\$ 107,036</u> | <u>\$ 1,817,487</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, 2003**

| | 1998 PUBLIC IMPROVEMENT BONDS FUND | | | |
|--|------------------------------------|---|-----------------------------|------------------------------------|
| | LaVale Library (428B) | Mt. Savage School Renovations (4282) | Flood Projects (4283) | Correctional Facility (4285) |
| REVENUES: | | | | |
| Intergovernmental: | | | | |
| State | | | | |
| State Dept of Public Safety | \$ - | \$ - | \$ - | \$ 255,973 |
| Miscellaneous: | | | | |
| Interest | 1,295 | - | - | - |
| Total Revenues | 1,295 | - | - | 255,973 |
| EXPENDITURES: | | | | |
| Public Safety | - | - | - | 615,544 |
| Recreation, Culture & Libraries | 3,700 | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Expenditures | 3,700 | - | - | 615,544 |
| OTHER FINANCING SOURCES and (USES): | | | | |
| Transfers in | | | | |
| From PAYGO Capital Projects Fund | - | - | - | 297,824 |
| Transfers out | | | | |
| To Capital Projects Fund | - | - | (68,536) | - |
| Transfers to component units | | | | |
| Board of Education | - | (41,156) | - | - |
| Allegany College of Maryland | - | - | - | - |
| Total Other Financing Sources and Uses | - | (41,156) | (68,536) | 297,824 |
| Net change in fund balances | (2,405) | (41,156) | (68,536) | (61,747) |
| Fund Balance, beginning | 2,405 | 41,156 | 68,536 | (665,682) |
| Fund Balance, Ending | \$ - | \$ - | \$ - | \$ (727,429) |

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, 2003

| <u>1998 PUBLIC IMP. BOND FUND</u> | | <u>Public Improvement Bond Fund</u> | | | <u>Total Public Improvement Bond Fund</u> |
|--|------------------------------------|--|--|--|---|
| <u>1998 Bond Interest (428Z)</u> | <u>1998 PIB Fund Total</u> | <u>Allegany College, Md Physical Ed (430A)</u> | <u>Cash Valley Roof (430B)</u> | <u>Public Imp. Bond Fund Total</u> | |
| \$ - | \$ 255,973 | \$ - | \$ - | \$ - | \$ 255,973 |
| <u>1,140</u> | <u>2,435</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,435</u> |
| <u>1,140</u> | <u>258,408</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>258,408</u> |
| - | 615,544 | - | - | - | 615,544 |
| - | 3,700 | - | - | - | 3,700 |
| <u>30,167</u> | <u>30,167</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>30,167</u> |
| <u>30,167</u> | <u>649,411</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>649,411</u> |
| - | 297,824 | - | - | - | 297,824 |
| - | (68,536) | - | - | - | (68,536) |
| - | (41,156) | - | (6,026) | (6,026) | (47,182) |
| <u>-</u> | <u>-</u> | <u>(24,380)</u> | <u>-</u> | <u>(24,380)</u> | <u>(24,380)</u> |
| <u>-</u> | <u>188,132</u> | <u>(24,380)</u> | <u>(6,026)</u> | <u>(30,406)</u> | <u>157,726</u> |
| (29,027) | (202,871) | (24,380) | (6,026) | (30,406) | (233,277) |
| <u>30,894</u> | <u>(522,691)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(522,691)</u> |
| <u>\$ 1,867</u> | <u>\$ (725,562)</u> | <u>\$ (24,380)</u> | <u>\$ (6,026)</u> | <u>\$ (30,406)</u> | <u>\$ (755,968)</u> |

**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, 2003

| | Grahamtown | Consol | Oldtown Road | McCoole | Ellerslie |
|--|------------------|-------------------|-------------------|---------------------|-----------------|
| OPERATING REVENUES: | | | | | |
| Service charges | \$ 131,410 | \$ - | \$ 135,298 | \$ 102,743 | \$ 259,043 |
| Miscellaneous | - | - | - | - | 3,742 |
| Total Operating Revenues | <u>131,410</u> | <u>-</u> | <u>135,298</u> | <u>102,743</u> | <u>262,785</u> |
| OPERATING EXPENSES: | | | | | |
| Salaries | 15,634 | - | 17,695 | 20,111 | 38,445 |
| Fringe benefits | 7,546 | - | 8,541 | 9,707 | 18,557 |
| Office expenses | 37 | - | 41 | 48 | 902 |
| Utilities | 86,668 | 207 | 33,262 | 41,335 | 122,574 |
| Repairs and maintenance | 391 | - | 2,098 | 2,517 | 13,760 |
| Contractual services | - | - | - | - | 699 |
| Professional fees | 7 | - | 8 | 9 | 1,018 |
| Materials and supplies | 2,785 | - | 3,022 | 4,663 | 7,374 |
| Insurance | 498 | - | - | - | 480 |
| Indirect cost | 3,217 | - | 2,957 | 4,636 | 5,443 |
| Miscellaneous | - | - | - | 1 | - |
| Depreciation | 36,876 | - | 67,539 | 96,526 | 49,074 |
| Total Operating Expenses | <u>153,659</u> | <u>207</u> | <u>135,163</u> | <u>179,553</u> | <u>258,326</u> |
| Operating Income (Loss) | <u>(22,249)</u> | <u>(207)</u> | <u>135</u> | <u>(76,810)</u> | <u>4,459</u> |
| NON-OPERATING REVENUE (EXPENSES): | | | | | |
| Interest income | - | - | - | 2,111 | 5,071 |
| Interest expense | (26,781) | - | (15,179) | (48,902) | (6,033) |
| Total Non-operating Revenue (Expenses) | <u>(26,781)</u> | <u>-</u> | <u>(15,179)</u> | <u>(46,791)</u> | <u>(962)</u> |
| Income Before Contributions and Transfers | (49,030) | (207) | (15,044) | (123,601) | 3,497 |
| Capital Contributions: | | | | | |
| Federal grants | 93,894 | 287,245 | 75,819 | - | - |
| State Grants | - | 377,550 | 221,796 | - | - |
| Change in Net Assets | <u>\$ 44,864</u> | <u>\$ 664,588</u> | <u>\$ 282,571</u> | <u>\$ (123,601)</u> | <u>\$ 3,497</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, 2003

| <u>Eckhart</u> | <u>Hoffman</u> | <u>Route 36 Vale Summit</u> | <u>Borden/ Zhilman</u> | <u>Carlos/ Shaft</u> | <u>Total</u> |
|------------------------------|-------------------|---------------------------------|----------------------------|--------------------------|----------------------|
| \$ 240,767 | \$ 6,045 | \$ 36,759 | \$ 61,902 | \$ 80,590 | \$ 1,054,557 |
| 1,056 | - | - | - | - | 4,798 |
| <u>241,823</u> | <u>6,045</u> | <u>36,759</u> | <u>61,902</u> | <u>80,590</u> | <u>1,059,355</u> |
| 27,288 | 924 | 5,401 | 9,949 | 11,797 | 147,244 |
| 13,172 | 446 | 2,607 | 4,802 | 5,694 | 71,072 |
| 149 | 2 | 13 | 24 | 426 | 1,642 |
| 175,313 | 3,213 | 33,013 | 33,572 | 45,057 | 574,214 |
| 4,233 | 2 | 14 | 26 | 30 | 23,071 |
| - | - | - | - | - | 699 |
| 513 | - | 20 | 4 | 5 | 1,584 |
| 5,202 | 142 | 834 | 2,448 | 2,893 | 29,363 |
| 112 | - | - | - | - | 1,090 |
| 6,044 | 170 | 1,538 | 2,024 | 2,767 | 28,796 |
| - | 1 | - | - | - | 2 |
| <u>52,022</u> | <u>2,331</u> | <u>28,574</u> | <u>35,670</u> | <u>48,293</u> | <u>416,905</u> |
| <u>284,048</u> | <u>7,231</u> | <u>72,014</u> | <u>88,519</u> | <u>116,962</u> | <u>1,295,682</u> |
| <u>(42,225)</u> | <u>(1,186)</u> | <u>(35,255)</u> | <u>(26,617)</u> | <u>(36,372)</u> | <u>(236,327)</u> |
| 4,725 | 67 | 463 | 1,273 | 692 | 14,402 |
| <u>(23,068)</u> | <u>(596)</u> | <u>-</u> | <u>(14,499)</u> | <u>(15,920)</u> | <u>(150,978)</u> |
| <u>(18,343)</u> | <u>(529)</u> | <u>463</u> | <u>(13,226)</u> | <u>(15,228)</u> | <u>(136,576)</u> |
| (60,568) | (1,715) | (34,792) | (39,843) | (51,600) | (372,903) |
| - | - | - | - | 104,245 | 561,203 |
| - | - | - | - | 194,254 | 793,600 |
| <u>\$ (60,568)</u> | <u>\$ (1,715)</u> | <u>\$ (34,792)</u> | <u>\$ (39,843)</u> | <u>\$ 246,899</u> | <u>981,900</u> |
| Total net assets - beginning | | | | | <u>11,443,590</u> |
| Total net assets - ending | | | | | <u>\$ 12,425,490</u> |

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2003

| | General Fund | Bowling Green | Cresaptown | Braddock Run | Bedford Road | Jennings Run/Wills Creek |
|---|-------------------|---------------------|---------------------|---------------------|---------------------|--------------------------------|
| ASSETS | | | | | | |
| Current Assets: | | | | | | |
| Cash: | | | | | | |
| Cash | \$ 417,798 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Cash - Restricted | - | - | - | 238,576 | - | - |
| Investments | 164,752 | - | - | - | 50,838 | - |
| Receivables: | | | | | | |
| Accounts (net) | 2,190 | 179,285 | 75,163 | 167,994 | 89,281 | 92,401 |
| Taxes - restricted | - | 9,025 | 2,197 | 862 | 8,555 | 3,431 |
| Accounts (net) - restricted | - | 8,258 | - | - | 10,269 | 17,970 |
| Other | 942,545 | - | - | - | 948 | 490 |
| Due from other funds | - | 286,033 | 462,727 | 495,622 | - | - |
| Noncurrent Assets: | | | | | | |
| Property, plant and equipment: | 2,209,824 | 5,399,693 | 2,720,300 | 3,190,103 | 4,902,617 | 6,098,767 |
| Construction in progress | 2,345,848 | - | - | - | - | - |
| Less: Accumulated depreciation | (740,797) | (2,541,783) | (1,259,632) | (2,122,236) | (2,533,697) | (3,115,740) |
| Inventory | 101,753 | - | - | - | - | - |
| Total Assets | <u>5,443,913</u> | <u>3,340,511</u> | <u>2,000,755</u> | <u>1,970,921</u> | <u>2,528,811</u> | <u>3,097,319</u> |
| LIABILITIES | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 760,485 | 52,497 | 1,187 | 40,464 | 5,658 | 15,999 |
| Accrued wages payable | 30,548 | - | - | - | - | - |
| Accrued payroll fringe benefits | 12,007 | - | - | - | - | - |
| Accrued interest payable | - | 2,148 | 2,427 | 2,217 | 3,784 | 1,807 |
| Current portion of long term debt | | | | | | |
| Bonds & loans | - | 5,422 | 5,590 | - | 23,067 | - |
| Advances from other funds | 38,052 | - | - | 21,825 | 16,611 | 17,794 |
| Due to other funds | 3,002,722 | - | - | - | 152,774 | 740,205 |
| Noncurrent Liabilities: | | | | | | |
| Cash advance due General Fund | - | - | - | - | - | 900,000 |
| Long term debt: | | | | | | |
| Bonds & loans | - | 43,456 | 41,725 | - | 238,002 | - |
| Advances from other funds | 1,091,767 | - | - | 65,509 | 49,933 | 53,410 |
| Compensated absences | 279,883 | - | - | - | - | - |
| Miscellaneous liabilities | 4,691 | - | - | 194,010 | - | - |
| Total Liabilities | <u>5,220,155</u> | <u>103,523</u> | <u>50,929</u> | <u>324,025</u> | <u>489,829</u> | <u>1,729,215</u> |
| NET ASSETS | | | | | | |
| Invested in capital assets, net of related debt | 2,685,056 | 2,809,032 | 1,413,353 | 980,533 | 2,041,307 | 2,911,823 |
| Restricted for debt service | - | 17,283 | 2,197 | 862 | 18,824 | 21,401 |
| Unrestricted | (2,461,298) | 410,673 | 534,276 | 665,501 | (21,149) | (1,565,120) |
| Total Net Assets | <u>\$ 223,758</u> | <u>\$ 3,236,988</u> | <u>\$ 1,949,826</u> | <u>\$ 1,646,896</u> | <u>\$ 2,038,982</u> | <u>\$ 1,368,104</u> |

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY SANITARY DISTRICTS
COMBINING SCHEDULE OF NET ASSETS
PROPRIETARY FUND TYPE - (ENTERPRISE FUNDS)
June 30, 2003

| McCooles | Oldtown | Flintstone | Georges Creek | Franklin/ Brophytown | Celanese Treatment Plant | Mexico Farms | Cash Valley Road | Oldtown Road | Total All Districts |
|---------------------|-------------------|-------------------|----------------------|-------------------------|--------------------------------|---------------------|------------------------|---------------------|---------------------------|
| - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | 417,798 |
| - | - | - | - | - | - | - | - | - | 238,576 |
| - | - | - | - | - | - | - | - | - | 215,590 |
| 12,764 | 3,772 | 7,231 | 181,513 | 8,268 | - | 126,005 | 5,361 | 19,080 | 970,308 |
| 5,588 | 392 | 1,742 | 20,155 | 163 | - | 4,055 | 2,336 | 4,498 | 62,999 |
| 9,145 | 2,780 | 1,338 | 70,459 | 2,590 | - | - | - | - | 122,809 |
| - | - | - | 2,237 | 4,597 | 13,313 | 86,494 | - | - | 1,050,624 |
| - | - | - | 1,205,342 | 300,327 | 903,573 | 30,152 | 5,630 | - | 3,689,406 |
| 2,276,806 | 853,487 | 1,103,057 | 23,991,465 | 561,728 | 5,067,962 | 4,213,755 | 813,332 | 2,817,919 | 66,220,815 |
| - | - | - | - | - | - | - | - | - | 2,345,848 |
| (935,971) | (374,642) | (477,015) | (8,805,444) | (232,603) | (1,000,830) | (857,675) | (142,333) | (387,242) | (25,527,640) |
| - | - | - | - | - | - | - | - | - | 101,753 |
| <u>1,368,332</u> | <u>485,789</u> | <u>636,353</u> | <u>16,665,727</u> | <u>645,070</u> | <u>4,984,018</u> | <u>3,602,786</u> | <u>684,326</u> | <u>2,454,255</u> | <u>49,908,886</u> |
| 35,311 | 574 | 2,281 | 23,900 | 14 | 26,813 | 91,425 | 1 | 10,626 | 1,067,235 |
| - | - | - | - | - | 3,809 | - | - | - | 34,357 |
| - | - | - | - | - | 1,689 | - | - | - | 13,696 |
| 533 | 261 | 3,699 | 24,035 | - | 4,062 | 7,884 | 920 | 3,488 | 57,265 |
| 13,532 | 2,582 | 7,746 | 35,243 | - | 43,055 | 70,422 | 1,872 | 7,099 | 215,630 |
| - | - | - | 23,278 | 8,125 | - | - | - | - | 125,685 |
| 219,753 | 13,222 | 35,092 | - | - | - | - | - | 13,106 | 4,176,874 |
| - | - | - | - | - | - | - | - | - | 900,000 |
| 61,936 | 23,040 | 69,121 | 433,772 | - | 411,565 | 728,675 | 133,763 | 507,296 | 2,692,351 |
| - | - | - | 69,634 | - | - | - | - | - | 1,330,253 |
| - | - | - | - | - | - | - | - | - | 279,883 |
| - | - | - | - | - | 2,036 | - | - | - | 200,737 |
| <u>331,065</u> | <u>39,679</u> | <u>117,939</u> | <u>609,862</u> | <u>8,139</u> | <u>493,029</u> | <u>898,406</u> | <u>136,556</u> | <u>541,615</u> | <u>11,093,966</u> |
| 1,265,367 | 453,223 | 549,175 | 14,624,094 | 321,000 | 3,612,512 | 2,556,983 | 535,364 | 1,916,282 | 38,675,104 |
| 14,733 | 3,172 | 3,080 | 90,614 | 2,753 | - | 4,055 | 2,336 | 4,498 | 185,808 |
| (242,833) | (10,285) | (33,841) | 1,341,157 | 313,178 | 878,477 | 143,342 | 10,070 | (8,140) | (45,992) |
| <u>\$ 1,037,267</u> | <u>\$ 446,110</u> | <u>\$ 518,414</u> | <u>\$ 16,055,865</u> | <u>\$ 636,931</u> | <u>\$ 4,490,989</u> | <u>\$ 2,704,380</u> | <u>\$ 547,770</u> | <u>\$ 1,912,640</u> | <u>\$ 38,814,920</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, 2003

| | General | Bowling | | Braddock | Bedford | Jennings |
|---|------------|--------------|--------------|--------------|--------------|--------------|
| | Fund | Green | Cresaptown | Run | Road | Run/Wills |
| | | | | | | Creek |
| OPERATING REVENUES: | | | | | | |
| Service charges | \$ 7,263 | \$ 559,098 | \$ 277,833 | \$ 814,317 | \$ 310,197 | \$ 283,540 |
| Miscellaneous | 63 | 3,469 | 1,468 | 2,815 | 2,880 | 2,125 |
| Total Operating Revenues | 7,326 | 562,567 | 279,301 | 817,132 | 313,077 | 285,665 |
| OPERATING EXPENSES: | | | | | | |
| Wages and salaries | 1,848 | 98,564 | 41,643 | 79,945 | 81,793 | 60,332 |
| Employee benefits | 892 | 47,576 | 20,101 | 38,589 | 39,481 | 29,122 |
| Office expenses | 88 | 7,089 | 2,331 | 3,912 | 3,989 | 3,074 |
| Utilities | 1,686 | 241,872 | 10,239 | 26,276 | 20,979 | 16,897 |
| Repairs and maintenance | 898 | 38,212 | 6,995 | 17,800 | 35,748 | 12,132 |
| Contractual services | 110 | 6,037 | 2,555 | 4,898 | 5,012 | 3,697 |
| Water/Sewage treatment costs | - | 99,761 | 90,587 | 479,111 | 94,770 | 134,464 |
| Professional fees | 105 | 5,754 | 2,435 | 14,668 | 5,338 | 3,524 |
| Materials and supplies | 4,793 | 33,718 | 8,283 | 20,656 | 24,114 | 11,422 |
| Insurance | 319 | 17,422 | 7,371 | 14,135 | 14,464 | 13,685 |
| Indirect cost | 473 | 25,880 | 10,950 | 20,997 | 21,486 | 15,848 |
| Miscellaneous | 22 | 1,586 | 1,223 | 1,024 | 1,194 | 757 |
| Depreciation | 1,031 | 128,800 | 62,770 | 105,674 | 115,116 | 134,106 |
| Total Operating Expenses | 12,265 | 752,271 | 267,483 | 827,685 | 463,484 | 439,060 |
| Operating Income (Loss) | (4,939) | (189,704) | 11,818 | (10,553) | (150,407) | (153,395) |
| NON-OPERATING REVENUE (EXPENSES): | | | | | | |
| Real and personal property taxes | - | 84,483 | 24,354 | 9,904 | 84,408 | 27,795 |
| Interest & Penalties, taxes | - | 2,466 | 429 | 290 | 1,688 | 938 |
| Discounts, taxes | - | (429) | (150) | (55) | (484) | (140) |
| Enterprise/industrial exemptions | - | - | - | 10 | 14 | - |
| Collection fees | - | (1,945) | (542) | (234) | (1,880) | (642) |
| Front footage assessments | - | 8,326 | - | - | 10,349 | 17,729 |
| Interest income | 40 | 9,092 | 3,999 | 5,520 | 7,915 | 9,348 |
| Interest income, debt service | - | 102 | - | - | 250 | 982 |
| Interest expense | (63,634) | (7,690) | (3,833) | (5,828) | (26,402) | (8,594) |
| Allocated debt service revenue | 99,676 | (10,635) | (8,558) | (16,294) | (16,798) | (12,385) |
| Miscellaneous non-operating revenue | - | - | - | 8,200 | - | - |
| Total Nonoperating revenue (expenses) | 36,082 | 83,770 | 15,699 | 1,513 | 59,060 | 35,031 |
| Income Before Contributions and Transfers | 31,143 | (105,934) | 27,517 | (9,040) | (91,347) | (118,364) |
| Capital Contributions: | | | | | | |
| State | - | - | - | - | - | - |
| Other | - | - | - | 4,666 | - | - |
| Change in Net Assets | 31,143 | (105,934) | 27,517 | (4,374) | (91,347) | (118,364) |
| Net assets - beginning | 192,615 | 3,342,922 | 1,922,309 | 1,651,270 | 2,130,329 | 1,486,468 |
| Net assets - ending | \$ 223,758 | \$ 3,236,988 | \$ 1,949,826 | \$ 1,646,896 | \$ 2,038,982 | \$ 1,368,104 |

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, 2003

| McCooles | Oldtown | Flintstone | Georges Creek | Franklin/Brophytown | Celanese Treatment Plant | Mexico Farms | Cash Valley Road | Oldtown Road | Total All Districts |
|--------------|------------|------------|---------------|---------------------|--------------------------|--------------|------------------|--------------|---------------------|
| 46,478 \$ | 10,466 \$ | 23,557 \$ | 532,050 \$ | 74,774 \$ | 353,107 \$ | 1,014,255 \$ | 15,014 \$ | 71,649 \$ | 4,393,598 |
| 430 | 93 | 147 | 4,469 | 189 | 109,057 | 972 | 149 | 567 | 128,893 |
| 46,908 | 10,559 | 23,704 | 536,519 | 74,963 | 462,164 | 1,015,227 | 15,163 | 72,216 | 4,522,491 |
| 12,223 | 2,629 | 4,193 | 126,776 | 5,401 | 98,348 | 27,643 | 4,264 | 16,131 | 661,733 |
| 5,900 | 1,269 | 2,024 | 61,194 | 2,607 | 40,427 | 13,343 | 2,058 | 7,786 | 312,369 |
| 665 | 225 | 531 | 6,387 | 261 | 3,452 | 2,076 | 206 | 786 | 35,072 |
| 17,949 | 8,768 | 9,236 | 77,479 | 10,270 | 182,609 | 525,963 | 99 | 28,062 | 1,178,384 |
| 17,105 | 2,552 | 9,926 | 55,130 | 1,774 | 8,282 | 13,704 | 236 | 5,474 | 225,968 |
| 749 | 162 | 255 | 7,777 | 328 | - | 1,691 | 259 | 987 | 34,517 |
| 86,336 | - | - | - | 7,036 | - | 105,708 | 9,425 | 6,063 | 1,113,261 |
| 714 | 155 | 244 | 9,480 | 313 | 22,860 | 1,876 | 247 | 941 | 68,654 |
| 4,598 | 2,938 | 4,635 | 42,965 | 965 | 38,643 | 14,167 | 762 | 9,069 | 221,728 |
| 2,161 | 2,748 | 3,012 | 22,442 | 946 | 4,776 | 4,881 | 747 | 2,849 | 111,958 |
| 3,211 | 695 | 1,095 | 33,338 | 1,406 | - | 7,251 | 1,110 | 4,232 | 147,972 |
| 153 | 33 | 52 | 3,693 | 66 | - | 346 | 53 | 202 | 10,404 |
| 51,665 | 17,731 | 23,610 | 508,420 | 12,426 | 104,916 | 96,545 | 21,200 | 85,840 | 1,469,850 |
| 203,429 | 39,905 | 58,813 | 955,081 | 43,799 | 504,313 | 815,194 | 40,666 | 168,422 | 5,591,870 |
| (156,521) | (29,346) | (35,109) | (418,562) | 31,164 | (42,149) | 200,033 | (25,503) | (96,206) | (1,069,379) |
| 13,264 | 1,937 | 8,387 | 148,250 | 6,011 | - | 19,115 | 9,314 | 36,708 | 473,930 |
| 806 | 53 | 469 | 4,759 | 45 | - | 640 | 350 | 1,095 | 14,028 |
| (37) | (13) | (45) | (820) | (53) | - | (97) | (34) | (164) | (2,521) |
| - | - | - | - | - | - | - | - | - | 24 |
| (284) | (40) | (202) | (3,365) | (135) | - | (420) | (204) | (827) | (10,720) |
| 8,939 | 2,596 | 3,626 | 66,471 | 2,507 | - | - | - | - | 120,543 |
| 1,973 | 162 | 917 | 9,833 | 387 | - | 1,904 | 220 | 2,221 | 53,531 |
| 144 | 37 | 115 | 1,261 | 62 | - | - | - | - | 2,953 |
| (4,749) | (1,687) | (4,783) | (41,137) | (1,104) | (12,938) | (41,951) | (6,143) | (23,298) | (253,771) |
| (2,512) | (540) | (857) | (24,405) | (869) | - | (1,643) | (869) | (3,311) | - |
| - | - | - | - | - | - | - | - | - | 8,200 |
| 17,544 | 2,505 | 7,627 | 160,847 | 6,851 | (12,938) | (22,452) | 2,634 | 12,424 | 406,197 |
| (138,977) | (26,841) | (27,482) | (257,715) | 38,015 | (55,087) | 177,581 | (22,869) | (83,782) | (663,182) |
| - | - | - | - | - | 574,408 | - | - | - | 574,408 |
| - | - | - | - | - | - | - | - | - | 4,666 |
| (138,977) | (26,841) | (27,482) | (257,715) | 38,015 | 519,321 | 177,581 | (22,869) | (83,782) | (84,108) |
| 1,176,244 | 472,951 | 545,896 | 16,313,580 | 598,916 | 3,971,668 | 2,526,799 | 570,639 | 1,996,422 | 38,899,028 |
| 1,037,267 \$ | 446,110 \$ | 518,414 \$ | 16,055,865 \$ | 636,931 \$ | 4,490,989 \$ | 2,704,380 \$ | 547,770 \$ | 1,912,640 \$ | 38,814,920 |

**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, 2003 and 2002

| ASSETS | Primary Government | | | |
|---|-----------------------|--------------------------|----------------------|--------------------------|
| | At June 30, 2003 | | | Net |
| | Cost | Accumulated Depreciation | Net Book Value | Book Value June 30, 2002 |
| Land | \$ 7,813,116 | \$ - | \$ 7,813,116 | \$ 6,699,831 |
| Construction in progress | 2,247,480 | - | 2,247,480 | 12,512,161 |
| Buildings | 40,695,907 | 8,892,196 | 31,803,711 | 26,781,879 |
| Infrastructure | 35,355,138 | 23,873,806 | 11,481,332 | 7,457,272 |
| Furniture & fixtures | 856,136 | 672,416 | 183,720 | 225,781 |
| Machinery & equipment | 3,538,961 | 2,142,649 | 1,396,312 | 1,208,641 |
| Vehicles | 6,816,510 | 4,972,349 | 1,844,161 | 2,014,736 |
| Heavy equipment | 3,374,233 | 2,280,640 | 1,093,593 | 1,104,338 |
| Other fixed assets | 840,458 | 323,628 | 516,830 | 536,676 |
| Total Assets | <u>\$ 101,537,939</u> | <u>\$ 43,157,684</u> | <u>\$ 58,380,255</u> | <u>\$ 58,541,315</u> |
| FUND EQUITY | | | | |
| Investment in general fixed assets acquired before July 1, 1993 - source unidentified | | | \$ 12,883,378 | \$ 13,512,556 |
| Investment in construction in progress | | | 2,247,480 | 12,512,161 |
| Investment in general fixed assets by source: | | | | |
| General Fund: | | | | |
| General revenues | | | 2,356,626 | 1,304,332 |
| Federal grants | | | 474,654 | 330,534 |
| State grants | | | 619,099 | 526,672 |
| Miscellaneous revenues | | | 429,961 | 334,330 |
| Debt proceeds | | | 18,060 | 18,060 |
| Special Revenue Funds: | | | | |
| General revenues | | | 39,709,285 | 36,580,540 |
| Federal grants | | | 3,346,073 | 1,622,696 |
| State grants | | | 955,704 | 384,339 |
| Miscellaneous revenues | | | 165,276 | 123,883 |
| Debt proceeds | | | 3,240,862 | 3,240,862 |
| Capital Project Funds: | | | | |
| General revenues | | | 7,890,693 | 10,823,441 |
| Federal grants | | | 3,417,521 | 3,430,663 |
| State grants | | | 13,858,737 | 11,192,286 |
| Miscellaneous revenues | | | 1,027,437 | 811,276 |
| Debt proceeds | | | 8,897,093 | 2,242,280 |
| Less: | | | | |
| Accumulated depreciation | | | (43,157,684) | (40,449,596) * |
| Total Fund Equity | | | <u>\$ 58,380,255</u> | <u>\$ 58,541,315</u> |

* The accumulated depreciation balance at June 30, 2002 is restated, see Note 7 of the Notes to the Financial Statements.

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF ASSETS BY FUNCTION
June 30, 2003

| Function | Land | Buildings | Infrastructure | Furniture & Fixtures | Equipment | Vehicles | Other Fixed Assets | Construction In Progress | Total Cost | Less Depreciation | Total |
|-----------------------------|--------------|---------------|----------------|-------------------------|--------------|--------------|-----------------------|-----------------------------|----------------|----------------------|---------------|
| General Government | \$ 1,722,569 | \$ 2,835,738 | \$ 39,777 | \$ 118,017 | \$ 1,038,013 | \$ 296,338 | \$ 73,958 | \$ 1,232,155 | \$ 7,356,565 | \$ (1,205,582) | \$ 6,150,983 |
| Public Safety | 1,471,225 | 17,036,941 | - | 71,472 | 1,803,980 | 722,163 | 59,654 | - | 21,165,435 | (2,404,362) | 18,761,073 |
| Public Works | 98,340 | 1,142,798 | 35,101,074 | 291,081 | 580,431 | 5,419,220 | 3,603,533 | 251,388 | 46,487,865 | (31,498,785) | 14,989,080 |
| Health | 30,079 | 696,042 | - | 371,160 | - | - | 4,121 | - | 1,101,402 | (509,278) | 592,124 |
| Social Services | 116 | - | - | - | 33,484 | 286,709 | - | - | 320,309 | (185,340) | 134,969 |
| Recreation & Culture | 583,120 | 2,613,441 | 214,288 | 245 | 4,028 | 39,248 | 395,204 | - | 3,849,574 | (406,525) | 3,443,049 |
| Libraries | 6,000 | 533,911 | - | - | - | - | - | 12,426 | 552,337 | (216,425) | 335,912 |
| Natural Resources | - | - | - | - | 15,839 | 15,999 | - | - | 31,838 | (17,823) | 14,015 |
| Urban Development & Housing | 56,640 | 646,220 | - | 4,160 | 15,779 | 9,302 | - | - | 732,101 | (262,463) | 469,638 |
| Economic Development | 3,845,027 | 15,190,816 | - | - | 47,408 | 27,531 | 78,221 | 751,511 | 19,940,514 | (6,451,102) | 13,489,412 |
| Total General Fixed Assets | \$ 7,813,116 | \$ 40,695,907 | \$ 35,355,139 | \$ 856,135 | \$ 3,538,962 | \$ 6,816,510 | \$ 4,214,691 | \$ 2,247,480 | \$ 101,537,940 | \$ (43,157,685) | \$ 58,380,255 |

ALLEGANY COUNTY, MARYLAND
CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION
FOR THE FISCAL YEAR ENDED JUNE 30, 2003

| Function | General Fixed Assets July 1, 2002 | Prior Period Adjustment | Restated Asset Balance at July 1, 2002 | Asset Reclass | Additions | Deductions | Total Cost | Less Depreciation | General Fixed Assets June 30, 2003 |
|-----------------------------|---|-------------------------------|--|------------------|---------------|-----------------|----------------|----------------------|--|
| General Government | \$ 9,781,847 | \$ 1,853,890 | \$ 11,635,737 | \$ (3,204,643) | \$ 1,184,643 | \$ (2,259,172) | \$ 7,356,565 | \$ (1,205,582) | \$ 6,150,983 |
| Public Safety | 17,763,528 | 1,091,245 | 18,854,773 | 3,237,169 | 3,600,539 | (4,527,046) | 21,165,435 | (2,404,362) | 18,761,073 |
| Public Works | 41,452,234 | 3,395,319 | 44,847,553 | - | 6,391,203 | (4,750,891) | 46,487,865 | (31,498,785) | 14,989,080 |
| Health | 1,101,402 | - | 1,101,402 | - | - | - | 1,101,402 | (509,278) | 592,124 |
| Social Services | 276,033 | - | 276,033 | (62,656) | 106,932 | - | 320,309 | (185,340) | 134,969 |
| Recreation & Culture | 3,549,041 | 7,100 | 3,556,141 | - | 548,413 | (254,980) | 3,849,574 | (406,525) | 3,443,049 |
| Libraries | 373,072 | 122,048 | 495,120 | - | 224,056 | (166,839) | 552,337 | (216,425) | 335,912 |
| Natural Resources | 28,899 | - | 28,899 | - | 2,939 | - | 31,838 | (17,823) | 14,015 |
| Urban Development & Housing | 740,977 | - | 740,977 | - | - | (8,876) | 732,101 | (262,463) | 469,638 |
| Economic Development | 10,081,081 | 7,373,027 | 17,454,108 | 30,130 | 8,116,187 | (5,659,911) | 19,940,514 | (6,451,102) | 13,489,412 |
| Miscellaneous | - | 168 | 168 | - | 30,167 | (30,335) | - | - | - |
| Total General Fixed Assets | \$ 85,148,114 | \$ 13,842,797 | \$ 98,990,911 | \$ - | \$ 20,205,079 | \$ (17,658,050) | \$ 101,537,940 | \$ (43,157,685) | \$ 58,380,255 |

Statistical Section

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

| REVENUES AND OTHER FINANCING SOURCES: | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Property Taxes | \$ 26,823,761 | \$ 26,949,364 | \$ 26,205,688 | \$ 26,028,928 | \$ 24,974,964 | \$ 23,767,146 | \$ 23,532,238 | \$ 22,897,461 | \$ 22,297,635 | \$ 21,174,346 |
| Income Taxes | 19,391,155 | 18,441,780 | 19,177,773 | 17,007,620 | 17,212,342 | 16,831,635 | 15,930,461 | 14,946,947 | 14,663,028 | 14,053,000 |
| Local Taxes | 1,583,457 | 1,765,592 | 1,458,068 | 1,518,164 | 1,754,516 | 1,402,499 | 1,295,474 | 1,748,847 | 1,066,053 | 1,015,010 |
| State Shared Taxes | - | - | - | - | - | - | - | - | 64,197 | 57,214 |
| Licenses and Permits | 580,355 | 558,218 | 534,121 | 508,317 | 486,641 | 468,556 | 486,796 | 469,666 | 424,306 | 402,143 |
| Federal Government | 1,169,271 | 1,313,035 | 1,305,970 | 1,300,660 | 1,405,030 | 1,027,725 | 962,718 | 744,840 | 676,882 | 611,615 |
| State Government | 9,076,125 | 6,681,272 | 6,240,229 | 5,366,275 | 5,033,553 | 4,848,243 | 3,056,394 | 2,807,315 | 2,611,224 | 2,190,453 |
| Intergovernmental-other | 59,344 | 19,794 | 20,364 | 24,802 | 9,573 | 20,908 | 35,419 | 20,418 | 12,453 | 224,609 |
| Service Charges | 1,571,565 | 1,596,298 | 1,623,690 | 1,386,926 | 1,515,973 | 1,281,508 | 1,129,846 | 1,019,466 | 1,116,469 | 1,019,931 |
| Fines and Forfeitures | 99,477 | 28,727 | 29,382 | 64,177 | 31,037 | 8,208 | 9,899 | 10,491 | 16,228 | 10,911 |
| Miscellaneous: | | | | | | | | | | |
| Interest | 276,725 | 504,137 | 1,046,616 | 926,607 | 808,964 | 776,247 | 654,849 | 757,582 | 666,757 | 505,362 |
| Rents | 214,668 | 176,044 | 230,429 | 425,315 | 403,918 | 420,180 | 425,683 | 426,770 | 466,657 | 500,474 |
| Sale of Assets | 6,376 | 160,849 | 645,817 | 96,274 | - | - | 13,527 | 201,539 | 108,504 | 240 |
| Other Miscellaneous | 104,141 | 104,507 | 79,403 | 72,823 | 75,539 | 113,431 | 58,803 | 104,728 | 110,498 | 89,813 |
| Lease proceeds | - | - | - | - | 41,008 | - | - | - | - | - |
| Transfers In | 1,191,191 | 1,068,543 | 855,563 | 852,317 | 772,099 | 756,944 | 876,710 | 625,001 | 608,285 | 524,549 |
| TOTAL REVENUES AND OTHER FINANCING SOURCES | 62,147,611 | 59,368,160 | 59,453,113 | 55,579,205 | 54,525,157 | 51,723,230 | 48,468,817 | 46,781,071 | 44,909,196 | 42,379,670 |

(Continued)

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

| EXPENDITURES * | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| General Government | 5,817,544 | 6,085,306 | 6,106,036 | 5,539,517 | 5,243,005 | 4,897,200 | 4,884,952 | 4,722,012 | 4,410,072 | 4,116,333 |
| Public Safety | 9,499,978 | 8,211,187 | 7,510,268 | 6,131,244 | 5,788,967 | 5,716,370 | 5,278,577 | 4,890,461 | 4,506,428 | 4,026,939 |
| Public Works | 2,103,016 | 1,931,934 | 1,856,758 | 1,684,139 | 1,647,488 | 1,610,964 | 1,658,793 | 1,671,451 | 1,894,953 | 1,827,343 |
| Conservation of Health | 1,249,259 | 1,215,752 | 1,168,645 | 1,108,442 | 922,547 | 1,033,185 | 1,019,386 | 971,676 | 1,005,010 | 1,076,435 |
| Social Services | 1,950,687 | 1,963,328 | 1,853,840 | 1,784,994 | 1,781,049 | 1,392,351 | 1,260,036 | 1,222,948 | 1,147,625 | 1,080,699 |
| Education | 31,111,438 | 30,311,872 | 29,931,156 | 27,711,600 | 26,505,400 | 25,655,400 | 24,980,400 | 24,400,400 | 23,700,400 | 22,350,400 |
| Recreation and Culture | 1,169,679 | 1,269,568 | 1,006,248 | 930,749 | 936,286 | 944,854 | 697,053 | 720,899 | 575,754 | 535,605 |
| Conservation of Natural Resources | 236,697 | 212,488 | 232,807 | 189,422 | 179,116 | 171,048 | 178,638 | 176,383 | 177,333 | 184,351 |
| Community Devel. & Housing | 8,000 | 174,046 | 166,293 | 137,063 | 135,176 | 22,200 | 22,200 | 22,200 | 12,000 | 15,000 |
| Economic Development | 1,271,234 | 921,982 | 848,455 | 843,079 | 760,030 | 634,082 | 713,478 | 690,479 | 601,012 | 482,181 |
| Intergovernmental | 28,704 | 28,704 | 28,704 | 28,704 | 28,704 | 28,704 | 28,704 | 28,704 | 28,704 | 28,704 |
| Miscellaneous | 10,517 | 4,678 | 11,693 | 21,332 | 11,383 | 11,333 | 108,706 | 14,373 | 5,132 | 74,521 |
| TOTAL EXPENDITURES | 54,456,753 | 52,330,845 | 50,720,903 | 46,110,285 | 43,939,151 | 42,117,691 | 40,830,923 | 39,531,986 | 38,064,423 | 35,798,511 |

OTHER FINANCING USES:

Transfers to:

| | | | | | | | | | | |
|-----------------------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Debt Service Fund | 4,870,889 | 4,935,779 | 6,170,405 | 5,389,352 | 4,151,683 | 3,797,484 | 3,242,357 | 3,336,884 | 3,371,385 | 3,001,695 |
| Highway Fund | 1,454,330 | 1,604,330 | 1,647,981 | 1,647,981 | 1,772,981 | 1,772,981 | 1,720,309 | 1,669,773 | 1,647,927 | 1,684,334 |
| Transit Fund | 108,438 | 124,705 | 132,548 | 167,726 | 159,366 | 172,165 | 163,742 | 207,880 | 181,993 | 171,062 |
| Housing Funds | 210,014 | 177,382 | 143,547 | 119,249 | 93,925 | 202,023 | 225,420 | 222,483 | 184,064 | 124,164 |
| Other Special Revenue Funds | 28,904 | 45,776 | 41,854 | 14,759 | 13,844 | 51,810 | 51,252 | 176,300 | 55,938 | 41,000 |
| Capital Projects Fund | 341,735 | 110,203 | 820,831 | 1,748,057 | 2,785,029 | 2,421,155 | 994,504 | 839,930 | 622,363 | 427,500 |
| Other Enterprise Funds | - | 152,000 | 1,518,378 | - | 212,000 | - | - | 200,000 | 9,808 | 10,605 |
| TOTAL OTHER FINANCING USES | 7,014,310 | 7,150,175 | 10,475,544 | 9,087,124 | 9,188,828 | 8,417,618 | 6,397,584 | 6,653,250 | 6,073,478 | 5,460,360 |

TOTAL EXPENDITURES AND

OTHER FINANCING USES

Excess (deficiency) of revenues and other sources over expenditures

| | | | | | | | | | | |
|---------------------------------------|----------------------|---------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|---------------------|---------------------|
| and other uses | 676,548 | (112,860) | (1,743,334) | 381,796 | 1,397,178 | 1,187,921 | 1,240,310 | 595,835 | 771,295 | 1,120,799 |
| Prior Period Adjustment | 0 | 0 | (266,016) | - | - | - | - | - | - | - |
| Beginning fund balance | 9,898,690 | 10,011,550 | 12,020,900 | 11,639,104 | 10,241,926 | 9,054,005 | 7,813,695 | 7,217,860 | 6,446,565 | 5,325,766 |
| Fund Balance (deficit), ending | \$ 10,575,238 | \$ 9,898,690 | \$ 10,011,550 | \$ 12,020,900 | \$ 11,639,104 | \$ 10,241,926 | \$ 9,054,005 | \$ 7,813,695 | \$ 7,217,860 | \$ 6,446,565 |

* Amounts recorded in the financial statements as transfers to other units have been reclassified and presented in the appropriate expenditure category.

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY PRIMARY GOVERNMENT
PENSION CONTRIBUTIONS

Allegany County participates in the State of Maryland Retirement System and Pension System. Both plans are cost sharing multiple-employer defined benefit plans. All full-time and permanent part-time employees must be members of one of the plans. The Retirement System covers most employees hired prior to January 1, 1980, while the Pension System covers employees hired after December 31, 1979, plus Retirement System participants who voluntarily joined the Pension System. The Maryland State Retirement System administers the Retirement System (established October 1, 1941) and the Pension System (established January 1, 1980) under the provisions of Article 73B of the Annotated Code of Maryland. Allegany County has also established two defined contribution retirement plans, the County Administrators Retirement Plan (one plan member) and the Management Contractual Employees Retirement Plan (seven members), administered by the ICMA Retirement Corporation.

Both the Retirement System and Pension System are jointly contributory. The County's contribution to both plans include the current service cost, which includes a normal cost and the cost of amortizing an unfunded accrued liability amount over forty years. Contributions to the defined contribution are made entirely by the County, 9% of covered payroll for the Administrators Plan and 4.37% for the Management Contractual Employees Plan.

| Contribution for Fiscal Year | Pension System | | Retirement System | | Defined Contribution | | Total County | |
|------------------------------------|----------------|--------------|-------------------|--------------|-------------------------|--------------|-----------------|---------------|
| | Current Year | Service Cost | Current Year | Service Cost | Service Cost | Service Cost | Contributions | Contributions |
| 2003 | \$ | 564,270 | \$ | 95,819 | \$ | 20,415 | \$ | 680,504 |
| 2002 | | 484,049 | | 91,240 | | 20,605 | | 595,894 |
| 2001 | | 533,734 | | 102,417 | | 17,549 | | 653,700 |
| 2000 | | 590,537 | | 107,446 | | 12,863 | | 710,846 |
| 1999 | | 575,528 | | 126,949 | | - | | 702,477 |
| 1998 | | 655,529 | | 139,833 | | - | | 795,362 |
| 1997 | | 517,226 | | 392,306 | | - | | 909,532 |
| 1996 | | 498,628 | | 407,180 | | - | | 905,808 |
| 1995 | | 407,609 | | 297,853 | | - | | 705,462 |
| 1994 | | 386,344 | | 326,706 | | - | | 713,050 |

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY PRIMARY GOVERNMENT
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

| Fiscal Year | Real Property | | Personal Property | | Corporate Personal Property (3) | | Totals | |
|-------------|------------------|--------------------|-------------------|--------------------|---------------------------------|--------------------|------------------|--------------------|
| | Market Value (2) | Assessed Value (1) | Market Value (2) | Assessed Value (1) | Market Value (2) | Assessed Value (1) | Market Value (2) | Assessed Value (1) |
| 2003 | \$ 2,158,322,043 | \$ 2,158,322,043 | \$ 10,417,090 | \$ 10,417,090 | \$ 360,582,630 | \$ 360,582,630 | \$ 2,529,321,763 | \$ 2,529,321,763 |
| 2002 | 2,072,981,398 | 2,072,981,398 | 10,142,410 | 10,142,410 | 493,595,405 | 493,595,405 | 2,576,719,213 | 2,576,719,213 |
| 2001 | 2,027,094,175 | 810,837,670 | 8,839,920 | 8,839,920 | 662,748,955 | 662,748,955 | 2,698,683,050 | 1,482,426,545 |
| 2000 | 1,986,596,538 | 794,638,615 | 10,869,940 | 10,869,940 | 736,321,330 | 736,321,330 | 2,733,787,808 | 1,541,829,885 |
| 1999 | 1,908,270,840 | 763,308,336 | 10,700,350 | 10,700,350 | 529,490,145 | 529,490,145 | 2,448,461,335 | 1,303,498,831 |
| 1998 | 1,830,044,875 | 732,017,950 | 11,762,460 | 11,762,460 | 426,419,050 | 426,419,050 | 2,268,226,385 | 1,170,199,460 |
| 1997 | 1,786,714,125 | 714,685,650 | 12,839,150 | 12,839,150 | 449,714,780 | 449,714,780 | 2,249,268,055 | 1,177,239,580 |
| 1996 | 1,733,567,015 | 693,426,806 | 12,133,200 | 12,133,200 | 463,799,310 | 463,799,310 | 2,209,499,525 | 1,169,359,316 |
| 1995 | 1,681,057,398 | 672,422,959 | 12,729,660 | 12,729,660 | 488,676,600 | 488,676,600 | 2,182,463,658 | 1,173,829,219 |
| 1994 | 1,613,737,580 | 645,495,032 | 11,737,570 | 11,737,570 | 499,393,340 | 499,393,340 | 2,124,868,490 | 1,156,625,942 |

Note: (1) All amounts are adjusted for additions and abateements during the original tax levy year.

(2) The assessed value for real property is 40% of the market value, or full cash value, for fiscal years 1993 - 2001. For fiscal year 2002 real property is assessed at full market value (100%) as mandated by a change in State law. Personal property is assessed based on the original cost less an annual depreciation of 10% to a minimum value of 25% of the original cost.

(3) Includes assessments on public utilities.

Source: Allegany County Tax Office and
Allegany County Finance Office

**ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY PRIMARY GOVERNMENT**

**TEN YEAR SUMMARY OF
REAL ESTATE
PROPERTY TAX LEVIES AND COLLECTIONS**

| Fiscal Year | Taxes Collected in Year of Levy | | | Total Taxes Collected | | |
|-------------|---------------------------------|-----------------|---------|-----------------------|-----------------------|---------|
| | Tax Levy (1) | Taxes Collected | Percent | Tax Levy Adjusted (2) | Total Taxes Collected | Percent |
| 2003 | 20,190,074 | 18,729,500 | 92.77% | 20,190,074 | 18,729,500 | 92.77% |
| 2002 | 19,739,787 | 18,208,781 | 92.24% | 19,693,371 | 19,050,374 | 96.73% |
| 2001 | 19,287,454 | 17,801,226 | 92.29% | 19,248,224 | 19,214,817 | 99.83% |
| 2000 | 18,779,731 | 17,392,441 | 92.61% | 18,701,508 | 18,672,449 | 99.84% |
| 1999 | 18,044,743 | 16,559,997 | 91.77% | 17,997,660 | 17,971,731 | 99.86% |
| 1998 | 17,295,160 | 15,927,233 | 92.09% | 17,292,422 | 17,266,884 | 99.85% |
| 1997 | 16,829,374 | 15,577,450 | 92.56% | 16,724,163 | 16,698,204 | 99.84% |
| 1996 | 16,521,260 | 15,348,048 | 92.90% | 16,514,547 | 16,513,581 | 99.99% |
| 1995 | 16,098,878 | 14,865,657 | 92.34% | 16,092,018 | 16,091,063 | 99.99% |
| 1994 | 15,422,298 | 14,237,976 | 92.32% | 15,411,050 | 15,410,106 | 99.99% |

**TEN YEAR SUMMARY OF
PERSONAL PROPERTY
TAX LEVIES AND COLLECTIONS**

| Fiscal Year | Taxes Collected in Year of Levy | | | Total Taxes Collected | | |
|-------------|---------------------------------|-----------------|---------|-----------------------|-----------------------|---------|
| | Tax Levy (1) | Taxes Collected | Percent | Tax Levy Adjusted (2) | Total Taxes Collected | Percent |
| 2003 | \$ 249,305 | \$ 196,207 | 78.70% | \$ 249,305 | \$ 196,207 | 78.70% |
| 2002 | 240,872 | 195,019 | 80.96% | 242,822 | 213,609 | 87.97% |
| 2001 | 191,726 | 170,281 | 88.81% | 209,314 | 193,065 | 92.24% |
| 2000 | 259,145 | 204,901 | 79.07% | 214,229 | 203,752 | 95.11% |
| 1999 | 269,137 | 198,792 | 73.86% | 228,938 | 222,313 | 97.11% |
| 1998 | 280,996 | 205,900 | 73.28% | 233,816 | 230,436 | 98.55% |
| 1997 | 306,030 | 241,579 | 78.94% | 267,778 | 266,251 | 99.43% |
| 1996 | 283,624 | 219,179 | 77.28% | 260,657 | 259,683 | 99.63% |
| 1995 | 305,322 | 229,287 | 75.10% | 254,692 | 253,816 | 99.66% |
| 1994 | 280,826 | 226,212 | 80.55% | 250,039 | 249,905 | 99.95% |

Note: (1) Certified charges adjusted for additions and abatements in year of levy.

(2) Certified charges adjusted for additions and abatements from year of levy to June 30, 2003.

Source: Allegany County Tax Office and
Allegany County Finance Office

(Continued)

**ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY PRIMARY GOVERNMENT**

**TEN YEAR SUMMARY OF
CORPORATE PERSONAL PROPERTY
TAX LEVIES AND COLLECTIONS**

| Fiscal Year | Taxes Collected in Year of Levy | | | Total Taxes Collected | | |
|-------------|---------------------------------|-----------------|---------|-----------------------|-----------------------|---------|
| | Tax Levy (1) | Taxes Collected | Percent | Tax Levy Adjusted (2) | Total Taxes Collected | Percent |
| 2003 | 9,282,992 | 9,163,854 | 98.72% | 9,282,992 | 9,163,854 | 98.72% |
| 2002 | 11,671,917 | 11,416,395 | 97.81% | 11,682,596 | 11,606,162 | 99.35% |
| 2001 | 15,858,558 | 15,708,793 | 99.06% | 15,798,242 | 15,723,103 | 99.52% |
| 2000 | 17,560,034 | 17,393,342 | 99.05% | 17,479,325 | 17,407,536 | 99.59% |
| 1999 | 12,431,900 | 12,085,500 | 97.21% | 12,412,354 | 12,363,319 | 99.60% |
| 1998 | 10,061,447 | 9,625,733 | 95.67% | 9,973,776 | 9,949,849 | 99.76% |
| 1997 | 10,350,893 | 9,921,882 | 95.86% | 10,314,544 | 10,298,503 | 99.84% |
| 1996 | 10,905,217 | 10,668,315 | 97.83% | 10,850,076 | 10,836,318 | 99.87% |
| 1995 | 11,507,012 | 11,231,999 | 97.61% | 11,313,246 | 11,305,669 | 99.93% |
| 1994 | 11,697,860 | 11,483,877 | 98.17% | 11,640,714 | 11,635,410 | 99.95% |

**TEN YEAR SUMMARY OF
ALL PROPERTY TAX LEVIES AND COLLECTIONS**

| Fiscal Year | Taxes Collected in Year of Levy | | | Total Taxes Collected | | |
|-------------|---------------------------------|-----------------|---------|-----------------------|-----------------------|---------|
| | Tax Levy (1) | Taxes Collected | Percent | Tax Levy Adjusted (2) | Total Taxes Collected | Percent |
| 2003 | 29,722,371 | 28,089,561 | 94.51% | 29,722,371 | 28,089,561 | 94.51% |
| 2002 | 31,652,576 | 29,820,195 | 94.21% | 31,618,789 | 30,870,145 | 97.63% |
| 2001 | 35,337,738 | 33,680,300 | 95.31% | 35,255,780 | 35,130,985 | 99.65% |
| 2000 | 36,598,910 | 34,990,684 | 95.61% | 36,395,062 | 36,283,737 | 99.69% |
| 1999 | 30,745,780 | 28,844,289 | 93.82% | 30,638,952 | 30,557,363 | 99.73% |
| 1998 | 27,637,603 | 25,758,866 | 93.20% | 27,500,014 | 27,447,169 | 99.81% |
| 1997 | 27,486,297 | 25,740,911 | 93.65% | 27,306,485 | 27,262,958 | 99.84% |
| 1996 | 27,710,101 | 26,235,542 | 94.68% | 27,625,280 | 27,609,582 | 99.94% |
| 1995 | 27,911,212 | 26,326,943 | 94.32% | 27,659,956 | 27,650,548 | 99.97% |
| 1994 | 27,400,984 | 25,948,065 | 94.70% | 27,301,803 | 27,295,421 | 99.98% |

Note: (1) Certified charges adjusted for additions and abatements in year of levy.

(2) Certified charges adjusted for additions and abatements from year of levy to June 30, 2003.

Source: Allegany County Tax Office and
Allegany County Finance Office

ALLEGANY COUNTY, MARYLAND
SCHEDULE OF REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING
LAST TEN FISCAL YEARS

| | 2003 | 2002 | 2001 | 2000 | 1999 | 1998 | 1997 | 1996 | 1995 | 1994 |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| <u>Allegany County Tax Rates</u> | | | | | | | | | | |
| Barton | 0.9520 | 0.9513 | 0.9520 | 0.9520 | 0.9480 | 0.9480 | 0.9480 | 0.9520 | 0.9560 | 0.9560 |
| Cumberland | 0.9838 | 0.9840 | 0.9040 | 0.9040 | 0.9040 | 0.9000 | 0.9040 | 0.9000 | 0.9000 | 0.9000 |
| Frostburg | 0.9128 | 0.9128 | 0.9120 | 0.9120 | 0.9120 | 0.9120 | 0.9120 | 0.9120 | 0.9160 | 0.9160 |
| Lonaconing | 0.9334 | 0.9330 | 0.9320 | 0.9320 | 0.9320 | 0.9320 | 0.9320 | 0.9320 | 0.9360 | 0.9360 |
| Luke | 0.9299 | 0.9287 | 0.9280 | 0.9280 | 0.9280 | 0.9280 | 0.9240 | 0.9240 | 0.9240 | 0.9200 |
| Midland | 0.9520 | 0.9513 | 0.9520 | 0.9520 | 0.9480 | 0.9480 | 0.9480 | 0.9520 | 0.9560 | 0.9560 |
| Westernport | 0.9344 | 0.9330 | 0.9320 | 0.9320 | 0.9320 | 0.9320 | 0.9320 | 0.9320 | 0.9360 | 0.9360 |
| Unincorporated | 0.9838 | 0.9840 | 0.9840 | 0.9880 | 0.9880 | 0.9880 | 0.9880 | 0.9920 | 1.0000 | 1.0000 |
| <u>Municipal Tax Rates</u> | | | | | | | | | | |
| Barton | 0.2260 | 0.2320 | 0.2320 | 0.2320 | 0.2320 | 0.2320 | 0.2320 | 0.2320 | 0.2320 | 0.2320 |
| Cumberland | 0.8720 | 0.8720 | 1.0400 | 1.0480 | 1.0480 | 1.0480 | 1.0480 | 1.0480 | 1.0480 | 1.0480 |
| Frostburg | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 | 0.5000 |
| Lonaconing | 0.3400 | 0.3400 | 0.3400 | 0.3400 | 0.3400 | 0.3400 | 0.3400 | 0.3400 | 0.3400 | 0.3400 |
| Luke | 0.2400 | 0.2400 | 0.2400 | 0.2400 | 0.2400 | 0.2320 | 0.2120 | 0.1960 | 0.1960 | 0.1960 |
| Midland | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 | 0.2800 |
| Westernport | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.6000 | 0.5400 | 0.5400 |
| <u>Special Taxing Areas</u> | | | | | | | | | | |
| <u>Sanitary Districts</u> | | | | | | | | | | |
| Bedford Road | 0.1000 | 0.1000 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0960 | 0.0960 | 0.0960 |
| Bowling Green | 0.1480 | 0.1480 | 0.1440 | 0.1560 | 0.1560 | 0.1560 | 0.1560 | 0.1600 | 0.1600 | 0.1600 |
| Braddock Run | 0.0040 | 0.0040 | 0.0040 | 0.0160 | 0.0160 | 0.0160 | 0.0200 | 0.0320 | 0.0320 | 0.0320 |
| Cresaptown | 0.0480 | 0.0480 | 0.0360 | 0.0360 | 0.0360 | 0.0360 | 0.0360 | 0.0400 | 0.1040 | 0.1040 |
| Jennings Run - Wills Creek | 0.0520 | 0.0520 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0480 | 0.0480 | 0.0480 |
| Cash Valley Subdistrict | 0.2440 | 0.2440 | 0.2320 | 0.2440 | 0.2440 | 0.2440 | 0.2440 | 0.0000 | 0.0000 | 0.0000 |
| McCoole | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1400 | 0.1400 |
| Flintstone/ Gilpin | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 |
| Franklin/ Brophytown | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0920 | 0.0920 |
| Oldtown | 0.0960 | 0.0960 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 | 0.0880 |
| George's Creek | 0.1600 | 0.1600 | 0.1600 | 0.1600 | 0.1600 | 0.1600 | 0.1600 | 0.1600 | 0.1600 | 0.1600 |
| Mexico Farms | 0.1840 | 0.1840 | 0.1840 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 | 0.2000 |
| Oldtown Road | 0.2600 | 0.2600 | 0.2600 | 0.3840 | 0.3840 | 0.3840 | 0.3840 | 0.0000 | 0.0000 | 0.0000 |
| <u>Other Special Districts</u> | | | | | | | | | | |
| Bedford Road Volunteer Fire Co | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| Bel Air Special Tax Area | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| Bowling Green and Roberts Place | 0.0400 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0280 | 0.0280 |
| 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 | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| Cresaptown Civic Improvement Assoc | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 |
| Cresaptown Special Fire Tax Area | 0.0520 | 0.0520 | 0.0520 | 0.0520 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| Ellerslie Special Taxing Area | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| LaVale Sanitary Commission | 0.1000 | 0.1000 | 0.1000 | 0.1000 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 |
| LaVale Fire Department | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| LaVale Volunteer Rescue Squad | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 | 0.0200 |
| McCoole Special Taxing Area | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| Moscow Special Taxing Area | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 | 0.1200 |
| Mt Savage Special Taxing Area | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 | 0.0400 |
| Potomac Park Citizens Committee | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 | 0.0320 |
| Rawlings Special Fire Tax Area | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0600 | 0.0400 | 0.0400 |

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
ALLEGANY COUNTY PRIMARY GOVERNMENT
PROPERTY TAXES RECEIVABLE
LAST TEN YEARS**

| <u>Fiscal Year Ending June 30,</u> | <u>Real Estate</u> | <u>Local Personal Property</u> | <u>Corporate Personal Property (1)</u> | <u>Totals</u> |
|--|------------------------|--|--|---------------|
| 2003 | \$ 2,248,729 | \$ 123,006 | \$ 472,334 | \$ 2,844,069 |
| 2002 | 2,299,814 | 88,845 | 717,879 | \$ 3,106,538 |
| 2001 | 2,263,813 | 94,132 | 520,203 | 2,878,148 |
| 2000 | 2,105,537 | 145,352 | 449,215 | 2,700,104 |
| 1999 | 2,147,924 | 187,982 | 749,100 | 3,085,006 |
| 1998 | 1,966,459 | 164,392 | 768,074 | 2,898,925 |
| 1997 | 1,805,275 | 167,447 | 886,568 | 2,859,290 |
| 1996 | 1,708,949 | 136,369 | 687,231 | 2,532,549 |
| 1995 | 1,798,317 | 127,797 | 663,263 | 2,589,377 |
| 1994 | 1,742,793 | 120,133 | 808,810 | 2,671,736 |

(1) Includes public utilities.

**ALLEGANY COUNTY, MARYLAND
SPECIAL ASSESSMENT COLLECTIONS - PAVING LIENS
LAST TEN YEARS**

| <u>Fiscal Year</u> | <u>Beginning Balance</u> | <u>Special Assessment Levies</u> | <u>Assessment Collections</u> | <u>Ending Balance</u> |
|--------------------|------------------------------|--|-----------------------------------|---------------------------|
| 1994 | 94,320 | - | 12,866 | 81,454 |
| 1995 | 81,454 | - | 7,286 | 74,168 |
| 1996 | 74,168 | - | 9,590 | 64,578 |
| 1997 | 64,578 | - | 15,243 | 49,335 |
| 1998 | 49,335 | - | 20,650 | 28,685 |
| 1999 | 28,685 | - | 7,573 | 21,112 |
| 2000 | 21,112 | - | 5,645 | 15,467 |
| 2001 | 15,467 | - | 6,635 | 8,832 |
| 2002 | 8,832 | - | 3,993 | 4,839 |
| 2003 | 4,839 | - | 3,320 | 1,519 |

Source: Allegany County Tax Office and Finance Office

ALLEGANY COUNTY, MARYLAND
LEGAL DEBT LIMITATION
June 30, 2003

There is no aggregate limit to the amount of bonds and other indebtedness which may be outstanding at any one time for Allegany County. The incurring of direct bonded debt by the County must be authorized by a local public law enacted by the Board of Commissioners.

ALLEGANY COUNTY, MARYLAND
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FISCAL YEAR ENDED JUNE 30, 2002 (1)

| <u>Name of Governmental Unit</u> | <u>Net Debt Outstanding</u> | <u>Allegany County's Share of The Debt (2)</u> | <u>Overlapping Debt</u> |
|----------------------------------|---------------------------------|--|-----------------------------|
| Allegany County | \$ 44,257,305 | \$ 44,257,305 | \$ - |
| Cumberland | 4,562,457 | - | - |
| Frostburg | 685,776 | - | - |
| Westernport | 124,970 | - | - |
| | <u>\$ 49,630,508</u> | <u>\$ 44,257,305</u> | <u>\$ -</u> |

(1) The most recent year which all information is available.

(2) Allegany County debt and debt for which Allegany County has pledged it's full faith and credit.

Source: Allegany County Finance Office

ALLEGANY COUNTY, MARYLAND
ALLEGANY COUNTY PRIMARY GOVERNMENT
PRINCIPAL AMOUNT OF LONG AND SHORT TERM DEBT
LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Long Term Debt</u> | <u>Short Term Debt</u> |
|--------------------|---------------------------|----------------------------|
| 2003 | \$ 40,230,444 | \$ - |
| 2002 | 44,257,305 | - |
| 2001 | 47,537,740 | - |
| 2000 | 51,314,968 | - |
| 1999 | 54,521,256 | - |
| 1998 | 42,160,366 | - |
| 1997 | 44,383,886 | - |
| 1996 | 40,389,891 | - |
| 1995 | 29,451,362 | - |
| 1994 | 31,012,050 | - |

Source: Allegany County Finance Department

**ALLEGANY COUNTY SANITARY AND WATER DISTRICTS
PRINCIPAL AMOUNT OF LONG AND SHORT TERM DEBT
LAST TEN FISCAL YEARS**

| <u>Fiscal Year</u> | <u>SANITARY DISTRICTS</u> | | <u>WATER DISTRICTS</u> | |
|--------------------|-------------------------------|----------------------------|---------------------------|----------------------------|
| | <u>Long-Term Debt (1)</u> | <u>Short-Term Debt</u> | <u>Long-Term Debt</u> | <u>Short-Term Debt</u> |
| 2003 | \$ 4,363,919 | \$ - | \$ 3,314,705 | \$ - |
| 2002 | 4,712,861 | - | 3,426,301 | - |
| 2001 | 6,302,477 | - | 1,854,549 | - |
| 2000 | 5,579,659 | - | 1,936,504 | - |
| 1999 | 6,084,055 | - | 1,013,319 | - |
| 1998 | 5,457,904 | - | 1,072,976 | - |
| 1997 | 5,903,706 | - | 787,313 | - |
| 1996 | 6,327,735 | - | 843,652 | - |
| 1995 | 6,066,868 | - | 886,966 | - |
| 1994 | 6,518,251 | - | 927,995 | - |

Notes:

- (1) Includes advances (loans) from Allegany County to retire various debt issues early.
- (2) FY2002 includes a residual equity transfer from the Sanitary Districts to the Water Districts which included \$1,073,635 of debt.

Source: Allegany County Finance Office

**ALLEGANY COUNTY PRIMARY GOVERNMENT
REVENUE BOND COVERAGE
SANITARY AND WATER DISTRICTS
LAST TEN FISCAL YEARS**

SANITARY DISTRICTS

| Fiscal Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Principal | Interest | Total | Coverage |
|-------------|--------------------|------------------------|--|------------|------------|------------|----------|
| 2003 | \$ 5,196,676 | \$ 4,135,237 | \$ 1,061,439 | \$ 534,257 | \$ 253,771 | \$ 788,028 | 1.35% |
| 2002 | 5,322,012 | 3,870,291 | 1,451,721 | 515,979 | 298,032 | 814,011 | 1.78% |
| 2001 | 5,225,033 | 3,805,192 | 1,419,841 | 477,182 | 301,188 | 778,370 | 1.82% |
| 2000 | 4,717,029 | 3,407,505 | 1,309,524 | 504,396 | 333,245 | 837,641 | 1.56% |
| 1999 | 4,489,346 | 3,383,497 | 1,105,849 | 473,846 | 344,220 | 818,066 | 1.35% |
| 1998 | 4,102,355 | 3,375,064 | 727,291 | 445,802 | 342,069 | 787,871 | 0.92% |
| 1997 | 3,827,804 | 3,095,107 | 732,697 | 424,029 | 367,263 | 791,292 | 0.93% |
| 1996 | 3,708,403 | 2,772,321 | 936,082 | 443,633 | 378,023 | 821,656 | 1.14% |
| 1995 | 3,673,676 | 2,889,509 | 784,167 | 451,383 | 415,643 | 867,026 | 0.90% |
| 1994 | 3,590,523 | 2,653,565 | 936,958 | 478,789 | 427,730 | 906,519 | 1.03% |

WATER DISTRICTS

| Fiscal Year | Gross Revenues (1) | Operating Expenses (2) | Net Revenue Available for Debt Service | Principal | Interest | Total | Coverage |
|-------------|--------------------|------------------------|--|------------|------------|------------|----------|
| 2003 | \$ 1,073,757 | \$ 878,777 | \$ 194,980 | \$ 111,596 | \$ 150,978 | \$ 262,574 | 0.74% |
| 2002 | 1,043,256 | 826,387 | 216,869 | 101,883 | 138,431 | 240,314 | 0.90% |
| 2001 | 754,227 | 682,149 | 72,078 | 81,955 | 87,478 | 169,433 | 0.43% |
| 2000 | 606,260 | 565,537 | 40,723 | 70,515 | 76,905 | 147,420 | 0.28% |
| 1999 | 533,325 | 478,747 | 54,578 | 59,657 | 65,273 | 124,930 | 0.44% |
| 1998 | 465,612 | 298,190 | 167,422 | 53,837 | 64,571 | 118,408 | 1.41% |
| 1997 | 435,286 | 272,717 | 162,569 | 56,339 | 58,807 | 115,146 | 1.41% |
| 1996 | 417,338 | 280,479 | 136,859 | 43,314 | 62,440 | 105,754 | 1.29% |
| 1995 | 387,749 | 230,505 | 157,244 | 41,029 | 65,649 | 106,678 | 1.47% |
| 1994 | 362,405 | 242,458 | 119,947 | 38,738 | 68,680 | 107,418 | 1.12% |

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

2 - Total operating expenses less depreciation.

**ALLEGANY COUNTY PRIMARY GOVERNMENT
RATIO OF BONDED DEBT
TO ASSESSED VALUES AND BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS**

| <u>Fiscal Year Ended June 30</u> | <u>County Debt (1)</u> | <u>Assessed Value (2)</u> | <u>Ratio of County Debt to Assessed Value</u> | <u>Estimated Population (3)</u> | <u>Debt per Capita</u> |
|--|----------------------------|-------------------------------|---|-------------------------------------|--------------------------------|
| 2003 | \$ 40,230,444 | \$ 2,529,321,763 | (4) 1.59% | 74,798 | \$ 538 |
| 2002 | 44,257,305 | 2,576,719,213 | (4) 1.72% | 74,864 | 591 |
| 2001 | 47,537,740 | 1,482,426,545 | 3.21% | 74,930 | 634 |
| 2000 | 51,314,968 | 1,541,829,855 | 3.33% | 71,333 | 719 |
| 1999 | 54,521,256 | 1,303,498,831 | 4.18% | 71,160 | 766 |
| 1998 | 42,160,366 | 1,170,199,460 | 3.60% | 71,330 | 591 |
| 1997 | 44,838,886 | 1,177,239,580 | 3.81% | 72,101 | 622 |
| 1996 | 40,389,891 | 1,169,359,316 | 3.45% | 72,964 | 554 |
| 1995 | 29,451,362 | 1,173,829,219 | 2.51% | 73,564 | 400 |
| 1994 | 31,012,050 | 1,156,625,942 | 2.68% | 73,687 | 421 |

- Notes: (1) Allegany County component unit debt only, does not include any other component units of the Allegany County reporting entity. Includes Nursing Home portion of 1992 bond issue.
- (2) Includes adjustments for additions and abatements during the year of levy.
- (3) Source: Maryland Population Reports, Maryland Center for Health Statistics, Department of Health and Mental Hygiene. Updated for revised estimates when available with the assistance of the Allegany County Department of Planning and Zoning. Fiscal year 2001 population number from US Census.
- (4) For fiscal year 2002 and after, real estate property was assessed at 100% of full market value due to a change in State law, prior to fiscal year 2002 real estate property was assessed at 40% of market value. Property tax rates were adjusted to make the law revenue neutral.

Source: Allegany County Finance Office

ALLEGANY COUNTY, MARYLAND
RATIO OF ANNUAL DEBT SERVICE FOR GENERAL BONDED
DEBT TO TOTAL GENERAL FUND EXPENDITURES (1)
LAST TEN FISCAL YEARS

| <u>Fiscal Year</u> | <u>Principal (1)</u> | <u>Interest</u> | <u>Sinking Fund Deposit</u> | <u>Total Debt Service</u> | <u>Total General Fund Expenditures and Other Financing Uses</u> | <u>Ratio of Debt Service to General Fund Expenditures</u> |
|------------------------|----------------------|-----------------|-------------------------------------|-----------------------------------|---|---|
| 2003 | \$ 3,717,143 | \$ 1,617,668 | \$ - | \$ 5,334,811 | \$ 61,471,063 | 8.68% |
| 2002 | 3,585,147 | 1,740,280 | - | 5,325,427 | 59,481,020 | 8.95% |
| 2001 | 3,491,669 | 2,104,537 | - | 5,596,206 | 61,196,447 | 9.14% |
| 2000 | 3,363,967 | 2,293,599 | (5,796) | 5,651,770 | 55,197,409 | 10.24% |
| 1999 | 2,554,921 | 2,091,014 | (106,065) | 4,539,870 | 53,127,979 | 8.55% |
| 1998 | 2,513,575 | 1,935,356 | (1,662) | 4,447,269 | 50,535,309 | 8.80% |
| 1997 | 2,490,064 | 1,678,064 | (2,909) | 4,165,219 | 47,228,507 | 8.82% |
| 1996 | 3,309,703 | 1,343,217 | (135,952) | 4,516,968 | 46,185,236 | 9.78% |
| 1995 | 2,192,954 | 1,372,146 | 7,040 | 3,572,140 | 44,137,901 | 8.09% |
| 1994 | 3,784,331 | 1,142,498 | (37,420) | 4,889,409 | 41,258,871 | 11.85% |

(1) Does not include any debt retired with proceeds of new debt or debt retired using sinking fund deposits.

Source: Allegany County Finance Department

**ALLEGANY COUNTY, MARYLAND
DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

| <u>Fiscal Year</u> | <u>Estimated Population (1)</u> | <u>Per Capita Income (2)</u> | <u>Public School Enrollment (3)</u> | <u>Unemployment Rate (2)</u> |
|--------------------|-------------------------------------|----------------------------------|---|----------------------------------|
| 2003 | 74,798 | N/A | 10,081 | 5.2% |
| 2002 | 74,864 | N/A | 10,151 | 7.5% |
| 2001 | 74,930 (4) | 22,199 | 10,425 | 7.6% |
| 2000 | 71,333 | 21,224 | 10,490 | 6.4% |
| 1999 | 71,160 | 21,453 | 10,987 | 7.1% |
| 1998 | 71,330 | 20,429 | 11,110 | 8.9% |
| 1997 | 72,101 | 19,803 | 11,190 | 7.3% |
| 1996 | 72,964 | 18,700 | 11,300 | 8.5% |
| 1995 | 73,564 | 17,896 | 11,303 | 9.5% |
| 1994 | 73,687 | 17,068 | 11,240 | 9.6% |

N/A - Not available

Source: (1) Maryland Population Reports, Maryland Center for Health Statistics, Department of Health and Mental Hygiene. Updated for revised estimates when available with the assistance of the Allegany County Department of Planning and Zoning.

(2) Figures are on a calendar year basis from the Maryland Department of Economic and Employment Development, Office of Labor Market Analysis and Information and Department of Commerce.

(3) Allegany County Board of Education Calendar Handbook, FY 94 - FY 03, enrollment as of September 30, for that fiscal year. FY 94-03 includes Pre-K enrollment.

(4) U S Census 2000

ALLEGANY COUNTY, MARYLAND
PROPERTY VALUE, CONSTRUCTION AND BANK DEPOSITS
LAST TEN YEARS

| Fiscal Year | Commercial Construction (1) | | Residential Construction (1) | | Bank Deposits (2) (thousands) | Property Value (3) (thousands) | | |
|----------------|-----------------------------|----------------------|------------------------------|----------------------|-------------------------------------|--------------------------------|--------------|-----------------------------|
| | Number of Units | Value (thousands) | Number of Units | Value (thousands) | | Commercial | Residential | Agricultural Non-Taxable |
| 2003 | 15 | \$ 450 | 96 | \$ 7,543 | \$ 631,782 | \$ 546,354 | \$ 1,541,841 | \$ 66,165 \$ 807,414 |
| 2002 | 13 | 3,349 | 108 | 9,904 | 653,667 | 533,931 | 1,500,992 | 63,334 790,379 |
| 2001 | 25 | 13,565 | 87 | 6,460 | \$ 664,406 | 211,168 | 585,853 | 31,408 303,311 |
| 2000 | 15 | 2,473 | 117 | 7,427 | 685,786 | 207,328 | 566,802 | 22,928 297,999 |
| 1999 | 17 | 3,960 | 110 | 6,780 | 695,208 | 199,843 | 540,770 | 21,402 289,478 |
| 1998 | 23 | 3,682 | 118 | 7,288 | 701,879 | 199,719 | 516,343 | 20,206 273,321 |
| 1997 | 34 | 16,147 | 162 | 10,119 | 1,867,000 | 194,441 | 496,980 | 19,053 254,293 |
| 1996 | 18 | 19,094 | 163 | 9,311 | 1,213,358 | 187,185 | 480,916 | 18,779 246,540 |
| 1995 | 14 | 1,224 | 213 | 11,530 | 1,170,540 | 188,036 | 464,550 | 18,011 217,481 |
| 1994 | 14 | 2,814 | 210 | 8,469 | 949,528 | 181,065 | 444,428 | 16,460 205,227 |

Source: (1) Allegany County Planning & Zoning Department
(2) Financial Institutions Data Exchange
(3) State Department of Assessments and Taxation

**ALLEGANY COUNTY, MARYLAND
TEN LARGEST PROPERTY TAXPAYERS
FOR FISCAL YEAR 2003**

| Name of Taxpayer | Percentage of Assessable | | Gross Tax | Industrial Exemption | Net Tax | Percentage of Tax Revenues |
|-------------------------------------|--------------------------|-------|--------------|----------------------|-----------|----------------------------|
| | Assessment | Base | | | | |
| AES WR Limited Partnership | \$ 166,722,012 | 6.59% | \$ 3,848,143 | \$ 3,784,258 | \$ 63,885 | 0.24% |
| Potomac Edison Co. | 55,021,636 | 2.18% | 1,316,577 | - | 1,316,577 | 4.91% |
| Verizon-Maryland | 43,015,206 | 1.70% | 1,012,842 | - | 1,012,842 | 3.78% |
| Westvaco Corporation | 70,498,022 | 2.79% | 696,548 | - | 696,548 | 2.60% |
| Columbia Gas of Maryland, Inc. | 15,790,566 | 0.62% | 370,294 | - | 370,294 | 1.38% |
| Lavale Associates | 31,380,260 | 1.24% | 309,508 | - | 309,508 | 1.15% |
| CSX Transportation | 15,015,760 | 0.59% | 267,215 | - | 267,215 | 1.00% |
| Level 3 Communications | 6,854,950 | 0.27% | 164,805 | - | 164,805 | 0.61% |
| Charter Communications VI, LLC | 6,246,850 | 0.25% | 141,335 | - | 141,335 | 0.53% |
| General Electric Credit Corporation | 4,906,240 | 0.19% | 113,031 | - | 113,031 | 0.42% |

Source: Allegany County Tax Office and
Allegany County Finance Office

ALLEGANY COUNTY, MARYLAND
MISCELLANEOUS STATISTICAL DATA
June 30, 2003

Form of government: Board of County Commissioners/Board President

| | | | |
|-------------------------|-----|---------------------------|--------|
| Area - square miles | 428 | Education: | |
| County Roads - Mileage | 544 | Number of Schools: | |
| Public Services: | | Secondary | 4 |
| Police Protection: | | Middle | 3 |
| Sheriff | 1 | K - 8 | 1 |
| Assistant Sheriff | 0 | Elementary | 14 |
| Deputy Sheriffs | 19 | Vocational Education | 1 |
| State Troopers | 44 | Community College | 1 |
| Fire and Rescue Units: | | State University | 1 |
| Volunteer Fire Stations | 23 | Enrollment: (Spring 2002) | |
| Paid Fire Departments | 1 | Public School System | 10,081 |
| Rescue Units | 4 | Community College | 3,079 |
| Medivac Units | 1 | State University | 4,987 |

Building Permits Issued for the Fiscal Year Ending June 30, 2003
(Does not include several municipalities)

| | <u>No. Issued</u> | <u>Estimated Value</u> | Elections: | |
|-------------------------|-------------------|------------------------|------------------------------------|---------------|
| Apartments | 0 | - | (registration as of June 30, 2003) | |
| Residential | 96 | \$ 7,542,694 | Democratic voters | 16,695 |
| Commercial & Industrial | 15 | 449,500 | Republican voters | 18,721 |
| Other | 310 | 2,533,075 | Other parties | 433 |
| Totals | <u>421</u> | <u>\$ 10,525,269</u> | Unaffiliated/Others | <u>3,144</u> |
| | | | Total registered voters | <u>38,993</u> |

Percentage of voters casting ballots
last general election (2002) 59%

Source: Allegany County: Finance Department, Department of Economic Development,
Election Board and Planning and Zoning Department. Others include: Board
of Education, Allegany College and Frostburg State University.

**ALLEGANY COUNTY, MARYLAND
MAJOR COUNTY EMPLOYERS
FY 2003**

| <u>Employer</u> | <u>Product or Service</u> | <u>Estimated Employment</u> |
|------------------------------------|--|---------------------------------|
| Western Maryland Health Systems | Health Services | 2,388 |
| Westvaco Corporation | Printing and Sheeted Papers | 1,360 |
| Allegany County Board of Education | Public School System | 1,240 |
| CSX Transportation | Rail Transportation | 1,000 |
| Frostburg State University | Higher Education, 4 Year Institution | 962 |
| Western Correctional Institute | Correctional Facility | 620 |
| CyberRep.Com | Call Center | 525 |
| Hunter Douglas | Window Coverings | 504 |
| Allegany County | Local County Government (Full time only) | 500 |
| Allegany College | Higher Education, 2 Year Institution | 454 |
| Biederlack Company, Inc | Blanket Manufacturer | 398 |
| Bayliner Marine Corporation | Boat Manufacturer | 359 |
| S. Schwab Company | Knit Goods | 350 |
| Federal Correctional Institute | Correctional Facility | 319 |
| City of Cumberland | Municipal Government | 300 |

Source: Allegany Finance Department and
Department of Economic Development

STATE OF MARYLAND
9-1-1 TRUST FUND RECEIPTS AND EXPENDITURES
FOR THE PERIOD JULY 1, 2002 THROUGH JUNE 30, 2003
ALLEGANY COUNTY, MARYLAND

| FUNDS | FY 2003 Local Fee | State Fee 9-1-1 Numbering System | FY 2003 State Misc. | FY 2003 County Funding | FY 2003 Total |
|--------------------------------|-------------------------|---|---------------------------|------------------------------|-------------------|
| Receipts | <u>\$ 241,413</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 485,345</u> | <u>\$ 726,758</u> |
| Total Funds Available | <u>241,413</u> | <u>-</u> | <u>-</u> | <u>485,345</u> | <u>726,758</u> |
| EXPENDITURES | | | | | |
| Personnel costs | 205,201 | - | - | 350,135 | 555,336 |
| Non-personnel cost: | | | | | |
| Telephone | 18,467 | - | - | 56,708 | 75,175 |
| Equipment purchased/leased | 1,449 | - | - | 4,251 | 5,700 |
| Repairs | 6,156 | - | - | 17,854 | 24,010 |
| Utilities | 2,173 | - | - | 6,385 | 8,558 |
| Miscellaneous | 7,967 | - | - | 23,523 | 31,490 |
| Ineligible expenditures | - | - | - | 26,489 | 26,489 |
| Total Expenditures | <u>241,413</u> | <u>-</u> | <u>-</u> | <u>485,345</u> | <u>726,758</u> |
| Excess (Deficiency) in Funding | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Prepared by: Allegany County Finance Office

ALLEGANY COUNTY
FIRE, RESCUE AND AMBULANCE EXPENDITURES
F.Y. 2003

| | |
|--|-------------------|
| Fire, Rescue And Ambulance Expenditures: | |
| Fire Companies | \$ 836,676 |
| Fire Suppression | - |
| Total Expenditures | <u>836,676</u> |
| Less Loan Payments | 3,332 |
| Plus New Loans | - |
| Gross Expenditures | <u>833,344</u> |
| Less Non Qualified Expenditures | <u>14,126</u> |
| Net Expenditures | <u>\$ 819,218</u> |

Prepared by: Allegany County Finance Office

