

**ALLEGANY COUNTY, MARYLAND
SINGLE AUDIT REPORT
JUNE 30, 2000**

DELANEY, TURNBULL & ASSOCIATES, P.A.
Certified Public Accountants

ALLEGANY COUNTY, MARYLAND
SINGLE AUDIT REPORT
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DELANEY, TURNBULL & ASSOCIATES, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

222 WASHINGTON STREET

CUMBERLAND, MARYLAND 21502

PHONE: (301) 759-3270

FAX: (301) 724-1480

DAVID W. TURNBULL, CPA
DIANE R. BONNER, CPA

RICHARD J. HOOVER, CPA
BERNARD B. KAHL, CPA

Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

To the Board of Allegany
County Commissioners

We have audited the general purpose financial statements of Allegany County, Maryland as of and for the year ended June 30, 2000, and have issued our report thereon dated October 27, 2000. Our report was modified to refer to the reports of other auditors. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Allegany County, Maryland's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Allegany County, Maryland's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and may not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Member

This report is intended solely for the information of the Board of Commissioners of Allegany County, Maryland, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Delaney, Turnbull, Associates, P.A.

October 27, 2000

DELANEY, TURNBULL & ASSOCIATES, P.A.

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Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133

To the Board of Allegany
County Commissioners

Compliance

We have audited the compliance of Allegany County, Maryland with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2000. Allegany County, Maryland's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Allegany County, Maryland's management. Our responsibility is to express an opinion on Allegany County, Maryland's compliance based on our audit.

Allegany County's general purpose financial statements include the operations of the Allegany County Board of Education and Allegany College of Maryland, which received \$10,180,820 and \$3,141,030 of federal awards, respectively, which are not included in the schedule during the year ended June 30, 2000. Our audit described below, did not include the operations of the Allegany County Board of Education and Allegany College of Maryland because the component units engaged other auditors to perform an audit in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Allegany County, Maryland's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Allegany County, Maryland's compliance with those requirements.

In our opinion, Allegany County, Maryland complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000.

Internal Control Over Compliance

The management of Allegany County, Maryland is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Allegany County, Maryland's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of Allegany County, Maryland as of and for the year ended June 30, 2000, and have issued our report thereon dated October 27, 2000. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Commissioners of Allegany County, Maryland, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Delaney, Turnbull & Associates, P.A.

October 27, 2000

ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE July 1, 1999	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 2000	PASS THROUGH TO SUBRECIPIENTS
US Dept. of Agriculture:										
Direct:										
Farmers Home Administration:										
Mexico Farms utility relocation	10.769	N/A	N/A	\$ 360,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
McCoole Water Project	10.770	N/A	N/A	923,000	(451,173)	175,760	287,887	12,474	-	-
McCoole Water Project - Loan	10.770	N/A	N/A	1,100,000	-	-	-	-	-	-
Cash Valley Road Sewer grant	10.770	N/A	N/A	100,600	-	-	-	-	-	-
Cash Valley Road Sewer loan	10.770	N/A	N/A	147,000	-	-	-	-	-	-
Oldtown Road Water - Route 51	10.770	N/A	N/A	1,100,000	-	834,054	686,369	1,914,097	(393,674)	-
Oldtown Road Sewer Grant	10.770	N/A	N/A	1,392,500	-	294,482	268,107	562,589	-	-
Oldtown Road Sewer Loan	10.770	N/A	N/A	557,500	-	-	-	-	-	-
Borden/Zihlman Water Grant	10.770	N/A	N/A	1,661,000	-	1,320,499	-	2,015,328	(694,829)	-
Borden/Zihlman Water Loan	10.770	N/A	N/A	508,700	-	-	508,700	508,700	-	-
Subtotal CDFA #10.770					(451,173)	2,624,795	1,751,063	5,013,188	(1,088,503)	-
Natural Resource Conservation Service										
Westemport Flood Project	10.904	N/A	N/A	N/A	-	(15,955)	-	(15,955)	-	-
Indirect:										
Food and Nutrition Service:										
Pass through Maryland Dept Of Human Resources										
Food Distribution To The Needy	10.550	N/A	CSA/FNS 99-001-A1	12,300	-	8,707	-	8,707	-	8,707
Pass through Maryland Dept. of Education:										
Summer Camp Program	10.559	N/A	N/A	N/A	-	2,279	10,321	12,600	-	2,279
Total US Department of Agriculture					(451,173)	2,619,826	1,761,384	5,018,540	(1,088,503)	10,986
US Department of Commerce:										
Direct:										
Economic Development Administration:										
Multi-Tenant Industrial										
Building	11.300	01-01-03238	N/A	972,000	(147,334)	-	147,334	-	-	-
Riverside Industrial Park	11.300	01-01-03368	N/A	1,960,000	2,990	-	2,115	5,105	-	-
Renovations To Former PPG Plant	11.300	01-01-03723	N/A	995,000	(381,144)	910,745	270,000	890,192	(90,591)	-
Allegany Business Center At Frostburg	11.307	01-79-03880	N/A	550,000	-	-	12,312	30,627	(18,315)	-
Indirect:										
EDA Proj Income - Multi-Tenant	11.300	N/A	N/A	-	-	54,000	(41,121)	-	12,879	-
Total US Department of Commerce					(525,488)	964,745	390,640	925,924	(96,027)	-

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE July 1, 1999	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 2000	PASS THROUGH TO SUBRECIPIENTS
<u>US Dept. of Housing and Urban Development</u>										
Indirect:										
Community Planning and Development										
CDBG Project Income - Lonaconing	14.219	N/A	N/A	N/A	39,182	3,793	5,621	2,284	46,312	
CDBG Project Income - Housing	14.219	N/A	N/A	N/A	213,046	4,715		7,349	210,412	
CDBG Project Income - Economic Opportunity	14.219	N/A	N/A	N/A	593,443	99,286	-	-	692,729	-
Subtotal CFDA #14.219					845,671	107,794	5,621	9,633	949,453	-
Frostburg Industrial Park Expansion	14.228	N/A	MD-89-ED-39	1,000,350	(97)				(97)	
Cash Valley Road Sewer	14.228	N/A	MD-91/92-SP-41	304,595	-				-	
Cash Valley & Other County Hookups	14.228	N/A	MD-91/92-SP-41	33,000	7,927				7,927	
Georges Creek Flood Basin	14.228	N/A	MD-98-CD-24	201,500	-	125,025		126,697	(1,672)	
Georges Cr/Jennings Flood Mitigat.	14.228	N/A	MD-97-CD-23	395,000	(6,672)	-	6,672	-	-	
Willis Cr/Georges Cr Flood Mitigation	14.228	N/A	MD-97-FL-40	626,733	6,787	25,707	7,605	40,099	-	-
Subtotal CFDA #14.228					7,945	150,732	14,277	166,796	6,158	-
<u>US Dept. of Housing and Urban Development (Con't)</u>										
Indirect:										
Emergency Shelter Grant Program										
Emergency Shelter Grant Program	14.231	N/A	98-ESG-BOS-1	27,830	(6,542)	29,487		22,945	-	22,945
Emergency Shelter Grant Program	14.231	N/A	99-ESG-BOS-1	35,500	-	11,006	-	11,006	-	11,006
Subtotal CFDA #14.231					(6,542)	40,493	-	33,951	-	33,951
Senior Home Repair Program	14.239	N/A	N/A	N/A	-				-	
Special Target Area Program	14.239	N/A	N/A	N/A	60,589	106,088	-	152,463	14,214	-
Subtotal CFDA #14.239					60,589	106,088	-	152,463	14,214	-
Community Planning and Development Passed through Maryland Dept. of Human Resources										
Supportive Housing Program	14.235	N/A	MD06B96-0501	196,659	-	44,343		44,343	-	44,343
Supportive Housing Program	14.235	N/A	MD06B96-0504	184,508	-	30,852	-	30,852	-	30,852
Subtotal CFDA #14.235					-	75,195	-	75,195	-	75,195

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE July 1, 1999	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 2000	PASS THROUGH TO SUBRECIPIENTS
US Dept. of Housing and Urban Development (Cont')										
Passed through Maryland Dept. of Economic and Community Development:										
Section 8 Voucher Program	14.855	P-3507V	MD06-V020	N/A	1,865	192,761		191,847	2,779	
Section 8 Voucher Program Admin	14.855	P-3507V	MD06-V020	N/A	-	17,317	-	17,317	-	-
Subtotal CFDA #14.855					1,865	210,078	-	209,164	2,779	-
Section 8 Existing	14.856	P-3507	MD06-E020	N/A	5,639	327,506		325,652	7,493	
Section 8 Mod Rehab	14.856	P-3525	MD06-K020	N/A	539	22,147		22,490	196	
Section 8 Existing Admin	14.856	P-3507	MD06-E020	N/A	-	32,747		32,747	-	
Section 8 Mod Rehab Admin	14.856	P-3525	MD06-K020	N/A	-	2,501	-	2,501	-	-
Subtotal CFDA #14.856					6,178	384,901	-	383,390	7,689	-
Total US Department of HUD					915,706	1,075,281	19,898	1,030,592	980,293	109,146
US Department of Justice:										
Direct:										
Office of Community Oriented Policing Services										
COPS MORE Grant	16.710	95CMX0115	N/A	104,067	(11,191)	5,432	13,641	7,882	-	-
Indirect:										
Passed through MD State Police										
Marijuana Eradication	16.579	N/A	N/A	N/A	-	875	197	1,072	-	-
Passed through Governor's Office of Crime Control & Prevention										
Home Detention Grant	16.579	N/A	DLE-99-46	37,906	-	37,906	12,636	50,542	-	-
HotSpot-Nuisance Abatement	16.579	N/A	01SC-DL97-406-NA	10,000	-	9,271	-	9,271	-	-
Subtotal CFDA #16.579					-	48,052	12,833	60,885	-	-
Domestic Violence Prosecutor	16.588	N/A	VAWA-99-040	81,133	(24,792)	77,985	50,786	103,979	-	-
Subtotal CFDA #16.588					(24,792)	77,985	50,786	103,979	-	-
Total US Department of Justice:					(35,983)	131,469	77,260	172,746	-	-

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE July 1, 1999	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 2000	PASS THROUGH TO SUBRECIPIENTS
US Dept. of Transportation:									
Indirect:									
Federal Highway Administration									
Passed through Maryland Department of Transportation									
15 Mile Creek Road Bridge	20.205	N/A	ACR-109-98(5)	163,840	-	137,787	34,008	171,795	-
Town Creek Bridge	20.205	BR SOS-1(252)	A727-951-612	364,768	-	-	-	-	-
Allegheny Highlands Trail	20.205		ARC-MD-10952-C7	10,000	(128,768)	30,000	107,306	39,342	(30,804)
Squirrel Neck Bridge	20.205	BRO-1-(454)E	AL789BM2	406,582	29,467	(34,504)	14,862	9,825	-
Subtotal CFDA #20.205				(99,301)	133,283	156,176	220,962	(30,804)	-
Federal Highway Administration									
Passed through MEMA									
Hazmat Planning	20.217	HMEMD6038040	N/A	2,700	-	2,700	-	2,700	-
Urban Mass Trans. Admin:									
Passed through Maryland Department of Transportation									
Capital Assistance	20.500	MD-03-0055-01	MD-03-0055-01	109,763	-	-	-	-	-
Capital Assistance	20.500	MD-03-0052	MD-03-0052	645,187	-	-	-	-	-
Subtotal CFDA #20.500				-	-	-	-	-	-
Capital Assistance	20.507	MD-90-0034	MD-90-0034	248,000	-	-	-	-	-
Capital Assistance	20.507	MD-90-0043	MD-90-0043	132,008	-	-	-	-	-
Capital Assistance	20.507	MD-90-0039	MD-90-0039	202,904	-	4,356	1,089	5,445	-
Capital Assistance	20.507	MD-90-0063	MD-90-0063	-	-	7,076	1,769	8,845	-
Operating Assistance (FY00)	20.507	MD-90-4063	MD-90-4063	755,264	163,966	418,122	537,114	800,238	-
Subtotal CFDA #20.507				755,264	175,398	420,980	551,404	800,238	-
Operating Assistance Suppl (FY00)	20.509	MD-18-4017	MD-18-4017	65,654	-	65,654	92,793	158,447	-
Job Access & Reverse Commute	20.516			-	35,992	35,992	71,984	-	-
Urban Mass Trans. Admin. & Federal Highway Administration									
Passed through Maryland Department of Transportation									
LaVale Toll Gate House	20.219	STP-1(377)E	A792-452-625	92,000	(10,709)	-	4,400	(15,109)	-
Unified Planning Work Program 00	20.505	N/A	N/A	-	72,945	18,236	90,558	623	-
Subtotal CFDA #20.505				-	72,945	18,236	90,558	623	-

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE July 1, 1999	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 2000	PASS THROUGH TO SUBRECIPIENTS
US Dept. of Transportation (Con't):										
Indirect:										
Federal Highway Administration Passed through Maryland Department of Transportation Traffic Safety Div. EMT Training Upgrade										
	20.215	N/A	N/A	24,520	-	24,520	24,801	44,643	4,678	-
Federal Highway Administration Passed through Maryland Department of Transportation and Allegany County Health Department Highway Safety Program										
	20.600	N/A	N/A	4,350	-	4,350	-	2,277	2,073	-
Comprehensive Traffic Safety Prog.										
	20.600	N/A	N/A	-	1,393	-	-	1,393	-	-
Total US Department of Transportation					646,647	514,842	748,978	1,148,768	761,699	-
Appalachian Regional Commission:										
Direct:										
Passed through US Dept of Commerce Economic Development Administration Multi-Tenant Industrial Bldg										
	23.002	MD-11037-92-I	N/A	324,000	(49,113)	-	-	-	(49,113)	-
Renovations To Former PPG Plant										
	23.002	01-01-03723	N/A	625,000	(243,682)	511,255	220,000	593,461	(105,888)	-
Allegany Business Center At Frostburg										
	23.002	01-79-03880	N/A	462,000	-	-	13,248	26,089	(12,841)	-
Riverside Industrial Park										
	23.002	MD-11406-93-I	N/A	528,000	2,115	-	-	2,115	-	-
Subtotal CFDA #23.002 Direct Funding										
					(290,680)	511,255	233,248	621,665	(167,842)	-
Soil Feasibility Study										
	23.011	MD-12932-I-214	N/A	50,000	6,440	-	(6,440)	-	-	-
Indirect:										
Multi-Tenant Prog Income - Rent										
	23.002	N/A	N/A	N/A	-	18,000	(18,000)	-	-	-
Passed through Maryland Office of Planning Flood Elevation Marking Project										
	23.011	N/A	MD-10952-C7	10,000	-	10,000	10,000	20,000	-	-
County Flood Mitigation Plan										
	23.011	N/A	MD-10952-C7	30,000	-	30,000	30,000	60,000	-	-
Technical Assistance Biotech Website										
	23.011	MD-10952-96	MD-10952-96	2,500	-	-	-	-	-	-
Industrial Park Development Plan										
	23.011	N/A	ARC 10952-96	15,000	-	-	-	-	-	-
Licensing Comprehensive Plan										
	23.011	N/A	ARC 10952-96	9,000	7,754	1,742	-	-	9,496	-
Subtotal CFDA #23.011										
					7,754	41,742	40,000	80,000	9,496	-
Passed through Regional Education Service Agency Regional Telecommunications										
	23.011	N/A	N/A	-	-	1,209	404	1,613	-	-
Total Appalachian Regional Commission					(276,486)	572,206	249,212	703,278	(158,346)	-

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE July 1, 1999	REVENUES	OTHER FINANCING SOURCES/AUSES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 2000	PASS THROUGH TO SUBRECIPIENTS
<u>National Foundation of Arts & Humanities</u>										
Direct:										
Institute of Museum Services										
	45.302	IM-80129-98	N/A	1,775	948	-	-	948	-	-
Museum Assessment Program II										
	45.304	IA-80004-98	N/A	6,030	6,030	-	-	6,030	-	-
Conservation Assessment Program										
Total National Foundation of Arts & Humanities					<u>6,978</u>	<u>-</u>	<u>-</u>	<u>6,978</u>	<u>-</u>	<u>-</u>
<u>Environmental Protection Agency</u>										
Indirect:										
Passed through Md Dept of the Environment										
Bowling Green/Cresaptown Waste										
Water Treatment Project										
	66.418	C-240729-03	MD-88-08-31-0646	1,333,750	-	-	-	-	-	-
Total Environmental Protection Agency					<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Federal Emergency Management Agency:</u>										
Direct:										
Disaster Resistant Community										
	83.551	EMW-97-GR-0525	N/A	22,125	9,455	15,000	3,000	20,512	6,943	-
Disaster Resistant Community										
	83.551	EMW-97-GR-0525	N/A	1,000,000	(34,892)	327,525	101,200	381,322	12,511	-
Subtotal CFDA #83.551										
					<u>(25,437)</u>	<u>342,525</u>	<u>104,200</u>	<u>401,834</u>	<u>19,454</u>	<u>-</u>
Indirect:										
State and Local Programs Support										
Passed through Maryland Emergency										
and Civil Defense Agency:										
Civil Defense FY 1999										
	83.503	N/A	N/A	N/A	(6,142)	6,142	-	-	-	-
Civil Defense FY 2000										
	83.503	N/A	N/A	N/A	-	27,638	74,808	110,123	(7,677)	-
Subtotal CFDA #83.503										
					<u>(6,142)</u>	<u>33,780</u>	<u>74,808</u>	<u>110,123</u>	<u>(7,677)</u>	<u>-</u>
State and Local Programs Support										
Passed through Maryland Emergency										
September 1996 Flood										
	83.516	N/A	N/A	N/A	(22,147)	17,898	4,249	-	-	-
Subtotal CFDA #83.516										
					<u>(22,147)</u>	<u>17,898</u>	<u>4,249</u>	<u>-</u>	<u>-</u>	<u>-</u>
Hazard Mitigation										
Passed through Maryland Emergency										
Georges Creek Flood Mitigation										
	83.548	N/A	N/A	437,000	-	114,579	18,972	214,692	(81,141)	-
Locust Grove Property Acquisition										
	83.548	N/A	N/A	308,230	(99,453)	84,289	(13,202)	61,673	(90,039)	-
Subtotal CFDA #83.548										
					<u>(99,453)</u>	<u>198,868</u>	<u>5,770</u>	<u>276,365</u>	<u>(171,180)</u>	<u>-</u>
Total Federal Emergency Management Agency					<u>(153,179)</u>	<u>593,071</u>	<u>189,027</u>	<u>788,322</u>	<u>(159,403)</u>	<u>-</u>

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2000

	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE July 1, 1999	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 2000	PASS THROUGH TO SUBRECIPIENTS
US Department of Health and Human Services:										
Indirect:										
Administration for children and families:										
Pass through Maryland Dept. of Human Resources and Allegany County Dept of Social Services										
Daycare/After School Center (TANF)	93.596	N/A		160,000	-	132,028		122,295	9,733	122,295
Daycare/After School Center (TANF)	93.596	N/A		100,000	-	85,946	-	85,946	-	85,946
Daycare/After School Center (TANF)	93.596	N/A		159,998	11,001	49,814	-	60,815	-	60,815
Subtotal CFDA #93.596					11,001	267,788	-	269,056	9,733	269,056
Family Support Administration:										
Pass through Maryland Dept. of Human Resources:										
Fee For Service Sheriffs	93.563	N/A	CSEA/CR-99-52	14,548	-	15,027	-	-	15,027	-
Child Support Enforcement	93.563	N/A	CSEA/CR-99-1	144,332	-	137,009	81,071	218,080	-	-
Masters Program	93.563	N/A	CSEA/CR-99-3	73,618	-	77,438	47,015	124,453	-	-
Subtotal CFDA #93.563					-	229,474	128,086	342,533	15,027	-
Health Care Financing Administration										
Pass through Maryland Dept. of Health & Mental Hygiene:										
Medicare; Nursing Home Care	93.773	N/A	N/A	N/A	-	522,600	-	522,600	-	-
Medicaid; Nursing Home Care	93.778	N/A	N/A	N/A	-	3,741,480	277,650	4,019,130	-	-
Health Care Financing Administration										
Pass through Maryland Dept. of Health & Mental Hygiene and Allegany County Health Department:										
Medicaid; Medical Transportation Program	93.778	N/A	N/A	N/A	(17,680)	328,411	8,840	319,571	0	-
Subtotal CFDA #93.778					(17,680)	4,069,891	286,490	4,338,701	0	-
Total US Department of Health and Human Services					(6,679)	5,089,753	414,576	5,472,890	24,760	269,056
Total Expenditures of Federal Awards					\$ 120,343	\$ 11,561,193	\$ 3,850,975	\$ 15,268,038	\$ 264,473	\$ 389,188

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2000

Note 1. Summary of Significant Accounting Policies

Basis of Presentation

This schedule has been prepared on the modified accrual basis of accounting in accordance with generally accepted accounting principles in order to facilitate comparability to the County's general purpose financial statements prepared on the same basis of accounting.

The accompanying Schedule of Expenditures of Federal Awards includes all financial activity of Allegany County Component Unit only. The General Purpose Financial Statements for the Allegany County Reporting Entity include the following component units in accordance with Governmental Accounting Standards Board ("GASB") Statement 14 who are responsible for administering their own Federal programs and submitting their own Single Audit reports, if necessary.

- Allegany County Board of Education
- Allegany County Library System
- Allegany College of Maryland
- LaVale Sanitary Commission

Beginning and Ending Balances

The beginning and ending balances in the accompanying schedule of expenditures of federal awards represent project and/or fund balances at July 1, 1999 and June 30, 2000, respectively. As a result of preparing the accompanying Schedule of Expenditures of Federal Awards on the modified accrual basis, timing differences between program receipts and reimbursements and expenditures have been eliminated. Beginning and ending fund balances agree with or reconcile to the County's general purpose financial statements.

Other Financing Sources and Uses

The amounts shown as other financing sources in the accompanying Schedule of Expenditures of Federal Awards represent non-Federal revenue such as State grants, local matches, interfund operating transfers-in, and proceeds of issuances of long-term debt. The amounts shown as other financing uses represent interfund

ALLEGANY COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2000

- Note 1. Summary of Significant Accounting Policies – continued
operating transfers-out. This manner of presentation was used to segregate the above mentioned items from Federal revenues and expenditures and report financial activity on a basis consistent with the general purpose financial statements.
- Note 2. Oversight Agency
The United States Department of Health and Human Services has been designated oversight audit agency for Allegany County, Maryland.

ALLEGANY COUNTY, MARYLAND
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2000

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Allegany County, Maryland.
2. No reportable conditions relating to the general purpose financial statements of Allegany County, Maryland are reported in the Independent Auditor's Report on Compliance and Internal Control over Financial Reporting.
3. No instances of noncompliance material to the general purpose financial statements of Allegany County, Maryland were disclosed during the audit.
4. No reportable conditions relating to the audit of major federal award programs are reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for Allegany County, Maryland expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award programs for Allegany County, Maryland to be reported in Part C of this Schedule.
7. The programs tested as major programs include:

Farmers Home Administration	10.770
Appalachian Regional Commission	23.002
Disaster Resistant Community	83.551
Family Support Administration	93.563
TANF Grants	93.596
Medicare	93.773-4
Medicaid	93.778
8. The threshold for distinguishing Types A and B programs was \$458,000.
9. Allegany County, Maryland did not qualify as a low risk auditee.

ALLEGANY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2000

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS
AUDIT

None

ALLEGANY COUNTY, MARYLAND
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2000

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

99-1 Temporary Assistance for Needy Families

Condition: The County failed to provide all subrecipients the CFDA title and number, award name and number, and award year. The County also failed to advise the subrecipients of the requirements imposed on them by federal laws, regulations, and the provisions of contracts or grant agreements. Additionally, the County failed to maintain adequate internal control over the subrecipients' compliance with the applicable federal laws, regulations, and the provisions of contracts or grant agreements.

Recommendation: The County should update its internal controls over subrecipients to include procedures to disclose to subrecipients the information required by OMB Circular A-133. We also recommend that County personnel review OMB Circular A-133 for required monitoring procedures and other pass-through entity responsibilities.

Current Status: They County's employees properly notified subrecipients of CFDA titles and numbers, award names and numbers, and award years and that the funds were subject to OMB Circular A-133 audit requirements. In addition, the County implemented improved internal controls over monitoring procedures of subrecipients.