



ALLEGANY COUNTY, MARYLAND

SINGLE AUDIT REPORT

JUNE 30, 1994

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

ALLEGANY COUNTY, MARYLAND
SINGLE AUDIT REPORT
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**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE
OF FEDERAL FINANCIAL ASSISTANCE**

Board of Allegany County Commissioners
701 Kelly Road, Suite 214
Cumberland, Maryland 21502

We have audited the general purpose financial statements of Allegany County, Maryland, as of and for the year ended June 30, 1994, and have issued our report thereon dated November 30, 1994. These general purpose financial statements are the responsibility of Allegany County, Maryland's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose 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 provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of Allegany County, Maryland taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Delaney, Turnbull + Associates, P.A.

November 30, 1994

Member

American Institute of
Certified Public Accountants

Maryland Association
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Allegany County Commissioners
701 Kelly Road, Suite 214
Cumberland, Maryland 21502

We have audited the general purpose financial statements of Allegany County, Maryland as of and for the year ended June 30, 1994, and have issued our report thereon dated November 30, 1994. Our report was modified to refer to the reports of other auditors.

We have applied procedures to test Allegany County, Maryland's compliance with the following requirements applicable to its federal financial assistance programs, major programs of which are identified in the Schedule of Federal Financial Assistance, for the year ended June 30, 1994: political activity, Davis-Bacon Act, civil rights, cash management, relocation assistance and real property management, federal financial reports, allowable costs/cost principles, Drug-free Workplace Act, and administrative requirements.

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on Allegany County, Maryland's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that Allegany County, Maryland had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements. This instance is described in the accompanying Schedule of Findings and Questioned Costs.

This report is intended for the information of the Board of Commissioners of Allegany County, management, and the United States Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Delaney, Turnbull + Associates, P.A.

November 30, 1994

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO
MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

Board of Allegany County Commissioners
701 Kelly Road, Suite 214
Cumberland, Maryland 21502

We have audited the general purpose financial statements of Allegany County, Maryland, as of and for the year ended June 30, 1994, and have issued our report thereon dated November 30, 1994. Our report was modified to refer to the reports of other auditors.

We have also audited Allegany County, Maryland's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended June 30, 1994. The management of Allegany County, Maryland is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, Allegany County, Maryland complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended June 30, 1994.

This report is intended for the information of the Board of Commissioners of Allegany County, management, and the United States Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Delaney, Turnbull + Associates, P.A.

November 30, 1994

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL STRUCTURE BASED
ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS**

Board of Allegany County Commissioners
701 Kelly Road, Suite 214
Cumberland, Maryland 21502

We have audited the general purpose financial statements of Allegany County, Maryland (the County), as of and for the year ended June 30, 1994, and have issued our report thereon dated November 30, 1994. Our report was modified to refer to the reports of other auditors.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments". Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the County for the year ended June 30, 1994, we considered its internal control structure 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 structure.

The management of the County is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may

nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls

- Revenues
- Expenditures
- Payroll
- Cash and Investments
- Receivables
- Payables
- Property and Equipment
- Debt Service

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned function. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners of Allegany County, management, and the United States Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Delaney, Turnbull + Associates, P.A.

November 30, 1994

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**INDEPENDENT AUDITOR'S REPORT ON
INTERNAL CONTROL STRUCTURE USED
IN ADMINISTERING FEDERAL FINANCIAL
ASSISTANCE PROGRAMS**

Board of Allegany County Commissioners
701 Kelly Road, Suite 214
Cumberland, Maryland 21502

We have audited the general purpose financial statements of Allegany County, Maryland (the County), for the year ended June 30, 1994, and have issued our report thereon dated November 30, 1994. Our report was modified to refer to the reports of other auditors. We have also audited the County's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated November 30, 1994.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement and about whether the County complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audits for the year ended June 30, 1994, we considered the County's internal control structure in order to determine our auditing procedures for the purpose of expressing our opinions on the County's general purpose financial statements and on its compliance with requirements applicable to major federal financial assistance programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated November 30, 1994.

The management of the County is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

- Revenues
- Expenditures

General Requirements

- Political activity
- Davis-Bacon Act
- Civil rights
- Cash management
- Relocation assistance
and real property acquisition
- Federal financial reports
- Allowable costs/cost
principles
- Drug-free workplace
- Administrative
requirements

Specific Requirements

- Types of services
- Eligibility
- Matching, level of effort, and earmarking
- Reporting
- Special requirements

Claims for Advances and Reimbursements Amounts Claimed or Used for Matching

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1994, the County expended 85% percent of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the County's major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended for the information of the Board of Commissioners of Allegany County, management, and the United States Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Delaney, Turnbull & Associates, P.A.

November 30, 1994

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**INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE WITH LAWS, REGULATIONS,
CONTRACTS AND GRANTS**

Board of Allegany County Commissioners
701 Kelly Road, Suite 214
Cumberland, Maryland 21502

We have audited the general purpose financial statements of Allegany County, Maryland as of and for the year ended June 30, 1994, and have issued our report thereon dated November 30, 1994. Our report was modified to refer to the reports of other auditors.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to Allegany County, Maryland is the responsibility of Allegany County, Maryland's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of Allegany County, Maryland's compliance with certain provisions of laws, regulations contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, Allegany County, Maryland complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that Allegany County, Maryland had not complied, in all material respects, with those provisions.

This report is intended for the information of the Board of Commissioners of Allegany County, management, and the United States Department of Health and Human Services. However, this report is a matter of public record and its distribution is not limited.

Delaney, Turnbull + Associates, P.A.

November 30, 1994

**ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1994**

FEDERAL GRANTOR/AGENCY PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE AT JULY 1, 1993	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 1994
US Dept. of Agriculture:									
Direct:									
\Farmers Home Administration:									
Mexico Farms utility relocation	10.424	N/A	N/A	335,900	\$0	\$0	\$0	\$0	\$0
Mexico Farms water & sewer grant	10.770	N/A	N/A	906,800	0	70,230	0	70,230	0
Mexico Farms water & sewer loan	10.770	N/A	N/A	420,000	0	0	0	0	0
Cash Valley Road Sewer grant	10.770	N/A	N/A	100,000	0	0	0	0	0
Cash Valley Road Sewer loan	10.770	N/A	N/A	147,000	0	0	0	0	0
Indirect:									
\Food and Nutrition Service:									
Pass through Maryland Dept. of Education:									
Summer Camp Program	10.559	N/A	MR 248 MRS	N/A	0	1,665	0	1,665	0
Total US Department of Agriculture					<u>\$0</u>	<u>\$71,895</u>	<u>\$0</u>	<u>\$71,895</u>	<u>\$0</u>
US Department of Commerce:									
Direct:									
\Economic Development Administration:									
North Branch Force Main & Pumping Station	11.300	01-01-03099	N/A	1,260,000	\$25,665	\$0	(\$257)	\$25,408	\$0
Multi-Tenant Industrial Building	11.300	01-01-03238	N/A	972,000	(50,468)	874,800	0	1,129,861	(305,529)
Indirect:									
EDA Project Income - Economic Opportunity									
	11.300	N/A	N/A	0	0	5,625	0	5,625	0
Total US Department of Commerce					<u>(\$24,803)</u>	<u>\$880,425</u>	<u>(\$257)</u>	<u>\$1,160,894</u>	<u>(\$305,529)</u>

**ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1994**

FEDERAL GRANT/AGENCY PROGRAM TITLE	FEDERAL CFDA NUMBER	FEDERAL GRANT NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM/ AWARD AMOUNT	BEGINNING BALANCE AT JULY 1, 1993	REVENUES	OTHER FINANCING SOURCES/USES	EXPENDITURES	ENDING BALANCE AT JUNE 30, 1994
<u>US Dept. of Housing and Urban Development</u>									
Indirect:									
\Community Planning and Development									
CDBG Project Income - Housing	14.219	N/A	N/A	0	\$336,310	\$6,266	(\$3,525)	\$5,622	\$333,429
CDBG Project Income - Economic Opportunity	14.219	N/A	N/A	0	203,223	83,198	(373,280)	0	(86,859)
Passed through Maryland Dept. of Economic and Community Development:									
Section 8 Existing	14.156	P-3507	MD06-E020	N/A	3,914	419,809	0	419,574	4,149
Section 8 Mod Rehab	14.156	P-3525	MD06-K020	N/A	286	28,534	0	27,853	967
Section 8 Existing Admin	14.156	P-3507	MD06-E020	N/A	0	43,160	0	43,160	0
Section 8 Mod Rehab Admin	14.156	P-3525	MD06-K020	N/A	0	3,300	0	3,300	0
Section 8 Voucher Program	14.177	P-3507V	MD06-V020	N/A	1,306	128,660	0	128,160	1,806
Section 8 Voucher Program Admin	14.177	P-3507V	MD06-V020	N/A	0	11,155	0	11,155	0
Celanese Treatment Plant Rehab	14.228	N/A	MD-87-ARC-2	1,190,000	(29,729)	0	29,729	0	0
Lonaconing Rehab Project	14.228	N/A	MD-89-CD-01	160,540	(41,404)	58,314	49,072	114,704	(48,722)
Spring Street Water Project	14.228	N/A	MD-89-CD-01	7,500	0	4,058	3,525	7,583	0
Frostburg Industrial Park Expansion	14.228	N/A	MD-89-ED-39	855,750	(308,283)	0	316,692	8,409	0
Allegany Manor Water Project	14.228	N/A	MD-89-ED-40	162,500	(3,652)	0	3,564	(88)	0
Cash Valley Road Sewer	14.228	N/A	MD-91/92-SP-41	304,595	(3,491)	25,133	5,000	36,943	(10,301)
County Wide Sewer Hookups	14.228	N/A	MD-91/92-SP-41	33,000	0	3,566	0	10,082	(6,516)
Westport Storm Sewer	14.228	N/A	MD-87-SP-37	284,500	0	0	45	45	0
Schade Expansion	14.228	N/A	MD-91-ED-76	859,500	(646,272)	0	649,052	2,780	0
Industrial Park Sewer	14.228	N/A	MD-91-ED-75	130,700	6,585	(6,442)	0	143	0
Mexico Farms water & sewer (214)	14.228	N/A	MD-91-ED-75	369,300	108,876	77,825	11,936	198,637	0
Emergency Shelter Grant Program	14.231	N/A	92-ESG-BOS-1	22,045	1,938	2,964	0	4,902	0
Emergency Shelter Grant Program	14.231	N/A	93-ESG-BOS-1	23,000	0	15,194	0	17,119	(1,925)
Total US Department of HUD					(\$370,393)	\$904,694	\$691,810	\$1,040,083	\$186,028

**ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1994**

<u>FEDERAL GRANTOR/AGENCY PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL GRANT NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM/ AWARD AMOUNT</u>	<u>BEGINNING BALANCE AT JULY 1, 1993</u>	<u>REVENUES</u>	<u>OTHER FINANCING SOURCES/USES</u>	<u>EXPENDITURES</u>	<u>ENDING BALANCE AT JUNE 30, 1994</u>
<u>US Department of Justice:</u>									
Direct:									
\Federal Bureau of Prisons:									
Reimbursement of expenditures incurred for utility location	N/A	N/A	N/A	127,007	\$0	\$107,748	\$0	\$107,748	\$0
Indirect:									
\Office of Justice Programs:									
Passed through MD. Governor's Office of Justice Assistance and Allegany County Board of Education Drug Prevention Program (DARE)	16.579	N/A	GSP-91-080	31,301	0	31,301	6,205	37,506	0
Passed through MD. Governor's Office of Justice Assistance Narcotics Task Force	16.579-80	N/A	DLE-93-089	45,437	74,680	42,004	43,688	118,723	41,649
Total US Department of Justice:					<u>\$74,680</u>	<u>\$181,053</u>	<u>\$49,893</u>	<u>\$263,977</u>	<u>\$41,649</u>
<u>US Department of Labor:</u>									
Indirect:									
Passed through the Western Md Consortium Job Training Partnership Act	17.246-50	N/A	94-A34-502	N/A	\$0	\$2,100	\$0	\$2,100	\$0
Passed through the Western Md Consortium Job Training Partnership Act	17.246-50	N/A	93-A23-507	N/A	0	919	0	919	0
Passed through the Western Md Consortium Job Training Partnership Act	17.246-50	N/A	94-A34-507	N/A	0	1,396	0	1,396	0
Total US Department of Labor					<u>\$0</u>	<u>\$4,415</u>	<u>\$0</u>	<u>\$4,415</u>	<u>\$0</u>

**ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1994**

<u>FEDERAL GRANTOR/AGENCY PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL GRANT NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM/ AWARD AMOUNT</u>	<u>BEGINNING BALANCE AT JULY 1, 1993</u>	<u>REVENUES</u>	<u>OTHER FINANCING SOURCES/USES</u>	<u>EXPENDITURES</u>	<u>ENDING BALANCE AT JUNE 30, 1994</u>
<u>US Dept. of Transportation:</u>									
Indirect:									
\Federal Highway Administration									
Passed through Maryland Department of Transportation									
Mexico Farms Bridge Project	20.205	BH-M-7514 (1)	A708-951-612	280,000	\$30,955	(\$18,251)	(\$12,704)		\$0
Town Creek Bridge	20.205	BR SOS-1(252)	A727-951-612	364,768	(53,584)	13,450	37,365	21,231	(24,000)
Reynolds Road Bridge	20.205	BR SOS-1(250)	A721-951-612	375,137	(119,244)	91,386	55,301	27,443	0
\Federal Highway Administration									
Passed through Maryland Department of Transportation and Office of Planning									
Local Transportation Assistance Grant	20.205	N/A	N/A	32,621	0	22,835	0	22,835	0
\Urban Mass Trans. Admin:									
Passed through Maryland Department of Transportation									
Capital Assistance	20.500	MD-90-0050	MD-90-0050	24,800	0	22,914	5,728	28,642	0
Capital Assistance	20.500	MD-90-0039	MD-90-0039	202,904	0	0	0	0	0
Capital Assistance	20.500	MD-03-0052	MD-03-0052	525,000	0	0	0	0	0
Operating Assistance (FY94)	20.507	MD-90-4055	MD-90-4055	192,419	766,788	192,419	362,551	550,757	771,001
Operating Assistance Suppl (FY94)	20.509	MD-18-4011	MD-18-4011	57,852	0	57,852	82,433	140,285	0
\Urban Mass Trans. Admin. & Federal Highway Administration									
Passed through Maryland Department of Transportation									
Unified Planning Work Program 93	20.505	N/A	N/A	53,100	0	41,960	10,490	52,450	0
\Federal Highway Administration									
Passed through Maryland Emergency Management Agency									
HMTUSA Training Grant 93	20.217	N/A	MD-303-8010	1,307	0	1,307	3,765	5,072	0
Total US Department of Transportation					<u>\$624,915</u>	<u>\$425,872</u>	<u>\$544,929</u>	<u>\$848,715</u>	<u>\$747,001</u>

**ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1994**

<u>FEDERAL GRANTOR/AGENCY PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL GRANT NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM/ AWARD AMOUNT</u>	<u>BEGINNING BALANCE AT JULY 1, 1993</u>	<u>REVENUES</u>	<u>OTHER FINANCING SOURCES/USES</u>	<u>EXPENDITURES</u>	<u>ENDING BALANCE AT JUNE 30, 1994</u>
<u>Appalachian Regional Commission:</u>									
Direct:									
\Passed through US Dept of Commerce									
Economic Development Administration									
Multi-Tenant Industrial Bldg	23.002	MD-11037-92-I	N/A	324,000	(\$16,823)	\$291,600	\$0	\$376,620	(\$101,843)
Downtown Westernport									
Revitalization Project	23.011	83.92	MD-8390-82-Y1	480,000	5,445	0	(5,445)	0	0
Indirect:									
ARC 302 Project Income	23.011	83.115	N/A	300,000	126,794	4,568	73,584	265,755	(60,809)
\Passed through Maryland Office of Planning									
Freeway Study, Technical Assistance	23.011	ARC 92-11	MD-10952-91-1	30,000	5,000	10,595	10,395	25,990	0
\Passed through Maryland Office of Planning									
Freeway Study, Technical Assistance	23.011	ARC 92-139	MD-10952-91-C	30,000	0	21,522	21,850	43,372	0
Total Appalachian Regional Commission					<u>\$120,416</u>	<u>\$328,285</u>	<u>\$100,384</u>	<u>\$711,737</u>	<u>(\$162,652)</u>
<u>Environmental Protection Agency</u>									
Direct:									
\Office of Water, Environmental									
Protection Agency									
Georges Creek Step 3	66.418	C-240382-03	N/A	14,065,000	\$0	\$0	\$0	\$0	\$0
Oldtown Sewage Project	66.418	C-240384-03	N/A	601,270	0	0	0	0	0
Valley Road/Bowmans Addition									
Sewage Project	66.418	C-240596-03	N/A	1,292,470	0	0	0	0	0
Flintstone Sewage Project	66.418	C-240383-01	N/A	12,000	0	0	0	0	0
Flintstone Sewage Project	66.418	C-240383-02	N/A	19,993	0	0	0	0	0
Flintstone Sewage Project	66.418	C-240383-03	N/A	771,300	0	0	0	0	0
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	(88,869)	0	88,869	0	0
Total Environmental Protection Agency					<u>(\$88,869)</u>	<u>\$0</u>	<u>\$88,869</u>	<u>\$0</u>	<u>\$0</u>

**ALLEGANY COUNTY, MARYLAND
PRIMARY GOVERNMENT
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE PROGRAMS
FOR THE YEAR ENDED JUNE 30, 1994**

<u>FEDERAL GRANTOR\AGENCY PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL GRANT NUMBER</u>	<u>PASS-THROUGH GRANTOR'S NUMBER</u>	<u>PROGRAM/ AWARD AMOUNT</u>	<u>BEGINNING BALANCE AT JULY 1, 1993</u>	<u>REVENUES</u>	<u>OTHER FINANCING SOURCES/USES</u>	<u>EXPENDITURES</u>	<u>ENDING BALANCE AT JUNE 30, 1994</u>
<u>Federal Emergency Management Agency:</u>									
Indirect:									
\State and Local Programs Support									
Passed through Maryland Emergency									
and Civil Defense Agency:									
Civil Defense FY 1993	83.503	N/A	N/A	N/A	(\$8,105)	\$8,105	\$0	\$0	\$0
Civil Defense FY 1994	83.503	N/A	N/A	N/A	0	39,305	46,905	86,210	0
Maintenance & Services	83.503	N/A	N/A	4,546	0	4,546	4,546	9,092	0
Total Federal Emergency Management Agency					<u>(\$8,105)</u>	<u>\$51,956</u>	<u>\$51,451</u>	<u>\$95,302</u>	<u>\$0</u>
<u>US Department of Health and Human Services:</u>									
Indirect:									
\Family Support Administration:									
Pass through Maryland Dept. of									
Human Resources:									
Child Support Enforcement	93.023	N/A	CR-07/94-01	111,708	(\$92)	\$98,342	\$52,399	\$150,649	\$0
Masters Program	93.023	N/A	CR-07/94-003	44,886	0	39,662	24,080	63,742	0
\Health Care Financing Administration									
Pass through Maryland Dept. of									
Health & Mental Hygiene:									
Medicare; Nursing Home Care	93.773-4	N/A	N/A	N/A	0	190,840	0	190,840	0
Medicaid; Nursing Home Care	93.778	N/A	N/A	N/A	134,846	4,073,960	53,688	4,065,453	197,041
\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	127,299	256,220		309,110	74,409
Medical Assistance Transportation	93.778	N/A	N/A	N/A	0	9,000		9,000	0
Total US Department of Health and Human Services					<u>\$262,053</u>	<u>\$4,668,024</u>	<u>\$130,167</u>	<u>\$4,788,794</u>	<u>\$271,450</u>
Total Federal Financial Assistance Programs					<u>\$589,894</u>	<u>\$7,516,619</u>	<u>\$1,657,246</u>	<u>\$8,985,812</u>	<u>\$777,947</u>

ALLEGANY COUNTY, MARYLAND
NOTES TO SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE PROGRAMS
JUNE 30, 1994

Note 1 - Scope of Audit

All federal financial assistance programs under the control of the Board of Commissioners of Allegany County, Maryland are included in the scope of this single audit. The single audit was conducted in accordance with the provisions of the Single Audit Act of 1984 and the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. Compliance testing of all general requirements, as described in the Compliance Supplement was performed. Compliance testing of specific requirements was performed on the following major programs. These programs represent all federal financial assistance programs with fiscal year 1994 expenditures in excess of \$300,000 and cover 85% of total federal financial assistance program expenditures:

<u>Grant Description</u>	<u>CFDA Number</u>	<u>Fiscal Year 1994 Expenditures</u>
EDA Multi-Tenant Industrial Building	11.300	1,160,894
Section 8 Housing Funds	14.156	493,887
CDBG States Program	14.228	379,238
Mass Transit	20.507	550,757
Medicaid	93.778	4,383,563
ARC Multi Tenant Industrial Building	23.002	376,620
ARC 302 Project	23.011	<u>335,117</u>
Total		<u>\$ 7,680,076</u>

Federal transactions from nonmajor programs were not selected for testing during the audit of the general purpose financial statements. Accordingly, testing of specific requirements related to nonmajor programs was not performed.

A "Status of Prior Year Findings" is not presented since there were no findings or questioned costs detected in the prior year.

ALLEGANY COUNTY, MARYLAND
NOTES TO SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE PROGRAMS - (Continued)
JUNE 30, 1994

Note 2 - Cognizant Audit Agency

The United States Department of Health and Human Services has been designated cognizant audit agency for the Single Audit.

Note 3 - Fiscal Period Audited

Single audit testing procedures were performed for program transactions occurring during the period July 1, 1993 to June 30, 1994.

Note 4 - 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 Federal Financial Assistance 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 Community College
- LaVale Sanitary Commission

Beginning and Ending Balances

The beginning and ending balances in the accompanying schedule of federal financial assistance represent project and/or fund balances at July 1, 1993 and June 30, 1994, respectively. As a result of preparing the accompanying Schedule of Federal Financial Assistance 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.

ALLEGANY COUNTY, MARYLAND
NOTES TO SCHEDULE OF
FEDERAL FINANCIAL ASSISTANCE PROGRAMS - (Continued)
JUNE 30, 1994

Note 4 - Summary of Significant Accounting Policies - (continued)

Other Financing Sources and Uses

The amounts shown as other financing sources in the accompanying Schedule of Federal Financial Assistance 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 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 statement.

Note 5. Reconciliation of Beginning Balance at July 1, 1993

The total ending fund balance at June 30, 1993 per the 1993 Schedule of Federal Financial Assistance does not agree with the total beginning balance at July 1, 1993 per the 1994 Schedule of Federal Financial Assistance. The difference is primarily due to the inadvertent omission of certain projects within federal programs. A reconciliation of the balances is as follows:

Ending Balance at June 30, 1993 per FY 1993 Schedule of Federal Financial Assistance	\$ 657,185
<u>Omitted Projects from the FY 1993 Single Audit:</u>	
EDA - Multi-Tenant Industrial Building CFDA #11.300	(50,468)
ARC - Multi-Tenant Industrial Building (CFDA #23.002)	<u>(16,823)</u>
Beginning Balance at July 1, 1993 per FY 1994 Schedule of Federal Financial Assistance	<u>\$ 589,894</u>

ALLEGANY COUNTY, MARYLAND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR YEAR ENDED JUNE 30, 1994

PROGRAM	FINDING/RECOMMENDATION	QUESTIONED COSTS
<p>EDA - Multi-Tenant Industrial Building (CFDA #11.300)</p>	<p>The County engaged a construction company to preform certain renovations of a multi-tenant building. The renovation costs were paid with federal funds. During our testing of general requirements, we noted one construction laborer was not paid the prevailing wage by a subcontractor as required by the Davis Bacon Act. The amount of underpayment cannot be quantified at this time because the subcontractor has not submitted their payroll reports to the County.</p> <p>We recommend the County obtain the necessary payroll reports; calculate the underpayment and ensure the construction laborer is paid the prevailing wage.</p> <p>The County has agreed with this recommendation and is in the process of implementing the recommended procedures.</p>	<p>Not able to calculate.</p>