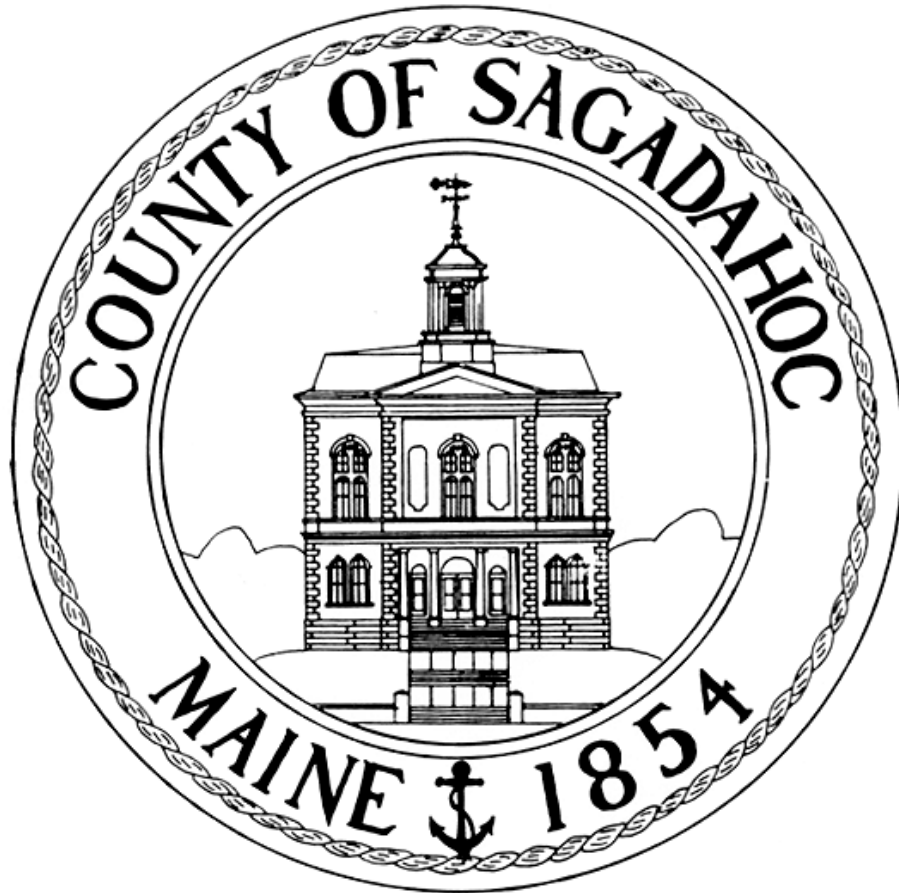


COUNTY OF SAGADAHOC, MAINE



ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2019**

COUNTY OF SAGadahoc, MAINE
Annual Financial Report
For the Year Ended June 30, 2019

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Annual Financial Report
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INTRODUCTORY SECTION

COUNTY OF SAGadahoc, MAINE
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2019

Elected Officials

| | |
|--------------------------|-----------------------|
| Commissioner, District 1 | Charles Crosby |
| Commissioner, District 2 | Brian Hobart |
| Commissioner, District 3 | Carol Grose |
| Treasurer | Sarah Ward |
| Sheriff | Joel Merry |
| District Attorney | Natasha Irving |
| Registrar of Deeds | Lynn Moore |
| Probate Judge | Hon. John W. Voorhees |
| Register of Probate | Carolyn A. Bird |

Appointed Officials

| | |
|-------------------------------|-----------------|
| County Administrator | Pamela A. Hile |
| Communications Director | Brodie Hinckley |
| Emergency Management Director | Sarah Bennett |
| Finance Manager | Jill Flaherty |

FINANCIAL SECTION

Independent Auditor's Report

Board of Commissioners
County of Sagadahoc, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Sagadahoc, Maine as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Sagadahoc, Maine, as of June 30, 2019, and the respective changes in financial position and the respective budgetary comparisons for the General Fund and Correction Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to the pension and OPEB liabilities, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Sagadahoc, Maine's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Board of Commissioners
County of Sagadahoc, Maine

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2020 on our consideration of the County of Sagadahoc, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Sagadahoc, Maine's internal control over financial reporting and compliance.



June 25, 2020
South Portland, Maine

COUNTY OF SAGADAHOC, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2019

By preparing a Management's Discussion and Analysis (MD&A), the County offers the readers of these financial statements a narrative overview of the financial activities of the County for the fiscal year that ended on June 30, 2019. County management hopes the explanations below will provide an opportunity for readers to gain a greater understanding of Sagadahoc County's finances as a whole.

The annual financial report contains financial statements for all activities performed by Sagadahoc County plus any other funds for which the County has a fiduciary responsibility. Sagadahoc County functions include: the offices of Administration and Finance, Register of Probate, Register of Deeds, Sheriff's Office (Patrol, Criminal Investigations, Transport, and Civil), Regional Communications Center, Emergency Management Agency, and the District Attorney's office.

FINANCIAL HIGHLIGHTS

NET POSITION

- **COUNTY'S NET POSITION:** The assets and deferred outflows of resources of the County of Sagadahoc exceeded its liabilities and deferred inflows of resources by \$3,646,951 at the close of the most recent fiscal year. (Statement 1) This net position is purposed as follows:

| | |
|----------------------------------|----------------|
| Net investment in capital assets | \$ 2,342,256 |
| Restricted | 578,987 |
| Unrestricted | <u>725,708</u> |
| Net Position | \$ 3,646,951 |

- **CHANGE IN NET POSITION:** As of June 30, 2018, the County's net position was \$2,990,343 and at the end of the current year, the County's net position was \$3,646,951, an increase in net position in the amount of \$656,608 (Statement 2).

FUND BALANCES

- **END OF YEAR GOVERNMENTAL FUNDS.** Governmental funds include the General Fund, Correction Services Fund, Capital Projects Fund, and special revenue funds further described in the financial statements. On June 30, 2019, the end of year fund balance for the County of Sagadahoc's governmental funds was \$3,879,912 (Statement 3) which was an increase of \$103,883 from the fund balance of the governmental funds at the close of the prior year (Statement 4).
- **UNASSIGNED FUND BALANCE (GENERAL FUND).** The General Fund unassigned fund balance of \$1,668,645 equals 43% of the total fund balance of the governmental funds of \$3,879,912 (Statement 3). The General Fund unassigned fund balance of \$1,668,645 equals approximately 27% of the County's total General Fund expenditures of \$6,217,570 (Statement 4), and 18% of the General and Correction Services Funds expenditures and transfers of \$9,382,351.
- **CORRECTION SERVICES FUND.** As required by State law associated with the 2008 Unified Corrections legislation, the County's financial audit was required to account for corrections revenues and expenditures separately from non-corrections-related revenues and expenditures. As of June 30, 2019, the Correction Services Fund balance was \$436,375.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the County of Sagadahoc's finances, in a manner similar to a private-sector business. The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating. The *statement of activities* presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave). The government-wide financial statements include only the County of Sagadahoc, known as the *primary government*.

Fund Financial Statements

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

Governmental Funds

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

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

The County of Sagadahoc maintains twenty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Correction Services Fund, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The County adopts an annual appropriated budget for its General Fund and Correction Services Fund. Budgetary comparison statements have been provided to demonstrate compliance with this budget.

COUNTY OF SAGADAHOC, MAINE
Management's Discussion and Analysis, Continued

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County of Sagadahoc's own programs. The County's fiduciary fund is an agency fund consisting of funds held by the District Attorney and the Register of Probate. The accounting used for fiduciary funds is much like the government-wide financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements

GOVERNMENT-WIDE NET POSITION
(ALL GOVERNMENTAL ACTIVITIES – Statements 1 & 2)

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the County of Sagadahoc, assets and deferred outflows from all governmental activities exceeded liabilities and deferred inflows by \$3,646,951 at the close of the most recent fiscal year (Statements 1 and 2).

A large portion of the value of the County's net position, (\$2,342,256 or 64% of the total net position amount of \$3,646,951), reflects the County's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding (there was \$114,096 of debt outstanding on these assets at the end of the year). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The County has net position in the amount of \$578,987 (16%) that is restricted and cannot be used to meet the government's ongoing obligations. The County's unrestricted net position, \$725,708 (Statement 1) or 20% of the total net position of \$3,646,951 may be used to meet the government's ongoing obligations.

The County's net position increased by \$656,608 during the fiscal year (Statements 1 and 2).

COUNTY OF SAGADAHOC, MAINE
Management's Discussion and Analysis, Continued

Statement of Net Position

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|--------------------|
| ASSETS | | |
| Current and other assets | \$ 4,403,681 | 4,226,125 |
| Capital assets | 2,456,352 | 2,476,338 |
| Total assets | 6,860,033 | 6,702,463 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources related to pensions | 512,793 | 456,684 |
| Deferred outflows of resources related to OPEB | 16,140 | 1,243 |
| Total deferred outflows of resources | 528,933 | 457,927 |
| LIABILITIES | | |
| Noncurrent liabilities outstanding | 2,585,416 | 3,190,969 |
| Other liabilities | 526,725 | 454,429 |
| Total liabilities | 3,112,141 | 3,645,398 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources related to pensions | 363,646 | 184,634 |
| Deferred inflows of resources related to OPEB | 266,228 | 340,015 |
| Total deferred inflows of resources | 629,874 | 524,649 |
| NET POSITION | | |
| Net investment in capital assets | 2,342,256 | 2,309,082 |
| Restricted | 578,987 | 455,800 |
| Unrestricted | 725,708 | 225,461 |
| Total net position | \$ 3,646,951 | 2,990,343 |

Capital Assets

The County of Sagadahoc's capital assets for its governmental activities as of June 30, 2019 amounts to \$2,456,352 (net of accumulated depreciation). These capital assets include land, improvements, buildings, machinery and equipment and vehicles. The total decrease in the County's capital assets for the current fiscal year was \$19,986 or 1% of the total net capital assets.

Significant capital asset additions during the year included three new Dodge Durango vehicles for the Sheriff's Department, a used Ford Explorer for the Domestic Violence Investigator, a new Communications tower in Bowdoin, and a new fire alarm in the Courthouse. Four vehicles were disposed of, two Dodge Chargers and two Dodge Durangos, three of which were traded in for the new vehicles purchased and one was totaled in an accident.

COUNTY OF SAGadahoc, MAINE
Management's Discussion and Analysis, Continued

REVENUES AND EXPENDITURES
(ALL GOVERNMENTAL FUNDS – Statements 4)

Total County revenue for the fiscal year ended June 30, 2019 was \$9,699,729 (\$6,422,064 in General Fund; \$2,977,189 for Corrections; \$300,476 Other Funds). The revenue was derived from the following sources:

Revenues

| | General Fund | Corrections Services Fund | Other Governmental Funds | Total |
|------------------------------|---------------------|---------------------------------|--------------------------------|------------------|
| County tax assessments | \$5,701,749 | 2,657,105 | - | 8,358,854 |
| Fees | 429,585 | - | - | 429,585 |
| Grants and intergovernmental | 101,746 | 319,999 | 233,062 | 654,807 |
| Charges for services | 107,129 | - | 66,862 | 173,991 |
| Interest | 45,004 | - | 552 | 45,556 |
| Other | 36,851 | 85 | - | 36,936 |
| Total revenues | \$ 6,422,064 | 2,977,189 | 300,476 | 9,699,729 |

Expenditures

| | General Fund | Corrections Services Fund | Other Governmental Funds | Total |
|---------------------------|---------------------|---------------------------------|--------------------------------|------------------|
| General government | \$ 2,656,359 | - | 154,794 | 2,811,153 |
| Public safety | 2,676,573 | - | 132,981 | 2,809,554 |
| Corrections | - | 2,842,839 | - | 2,842,839 |
| Debt service - Jail bond | 823,450 | - | - | 823,450 |
| Debt service - Courthouse | 61,188 | - | - | 61,188 |
| Capital outlay | - | 14,147 | 233,515 | 247,662 |
| Total expenditures | \$ 6,217,570 | 2,856,986 | 521,290 | 9,595,846 |

GENERAL FUND

In FY 2018-2019, the County collected revenue for the General Fund in the amount of \$6,422,064, which is \$39,009 less than the revenue in FY 2017-2018. The amount of revenue collected by the County through tax assessments to municipalities for general operations, \$5,701,749, decreased by \$63,318 from FY 2017-2018.

Total County General Fund expenditures for the fiscal year ended June 30, 2019 were \$6,217,570 compared to \$5,985,377 in the prior year, an overall increase of \$232,193.

| <u>General Fund</u> | <u>2019</u> | <u>2018</u> |
|--|--------------------|--------------------|
| Total revenues | \$ 6,422,064 | 6,461,073 |
| Increase (decrease) in revenues compared to prior year | (39,009) | 279,683 |
| | | |
| Total expenditures for non-corrections services | 6,217,570 | 5,985,377 |
| Increase in expenditures compared to prior year | 232,193 | 346,313 |
| | | |
| EXCESS OF GENERAL FUND REVENUES OVER EXPENDITURES | \$ 204,494 | 475,696 |

COUNTY OF SAGADAHOC, MAINE
Management's Discussion and Analysis, Continued

During the fiscal year ended June 30, 2019, the General Fund balance decreased by \$103,301 on a GAAP basis (decrease of \$179,616 on a budgetary basis) compared to the prior year. The difference between budgetary basis and GAAP basis represent amounts expended from reserves.

| | |
|--|------------------|
| Fund balance - General Fund, beginning of year | \$ 3,085,208 |
| Fund balance - General Fund, end of year | <u>2,981,907</u> |
| Net change in fund balance - General Fund | \$ (103,301) |

General Fund Balance

At the end of the current fiscal year, the total amount of the General Fund balance was \$2,981,907 which was made up of \$828,916 committed, \$445,947 assigned, \$38,399 non-spendable, and \$1,668,645 unassigned (Statement 3). State statute permits the Sagadahoc County Commissioners to set aside assets in a Contingency Reserve account in an amount not to exceed 4% of the annual budget. The Emergency Contingency Reserve Fund may be used at the discretion of the County Commissioners for emergency purposes. The Emergency Contingency, currently set at \$100,000, is part of the committed fund balance.

CORRECTION SERVICES FUND

In FY 2018-2019, the County collected correction services fund revenue in the amount of \$2,977,189 which is \$17,202 higher than the revenues collected in FY 2017-2018. The amount of revenue collected by the County through tax assessments to municipalities for correction services operations, \$2,657,105, has not increased from FY 2017-2018.

Total County Correction Services Fund expenditures for the fiscal year ended June 30, 2019 were \$2,856,986. See Statement 6A and detail below. Total County Correction Services Fund expenditures for the current year were \$38,633 lower than the total County Correction Services Fund expenditures for the prior year.

| <u>Correction Services Fund Revenues</u> | <u>2019</u> | <u>2018</u> |
|---|--------------------|--------------------|
| Total revenues for Correction Services | \$ 2,977,189 | 2,959,987 |
| Increase (decrease) in revenues compared to prior year | 17,202 | 27,924 |
| | | |
| Total expenditures for Correction-related Services | 2,856,986 | 2,895,619 |
| Increase (decrease) in expenditures compared to prior year | (38,633) | 18,115 |
| | | |
| EXCESS OF CORRECTION FUND REVENUES OVER EXPENDITURES | \$ 120,203 | 64,368 |

During the fiscal year ended June 30, 2019, the Correction Services Fund balance increased by \$120,203 compared to the prior year.

| | |
|---|----------------|
| Fund balance - Corrections, beginning of year | \$ 316,172 |
| Fund balance - Corrections, end of year | <u>436,375</u> |
| Net change in fund balance – Corrections | \$ 120,203 |

OTHER GOVERNMENTAL FUNDS

State statutes allow the Commissioners to appropriate amounts for expenditures to be made in future years for capital expenditures. These resources are reported in a capital project fund. Other Governmental Funds consist of special revenue funds, which are resources provided to the County from outside source(s) to be used for a specific purpose such as records preservation or victim advocate activities. The details of these fund balances can be viewed on Statement A of the financial audit.

DEBT ADMINISTRATION

In 2012, the County entered into a \$500,000 municipal lease purchase agreement with Gorham Savings for much needed renovations to the exterior of the Courthouse. The funds will be repaid over a ten-year period at an interest rate of 4.8% per annum.

In 2001, Sagadahoc County partnered with Lincoln County to form a multi-county jail authority. The Lincoln and Sagadahoc Multicounty Jail Authority sold revenue bonds totaling \$24,600,000 in June 2005. The County of Sagadahoc guaranteed the repayment of one-half of these bonds or \$12,300,000. This is a twenty-year note at an average interest rate of 4.13%. The County's share of the remaining balance at June 30, 2019 is \$4,315,000 (see Overlapping Debt footnote).

CORRECTIONS FUND

In 2008, the State legislature approved LD 2080 which established the Statewide Unified Corrections System. The budget for 2009-10 was the first budget in which the State required all Corrections revenues, expenditures and fund balances to be recorded and audited separately from all other County funds. In some of the statements in this audit, Corrections information is segregated into its own financial column and in other statements, you will find that the Corrections Funds are reported completely on their own, such as in Statement 6A.

The 2008 Statewide Unified Corrections System law requires each County to raise through property taxes a specified amount for corrections-related functions. Counties are prohibited from raising property taxes any more, or any less, for corrections-related expenses. For Sagadahoc, the specified amount (commonly referred to as the County's "CAP") was initially \$2,295,849. The CAP is an integral part of the new system and was designed to shield property taxpayers from post 2008 increases in corrections-related expenses. The State appointed Board of Corrections, with the assistance of State financial analysis, established the individual County CAPs based on the amount each County budgeted for corrections-related expenses as of March 2008. The new system requires the State of Maine to fund the difference between each County's CAP and the net approved expenses for each County's Corrections related activities. When establishing the CAPs, the Board of Corrections failed to recognize the uniqueness of the relationship between Lincoln and Sagadahoc Counties that partnered to construct and operate the Two Bridges Regional Jail (TBRJ). The Jail Consolidation legislation is silent as to the effect of the Statewide Consolidation upon the previously established cost sharing agreement between Lincoln and Sagadahoc Counties. Because the two Counties differ in their interpretation regarding the impact of the Jail Consolidation legislation on the TBRJ Cost Sharing Agreement, Lincoln County withheld approximately \$130,000 in operations funding due to TBRJ. The Board of Corrections asked the two counties to reach an agreement with regard to who would pay to TBRJ from Corrections surplus to help fund an end of year \$130,000 deficit in the TBRJ operations budget. The Lincoln County Commissioners voted not to contribute any Corrections surplus to TBRJ. Sagadahoc County Commissioners voted to contribute \$83,871 to help fund TBRJ's shortfall. In 2010-2011, the legislature voted to change the cost sharing agreement, and Lincoln County and Sagadahoc County now each pay 50% of the TBRJ operations budget. Therefore, commencing January 1, 2012, Sagadahoc County's CAP increased to \$2,657,105.

COUNTY OF SAGADAHOC, MAINE
Management's Discussion and Analysis, Continued

In addition to the CAP funds raised through taxes, Sagadahoc County receives Community Corrections Act (CCA) funds from the State.

Principal and interest payments on the Two Bridges Regional Jail construction costs were not included as part of the State's responsibility in the Consolidated Jail System. As such, Sagadahoc and Lincoln Counties, who share the cost of the TBRJ construction bonds on an equal basis, must continue to pay the debt service on the bonds from funding that is completely outside each County's CAP. Sagadahoc, Lincoln, and three additional counties that were responsible for debt service payments as of the creation of the Consolidated Jail System, are required to continue to make those payments from monies raised through property taxes in addition to the Consolidated Corrections system CAP funds to be raised through property taxes. For this reason, the debt service payments for the Two Bridges Regional Jail Bonds are found in the General Fund expenditures rather than the Corrections expenditures (See Debt Administration section on previous page).

Correction funds in the amount of \$2,856,986 (Statement 6A) were expended as follows:

| | |
|---|--------------|
| Two Bridges Regional Jail Assessment for Operations | \$ 2,454,776 |
| County Services for Prisoner Transport | 299,854 |
| Adult Alternative Sentencing Programs | 88,209 |
| Capital Outlay | 14,147 |
| Total Expenditures | 2,856,986 |
| | |
| Total Revenues | 2,977,189 |
| Less Expenditures | 2,856,986 |
| End of Year Corrections surplus | 120,203 |

When combined with the fund balance at the beginning of the year, the fund balance as of June 30, 2019 is \$436,375.

Looking Forward

- The combined budgets for FY 2019-20 equal \$10,069,127, which is an increase of \$258,523 (2.64%) when compared to the current fiscal year combined budgets of \$9,810,604; however, without the inclusion of the TBRJ state funding, the increase is \$252,334 (2.57%). A further breakdown indicates the following:

| | <u>Operating</u> | <u>Debt Service</u> | <u>Capital Reserve</u> | <u>Jail</u> | <u>Combined</u> |
|------------------------|------------------|---------------------|------------------------|------------------|------------------|
| 2019-20 | \$ 5,878,646 | 905,005 | 303,000 | 2,982,476 | 10,069,127 |
| <u>2018-19</u> | <u>5,653,800</u> | <u>885,013</u> | <u>295,504</u> | <u>2,976,287</u> | <u>9,810,604</u> |
| Increase (decrease) \$ | 224,846 | 19,992 | 7,496 | 6,189 | 258,523 |

- The amount to be raised through taxes has increased by 328,991 (3.9%), from \$8,358,854 in FY 2018-19 to \$8,687,845 in FY 2019-20. The primary reason for this is a decrease of \$106,707 (19.9%) in the amount of surplus available to offset the tax. The unassigned fund balance decreased from 20.68% of the tax assessments in FY 2017-18 to 19.96% in 2018-19; therefore, fewer additional funds in excess of the 20% allowed by state statute will be applied to the tax commitment in FY 2019-20 (from \$165,232 to \$57,546). This year's estimated amount available to offset the tax levy remains fairly level (\$372,186 to \$373,165). Thus, when combined with the increase in the overall budget, we are left with the increase in the tax levy projected above. It is important to note that the availability of excess surplus will very likely continue to be reduced in the future as the gap between budgeted and actual expenditures/revenues will continue to decrease due to the use of increasingly realistic revenue projections.

COUNTY OF SAGADAHOC, MAINE
Management's Discussion and Analysis, Continued

- The County is facing a number of major capital expenses including extensive repairs to the roof of the Courthouse and replacement of the Courthouse generator. In addition to existing reserves, \$65,000 has been included in the FY 2019-20 budget for these projects. It is anticipated that a total of approximately \$452,300 will need to be expended during FY 2020-21, and a portion of this cost will be financed through a lease/purchase loan.
- Costs associated with the operation of the TBRJ, including debt service, represent approximately 40% of the entire FY 2019-20 County budget. As the debt service payments must be raised in *addition* to the legislatively set CAP, both Lincoln and Sagadahoc Counties are bearing a significant burden. On average, our inmates make up less than 50% of the prison population, with the remainder coming primarily from other counties; however, Lincoln and Sagadahoc must pay 100% of the debt. Fortunately, Two Bridges was able to contract with Penobscot, and Oxford Counties to house their inmates and thus should have adequate revenue to sustain operations through the end of the current fiscal year. This is *not* a permanent solution, and further legislative remedies will be essential in the upcoming session.
- It is more important than ever to clearly distinguish between “wants and needs”. There are definitely some “needs” that have been growing throughout the past several years, and those must be carefully evaluated and addressed; however, it is imperative that we continue to keep any new/non-essential spending in check. The Commissioners, Budget Advisory Committee, and staff will be keenly mindful of this potential during the FY 2020-21 budget process. In addition, the County will continue to explore ways in which it can facilitate and/or provide services that will result in savings to its communities.

Requests for Information

This financial report is designed to provide a general overview of the County of Sagadahoc's financial condition for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Sagadahoc County Administrator, 752 High Street, Bath, Maine, 04530.

BASIC FINANCIAL STATEMENTS

COUNTY OF SAGadahoc, MAINE
Statement of Net Position
June 30, 2019

| | Governmental Activities |
|--|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 4,149,212 |
| Accounts receivable | 216,070 |
| Prepaid expenses | 38,399 |
| Capital assets not being depreciated | 62,198 |
| Capital assets (net of accumulated depreciation) | 2,394,154 |
| Total assets | 6,860,033 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows of resources related to pensions | 512,793 |
| Deferred outflows of resources related to OPEB | 16,140 |
| Total deferred outflows of resources | 528,933 |
| LIABILITIES | |
| Accounts payable and other current liabilities | 523,769 |
| Accrued interest | 2,956 |
| Noncurrent liabilities: | |
| Due within one year | 55,711 |
| Due in more than one year | 2,529,705 |
| Total liabilities | 3,112,141 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows of resources related to pensions | 363,646 |
| Deferred inflows of resources related to OPEB | 266,228 |
| Total deferred inflows of resources | 629,874 |
| NET POSITION | |
| Net investment in capital assets | 2,342,256 |
| Restricted | 578,987 |
| Unrestricted | 725,708 |
| Total net position | \$ 3,646,951 |

See accompanying notes to basic financial statements.

COUNTY OF SAGADAHOC, MAINE
Statement of Activities
For the Year Ended June 30, 2019

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position |
|---------------------------------|---------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government |
| | | | | | Total Governmental Activities |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 2,410,654 | 496,447 | 49,586 | - | (1,864,621) |
| Public safety | 2,962,317 | 107,129 | 285,222 | - | (2,569,966) |
| Correction services | 3,663,499 | - | 319,999 | - | (3,343,500) |
| Interest on long-term debt | 6,651 | - | - | - | (6,651) |
| Total governmental activities | 9,043,121 | 603,576 | 654,807 | - | (7,784,738) |
| Total primary government | \$ 9,043,121 | 603,576 | 654,807 | - | (7,784,738) |

| | | |
|----------------------------------|-----------|------------------|
| General revenues: | | |
| Tax assessments | | 8,358,854 |
| Miscellaneous | | 36,936 |
| Unrestricted investment earnings | | 45,556 |
| Total general revenues | | 8,441,346 |
| Changes in net position | | 656,608 |
| Net position - beginning | | 2,990,343 |
| Net position - ending | \$ | 3,646,951 |

See accompanying notes to basic financial statements.

COUNTY OF SAGadahoc, MAINE
Balance Sheet
Governmental Funds
June 30, 2019

| | General Fund | Correction Services Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 4,091,977 | - | 57,235 | 4,149,212 |
| Accounts receivable | 88,055 | - | 128,015 | 216,070 |
| Prepaid expenditures | 38,399 | - | - | 38,399 |
| Due from other funds | - | 436,375 | 303,586 | 739,961 |
| Total assets | 4,218,431 | 436,375 | 488,836 | 5,143,642 |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | 427,855 | - | 27,206 | 455,061 |
| Accrued wages and benefits payable | 68,708 | - | - | 68,708 |
| Due to other funds | 739,961 | - | - | 739,961 |
| Total liabilities | 1,236,524 | - | 27,206 | 1,263,730 |
| Fund balances: | | | | |
| Nonspendable | 38,399 | - | - | 38,399 |
| Restricted | - | 436,375 | 142,612 | 578,987 |
| Committed | 828,916 | - | 353,266 | 1,182,182 |
| Assigned | 445,947 | - | - | 445,947 |
| Unassigned | 1,668,645 | - | (34,248) | 1,634,397 |
| Total fund balances | 2,981,907 | 436,375 | 461,630 | 3,879,912 |
| Total liabilities and fund balances | \$ 4,218,431 | 436,375 | 488,836 | |
| Amounts reported for governmental activities in the statement of net position are different because: | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. | | | | 2,456,352 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | | | |
| Accrued compensated absences | | | | (250,478) |
| Accrued interest | | | | (2,956) |
| Capital lease payable | | | | (114,096) |
| Other post employment benefits, including related deferred inflows and outflows of resources | | | | (1,086,870) |
| Net pension liability, including related deferred inflows and outflows of resources | | | | (1,234,913) |
| Net position of governmental activities | | | \$ | 3,646,951 |

See accompanying notes to basic financial statements.

COUNTY OF SAGadahoc, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

| | General Fund | Correction Services Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | |
| Taxes | \$ 5,701,749 | 2,657,105 | - | 8,358,854 |
| Fees | 429,585 | - | - | 429,585 |
| Intergovernmental | 101,746 | 319,999 | 233,062 | 654,807 |
| Charges for services | 107,129 | - | 66,862 | 173,991 |
| Interest | 45,004 | - | 552 | 45,556 |
| Other | 36,851 | 85 | - | 36,936 |
| Total revenues | 6,422,064 | 2,977,189 | 300,476 | 9,699,729 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,656,359 | - | 154,794 | 2,811,153 |
| Public safety | 2,676,573 | - | 132,981 | 2,809,554 |
| Correction services and transport | - | 2,842,839 | - | 2,842,839 |
| Debt service (Jail Authority): | | | | |
| Principal | 620,000 | - | - | 620,000 |
| Interest | 203,450 | - | - | 203,450 |
| Debt service (Courthouse): | | | | |
| Principal | 53,160 | - | - | 53,160 |
| Interest | 8,028 | - | - | 8,028 |
| Capital outlay | - | 14,147 | 233,515 | 247,662 |
| Total expenditures | 6,217,570 | 2,856,986 | 521,290 | 9,595,846 |
| Excess (deficiency) of revenues over (under) expenditures | 204,494 | 120,203 | (220,814) | 103,883 |
| Other financing sources (uses): | | | | |
| Transfers from other funds | - | - | 307,795 | 307,795 |
| Transfers to other funds | (307,795) | - | - | (307,795) |
| Total other financing sources (uses) | (307,795) | - | 307,795 | - |
| Net changes in fund balances | (103,301) | 120,203 | 86,981 | 103,883 |
| Fund balances, beginning of year | 3,085,208 | 316,172 | 374,649 | 3,776,029 |
| Fund balances, end of year | \$ 2,981,907 | 436,375 | 461,630 | 3,879,912 |

See accompanying notes to basic financial statements.

COUNTY OF SAGADAHOC, MAINE
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2019

| | | |
|---|------------------|----------------|
| Net change in fund balances - total governmental funds | \$ | 103,883 |
| <p>Amounts reported for governmental activities in the statement of activities are different because:</p> | | |
| <p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.</p> | | |
| Capital outlays | 266,236 | |
| Less: depreciation expense | <u>(286,222)</u> | (19,986) |
| <p>Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p> | | |
| Repayment of capital lease principal | <u>53,160</u> | 53,160 |
| <p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. More specifically, this represents:</p> | | |
| Change in interest accrual | 1,377 | |
| Change in accrued compensated absences | (5,391) | |
| Change in net pension liability, with related deferred outflows and inflows of resources | 561,878 | |
| Change in OPEB liability, with related deferred outflows and inflows of resources | <u>(38,313)</u> | 519,551 |
| Change in net position of governmental activities | \$ | 656,608 |

See accompanying notes to basic financial statements.

COUNTY OF SAGadahoc, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2019

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|-----------------------------|--------------------|-----------------|-----------|---|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Taxes: | | | | |
| Tax assessments | \$ 5,701,749 | 5,701,749 | 5,701,749 | - |
| Total taxes | 5,701,749 | 5,701,749 | 5,701,749 | - |
| Fees: | | | | |
| District attorney | 5,400 | 5,400 | 16,334 | 10,934 |
| Register of deeds | 300,000 | 300,000 | 331,109 | 31,109 |
| Register of probate | 70,000 | 70,000 | 82,142 | 12,142 |
| Total fees | 375,400 | 375,400 | 429,585 | 54,185 |
| Intergovernmental: | | | | |
| Emergency management agency | 93,500 | 93,500 | 101,746 | 8,246 |
| Total intergovernmental | 93,500 | 93,500 | 101,746 | 8,246 |
| Charges for services: | | | | |
| Sheriff's department | 99,250 | 99,250 | 107,129 | 7,879 |
| Total charges for services | 99,250 | 99,250 | 107,129 | 7,879 |
| Interest earned | 18,000 | 18,000 | 45,004 | 27,004 |
| Other revenues: | | | | |
| Miscellaneous | 9,000 | 9,000 | 36,851 | 27,851 |
| Total other revenues | 9,000 | 9,000 | 36,851 | 27,851 |
| Total revenues | 6,296,899 | 6,296,899 | 6,422,064 | 125,165 |

COUNTY OF SAGADAHOC, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2019

| | General Fund | | | Variance with Final Budget Positive (Negative) |
|--|--------------------|-----------------|---------------------|---|
| | Original Budget | Final Budget | Actual | |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government: | | | | |
| District attorney | \$ 240,462 | 240,462 | 235,178 | 5,284 |
| Administration | 510,915 | 510,915 | 413,787 | 97,128 |
| Buildings | 181,982 | 181,982 | 163,725 | 18,257 |
| Register of deeds | 162,666 | 162,666 | 149,893 | 12,773 |
| Register of probate | 157,005 | 157,005 | 152,222 | 4,783 |
| Employee benefits | 1,470,877 | 1,470,877 | 1,470,482 | 395 |
| Insurance | 78,052 | 78,052 | 77,706 | 346 |
| Program grants | 40,105 | 40,105 | 40,105 | - |
| Total general government | 2,842,064 | 2,842,064 | 2,703,098 | 138,966 |
| Public safety: | | | | |
| Emergency Management Agency | 169,634 | 169,634 | 155,242 | 14,392 |
| Sheriff's department | 1,550,102 | 1,550,102 | 1,498,117 | 51,985 |
| Civil process | 30,119 | 30,119 | 20,048 | 10,071 |
| Communications | 1,022,834 | 1,022,834 | 1,003,166 | 19,668 |
| Total public safety | 2,772,689 | 2,772,689 | 2,676,573 | 96,116 |
| Debt service: | | | | |
| Principal (Jail Authority) | 620,000 | 620,000 | 620,000 | - |
| Interest (Jail Authority) | 203,825 | 203,825 | 203,450 | 375 |
| Principal (Courthouse) | 53,160 | 53,160 | 53,160 | - |
| Interest (Courthouse) | 8,028 | 8,028 | 8,028 | - |
| Total debt service | 885,013 | 885,013 | 884,638 | 375 |
| Total expenditures | 6,499,766 | 6,499,766 | 6,264,309 | 235,457 |
| Excess (deficiency) of revenues over (under) expenditures | (202,867) | (202,867) | 157,755 | 360,622 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Budgeted use of surplus | 537,238 | 537,238 | - | (537,238) |
| Budgeted transfers to reserves | (26,576) | (26,576) | (29,576) | (3,000) |
| Transfers to other funds - special revenue | (12,291) | (12,291) | (12,291) | - |
| Transfers to other funds - capital projects | (295,504) | (295,504) | (295,504) | - |
| Total other financing sources and (uses) | 202,867 | 202,867 | (337,371) | (540,238) |
| Net changes in fund balance - budgetary basis | - | - | (179,616) | (179,616) |
| Reconciliation from budgetary to GAAP basis: | | | | |
| Net activity in reserve accounts | | | 76,315 | |
| Net changes in fund balance - GAAP basis | | | (103,301) | |
| Fund balance, beginning of year | | | 3,085,208 | |
| Fund balance, end of year | | | \$ 2,981,907 | |

See accompanying notes to basic financial statements.

COUNTY OF SAGADAHOC, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Correction Services
For the Year Ended June 30, 2019

| | Correction Services | | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-----------------|-------------------|---|
| | Original Budget | Final Budget | Actual | |
| REVENUES | | | | |
| Taxes: | | | | |
| Tax assessments | \$ 2,657,105 | 2,657,105 | 2,657,105 | - |
| Total taxes | 2,657,105 | 2,657,105 | 2,657,105 | - |
| Intergovernmental: | | | | |
| Community corrections / home release | 264,500 | 264,500 | 319,999 | 55,499 |
| Total intergovernmental | 264,500 | 264,500 | 319,999 | 55,499 |
| Other/miscellaneous | 8,000 | 8,000 | 85 | (7,915) |
| Total revenues | 2,929,605 | 2,929,605 | 2,977,189 | 47,584 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Operations - Two Bridges Jail | 2,454,776 | 2,454,776 | 2,454,776 | - |
| Transport programs | 411,511 | 411,511 | 299,854 | 111,657 |
| Pre-trial services | 110,000 | 110,000 | 88,209 | 21,791 |
| Capital outlay | - | - | 14,147 | (14,147) |
| Total expenditures | 2,976,287 | 2,976,287 | 2,856,986 | 119,301 |
| Excess (deficiency) of revenues over (under) expenditures | (46,682) | (46,682) | 120,203 | 166,885 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Budgeted use of surplus | 46,682 | 46,682 | - | (46,682) |
| Net changes in fund balance | - | - | 120,203 | |
| Fund balance, beginning of year | | | 316,172 | |
| Fund balance, end of year | | | \$ 436,375 | |

See accompanying notes to basic financial statements.

COUNTY OF SAGadahoc, MAINE
Statement of Fiduciary Net Position
Agency Funds
June 30, 2019

| | Agency Funds |
|---------------------------|-------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 8,403 |
| Total assets | 8,403 |
| LIABILITIES | |
| Accounts payable | 7,374 |
| Due to other governments | 1,029 |
| Total liabilities | \$ 8,403 |

See accompanying notes to basic financial statements.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Sagadahoc (the "County") established on April 4, 1854, is located in the coastal region of Maine and covers an area of 250 square miles with a population of 35,856. The County was organized under the Board of Commissioners form of government and provides the following services to its citizens: law enforcement, judicial, registers of deeds and probate, emergency management and administration.

In evaluating how to define the reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made based on criteria set forth in GAAP. The criteria used define the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of these criteria and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, it has been determined that the County has no component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County (the primary government). For the most part, the effect of interfund activity has been removed from these statements.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period and soon enough thereafter to pay liabilities of the current period.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The County considers all revenues available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due.

Those revenues susceptible to accrual include tax assessments, certain charges for services and expenditure driven grants. Other receipts become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The County reports the following major governmental funds:

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

The Correction Services Fund accounts for the resources raised and expended for the operation of Two Bridges Jail.

Additionally, the government reports the following fund types:

Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of others. As such, fiduciary funds are not reported in the government-wide financial statements. The County's fiduciary funds include the following:

Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others in an agency capacity. The departments of the District Attorney and Registry of Probate maintain agency funds.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. General revenues include all taxes.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

1. Deposits

The County has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agents. Statutes authorize the treasurer, as directed by the County Commissioners, to invest all funds in accordance with M.R.S.A. Title 30-A section 171.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund advances". All other outstanding balances between funds are reported as "due to/from other funds".

Receivables are shown at gross amounts as management does not feel that allowances for uncollectibles are necessary.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the governmental column in the government-wide financial statements. The County does not have any infrastructure assets. Capital assets, other than infrastructure, are defined by the County as assets with an initial, individual cost of \$5,000 or more with an estimated useful life of greater than one year. Such assets are recorded at historical cost or estimated historical costs if purchased or constructed. Donated capital assets are reported at estimated acquisition value as of the date of donation.

Additions, improvements and other capital outlays that significantly extend the useful lives of assets are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|-----------------------------------|------------|
| Buildings | 40 years |
| Improvements other than buildings | 20 years |
| Vehicles | 5-10 years |
| Machinery and equipment | 5-10 years |

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

5. Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental activities have deferred outflows and inflows that relate to the net pension and net OPEB liabilities, which include the County's contributions subsequent to the measurement date, which are recognized as a reduction of the related net liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between County contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on plan investments, which is deferred and amortized over a five-year period.

6. Compensated Absences

Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and is accrued throughout the year. Sick time is not paid unless an employee is ill, or retires in good standing. Accrued vacation and sick leave are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignation or retirement.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position.

In the fund financial statements, the face amount of debt issued is reported as other financing sources.

8. Fund Equity

Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner. The Board of Commissioners is the highest level of decision-making authority for the government that can commit fund balance.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- *Assigned* – resources that are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The Commissioners have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. For assigned fund balance, the County Administrator and Finance Manager have authority to identify amounts for specific use within budget constraints.

Although no formal policy exists, when both restricted and unrestricted resources are available for use, it is the County’s practice to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the County’s practice to use committed or assigned resources first, and then unassigned resources as they are needed.

9. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

10. Pensions and Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to pensions/OPEB, and related pension and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Comparative Data/Reclassifications

Comparative data for the prior year have been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Fund Budget

An annual budget of the general fund is legally adopted by the Commissioners. The guidelines for adopting the budget are laid out in Title 30-A M.R.S.A., section 701 through section 706-A. The County Commissioners submit a budget estimate to an advisory committee composed of six municipal officers and three representatives of the general public from the County by March for the coming fiscal year. The advisory committee reviews the budget estimate and makes recommendations to the Commissioners by May 15. The County Commissioners then enact the budget by June 15. Required public hearings on the proposed 2019 budget were held in May. The County Commissioners approved the budget on June 12, 2018. Sagadahoc County by law assesses taxes to the ten municipalities in its jurisdiction to be apportioned based on the last state valuation. The 2019 tax commitment of \$8,358,854 was assessed in August, 2018. Assessments were due September 1, 2018 with interest at 6% payable on November 1, 2018.

There is no difference between the budgetary basis and generally accepted accounting principles (GAAP), except that for budgetary purposes, reserve and contingency expenditures are considered separately. The legal level of budgetary control is that level of expenditure authority that may not be exceeded or reassigned without the approval of the County Commissioners. Title 30-A, section 922 states that whenever any specific appropriation of a department or agency of county government is insufficient to pay the required expenditures for the statutory purposes for which the appropriation was made, the county commissioners may transfer an amount from any other specific line appropriation for the same department or agency to meet the expenditure, upon the written request of the department or agency.

B. Fund Balances

Statutory provisions allow unexpended balances of capital expenditure appropriations to be carried forward to the subsequent year. In addition, the County Commissioners may vote to carry forward unexpended balances for other restricted uses.

Reserved for Emergencies - State statutes provide for the establishment of a contingency account, in an amount not to exceed 4% of the annual budget, to be used at the discretion of the County Commissioners for emergency purposes. At the end of the fiscal year, an amount sufficient to restore the account may be transferred from the General Fund's unassigned fund balance. At June 30, 2019, the contingent account balance was \$100,000 and was carried as committed fund balance.

Unrestricted, unassigned - State law provides that remaining unencumbered surplus funds in excess of 20% of the amount to be raised by taxation shall be used to reduce the tax levy. The County's unrestricted, unassigned fund balance at June 30, 2019 was \$1,668,645, which represents 19.96% of the fiscal year 2019 assessments raised of \$8,358,854.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY, CONTINUED

C. Deficit Fund Balances

The following funds had deficits at June 30, 2019:

| | |
|-------------------------|--------|
| Civil Process | \$ 330 |
| EUDL | 205 |
| LEPC Training | 950 |
| MEMA | 3,126 |
| Homeland Security FY 15 | 24,642 |
| Homeland Security FY 17 | 4,995 |

These deficits will be funded with future revenues anticipated in 2019-2020.

DEPOSITS

Custodial Credit Risk: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. As of June 30, 2019, the County reported deposits of \$4,157,615 with bank balances of \$4,188,634. The County's deposit policy for custodial credit risk calls for F.D.I.C. insured bank accounts. Of the County's \$4,188,634 bank balance, \$3,061 was exposed to custodial credit risk as it was uninsured and uncollateralized. The entire remaining amount of \$4,185,573 was covered by F.D.I.C. or additional collateral.

Interest Rate Risk: The County has a policy on interest rate risk. This policy simply states that the County's investment portfolio will remain sufficiently liquid to meet all operating requirements.

Credit risk: Maine statutes authorize the County to invest in certain bonds, notes, certificates of indebtedness, and repurchase agreements secured by obligations of the United States which mature within one year from the date of investment. The County's investment policy for credit risk calls for collateralized investments.

Concentration of credit risk: The County's policy on concentration of credit risk simply states that the Finance Director shall use techniques to diversify the portfolio.

Deposits have been reported as cash and cash equivalents as follows:

| | |
|-------------------------|---------------------|
| Governmental activities | \$ 4,149,212 |
| Agency funds | 8,403 |
| Total | \$ 4,157,615 |

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances and transfers as of June 30, 2019 is as follows:

| | <u>Due from</u> | <u>Due to</u> | <u>Transfers in (out)</u> |
|--------------------------|-------------------|----------------|---------------------------|
| General fund | \$ - | 739,961 | (307,795) |
| Correction services fund | 436,375 | - | - |
| Other governmental funds | 303,586 | - | 307,795 |
| Total | \$ 739,961 | 739,961 | - |

The outstanding balances between funds result from all cash being recorded in the general fund.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

| | Balance <u>07/01/18</u> | <u>Additions</u> | <u>Deletions</u> | Balance <u>06/30/19</u> |
|--|----------------------------|------------------|------------------|----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 62,198 | - | - | 62,198 |
| Total capital assets not being depreciated | 62,198 | - | - | 62,198 |
| Capital assets being depreciated: | | | | |
| Buildings | 3,805,792 | 32,115 | - | 3,837,907 |
| Improvements other than buildings | 39,000 | 19,340 | - | 58,340 |
| Vehicles | 758,489 | 143,661 | (76,883) | 825,267 |
| Machinery and equipment | 1,823,953 | 71,120 | - | 1,895,073 |
| Total capital assets being depreciated | 6,427,234 | 266,236 | (76,883) | 6,616,587 |
| Less accumulated depreciation for: | | | | |
| Buildings | (1,943,790) | (105,562) | - | (2,049,352) |
| Improvements other than buildings | (31,363) | (2,810) | - | (34,173) |
| Vehicles | (532,483) | (100,929) | 76,883 | (556,529) |
| Machinery and equipment | (1,505,458) | (76,921) | - | (1,582,379) |
| Total accumulated depreciation | (4,013,094) | (286,222) | 76,883 | (4,222,433) |
| Total capital assets being depreciated, net | 2,414,140 | (19,986) | - | 2,394,154 |
| Total capital assets, net | \$ 2,476,338 | (19,986) | - | 2,456,352 |

Depreciation expense was charged to functions of the primary government as follows:

| | |
|-----------------------------------|-------------------|
| General government | \$ 116,432 |
| Public safety | 169,790 |
| Total depreciation expense | \$ 286,222 |

COUNTY OF SAGADAHOC, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the County for the year ended June 30, 2019:

| <u>Issuer</u> | <u>Balance</u> <u>07/01/18</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>06/30/19</u> | <u>Due within</u> <u>one year</u> |
|------------------------------|-----------------------------------|------------------|-------------------|-----------------------------------|--------------------------------------|
| Courthouse renovations lease | \$ 167,256 | - | 53,160 | 114,096 | 55,711 |
| Net pension liability | 2,068,841 | - | 684,781 | 1,384,060 | - |
| OPEB liability | 709,785 | 126,997 | - | 836,782 | - |
| Accrued compensated absences | 245,087 | 5,391 | - | 250,478 | - |
| Totals | \$ 3,190,969 | 132,388 | 737,941 | 2,585,416 | 55,711 |

With respect to the lease, assets in the amount of \$500,000 have been capitalized and are recorded as buildings within capital assets in the statement of net position. Related accumulated depreciation was \$87,500 at June 30, 2019.

The annual principal and interest requirements to amortize general long-term debt outstanding (courthouse lease) as of June 30, 2019 are as follows:

| <u>Year</u> <u>ended</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|--|-------------------|-----------------|----------------|
| 2020 | \$ 55,711 | 5,477 | 61,188 |
| 2021 | 58,385 | 2,803 | 61,188 |
| Totals | \$ 114,096 | 8,280 | 122,376 |

OVERLAPPING DEBT

In addition to the debt noted above, the County is contingently responsible for the following debt as of June 30, 2019 (also see Joint Venture note below):

| <u>Governmental Unit</u> | <u>Net debt</u> <u>outstanding</u> | <u>Percent</u> <u>Applicable</u> <u>to County</u> | <u>County's</u> <u>share</u> <u>of debt</u> |
|--|---------------------------------------|---|---|
| Lincoln and Sagadahoc Multicounty Jail Authority | \$ 8,630,000 | 50% | 4,315,000 |

The debt of Lincoln and Sagadahoc Multicounty Jail Authority is paid through annual assessments to the County. The debt will be fully paid in 2025.

COUNTY OF SAGADAHOC, MAINE
Notes to Basic Financial Statements, Continued

JOINT VENTURE

The County of Sagadahoc, Maine entered into a joint venture with the County of Lincoln, Maine in 2001 to form the Lincoln and Sagadahoc Multicounty Jail Authority (Jail Authority). The purpose of the Jail Authority was to construct, equip, maintain, and operate a regional jail. Two Bridges Regional Jail was built and began accepting prisoners in December 2006. The Board of Directors consists of six public members, one from each Commissioner's district, four County Commissioner members, two from each County and two Sheriff members, one from each County. The Authority is a separate reporting entity and has not been included within the financial statements of the County.

The Jail Authority issued refunding bonds in the amount of \$14,920,000 in 2014. Although the bonds are in the name of the Jail Authority, the Sagadahoc County Commissioners have passed a resolution authorizing the guarantee of half of the debt service, or \$7,460,000. The outstanding balance of these bonds at June 30, 2019 is \$8,630,000. Sagadahoc County's portion of this balance amounts to \$4,315,000. Sagadahoc and Lincoln Counties share of the operating budget is capped legislatively. For the fiscal year that ended June 30, 2019, Sagadahoc County's share is \$2,657,105.

In addition to contributions from the two counties, Two Bridges Regional Jail receives revenues from the boarding of prisoners from outside the two supporting jurisdictions, from various grants and other miscellaneous revenue. Selected information for the year ended June 30, 2019 (unaudited) is as follows:

| | |
|--|---------------|
| Total assets and deferred outflows | \$ 18,937,062 |
| Total liabilities and deferred inflows | 10,468,852 |
| Net position | 8,468,210 |
| Change in net position | 1,758,430 |

Complete financial statements may be obtained from the Lincoln and Sagadahoc Multicounty Jail Authority, P.O. Box 249, Wiscasset, Maine 04578.

RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the County either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently, the County participates in several public entity and self-insured risk pools sponsored by the Maine County Commissioners Association Self-Funded Risk Management Pool. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the County is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2019.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

RISK MANAGEMENT, CONTINUED

Health Plan - The County has established a self-insured health plan for eligible employees and retirees. A claims liability is reported for known claims in the General Fund (as part of accounts payable) and in the Statement of Net Position. All are considered due and payable. The County purchases excess stop loss insurance for claims that exceed \$40,000 per person, or \$693,000 in the aggregate (annually). The following summarizes the claim activity for the past two fiscal years ending June 30:

| | <u>2019</u> | <u>2018</u> |
|---|-------------------------|----------------------|
| Beginning balance, unpaid claims | \$ 65,812 | 8,654 |
| Incurred claims | 802,868 | 863,096 |
| Claims paid (includes reinsurance) | (822,881) | (805,938) |
| <u>Ending balance, unpaid claims</u> | <u>\$ 45,799</u> | <u>65,812</u> |

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan Description - Employees of the County are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. An advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD Plan provides defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e. eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions.

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. Employees are required to contribute 8.0% of their annual pay for the AC plan and 9.5% for the 3C plan.

The County's contractually required contribution rate for the year ended June 30, 2019 was 10.0%-12.7% of annual payroll depending on the plan (AC 10.0%, 3C 12.7%) actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the County were \$291,887 for the year ended June 30, 2019.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the County reported a liability of \$1,384,060 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2018, the County's proportion was 0.5057%.

For the year ended June 30, 2019, the County recognized a pension gain of \$269,991. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Differences between expected and actual experience | \$ - | 10,869 |
| Changes of assumptions | 220,906 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 334,195 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | - | 18,582 |
| County contributions subsequent to the measurement date | 291,887 | - |
| Total | \$ 512,793 | 363,646 |

\$291,887 is reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year ended June 30:</u> | |
|----------------------------|------------|
| 2020 | \$ 162,425 |
| 2021 | 8,562 |
| 2022 | (227,352) |
| 2023 | (86,375) |

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Actuarial Assumptions - The total pension liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|----------------------------------|--------------------------------------|
| Inflation | 2.75% |
| Salary Increases | 2.75% to 9.00% per year |
| Investment return | 6.75% per annum, compounded annually |
| Cost of living benefit increases | 1.91% per annum |

Mortality rates were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table for males and females.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period June 30, 2012 to June 30, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2018 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|---------------------|--------------------------|---|
| Public equities | 30.0% | 6.0% |
| US government | 7.5% | 2.3% |
| Private equity | 15.0% | 7.6% |
| Real assets: | | |
| Real estate | 10.0% | 5.2% |
| Infrastructure | 10.0% | 5.3% |
| Natural resources | 5.0% | 5.0% |
| Traditional credit | 7.5% | 3.0% |
| Alternative credit | 5.0% | 4.2% |
| Diversifiers | 10.0% | 5.9% |
| <u>Total</u> | <u>100.0%</u> | |

Discount Rate - The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM, CONTINUED

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.75%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

| | 1% Decrease <u>(5.75%)</u> | Current Discount Rate <u>(6.75%)</u> | 1% Increase <u>(7.75%)</u> |
|--|----------------------------------|--|----------------------------------|
| County's proportionate share of the net pension liability | \$ 3,262,046 | 1,384,060 | (371,341) |

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2019.

DEFERRED COMPENSATION PLAN

The County offers a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. All assets and income of the Plan are held in trust for the exclusive benefit of the participants and their beneficiaries. The deferred compensation is not available to employees until their termination, retirement, death, or unforeseeable emergency.

Participants who are not covered by the Maine Public Employees Retirement System are eligible for a County contribution. The contribution is a percentage of compensation and is determined by the County budget. For the year ended June 30, 2019, the County contributed 6% of compensation. Participants are fully vested with respect to the County's contributions after completing a probationary period. The County contributed \$28,173 for the year ended June 30, 2019 and employees contributed \$69,598 to the plan.

CONTINGENT LIABILITIES

Grants - Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES

As of June 30, 2019, the committed and assigned fund balances of the General Fund were made up of the following:

| | |
|------------------------------------|--------------------------|
| Committed: | |
| Contingency | \$ 100,000 |
| Unfunded liability reserve | 11,751 |
| Unemployment reserve | 35,667 |
| Insurance deductible reserve | 3,022 |
| Fuel reserve | 10,000 |
| Insurance reserve fund | 668,476 |
| <u>Total committed</u> | <u>\$ 828,916</u> |
| Assigned: | |
| Surplus assigned to 2019-20 budget | \$ 430,711 |
| Administrative contingency | 15,236 |
| <u>Total assigned</u> | <u>\$ 445,947</u> |

As of June 30, 2019 and 2018, the committed fund balances of the Capital Project Fund were made up of the following:

| | <u>2019</u> | <u>2018</u> |
|-----------------------------|--------------------------|-----------------------|
| Exterior maintenance | \$ 114,140 | 79,506 |
| HVAC | - | 6,670 |
| Copiers and laser printers | 305 | 805 |
| Telephone upgrade | 3,000 | - |
| Probate security | 1,400 | 1,400 |
| Elevator upgrade | 36,000 | 29,000 |
| Emergency management agency | 43,374 | 34,994 |
| Facilities vehicle | 16,336 | 11,336 |
| Communications | 115,565 | 78,465 |
| Sheriff's laptops | 10,000 | - |
| Sheriff's vehicles | 8,959 | 6,031 |
| DVI vehicle | 4,187 | - |
| <u>Total</u> | <u>\$ 353,266</u> | <u>248,207</u> |

Additionally, all of the Correction Services Fund is restricted by the State of Maine for use for correction services. Other non-major special revenue funds have restricted fund balances for grants or specific programs totaling \$142,612.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE

General Information about the OPEB Plan

Plan Description - The County sponsors a post-retirement benefit plan providing group term life insurance to retiring employees (hereafter referred to as the PLD OPEB plan). The County contributes to the Group Life Insurance Plan for Participating Local District (PLD). The PLD plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for the PLD plan. MPERS issues publicly available financial reports that are available at www.maineopers.org.

Benefits Provided - Under the PLD OPEB plan, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - Premium rates for the PLD OPEB plan are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. The County is required to remit a premium of \$0.46 per \$1,000 of coverage per month during the post-employment retirement period. Contributions to the PLD OPEB plan from the County were \$1,636 for the year ended June 30, 2019. Employees are not required to contribute to the PLD OPEB plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability for the PLD OPEB plan was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on a projection of the County's long-term share of contributions to the PLD OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2019, the County reported a liability of \$171,867 for its proportionate share of the net OPEB liability. At June 30, 2018, the County's proportion was 0.8508%.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

For the year ended June 30, 2019, the County recognized OPEB gain of \$1,125 for the PLD OPEB Plan. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 14,504 | - |
| Changes of assumptions | - | 20,695 |
| Net difference between projected and actual earnings on OPEB plan investments | - | 9,019 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | - | 1,691 |
| County contributions subsequent to the measurement date | 1,636 | - |
| Total | \$ 16,140 | 31,405 |

\$1,636 is reported as deferred outflows of resources related to the PLD OPEB plan resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | |
|---------------------|------------|
| 2020 | \$ (6,232) |
| 2021 | (6,232) |
| 2022 | (6,232) |
| 2023 | (4,530) |
| 2024 | 6,325 |

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2018 actuarial valuations for the PLD OPEB plan was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | PLD OPEB Plan |
|---------------------------|---------------|
| Inflation | 2.75% |
| Salary increases | 2.75% - 9.00% |
| Investment rate of return | 6.75% |

Mortality rates for the PLD OPEB plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the June 30, 2018 valuation for the PLD OPEB plan was based on the results of an actuarial experience study conducted for the period June 30, 2012 to June 30, 2015.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

The long-term expected rate of return on the PLD OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|--------------------------|-------------------|--|
| Public equities | 70.0% | 6.0% |
| Real estate | 5.0% | 5.2% |
| Traditional credit | 15.0% | 3.0% |
| US Government Securities | 10.0% | 2.3% |
| Total | 100.0% | |

Discount Rate - The rate used to measure the total OPEB liability for the PLD OPEB plan was 5.13% which is a blend of the assumed long-term expected rate of return of 6.75% and a municipal bond index rate of 3.87%, based on the Bond Buyer GO 20-Year Municipal Bond Index as of June 30, 2018. Projections of the plan’s fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2047. Therefore, the portion of the future projected benefit payments after 2047 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - The following presents the County’s proportionate share of the net PLD OPEB plan liability calculated using the discount rate of 5.13%, as well as what the County’s proportionate share of the net PLD OPEB plan liability would be if it were calculated using a discount rate that is 1 percentage-point lower (4.13%) or 1 percentage-point higher (6.13%) than the current rate:

| | 1% Decrease (4.13%) | Discount Rate (5.13%) | 1% Increase (6.13%) |
|--------------------|---------------------------|-----------------------------|---------------------------|
| Net OPEB liability | \$ 227,063 | 171,867 | 128,350 |

OPEB Plan Fiduciary Net Position - Detailed information about the PLD OPEB plan’s fiduciary net position are available in a separately issued MPERS financial report.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH PLAN

General Information about the OPEB Plan

Plan Description - The County sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the County. The County Commissioners have the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Benefits Provided - Under the Health Plan, the County provides healthcare and life insurance benefits for retirees and their dependents. County employees of normal retirement age (as defined by the Maine Public Employees Retirement System) with 5 years of continuous service are allowed to participate in the plan. Retirees and their dependents can remain as participants on the County's healthcare insurance indefinitely provided that they pay 100% of the premiums.

Employees Covered by Benefit Terms - At June 30, 2019, the following employees were covered by the Health Plan benefit terms:

| | |
|--|----|
| Inactive employees or beneficiaries currently receiving benefits | - |
| Inactive employee entitled to but not yet receiving benefits | - |
| Active employees | 58 |
| | 58 |

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The County's total Health Plan OPEB liability of \$664,915 was measured as of June 30, 2019, and was determined based upon a roll forward of the July 1, 2017 actuarial valuation results.

Changes in the Total Health Plan OPEB Liability

| | |
|--|----------------------------|
| | Total OPEB Liability |
| Balance at June 30, 2018 | \$ 573,052 |
| Changes for the year: | |
| Service cost | 62,971 |
| Interest | 19,454 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | - |
| Changes in assumptions or other inputs | 27,773 |
| Benefit payments | (18,335) |
| Net changes | 91,863 |
| Balance at June 30, 2019 | \$ 664,915 |

Change in assumptions reflects a change in the discount rate from 3.45% to 2.79%.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH PLAN, CONTINUED

For the year ended June 30, 2019, the County recognized OPEB expense of \$41,074 related to the Health Plan. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | 125,788 |
| Changes of assumption or other inputs | - | 109,035 |
| Total | \$ - | 234,823 |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

| Year ended June 30: | | |
|---------------------|----|-----------|
| 2020 | \$ | (23,014) |
| 2021 | | (23,014) |
| 2022 | | (23,014) |
| 2023 | | (23,014) |
| 2024 | | (23,014) |
| Thereafter | | (119,753) |

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2019 measurement for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|--|--|
| Inflation | 3.00% per year |
| Salary increases | 4.00% per year |
| Discount rate | 2.79% |
| Healthcare cost trend rates | 5.97% for 2019, decreasing 0.12% per year to an ultimate rate of 5.00% in 2028 and later years |
| Retirees' share of the benefit related costs | 100% of projected health insurance premiums |

Mortality rates for the Health Plan were based on the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females.

The actuarial assumptions used in the July 1, 2017 valuation for the Health Plan was based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2015.

COUNTY OF SAGadahoc, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH PLAN, CONTINUED

Discount Rate - The discount rate of 2.79% used to measure the total OPEB liability for the Health plan was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the S&P Municipal Bond 20 Year High-Grade Rate Index as of June 30, 2019.

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate – The following presents the County’s total OPEB liability related to the Health Plan calculated using the discount rate of 2.79%, as well as what the County’s total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.79%) or 1 percentage-point higher (3.79%) than the current rate:

| | | 1% Decrease (1.79%) | Discount Rate (2.79%) | 1% Increase (3.79%) |
|----------------------|----|---------------------------|-----------------------------|---------------------------|
| Total OPEB liability | \$ | 708,920 | 664,915 | 622,985 |

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the County’s total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates of 5.97%, as well as what the County’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

| | | 1% Decrease | Healthcare Cost Trend Rates | 1% Increase |
|----------------------|----|-------------|--------------------------------|-------------|
| Total OPEB liability | \$ | 596,076 | 664,915 | 745,522 |

COUNTY OF SAGADAHOC, MAINE
Required Supplementary Information

Schedule of County's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*

| | <u>2019**</u> | <u>2018**</u> | <u>2017**</u> | <u>2016**</u> | <u>2015**</u> |
|---|---------------|---------------|---------------|---------------|---------------|
| County's proportion of the net pension liability | 0.5053% | 0.5053% | 0.5318% | 0.5319% | 0.4989% |
| County's proportionate share of the net pension liability | \$ 1,384,060 | 2,068,841 | 2,825,537 | 1,639,619 | 767,724 |
| County's covered payroll | 2,608,969 | 2,504,221 | 2,512,745 | 2,293,940 | 2,106,405 |
| County's proportionate share of the net pension liability as a percentage of its covered payroll | 53.05% | 82.61% | 112.45% | 71.48% | 36.45% |
| Plan fiduciary net position as a percentage of of the total pension liability | 91.14% | 86.43% | 81.61% | 88.27% | 94.10% |

* Only five years of information available

** The amounts presented for each fiscal year were determined as of the prior fiscal year.

COUNTY OF SAGadahoc, MAINE
Required Supplementary Information, Continued

Schedule of County Contributions
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years*

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$ 291,887 | 280,639 | 259,044 | 249,938 | 197,462 | 171,793 |
| Contributions in relation to the contractually required contribution | (291,887) | (280,639) | (259,044) | (249,938) | (197,462) | (171,793) |
| Contribution deficiency (excess) | - | - | - | - | - | - |
| County's covered payroll | 2,627,646 | 2,608,969 | 2,504,221 | 2,512,745 | 2,293,940 | 2,106,405 |
| Contributions as a percentage of covered payroll | 11.11% | 10.76% | 10.34% | 9.95% | 8.61% | 8.16% |

* Only six years of information available

COUNTY OF SAGadahoc, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the County's Total Health Plan OPEB Liability and Related Ratios
Last 10 Fiscal Years*

| | 2019 | 2018 |
|--|---------------|------------------|
| Total OPEB Liability | | |
| Service Cost | \$ 62,971 | 55,524 |
| Interest | 19,454 | 27,806 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | - | (150,331) |
| Changes of assumptions or other inputs | 27,773 | (160,666) |
| Benefit payments | (18,335) | (10,485) |
| Net change in total OPEB Liability | 91,863 | (238,152) |
| | | |
| Total OPEB liability - beginning | 573,052 | 811,204 |
| Total OPEB liability - ending | \$ 664,915 | 573,052 |
| | | |
| Covered-employee payroll | \$ 2,834,000 | 2,834,000 |
| Total OPEB liability as a percentage of covered-employee payroll | 23.46% | 20.22% |

** Only two years of information available.*

COUNTY OF SAGADAHOC, MAINE
Required Supplementary Information, Continued

Schedule of County's Proportionate Share of the Net OPEB Liability
 Last 10 Fiscal Years*

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|
| <u>PLD OPEB Plan</u> | | | |
| County's proportion of the net OPEB liability | 0.8508% | 0.8177% | 0.8695% |
| County's proportionate share of the net OPEB liability | \$ 171,867 | 136,733 | 196,625 |
| County's covered-employee payroll | 3,146,159 | 2,942,644 | 2,838,633 |
| County's proportionate share of net OPEB liability as a percentage of its covered-employee payroll | 5.46% | 4.65% | 6.93% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 43.92% | 47.42% | unavailable |

* Only three years of information available. Amounts presented for each fiscal year were determined as of the end of the previous fiscal year.

Schedule of County's Contributions
 Last 10 Fiscal Years*

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|--------------|-------------|-------------|
| <u>PLD OPEB Plan</u> | | | |
| Contractually required contribution | \$ 1,636 | 1,243 | 1,290 |
| Contributions in relation to the contractually required contribution | (1,636) | (1,243) | (1,290) |
| Contribution deficiency (excess) | \$ - | - | - |
| County's covered-employee payroll | \$ 2,822,907 | 3,146,159 | 2,942,644 |
| Contributions as a percentage of covered-employee payroll | 0.06% | 0.04% | 0.04% |

* Only three years of information available.

COUNTY OF SAGadahoc, MAINE
Required Supplementary Information, Continued

Notes to Required Supplementary Information

Changes of Benefit Terms (Pension) - None

Changes of Assumptions (Pension) - The following are changes in actuarial assumptions used in the most recent valuations:

| | <u>2018</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> |
|--------------------------|-------------|-------------|-------------|-------------|-------------|
| Discount rate | 6.75% | 6.875% | 7.125% | 7.250% | 7.250% |
| Inflation rate | 2.75% | 2.75% | 3.50% | 3.50% | 3.50% |
| Salary increases | 2.75-9.00% | 2.75-9.00% | 3.50-9.50% | 3.50-9.50% | 3.50-9.50% |
| Cost of living increases | 1.91% | 2.20% | 2.55% | 3.12% | 3.12% |

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA. In 2016 and going forward, mortality rates were based on the RP2014 Total Data Set Health Annuitant Mortality Table.

** This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

Changes of Benefit Terms (OPEB PLD Plan) - None

Changes of Assumptions (OPEB PLD Plan) - Changes of assumptions and other inputs for the PLD Life Insurance Plan reflects the following changes:

| | <u>2019</u> | <u>2018</u> |
|---------------|-------------|-------------|
| Discount Rate | 5.13% | 5.41% |

Changes of Benefit Terms (OPEB Health Plan) - None

Changes of Assumptions (OPEB Health Plan) - Changes of assumptions and other inputs for the Health Plan reflects the following changes:

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|-----------------------------|---|---|---|
| Discount Rate | 2.79% | 3.45% | 4.00% |
| Healthcare cost trend rates | 5.97% | 6.00% | 7.80% |
| Starting Per Capita Costs | Retiree \$23,077 Spouse \$28,688 | Retiree \$23,077 Spouse \$28,688 | Retiree \$21,484 Spouse \$26,708 |
| Mortality Table | RP-2014 Combined Annuitant Mortality Table for males and females | RP-2014 Combined Annuitant Mortality Table for males and females | RP-2000 Combined Annuitant Mortality Table for males and females |

**COMBINING AND INDIVIDUAL FUND FINANCIAL
STATEMENTS**

NONMAJOR GOVERNMENTAL FUNDS

OTHER GOVERNMENTAL FUNDS

Other governmental funds include both capital project funds and special revenue funds. Capital project funds are used to account for resources that are restricted or committed to items of a capital nature. Special revenue funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

COUNTY OF SAGadahoc, MAINE
Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2019

| | Fund Balances (Deficits) Beginning of Year | Revenues | | | Expenditures | Fund Balances (Deficits) End of Year |
|---------------------------------------|---|------------------------|-------------------|----------------|----------------|---|
| | | Inter- governmental | Other Revenues | Transfers | | |
| Capital project funds | 248,207 | - | - | 295,504 | 190,445 | 353,266 |
| Special revenue funds: | | | | | | |
| General: | | | | | | |
| VOCA Grant | 6,614 | 49,586 | - | 12,291 | 51,292 | 17,199 |
| Deed Preservation Fund | 65,227 | - | 19,571 | - | 57,575 | 27,223 |
| Probate Preservation Fund | 4,204 | - | 2,210 | - | - | 6,414 |
| Civil Process | - | - | 45,597 | - | 45,927 | (330) |
| Sheriff grants and programs: | | | | | | |
| Seatbelt Initiative Grant | 4,778 | 6,016 | - | - | 5,402 | 5,392 |
| OUI Emphasis Grant | 683 | 11,510 | - | - | 9,572 | 2,621 |
| Distracted Driving | (1,605) | 26,213 | - | - | 16,998 | 7,610 |
| Spillman Grant | (5,297) | 20,687 | - | - | 10,608 | 4,782 |
| Drug Seizure K-9 account | 29,948 | - | 36 | - | 5,807 | 24,177 |
| Electronic Monitoring Funds | 3,674 | - | - | - | - | 3,674 |
| EUDL | 120 | - | - | - | 325 | (205) |
| Ride Grant | 7,909 | 3,852 | - | - | 9,058 | 2,703 |
| Speed Enforcement Grant | 11,625 | 10,074 | - | - | 4,244 | 17,455 |
| EMA grants and programs: | | | | | | |
| LEPC State | 4,534 | - | - | - | 2,593 | 1,941 |
| LEPC Training | - | 1,890 | - | - | 2,840 | (950) |
| CRI | 25 | - | - | - | - | 25 |
| MEMA | (3,126) | - | - | - | - | (3,126) |
| Homeland Security FY 14 | 287 | - | - | - | - | 287 |
| Homeland Security FY 15 | (187) | 24,790 | - | - | 49,245 | (24,642) |
| Homeland Security FY 16 | (2,297) | 49,481 | - | - | 26,075 | 21,109 |
| Homeland Security FY 17 | (674) | 12,674 | - | - | 16,995 | (4,995) |
| Homeland Security FY 18 | - | 16,289 | - | - | 16,289 | - |
| Total special revenue funds | 126,442 | 233,062 | 67,414 | 12,291 | 330,845 | 108,364 |
| Total other governmental funds | \$ 374,649 | 233,062 | 67,414 | 307,795 | 521,290 | 461,630 |

FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which cannot be used to support the government's own programs.

Agency Funds

District Attorney's Restitution Fund

To account for funds collected as restitution for various crimes and due to the victim of the crime.

Registry of Probate

To account for fees collected on behalf of other agencies.

COUNTY OF SAGADAHOC, MAINE
Fiduciary Funds
Agency Fund
Combining Balance Sheet
June 30, 2019

| | D.A.'s Restitution | Probate | Total |
|---------------------------|-----------------------|--------------|--------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 7,374 | 1,029 | 8,403 |
| Total assets | 7,374 | 1,029 | 8,403 |
| LIABILITIES | | | |
| Accounts payable | 7,374 | - | 7,374 |
| Due to other governments | - | 1,029 | 1,029 |
| Total liabilities | \$ 7,374 | 1,029 | 8,403 |

COUNTY OF SAGadahoc, MAINE
Fiduciary Funds
Agency Fund
Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2019

| | Balance June 30, 2018 | Additions | Deductions | Balance June 30, 2019 |
|---------------------------|--------------------------|----------------|----------------|--------------------------|
| ASSETS | | | | |
| Cash and cash equivalents | \$ 5,546 | 132,324 | 129,467 | 8,403 |
| Total assets | 5,546 | 132,324 | 129,467 | 8,403 |
| LIABILITIES | | | | |
| Accounts payable | 4,350 | 36,008 | 32,984 | 7,374 |
| Due to other governments | 1,196 | 96,316 | 96,483 | 1,029 |
| Total liabilities | \$ 5,546 | 132,324 | 129,467 | 8,403 |

STATISTICAL SECTION

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

| Contents | Table |
|---|--------------|
| Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. | 1-5 |
| Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. | 6-8 |
| Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. | 9-10 |
| Demographic and Economic Information This schedule offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. | 11 |
| Operating Information This schedule contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. | 12 |

Sources: Unless otherwise noted, the information in these schedules is derived from the County's budgets and financial statements for the relevant year.

COUNTY OF SAGadahoc, MAINE
Net Position by Component
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|---------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 2,429,043 | 2,542,592 | 2,808,934 | 2,699,779 | 2,677,967 | 2,563,922 | 2,457,267 | 2,272,310 | 2,309,082 | 2,342,256 |
| Restricted | - | 253,397 | 296,612 | 309,367 | 340,493 | 267,081 | 349,565 | 384,885 | 455,800 | 578,987 |
| Unrestricted | 3,077,063 | 2,752,703 | 2,272,451 | 2,147,218 | 716,240 | 920,396 | 766,995 | 861,375 | 225,461 | 725,708 |
| Total governmental activities net position | \$ 5,506,106 | 5,548,692 | 5,377,997 | 5,156,364 | 3,734,700 | 3,751,399 | 3,573,827 | 3,518,570 | 2,990,343 | 3,646,951 |

Notes:

Unless indicated, the amounts shown above do not reflect the restatement of net position as a result of prior period adjustments or accounting standard changes.

COUNTY OF SAGADAHOC, MAINE
Changes in Net Position
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,077,203 | 2,257,044 | 2,203,184 | 2,367,471 | 2,279,449 | 2,429,107 | 3,008,886 | 2,821,414 | 2,851,594 | 2,410,654 |
| Public safety | 3,389,464 | 3,425,656 | 3,337,450 | 3,264,488 | 3,466,246 | 2,887,843 | 2,690,226 | 2,782,193 | 2,868,134 | 2,962,317 |
| Correction services | 2,416,673 | 2,364,845 | 2,591,729 | 2,781,073 | 2,810,399 | 3,656,786 | 3,754,162 | 3,756,876 | 3,718,498 | 3,663,499 |
| Capital maintenance | 84,058 | 23,648 | 13,691 | 232,833 | - | - | 46,134 | - | 2,677 | - |
| Miscellaneous | 203,003 | 150,662 | 180,420 | 12,878 | 245,221 | - | - | - | - | - |
| Interest on long-term debt | 4,595 | 11,676 | - | 21,063 | 19,137 | 17,119 | 21,920 | 11,516 | 9,149 | 6,651 |
| Total governmental activities expenses | 8,174,996 | 8,233,531 | 8,326,474 | 8,679,806 | 8,820,452 | 8,990,855 | 9,521,328 | 9,371,999 | 9,450,052 | 9,043,121 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | 469,742 | 479,110 | 460,994 | 500,188 | 480,678 | 515,121 | 526,285 | 613,340 | 629,664 | 603,576 |
| Operating grants and contributions | 297,172 | 339,222 | 349,254 | 309,827 | 371,486 | 389,807 | 540,513 | 471,111 | 576,924 | 654,807 |
| Capital grants and contributions | - | - | - | - | - | - | 3,842 | - | - | - |
| Total governmental activities program revenues | 766,914 | 818,332 | 810,248 | 810,015 | 852,164 | 904,928 | 1,070,640 | 1,084,451 | 1,206,588 | 1,258,383 |
| Net (expense) revenue | | | | | | | | | | |
| Total governmental activities net expenses | \$ (7,408,082) | (7,415,199) | (7,516,226) | (7,869,791) | (7,968,288) | (8,085,927) | (8,450,688) | (8,287,548) | (8,243,464) | (7,784,738) |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Tax assessments | 7,232,232 | 7,232,232 | 7,232,232 | 7,608,238 | 7,842,074 | 8,064,121 | 8,197,291 | 8,185,794 | 8,422,172 | 8,358,854 |
| Miscellaneous | 108,191 | 147,261 | 62,915 | 61,402 | 46,688 | 47,936 | 14,461 | 23,260 | 11,069 | 36,936 |
| Unrestricted interest income | 28,506 | 8,574 | 8,828 | 7,922 | 8,227 | 12,144 | 22,550 | 23,237 | 30,602 | 45,556 |
| Loss on disposal of assets | - | - | (9,806) | (29,404) | - | (21,575) | (7,374) | - | - | - |
| Total governmental activities | 7,368,929 | 7,388,067 | 7,294,169 | 7,648,158 | 7,896,989 | 8,102,626 | 8,226,928 | 8,232,291 | 8,463,843 | 8,441,346 |
| Change in net position of governmental activities | \$ (39,153) | (27,132) | (222,057) | (221,633) | (71,299) | 16,699 | (223,760) | (55,257) | 220,379 | 656,608 |

Notes:

The amounts shown above do not reflect the restatement of net position as a result of new accounting standards or prior period adjustments.

COUNTY OF SAGADAHOC, MAINE
Fund Balances, Governmental Funds
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|-------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| General Fund: | | | | | | | | | | |
| Nonspendable | \$ - | - | 92,995 | 123,559 | 148,122 | 37,374 | 246,248 | 36,873 | 38,066 | 38,399 |
| Committed | 262,037 | 252,073 | 217,707 | 188,221 | 187,896 | 261,952 | 321,349 | 664,363 | 752,598 | 828,916 |
| Assigned | - | 761,764 | 512,576 | 447,799 | 341,320 | 268,503 | 399,237 | 292,846 | 552,654 | 445,947 |
| Unassigned | 2,368,642 | 1,526,952 | 1,527,625 | 1,484,284 | 1,467,186 | 1,668,567 | 1,513,686 | 1,825,825 | 1,741,890 | 1,668,645 |
| Total General Fund | 2,630,679 | 2,540,789 | 2,350,903 | 2,243,863 | 2,144,524 | 2,236,396 | 2,480,520 | 2,819,907 | 3,085,208 | 2,981,907 |
| All Other Governmental Funds: | | | | | | | | | | |
| Restricted | 212,771 | 345,419 | 296,612 | 309,367 | 340,493 | 267,081 | 349,565 | 384,885 | 455,800 | 578,987 |
| Committed | 437,863 | 351,357 | 135,035 | 123,115 | 133,314 | 120,067 | 150,730 | 232,580 | 248,207 | 353,266 |
| Unassigned | - | - | - | - | (3,932) | - | (17,011) | (8,996) | (13,186) | (34,248) |
| Total all other governmental funds | \$ 650,634 | 696,776 | 431,647 | 432,482 | 469,875 | 387,148 | 483,284 | 608,469 | 690,821 | 898,005 |

Notes:
Beginning in 2010, correction services were required to be reported separately.
Governmental Accounting Standards Board Statement No. 54 was implemented in 2011. Prior years were restated making certain assumptions regarding restricted and committed amounts.

Table 4

COUNTY OF SAGadahoc, MAINE
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Revenues | | | | | | | | | | |
| Taxes | \$ 7,232,232 | 7,232,232 | 7,232,232 | 7,608,238 | 7,842,074 | 8,064,121 | 8,197,291 | 8,185,794 | 8,422,172 | 8,358,854 |
| Fees | 389,262 | 406,522 | 359,064 | 401,625 | 384,616 | 419,912 | 414,354 | 432,393 | 445,774 | 429,585 |
| Intergovernmental | 379,177 | 439,012 | 408,962 | 364,271 | 395,983 | 425,245 | 544,355 | 471,111 | 576,924 | 654,807 |
| Charges for services | 80,480 | 72,588 | 8,053 | 5,659 | 9,181 | 94,219 | 111,931 | 180,947 | 183,890 | 173,991 |
| Interest | 28,506 | 8,574 | 8,828 | 7,922 | 8,227 | 12,144 | 22,550 | 23,237 | 30,602 | 45,556 |
| Other | 26,186 | 47,471 | 97,084 | 99,862 | 109,072 | 13,488 | 14,461 | 23,259 | 11,069 | 36,936 |
| Total revenues | 8,135,843 | 8,206,399 | 8,114,223 | 8,487,577 | 8,749,153 | 9,029,129 | 9,304,942 | 9,316,741 | 9,670,431 | 9,699,729 |
| Expenditures | | | | | | | | | | |
| General government | 1,922,249 | 2,093,768 | 2,034,483 | 2,173,676 | 2,252,314 | 2,446,098 | 2,489,694 | 2,369,742 | 2,620,432 | 2,811,153 |
| Public safety | 2,255,871 | 2,279,863 | 2,269,712 | 2,242,957 | 2,326,863 | 2,621,687 | 2,556,013 | 2,553,676 | 2,708,383 | 2,809,554 |
| Correction services and transport | 2,416,673 | 2,360,817 | 2,592,194 | 2,779,555 | 2,815,324 | 2,767,634 | 2,887,465 | 2,877,504 | 2,867,452 | 2,842,839 |
| Miscellaneous | 203,003 | 150,662 | 338,346 | 232,833 | 245,221 | - | - | - | - | - |
| Debt service (including Jail) | 1,097,607 | 1,217,075 | 1,060,601 | 1,036,001 | 1,011,401 | 956,259 | 926,938 | 941,487 | 914,838 | 884,638 |
| Capital outlay | 232,933 | 217,680 | 825,264 | 128,760 | 159,976 | 220,277 | 104,572 | 109,760 | 211,673 | 247,662 |
| Total expenditures | 8,128,336 | 8,319,865 | 9,120,600 | 8,593,782 | 8,811,099 | 9,011,955 | 8,964,682 | 8,852,169 | 9,322,778 | 9,595,846 |
| Excess (deficiency) of revenues over (under) expenditures | 7,507 | (113,466) | (1,006,377) | (106,205) | (61,946) | 17,174 | 340,260 | 464,572 | 347,653 | 103,883 |
| Other financing sources (uses) | | | | | | | | | | |
| Proceeds from borrowing | - | - | 500,000 | - | - | - | - | - | - | - |
| Transfer in | 173,187 | 123,063 | 134,121 | 106,598 | 184,029 | 146,601 | 142,597 | 202,939 | 210,395 | 307,795 |
| Transfer out | (173,187) | (123,063) | (134,121) | (106,598) | (184,029) | (146,601) | (142,597) | (202,939) | (210,395) | (307,795) |
| Total other financing sources (uses) | - | - | 500,000 | - | - | - | - | - | - | - |
| Net change in fund balance | \$ 7,507 | (113,466) | (506,377) | (106,205) | (61,946) | 17,174 | 340,260 | 464,572 | 347,653 | 103,883 |
| Debt service as a percentage of noncapital expenditures | 13.90% | 15.02% | 12.79% | 12.24% | 11.69% | 10.88% | 10.46% | 10.79% | 10.04% | 9.48% |

COUNTY OF SAGADAHOC, MAINE
Program Revenues by Function/Program
Last Ten Fiscal Years

| | Program Revenues by Fiscal Year | | | | | | | | | |
|--------------------------------------|---------------------------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| Function/Program | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 389,262 | 406,522 | 452,941 | 494,529 | 471,497 | 441,195 | 525,413 | 539,042 | 551,442 | 546,033 |
| Public safety | 225,195 | 259,237 | 204,773 | 161,451 | 227,257 | 310,082 | 228,771 | 272,447 | 352,264 | 392,351 |
| Correction services | 152,457 | 152,573 | 152,534 | 154,035 | 153,410 | 153,651 | 312,614 | 272,962 | 302,882 | 319,999 |
| Capital maintenance | - | - | - | - | - | - | 3,842 | - | - | - |
| Total governmental activities | \$ 766,914 | 818,332 | 810,248 | 810,015 | 852,164 | 904,928 | 1,070,640 | 1,084,451 | 1,206,588 | 1,258,383 |

COUNTY OF SAGadahoc, MAINE
Assessed Value of Taxable Property
Last Ten Fiscal Years

| <u>Year *</u> | <u>State Valuation (a)</u> | <u>County Tax</u> | <u>Total Direct Tax Value (b)</u> |
|---------------|----------------------------|-------------------|---------------------------------------|
| 2010 | \$ 4,704,200,000 | 7,232,232 | 1.5374 |
| 2011 | 4,558,500,000 | 7,232,232 | 1.5865 |
| 2012 | 4,369,500,000 | 7,608,238 | 1.7412 |
| 2013 | 4,249,550,000 | 7,842,074 | 1.8454 |
| 2014 | 4,246,900,000 | 8,063,859 | 1.8987 |
| 2015 | 4,295,950,000 | 8,197,291 | 1.9081 |
| 2016 | 4,396,950,000 | 8,185,529 | 1.8616 |
| 2017 | 4,507,750,000 | 8,422,172 | 1.8684 |
| 2018 | 4,576,300,000 | 8,358,854 | 1.8266 |
| 2019 | 4,671,500,000 | 8,687,845 | 1.8598 |

(a) County taxes are assessed based on State Valuation. Each municipality within the County presents their own classes of real and personal property values and each municipality has its own ratio of assessed value to actual value.

(b) Per \$1,000 of assessed value.

* Year in which tax was committed.

COUNTY OF SAGADAHOC, MAINE
Governmental Activities Tax Revenue by Source
Last Ten Fiscal Years
(accrual basis of accounting)

| <u>Year *</u> | <u>Arrowsic</u> | <u>Bath</u> | <u>Bowdoin</u> | <u>Bowdoinham</u> | <u>Georgetown</u> | <u>Phippsburg</u> | <u>Richmond</u> | <u>Topsham</u> | <u>West Bath</u> | <u>Woolwich</u> | <u>Total</u> |
|---------------|-----------------|-------------|----------------|-------------------|-------------------|-------------------|-----------------|----------------|------------------|-----------------|--------------|
| 2010 | \$ 151,154 | 1,516,599 | 357,272 | 411,514 | 809,287 | 994,432 | 459,247 | 1,402,330 | 558,328 | 572,069 | 7,232,232 |
| 2011 | 153,323 | 1,489,840 | 373,906 | 423,809 | 820,858 | 1,018,298 | 444,059 | 1,329,284 | 563,391 | 615,464 | 7,232,232 |
| 2012 | 155,969 | 1,575,666 | 393,346 | 427,583 | 856,688 | 1,080,370 | 457,255 | 1,402,198 | 607,898 | 651,265 | 7,608,238 |
| 2013 | 149,784 | 1,649,188 | 410,141 | 430,530 | 828,907 | 1,123,769 | 498,756 | 1,442,157 | 628,150 | 680,692 | 7,842,074 |
| 2014 | 161,277 | 1,674,864 | 417,708 | 442,706 | 890,250 | 1,181,355 | 499,959 | 1,486,976 | 624,949 | 683,815 | 8,063,859 |
| 2015 | 163,126 | 1,694,380 | 418,882 | 452,490 | 904,161 | 1,200,903 | 484,460 | 1,557,485 | 627,093 | 694,311 | 8,197,291 |
| 2016 | 166,985 | 1,671,485 | 419,917 | 460,845 | 889,767 | 1,181,172 | 485,402 | 1,583,900 | 626,193 | 699,863 | 8,185,529 |
| 2017 | 166,759 | 1,744,231 | 429,531 | 471,642 | 865,799 | 1,223,742 | 493,539 | 1,654,957 | 651,876 | 720,096 | 8,422,172 |
| 2018 | 168,849 | 1,730,283 | 431,317 | 483,142 | 813,316 | 1,181,942 | 497,352 | 1,668,427 | 660,349 | 723,877 | 8,358,854 |
| 2019 | 167,675 | 1,824,448 | 443,949 | 518,664 | 873,128 | 1,178,941 | 516,927 | 1,743,650 | 676,783 | 743,680 | 8,687,845 |

* - Year in which tax was committed.

Table 8

COUNTY OF SAGADAHOC, MAINE
Principal Property Taxpayers/Total Tax Levy
Current Year and Nine Years Ago

| Taxpayer | 2019 | | | 2010 | | |
|------------|----------------------------------|------|--|----------------------------------|------|--|
| | State Taxable Assessed Valuation | Rank | Percentage of State Taxable Assessed Valuation | State Taxable Assessed Valuation | Rank | Percentage of Total Taxable Assessed Valuation |
| Bath | \$ 981,150,000 | 1 | 21.00% | 986,350,000 | 1 | 20.97% |
| Topsham | 937,550,000 | 2 | 20.07% | 912,600,000 | 2 | 19.40% |
| Phippsburg | 633,800,000 | 3 | 13.57% | 646,650,000 | 3 | 13.75% |
| Georgetown | 469,600,000 | 4 | 10.05% | 526,450,000 | 4 | 11.19% |
| Woolwich | 399,850,000 | 5 | 8.56% | 372,200,000 | 5 | 7.91% |
| West Bath | 363,750,000 | 6 | 7.79% | 363,050,000 | 6 | 7.72% |
| Richmond | 278,000,000 | 7 | 5.95% | 298,750,000 | 7 | 6.35% |
| Bowdoinham | 279,050,000 | 8 | 5.97% | 267,450,000 | 8 | 5.69% |
| Bowdoin | 238,700,000 | 9 | 5.11% | 232,500,000 | 9 | 4.94% |
| Arrowsic | 90,050,000 | 10 | 1.93% | 98,200,000 | 10 | 2.09% |
| | \$ 4,671,500,000 | | 100.00% | 4,704,200,000 | | 100.00% |

Table 9

COUNTY OF SAGADAHOC, MAINE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>General Obligation Bonds / Notes</u> | <u>Capital Lease</u> | <u>Total Primary Government</u> | <u>Population (a)</u> | <u>Per Capita Income (a)</u> | <u>Personal Income</u> | <u>Percentage of Personal Income</u> | <u>Debt Per Capita</u> | <u>Percentage of Estimated State Taxable Value of Property</u> |
|--------------------|---|----------------------|---------------------------------|-----------------------|------------------------------|------------------------|--------------------------------------|------------------------|--|
| 2010 | \$ - | 181,386 | 181,386 | 35,214 | 26,769 | 942,643,566 | 0.02% | 5.15 | 0.03% |
| 2011 | - | - | - | 35,293 | 26,769 | 944,758,317 | 0.00% | - | 0.00% |
| 2012 | - | 438,812 | 438,812 | 35,293 | 26,983 | 952,311,019 | 0.05% | 12.43 | 0.05% |
| 2013 | - | 398,687 | 398,687 | 35,293 | 28,370 | 1,001,262,410 | 0.04% | 11.30 | 0.04% |
| 2014 | - | 356,636 | 356,636 | 35,293 | 28,122 | 992,509,746 | 0.04% | 10.11 | 0.03% |
| 2015 | - | 312,567 | 312,567 | 35,045 | 28,829 | 1,010,312,305 | 0.03% | 8.92 | 0.03% |
| 2016 | - | 266,382 | 266,382 | 35,149 | 29,879 | 1,050,216,971 | 0.03% | 7.58 | 0.01% |
| 2017 | - | 217,981 | 217,981 | 35,273 | 30,062 | 1,060,376,926 | 0.02% | 6.18 | 0.01% |
| 2018 | - | 167,256 | 167,256 | 35,392 | 31,085 | 1,100,160,320 | 0.02% | 4.73 | 0.00% |
| 2019 | - | 114,096 | 114,096 | 35,856 | 34,432 | 1,234,593,792 | 0.01% | 3.18 | 0.00% |

(a) U.S. Department of Commerce, Bureau of Census.

COUNTY OF SAGADAHOC, MAINE
Legal Debt Margin Information
June 30, 2019

The amount of debt a Maine county or municipality may have is governed by Title 30-A M.R.S.A. section 5702. The law limits total debt and debt for specific categories. Total debt cannot exceed 15% of the County's last full State Valuation. Debt for specific categories is limited to a percentage of State valuation. As the following table indicates, the County is in compliance with the total and categorical debt limits:

Legal Debt Margin Calculation for Fiscal Year 2019

| | |
|--|------------------------------|
| State valuation | <u>\$ 4,671,500,000</u> |
| Debt Limit - 15% of State Valuation | 700,725,000 |
| Less outstanding debt applicable to debt limit | <u>114,096</u> |
| Legal debt margin | <u>\$ 700,610,904</u> |

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|-----------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Debt limit | \$ 705,630,000 | 683,775,000 | 655,425,000 | 637,033,813 | 637,035,000 | 644,392,500 | 659,542,500 | 676,162,500 | 686,445,000 | 700,725,000 |
| Total debt applicable to limit | 181,386 | - | 438,812 | 398,687 | 356,636 | 312,567 | 266,382 | 217,981 | 167,256 | 114,096 |
| Legal debt margin | \$ 705,448,614 | 683,775,000 | 654,986,188 | 636,635,126 | 636,678,364 | 644,079,933 | 659,276,118 | 675,944,519 | 686,277,744 | 700,610,904 |
| Total debt applicable to the limit as a percentage of debt limit | 0.03% | 0.00% | 0.07% | 0.06% | 0.06% | 0.05% | 0.04% | 0.03% | 0.02% | 0.02% |

Table 11

COUNTY OF SAGADAHOC, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Population (a)</u> | | <u>Personal Income</u> | <u>Per Capita Personal Income (b)</u> | <u>Unemployment Rate (b)</u> |
|--------------------|-----------------------|----|------------------------|---------------------------------------|------------------------------|
| 2010 | 35,214 | \$ | 942,643,566 | 26,769 | 7.00% |
| 2011 | 35,293 | | 944,758,317 | 26,769 | 7.00% |
| 2012 | 35,293 | | 952,311,019 | 26,983 | 6.50% |
| 2013 | 35,293 | | 1,001,262,410 | 28,370 | 4.70% |
| 2014 | 35,293 | | 992,509,746 | 28,122 | 4.20% |
| 2015 | 35,045 | | 1,010,312,305 | 28,829 | 4.70% |
| 2016 | 35,149 | | 1,050,216,971 | 29,879 | 3.50% |
| 2017 | 35,273 | | 1,060,376,926 | 30,062 | 2.90% |
| 2018 | 35,392 | | 1,100,160,320 | 31,085 | 2.70% |
| 2019 | 35,856 | | 1,234,593,792 | 34,432 | 2.10% |

(a) U.S. Department of Commerce, Bureau of Census.

(b) State of Maine Center for Workforce Research and Information.

COUNTY OF SAGADAHOC, MAINE
Full-time Equivalent County Employees by Function/Program
Last Ten Fiscal Years

| <u>Function</u> | <u>Fiscal Year</u> | | | | | | | | | |
|-------------------------|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
| General government: | | | | | | | | | | |
| Administration | 9 | 9.5 | 9 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 | 9.5 |
| District Attorney | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 4 | 4.5 | 4.5 |
| D. A. Grant Positions | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Registrar of Deeds | 3 | 3 | 3 | 3 | 3.5 | 3.5 | 3.5 | 3 | 3 | 3 |
| Register of Probate | 3.5 | 3.5 | 3.5 | 3.5 | 3 | 3 | 3 | 2.5 | 3.5 | 3.5 |
| Public safety: | | | | | | | | | | |
| Sheriff | 21 | 21 | 22 | 21 | 21 | 22 | 21 | 21 | 21 | 21 |
| Sheriff Grant Positions | - | - | - | - | - | - | 1 | 1 | 1 | 1 |
| Transport/Corrections | 4.5 | 5.5 | 4.5 | 5.5 | 4.5 | 4.5 | 4 | 4 | 4 | 4 |
| Communications | 15 | 16 | 16 | 16 | 16 | 16 | 17 | 17 | 17 | 17 |
| Emergency Management | 1.5 | 1.5 | 1.5 | 1.5 | 2 | 2 | 2 | 2 | 2 | 2 |
| Total | 62.5 | 65 | 64.5 | 65 | 63.5 | 64.5 | 66 | 65 | 66.5 | 66.5 |

Note: The information in this table is taken from the County of Sagadahoc's adopted budget for the corresponding fiscal year. All of the positions may or may not have been filled as of June 30 of any given year. Elected officials are counted as full time employees even though they may work less than a full work week. The District Attorney category includes Assistant District Attorneys and are state employees.