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**ALLEGANY COUNTY, MARYLAND
SINGLE AUDIT REPORT
JUNE 30, 2001**

TURNBULL, HOOVER & KAHL, P.A.
Certified Public Accountants

ALLEGANY COUNTY, MARYLAND
SINGLE AUDIT REPORT
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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, 2001, and have issued our report thereon dated October 31, 2001. Our report was modified to refer to the reports of 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.

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.

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.

Turnbull, Hoover ; Kahl, P.A.

October 31, 2001

TURNBULL, HOOVER & KAHL, 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, 2001. 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 \$9,613,364 and \$2,997,496 of federal awards, respectively, which are not included in the schedule during the year ended June 30, 2001. 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 auditing standards generally accepted in the United States of America; 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, 2001.

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, 2001, and have issued our report thereon dated October 31, 2001. 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.

Turnbull, Hoover; Kahl, P.L.

October 31, 2001

**ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2001**

| | FEDERAL CFDA NUMBER | FEDERAL GRANT NUMBER | PASS-THROUGH GRANTOR'S NUMBER | PROGRAM AWARD AMOUNT | BEGINNING BALANCE July 1, 2000 | REVENUES | OTHER FINANCING SOURCES/USES | EXPENDITURES | ENDING BALANCE AT JUNE 30, 2001 | PASS THROUGH TO SUBRECIPIENTS |
|---|---------------------------|----------------------------|-------------------------------------|----------------------------|--------------------------------------|----------|------------------------------------|--------------|---------------------------------------|-------------------------------------|
| US Dept. of Agriculture: | | | | | | | | | | |
| Direct: | | | | | | | | | | |
| Farmers Home Administration: | | | | | | | | | | |
| McCooles Water Project | 10.770 | N/A | N/A | 923,000 | - | | | - | | |
| McCooles 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 | - | | | - | | |
| Grahamtown Waterline Extension | 10.770 | N/A | N/A | 600,000 | - | 181,827 | | 692,167 | (510,340) | |
| Oldtown Road Water - Route 51 | 10.770 | N/A | N/A | 1,100,000 | (393,674) | 241,370 | 298,631 | 202,670 | (56,343) | |
| Oldtown Road Sewer Grant | 10.770 | N/A | N/A | 1,392,500 | - | | 10,935 | 10,935 | - | |
| Oldtown Road Sewer Loan | 10.770 | N/A | N/A | 557,500 | - | | | - | | |
| Bordon/Zihlman Extension | 10.770 | N/A | N/A | 370,500 | - | 60,500 | (37,109) | 23,391 | 0 | |
| Carloes/Shaft Water Grant | 10.770 | N/A | N/A | 1,661,000 | (694,829) | 52,585 | (647,985) | 39,660 | (1,329,889) | |
| Carloes/Shaft Water Loan | 10.770 | N/A | N/A | 508,700 | - | | | - | | |
| Subtotal CFDA #10.770 | | | | | (1,088,503) | 536,282 | (375,528) | 968,822 | (1,896,571) | - |
| Natural Resource Conservation Service | | | | | | | | | | |
| Westport Flood Project | 10.904 | N/A | N/A | N/A | - | - | 7,710 | 7,710 | - | - |
| Dry Run Watershed | 10.904 | 68-3B19-0-410 | N/A | 1,875,000 | - | 314,552 | 340,775 | 497,801 | 157,526 | - |
| Subtotal CFDA #10.904 | | | | | - | 314,552 | 348,485 | 505,511 | 157,526 | - |
| 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 | - | 10,019 | | 10,019 | | 10,019 |
| Food Distribution To The Needy | 10.550 | N/A | CSA/FNS 99-001-A2 | 12,300 | - | 7,441 | | 7,441 | | 7,441 |
| Pass through Maryland Dept. of Education: | | | | | | | | | | |
| Summer Camp Program | 10.559 | N/A | N/A | N/A | - | 2,252 | 10,631 | 12,883 | - | 2,252 |
| Total US Department of Agriculture | | | | | (1,088,503) | 870,546 | (16,412) | 1,504,676 | (1,739,045) | 19,712 |
| US Department of Commerce: | | | | | | | | | | |
| Direct: | | | | | | | | | | |
| Economic Development Administration: | | | | | | | | | | |
| Multi-Tenant Industrial | | | | | | | | | | |
| Building | 11.300 | 01-01-03238 | N/A | 972,000 | | | | - | | |
| Renovations To Former PPG Plant | 11.300 | 01-01-03723 | N/A | 995,000 | (90,591) | | | 106,430 | (197,021) | |
| Allegany Business Center At Frostburg | 11.307 | 01-79-03880 | N/A | 550,000 | (18,315) | 493,167 | | 620,155 | (145,303) | |
| Indirect: | | | | | | | | | | |
| EDA Proj Income - Multi-Tenant | 11.300 | N/A | N/A | - | 12,879 | - | - | - | 12,879 | - |
| Total US Department of Commerce | | | | | (96,027) | 493,167 | - | 726,585 | (329,445) | - |

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, 2001**

| | FEDERAL CFDA NUMBER | FEDERAL GRANT NUMBER | PASS-THROUGH GRANTOR'S NUMBER | PROGRAM/ AWARD AMOUNT | BEGINNING BALANCE July 1, 2000 | REVENUES | OTHER FINANCING SOURCES/USES | EXPENDITURES | ENDING BALANCE AT JUNE 30, 2001 | PASS THROUGH TO SUBRECIPIENTS |
|--|---------------------------|----------------------------|-------------------------------------|-----------------------------|--------------------------------------|------------------|------------------------------------|------------------|---------------------------------------|-------------------------------------|
| US Dept. of Housing and Urban Development | | | | | | | | | | |
| Indirect: | | | | | | | | | | |
| Community Planning and Development | | | | | | | | | | |
| CDBG Project Income - Lonaconing | 14.219 | N/A | NA | N/A | 46,312 | 2,800 | - | 2,284 | 46,828 | - |
| CDBG Project Income - Housing | 14.219 | N/A | NA | N/A | 210,412 | 4,670 | 25,000 | 1,749 | 238,333 | - |
| CDBG Project Income - Economic Opportunity | 14.219 | N/A | NA | N/A | 692,729 | - | 8,295 | - | 701,024 | - |
| Subtotal | | | | | 949,453 | 7,470 | 33,295 | 4,034 | 986,185 | - |
| Pass Through Md Dept of Housing & Community Development | | | | | | | | | | |
| Hunter Douglas Expansion | 14.219 | N/A | MD-00-ED-71 | 455,730 | - | 364,259 | - | 401,639 | (37,380) | - |
| Subtotal CFDA # 14.219 | | | | | 949,453 | 371,729 | 33,295 | 405,673 | 948,805 | - |
| Frostburg Industrial Park Expansion | 14.228 | N/A | MD-89-ED-39 | 1,000,350 | (97) | - | 97 | - | - | - |
| Housing Rehabilitation Program | 14.228 | N/A | MD-99-CD-1 | 25,000 | - | 25,000 | - | 25,000 | - | - |
| Housing Rehabilitation Program | 14.228 | N/A | MD-01-CD-25 | 320,000 | - | 9,399 | - | 1,506 | 7,893 | - |
| 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 | (1,672) | 76,475 | 7,195 | 81,998 | - | - |
| Subtotal CFDA #14.228 | | | | | 6,158 | 110,874 | (635) | 108,505 | 7,893 | - |
| US Dept. of Housing and Urban Development (Cont) | | | | | | | | | | |
| Indirect: | | | | | | | | | | |
| Emergency Shelter Grant Program | 14.231 | N/A | 2000-ESG-BOS-1 | - | - | 16,801 | - | 16,801 | - | 16,801 |
| Emergency Shelter Grant Program | 14.231 | N/A | 99-ESG-BOS-1 | - | - | 22,886 | - | 22,886 | - | 22,886 |
| Subtotal CFDA #14.231 | | | | | - | 39,687 | - | 39,687 | - | 39,687 |
| Senior Home Repair Program | 14.239 | N/A | N/A | N/A | - | - | - | - | - | - |
| Special Target Area Program | 14.239 | N/A | N/A | N/A | 14,214 | 158,959 | - | 163,783 | 9,390 | - |
| Subtotal CFDA #14.239 | | | | | 14,214 | 158,959 | - | 163,783 | 9,390 | - |
| Community Planning and Development Passed through Maryland Dept. of Human Resources | | | | | | | | | | |
| Supportive Housing Program | 14.235 | N/A | MD06B96-0501 | 198,132 | - | 52,821 | - | 52,821 | - | 52,821 |
| Supportive Housing Program | 14.235 | N/A | MD06B96-0504 | - | - | 55,932 | - | 55,932 | - | 55,932 |
| Subtotal CFDA #14.235 | | | | | - | 108,753 | - | 108,753 | - | 108,753 |
| US Dept. of Housing and Urban Development (Cont) | | | | | | | | | | |
| Passed through Maryland Dept. of Economic and Community Development: | | | | | | | | | | |
| Section 8 Existing | 14.856 | P-3507 | MD06-E020 | N/A | 7,493 | 140,790 | - | 140,206 | 8,077 | - |
| Section 8 Mod Rehab | 14.856 | P-3525 | MD06-K020 | N/A | 196 | 22,758 | - | 22,559 | 395 | - |
| Section 8 Existing Admin | 14.856 | P-3507 | MD06-E020 | N/A | - | 15,630 | - | 15,630 | - | - |
| Section 8 Mod Rehab Admin | 14.856 | P-3525 | MD06-K020 | N/A | - | 2,534 | - | 2,534 | - | - |
| Subtotal CFDA #14.856 | | | | | 7,689 | 181,712 | - | 180,929 | 8,472 | - |
| Section 8 Voucher Program | 14.871 | P-3507V | MD06-V020 | N/A | 2,779 | 363,849 | - | 365,097 | 1,531 | - |
| Section 8 Voucher Program Admin | 14.871 | P-3507V | MD06-V020 | N/A | - | 34,388 | - | 34,388 | - | - |
| Subtotal CFDA #14.871 | | | | | 2,779 | 398,237 | - | 399,485 | 1,531 | - |
| Total US Department of HUD | | | | | 980,293 | 1,369,951 | 32,661 | 1,406,814 | 976,091 | 148,440 |

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, 2001**

| | FEDERAL CFDA NUMBER | FEDERAL GRANT NUMBER | PASS-THROUGH GRANTOR'S NUMBER | PROGRAM/ AWARD AMOUNT | BEGINNING BALANCE July 1, 2000 | REVENUES | OTHER FINANCING SOURCES/USES | EXPENDITURES | ENDING BALANCE AT JUNE 30, 2001 | PASS THROUGH TO SUBRECIPIENTS |
|---|---------------------------|----------------------------|-------------------------------------|-----------------------------|--------------------------------------|----------|------------------------------------|--------------|---------------------------------------|-------------------------------------|
| US Department of Justice: | | | | | | | | | | |
| Indirect: | | | | | | | | | | |
| Passed through MD State Police | | | | | | | | | | |
| Marijuana Eradication | 16.579 | N/A | N/A | N/A | - | 1,091 | 269 | 1,360 | - | - |
| Passed through Governor's Office of Crime Control & Prevention | | | | | | | | | | |
| Home Detention Grant | 16.579 | N/A | BYRN-2000-0486 | 48,393 | - | 48,393 | 16,435 | 64,828 | - | - |
| HotSpot-Nuisance Abatement | 16.579 | N/A | BYRN-2000-0406 | 9,454 | - | 9,454 | - | 9,454 | - | - |
| Subtotal CFDA #16.579 | | | | | - | 58,937 | 16,704 | 75,641 | - | - |
| Domestic Violence Prosecutor | 16.588 | N/A | VAWA-2000-0040 | 84,060 | - | 84,060 | 18,070 | 102,130 | - | - |
| Subtotal CFDA #16.588 | | | | | - | 84,060 | 18,070 | 102,130 | - | - |
| Protective Order Data Entry Assistance | 16.590 | N/A | GTEAP-98-029 | 1,184 | - | 1,184 | - | 1,184 | - | - |
| Subtotal CFDS #16.590 | | | | | - | 1,184 | - | 1,184 | - | - |
| Total US Department of Justice: | | | | | - | 144,181 | 34,774 | 178,955 | - | - |
| 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 | - | 8,310 | 1,662 | 9,973 | - | - |
| Town Creek Bridge | 20.205 | BRO-1 (540) E | AL790BM2 | | - | 542,631 | 344,000 | 848,711 | 37,920 | - |
| Allegheny Highlands Trail | 20.205 | | ARC-MD-10952-C7 | 10,000 | (30,804) | - | 78,168 | 100,013 | (52,649) | - |
| Subtotal CFDA #20.205 | | | | | (30,804) | 550,941 | 423,830 | 958,697 | (14,729) | - |
| Federal Highway Administration | | | | | | | | | | |
| Passed through MEMA | | | | | | | | | | |
| Hazmat Planning | 20.217 | HMEMD6038040 | N/A | 2,700 | - | - | - | - | - | - |
| Urban Mass Trans. Admin: | | | | | | | | | | |
| Passed through Maryland Department of Transportation | | | | | | | | | | |
| Capital Assistance | 20.500 | MD-03-0055-01 | MD-03-0055-01 | | - | 30,349 | 7,586 | 37,935 | - | - |
| Capital Assistance | 20.500 | MD-03-0052 | MD-03-0052 | | - | - | - | - | - | - |
| Subtotal CFDA #20.500 | | | | | - | 30,349 | 7,586 | 37,935 | - | - |
| Capital Assistance | 20.507 | MD-90-0034 | MD-90-0034 | | - | - | - | - | - | - |
| Capital Assistance | 20.507 | MD-90-0043 | MD-90-0043 | | - | 8,923 | 3,346 | 12,269 | - | - |
| Capital Assistance | 20.507 | MD-90-0039 | MD-90-0039 | | - | - | - | - | - | - |
| Capital Assistance | 20.507 | MD-90-0063 | MD-90-0063 | | - | 15,789 | 3,346 | 19,135 | - | - |
| Capital Assistance | 20.507 | MD-90-0069 | MD-90-0069 | | - | 18,594 | 4,648 | 23,242 | - | - |
| Operating Assistance (FY01) | 20.507 | MD-90-4074/4077 | MD-90-4074/4077 | 206,828 | 800,238 | - | 293,299 | 725,049 | 368,488 | - |
| Subtotal CFDA #20.507 | | | | | 800,238 | 43,306 | 304,639 | 779,695 | 368,488 | - |
| Job Access & Reverse Commute | 20.516 | | ACDSS/FIA 2001-017 | | - | 70,508 | 70,508 | 141,016 | - | - |

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, 2001**

| | FEDERAL CFDA NUMBER | FEDERAL GRANT NUMBER | PASS-THROUGH GRANTOR'S NUMBER | PROGRAM/ AWARD AMOUNT | BEGINNING BALANCE July 1, 2000 | REVENUES | OTHER FINANCING SOURCES/USES | EXPENDITURES | ENDING BALANCE AT JUNE 30, 2001 | PASS THROUGH TO SUBRECIPIENTS |
|--|---------------------------|----------------------------|-------------------------------------|-----------------------------|--------------------------------------|----------|------------------------------------|--------------|---------------------------------------|-------------------------------------|
| US Dept. of Transportation (Con't): | | | | | | | | | | |
| 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 | (15,109) | - | - | - | (15,109) | - |
| Unified Planning Work Program 00 | 20.505 | N/A | N/A | - | 623 | 63,203 | 15,800 | 79,003 | 623 | - |
| Subtotal CFDA #20.505 | | | | | 623 | 63,203 | 15,800 | 79,003 | 623 | - |
| Indirect: | | | | | | | | | | |
| Federal Highway Administration Passed through Maryland Department of Transportation Traffic Safety Div. | | | | | | | | | | |
| EMT Training Upgrade | 20.215 | N/A | N/A | 24,520 | 4,678 | 7,500 | 12,664 | 24,842 | - | - |
| 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 | 2,073 | - | - | 2,073 | - | - |
| Highway Safety Program | 20.600 | N/A | N/A | 3,700 | - | 3,700 | - | 1,586 | 2,114 | - |
| Comprehensive Traffic Safety Prog. | 20.600 | N/A | N/A | - | - | - | - | - | - | - |
| Total US Department of Transportation | | | | | 761,699 | 769,507 | 835,027 | 2,024,847 | 341,387 | - |
| 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 | (105,888) | - | - | 70,953 | (176,841) | - |
| Allegany Business Center At Frostburg | 23.002 | 01-79-03880 | N/A | 462,000 | (12,841) | 420,105 | - | 528,280 | (121,016) | - |
| Riverside Industrial Park | 23.002 | MD-11406-93-I | N/A | 528,000 | - | - | - | - | - | - |
| Subtotal CFDA #23.002 Direct Funding | | | | | (167,842) | 420,105 | - | 599,234 | (346,971) | - |
| Indirect: | | | | | | | | | | |
| Multi-Tenant Prog Income - Rent | 23.002 | N/A | N/A | N/A | - | - | - | - | - | - |
| Passed through Maryland Office of Planning | | | | | | | | | | |
| Allegany Cty Municipal Flood Mitigation | 23.011 | N/A | MD-10952-C8-302 | 25,000 | - | 20,157 | 20,157 | 40,315 | - | - |
| Lonaconing Comprehensive Plan | 23.011 | N/A | ARC 10952-96 | 9,000 | 9,496 | 1,667 | 4,731 | 8,299 | 7,595 | - |
| Subtotal CFDA #23.011 | | | | | 9,496 | 21,824 | 24,888 | 48,614 | 7,595 | - |
| Total Appalachian Regional Commission | | | | | (158,346) | 441,930 | 24,888 | 647,848 | (339,376) | - |

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, 2001**

| | FEDERAL CFDA NUMBER | FEDERAL GRANT NUMBER | PASS-THROUGH GRANTOR'S NUMBER | PROGRAM/ AWARD AMOUNT | BEGINNING BALANCE July 1, 2000 | REVENUES | OTHER FINANCING SOURCES/USES | EXPENDITURES | ENDING BALANCE AT JUNE 30, 2001 | PASS THROUGH TO SUBRECIPIENTS |
|--|---------------------------|----------------------------|-------------------------------------|-----------------------------|--------------------------------------|----------|------------------------------------|--------------|---------------------------------------|-------------------------------------|
| Environmental Protection Agency | | | | | | | | | | |
| Indirect: | | | | | | | | | | |
| Passed through Md Dept of Natural Resources | | | | | | | | | | |
| Georges Creek Watershed Restoration | | | | | | | | | | |
| Strategies Plan | 66.460 | C9003497-99-0 | | 45,000 | - | 13,633 | - | 14,377 | (743) | - |
| Lonaconing Island Restoration | 66.460 | | | 57,500 | - | 7,546 | 7,362 | 16,197 | (1,289) | - |
| Total Environmental Protection Agency | | | | | - | 21,179 | 7,362 | 30,574 | (2,032) | - |
| Federal Emergency Management Agency: | | | | | | | | | | |
| Direct: | | | | | | | | | | |
| Disaster Resistant Community | 83.551 | EMW-97-GR-0525 | N/A | 39,125 | 6,943 | 11,000 | 5,500 | 18,249 | 5,194 | - |
| Disaster Resistant Community - Prog Inc | 83.551 | EMW-97-GR-0525 | | | 11,251 | 13,717 | - | 70 | 24,898 | - |
| Disaster Resistant Community | 83.551 | EMW-97-GR-0525 | N/A | 1,002,500 | 1,260 | 423,302 | 33,333 | 457,281 | 614 | - |
| Subtotal CFDA #83.551 | | | | | 19,454 | 448,019 | 38,833 | 475,600 | 30,706 | - |
| Indirect: | | | | | | | | | | |
| Hazard Mitigation | | | | | | | | | | |
| Passed through Maryland Emergency | | | | | | | | | | |
| Georges Creek Flood Mitigation | | | | | | | | | | |
| | 83.548 | N/A | N/A | 437,000 | (81,141) | 318,382 | 202,354 | 444,221 | (4,626) | - |
| Locust Grove Property Acquisition | | | | | | | | | | |
| | 83.548 | N/A | N/A | 308,230 | (90,039) | 90,625 | 65,536 | 68,122 | - | - |
| Subtotal CFDA #83.548 | | | | | (171,180) | 409,007 | 267,890 | 510,343 | (4,626) | - |
| State and Local Programs Support | | | | | | | | | | |
| Passed through Maryland Emergency | | | | | | | | | | |
| and Civil Defense Agency: | | | | | | | | | | |
| Civil Defense FY 2001 | 83.552 | N/A | N/A | N/A | - | 23,034 | 61,792 | 84,826 | - | - |
| Civil Defense FY 2000 | 83.552 | N/A | N/A | N/A | (7,677) | 7,677 | - | - | - | - |
| Subtotal CFDA #83.552 | | | | | (7,677) | 30,711 | 61,792 | 84,826 | - | - |
| Total Federal Emergency Management Agency | | | | | (159,403) | 887,737 | 368,515 | 1,070,769 | 26,080 | - |

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, 2001**

| | FEDERAL CFDA NUMBER | FEDERAL GRANT NUMBER | PASS-THROUGH GRANTOR'S NUMBER | PROGRAM/ AWARD AMOUNT | BEGINNING BALANCE July 1, 2000 | REVENUES | OTHER FINANCING SOURCES/USES | EXPENDITURES | ENDING BALANCE AT JUNE 30, 2001 | 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 | 9,733 | 26,372 | | 36,105 | - | 36,105 |
| Daycare/After School Center (TANF) | 93.596 | N/A | | 98,000 | - | 91,434 | - | 94,780 | (3,347) | 94,780 |
| Daycare/After School Center (TANF) | 93.596 | N/A | | 100,000 | - | 14,054 | - | 14,054 | - | 14,054 |
| Daycare/After School Center (TANF) | 93.596 | N/A | | 64,413 | - | 64,413 | - | 64,413 | - | 64,413 |
| Job/Readiness/Work Experience | 93.596 | N/A | | 24,000 | - | 19,348 | - | 21,169 | (1,821) | 21,169 |
| Subtotal CFDA #93.596 | | | | | 9,733 | 215,621 | - | 230,521 | (5,168) | 230,521 |
| 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-01-1 | 125,429 | - | 125,429 | 77,653 | 203,082 | - | - |
| Masters Program | 93.563 | N/A | CSEA/CR-01-3 | 80,080 | - | 80,080 | 56,168 | 136,248 | - | - |
| Subtotal CFDA #93.563 | | | | | 15,027 | 205,509 | 133,821 | 354,357 | - | - |
| Health Care Financing Administration | | | | | | | | | | |
| Pass through Maryland Dept. of | | | | | | | | | | |
| Health & Mental Hygiene: | | | | | | | | | | |
| Medicare; Nursing Home Care | 93.773 | N/A | N/A | N/A | - | 1,071,962 | - | 1,071,962 | - | - |
| Medicaid; Nursing Home Care | 93.778 | N/A | N/A | N/A | - | 3,503,993 | 875,923 | 4,379,916 | - | - |
| Health Care Financing Administration | | | | | | | | | | |
| Pass through Maryland Dept. of | | | | | | | | | | |
| Health & Mental Hygiene and | | | | | | | | | | |
| Allegany County Health Department: | | | | | | | | | | |
| Medicaid; Medical Transportation | 93.778 | N/A | N/A | N/A | - | 327,306 | 6,443 | 333,749 | - | - |
| Program | | | | | | | | | | |
| Subtotal CFDA #93.778 | | | | | - | 3,831,299 | 882,366 | 4,713,665 | - | - |
| Total US Department of Health and Human Services | | | | | 24,760 | 5,324,391 | 1,016,187 | 6,370,505 | (5,168) | 230,521 |
| Total Expenditures of Federal Awards | | | | | \$ 264,473 | \$ 10,322,589 | \$ 2,303,003 | \$ 13,961,573 | \$ (1,071,509) | \$ 398,673 |

See accompanying notes to Schedule of Expenditures of Federal Awards

ALLEGANY COUNTY, MARYLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2001

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, 2000 and June 30, 2001, 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, 2001

- 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, 2001

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:

| | |
|---|--------|
| Natural Resource Conservation Service | 10.904 |
| Economic Development Administration | 11.307 |
| Federal Highway Administration | 20.205 |
| Urban Mass Transit Administration | 20.507 |
| Federal Emergency Management Agency – Hazard Mitigation | 83.548 |
| Medicare | 93.773 |
| Medicaid | 93.778 |
8. The threshold for distinguishing Types A and B programs was \$419,000.
9. Allegany County, Maryland qualified as a low risk auditee.

ALLEGANY COUNTY, MARYLAND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2001

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, 2001

None

FY2001 Subrecipients

| <u>HRDC</u> | CFDA | Amount |
|--------------------------------------|--------|------------------|
| Food Distribution For The Needy | 10.550 | \$17,460 |
| Emergency Shelter Grant | 14.231 | 35,414 |
| Supportive Housing | 14.235 | 52,821 |
| Daycare/After School | 93.593 | 209,352 |
| Total HRDC | | \$315,047 |
| | | |
| <u>New Hope</u> | CFDA | Amount |
| Summer Camp | 10.559 | \$2,252 |
| Total New Hope | | \$2,252 |
| | | |
| <u>Family Crisis Center</u> | CFDA | Amount |
| Emergency Shelter Grant | 14.231 | \$4,273 |
| Total Family Crisis Center | | \$4,273 |
| | | |
| <u>YMCA</u> | CFDA | Amount |
| Supportive Housing | 14.235 | \$55,932 |
| Job Readiness/Work Experience | 93.596 | 21,169 |
| Total YMCA | | \$77,101 |
| | | |
| Grand Total All Subrecipients | | \$398,673 |