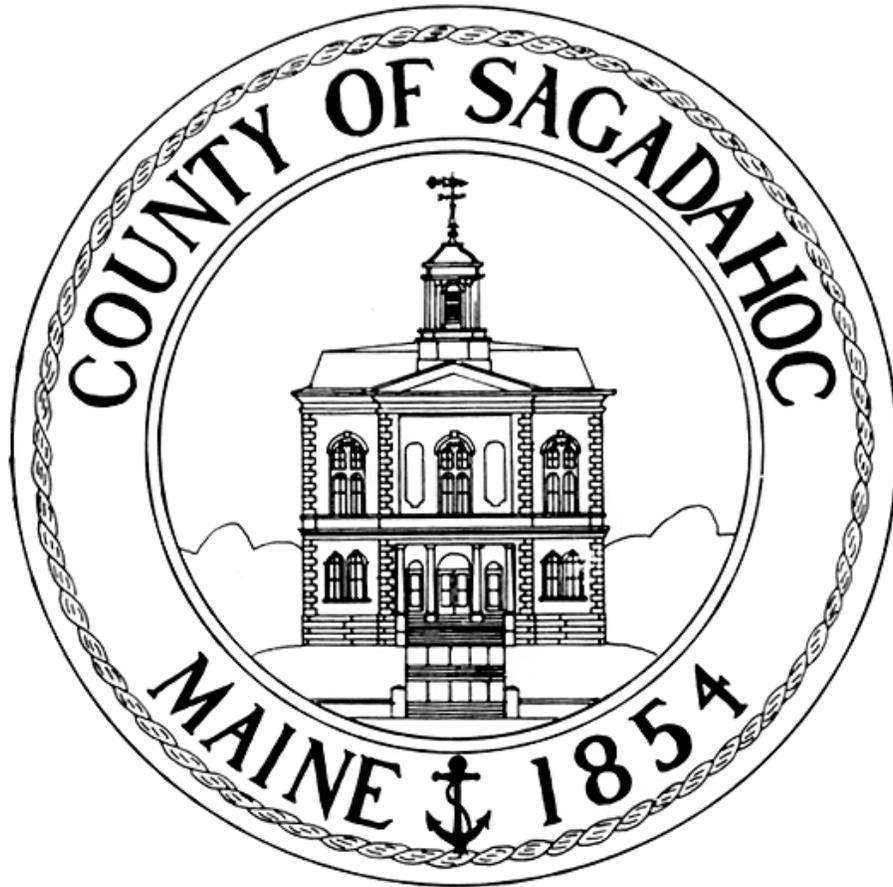


COUNTY OF SAGadahoc, MAINE



ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

COUNTY OF SAGadahoc, MAINE
Annual Financial Report
For the Year Ended June 30, 2021

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COUNTY OF SAGADAHOC, MAINE
Annual Financial Report
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INTRODUCTORY SECTION

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COUNTY OF SAGadahoc, MAINE
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2021

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	Tammy Shiers
Emergency Management Director	Sarah Bennett
Finance Manager	Jill Flaherty

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FINANCIAL SECTION

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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, 2021, 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, 2021, 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 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 30, 2022 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 solely 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 the effectiveness of the County of Sagadahoc, Maine's 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.

A handwritten signature in black ink, reading "Remya Kristen Ouellette". The signature is written in a cursive style with a large initial 'R'.

June 30, 2022
South Portland, Maine

COUNTY OF SAGADAHOC, MAINE
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

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, 2021. 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 \$4,643,723 at the close of the most recent fiscal year. (Statement 1) This net position is allocated as follows:

Net investment in capital assets	\$ 2,168,493
Restricted	819,545
<u>Unrestricted</u>	<u>1,655,685</u>
Net Position	\$ 4,643,723

- **CHANGE IN NET POSITION:** As of June 30, 2020, the County's net position was \$3,842,526 and at the end of the current year, the County's net position was \$4,643,723, an increase in net position in the amount of \$801,197 (Statement 2).

FUND BALANCES

- **END OF YEAR GOVERNMENTAL FUNDS.** Governmental funds include the General Fund, Correction Services Fund, American Rescue Plan Grant, Capital Projects Fund, and special revenue funds further described in the financial statements. On June 30, 2021, the end of year fund balance for the County of Sagadahoc's governmental funds was \$5,213,827 (Statement 3) which was an increase of \$809,115 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 \$2,045,766 equals 39% of the total fund balance of the governmental funds of \$5,213,827 (Statement 3). The General Fund unassigned fund balance of \$2,045,766 equals approximately 33% of the County's total General Fund expenditures of \$6,168,545 (Statement 4), and 23% of the General and Correction Services Funds expenditures and transfers of \$9,461,883.
- **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, 2021, the Correction Services Fund balance was \$643,520.

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-seven 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 funds are custodial funds 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 \$4,643,723 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, (\$2,168,493 or 47% of the total net position amount of \$4,643,723), 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. 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 \$819,545 (18%) that is restricted and cannot be used to meet the government's ongoing obligations. The County's unrestricted net position, \$1,655,685 (Statement 1) or 36% of the total net position of \$4,643,723 may be used to meet the government's ongoing obligations.

The County's net position increased by \$801,197 during the fiscal year (Statements 1 and 2).

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

Statement of Net Position

	<u>2021</u>	<u>2020</u>
ASSETS		
Current and other assets	\$ 9,247,024	5,052,653
Capital assets	2,168,493	2,246,811
Total assets	11,415,517	7,299,464
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pensions	511,834	528,879
Deferred outflows of resources related to OPEB	47,078	14,134
Total deferred outflows of resources	558,912	543,013
LIABILITIES		
Noncurrent liabilities outstanding	4,033,197	2,587,192
Other liabilities	2,840,141	649,457
Total liabilities	6,873,338	3,236,649
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pensions	100,859	420,375
Deferred inflows of resources related to OPEB	356,509	342,927
Total deferred inflows of resources	457,368	763,302
NET POSITION		
Net investment in capital assets	2,168,493	2,188,426
Restricted	819,545	746,840
Unrestricted	1,655,685	907,260
Total net position	\$ 4,643,723	3,842,526

Capital Assets

The County of Sagadahoc's capital assets for its governmental activities as of June 30, 2021 amounts to \$2,168,493 (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 \$78,318 or 4% of the total net capital assets.

Significant capital asset additions during the year included four new Dodge Durango vehicles for the Sheriff's Department. Several vehicles were disposed of, many of which were traded-in for the new vehicles purchased.

The County also updated the HVAC system in the Courthouse and made improvements to the parking lot.

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, 2021 was \$10,306,472 (\$7,202,868 in General Fund; \$2,943,908 for Corrections; \$159,696 Other Funds). The revenue was derived from the following sources:

Revenues

	General Fund	Corrections Services Fund	Other Governmental Funds	Total
County tax assessments	\$ 6,334,592	2,657,105	-	8,991,697
Fees	590,076	-	-	590,076
Grants and intergovernmental	112,509	286,803	99,349	498,661
Charges for services	132,954	-	58,128	191,082
Interest	25,517	-	1,719	27,236
Other	7,220	-	500	7,720
Total revenues	7,202,868	2,943,908	159,696	10,306,472

Expenditures

General government	\$ 2,714,955	-	113,175	2,828,130
Public safety	2,618,552	-	31,454	2,650,006
Corrections	-	2,901,927	-	2,901,927
Debt service - Jail bond	773,850	-	-	773,850
Debt service - Courthouse	61,188	-	-	61,188
Capital outlay	-	-	282,256	282,256
Total expenditures	\$ 6,168,545	2,901,927	426,885	9,497,357

GENERAL FUND

In FY 2020-2021, the County collected revenue for the General Fund in the amount of \$7,202,868, which is \$426,128 more than the revenue in FY 2019-2020. The amount of revenue collected by the County through tax assessments to municipalities for general operations, \$6,334,592, increased by \$303,512 from FY 2019-2020.

Total County General Fund expenditures for the fiscal year ended June 30, 2021 were \$6,168,545 compared to \$6,319,778 in the prior year, an overall decrease of \$151,233.

<u>General Fund</u>	<u>2021</u>	<u>2020</u>
Total revenues	\$ 7,202,868	6,776,740
Increase (decrease) in revenues compared to prior year	426,128	354,676
Total expenditures for non-corrections services	6,168,545	6,319,778
Increase (decrease) in expenditures compared to prior year	(151,233)	102,208
EXCESS OF GENERAL FUND REVENUES OVER EXPENDITURES	\$ 1,034,323	456,962

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

During the fiscal year ended June 30, 2021, the General Fund balance increased by \$642,912 on a GAAP basis (increase of \$434,621 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	\$ 3,111,515
Fund balance - General Fund, end of year	<u>3,754,427</u>
Net change in fund balance - General Fund	\$ 642,912

General Fund Balance

At the end of the current fiscal year, the total amount of the General Fund balance was \$3,754,427 which was made up of \$1,028,666 committed, \$633,856 assigned, \$46,139 nonspendable, and \$2,045,766 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 2020-2021, the County collected correction services fund revenue in the amount of \$2,943,908 which is \$36,872 lower than the revenues collected in FY 2019-2020. 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 2019-2020.

Total County Correction Services Fund expenditures for the fiscal year ended June 30, 2021 were \$2,901,927. See Statement 6A and detail below. Total County Correction Services Fund expenditures for the current year were \$86,311 higher than the total County Correction Services Fund expenditures for the prior year.

<u>Correction Services Fund Revenues</u>	<u>2021</u>	<u>2020</u>
Total revenues for Correction Services	\$ 2,943,908	2,980,780
Increase (decrease) in revenues compared to prior year	(36,872)	3,591
Total expenditures for Correction-related Services	2,901,927	2,815,616
Increase (decrease) in expenditures compared to prior year	86,311	(41,370)
EXCESS OF CORRECTION FUND REVENUES OVER EXPENDITURES	\$ 41,981	165,164

During the fiscal year ended June 30, 2021, the Correction Services Fund balance increased by \$41,981 compared to the prior year.

Fund balance - Corrections, beginning of year	\$ 601,539
Fund balance - Corrections, end of year	<u>643,520</u>
Net change in fund balance – Corrections	\$ 41,981

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 were repaid over a ten-year period at an interest rate of 4.8% per annum. This debt was retired in 2021.

In 2001, Sagadahoc County partnered with Lincoln County to form a multi-county jail authority. The Lincoln and Sagadahoc Multicounty Jail Authority sold refunding bonds totaling \$14,920,000 in 2014. The County of Sagadahoc guaranteed the repayment of one-half of these bonds. The County's share of the remaining balance at June 30, 2021 is \$3,075,000 (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.

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

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

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).

Looking Forward

- The combined budgets for FY 2021-22 equal \$10,706,293 which is an increase of \$342,818 (3.3%) when compared to the 2020-2021 budget. A further breakdown indicates the following:

	<u>Operating</u>	<u>Debt Service</u>	<u>Capital Reserve</u>	<u>Jail</u>	<u>Combined</u>
2021-22	\$ 6,445,408	864,589	405,135	2,991,161	10,706,293
<u>2020-21</u>	<u>6,130,869</u>	<u>888,213</u>	<u>334,587</u>	<u>3,009,806</u>	<u>10,363,475</u>
Increase (decrease) \$	314,539	(23,624)	70,548	(18,645)	342,818

- The amount to be raised through taxes has increased by \$125,920 (1.4%), from \$8,991,697 in FY 2020-21 to \$9,117,617 in FY 2021-22.
- The County is facing a number of major capital expenses including extensive repairs to the roof of the Courthouse. In addition to existing reserves, it is anticipated that a portion of this cost will be financed through a lease/purchase loan.

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.

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BASIC FINANCIAL STATEMENTS

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COUNTY OF SAGadahoc, MAINE
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 8,969,546
Accounts receivable	231,339
Prepaid expenses	46,139
Capital assets not being depreciated	62,198
Capital assets (net of accumulated depreciation)	2,106,295
Total assets	11,415,517
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	511,834
Deferred outflows of resources related to OPEB	47,078
Total deferred outflows of resources	558,912
LIABILITIES	
Accounts payable and other current liabilities	550,893
Unearned revenue	3,482,304
Noncurrent liabilities:	
Due in more than one year	2,840,141
Total liabilities	6,873,338
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	100,859
Deferred inflows of resources related to OPEB	356,509
Total deferred inflows of resources	457,368
NET POSITION	
Net investment in capital assets	2,168,493
Restricted	819,545
Unrestricted	1,655,685
Total net position	\$ 4,643,723

See accompanying notes to basic financial statements.

COUNTY OF SAGadahoc, MAINE
Statement of Activities
For the Year Ended June 30, 2021

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	\$ 2,949,872	648,704	27,500	-	(2,273,668)
Public safety	2,845,633	132,954	145,014	-	(2,567,665)
Correction services	3,674,408	-	286,803	-	(3,387,605)
Capital maintenance	34,075	-	-	39,344	5,269
Interest on long-term debt	1,287	-	-	-	(1,287)
Total governmental activities	9,505,275	781,658	459,317	39,344	(8,224,956)
Total primary government	\$ 9,505,275	781,658	459,317	39,344	(8,224,956)
General revenues:					
					8,991,697
					7,220
					27,236
					9,026,153
					801,197
					3,842,526
					\$ 4,643,723

See accompanying notes to basic financial statements.

COUNTY OF SAGADAHOC, MAINE
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Correction Services Fund	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	5,416,426	-	3,483,673	69,447	8,969,546
Accounts receivable	169,996	1,999	-	59,344	231,339
Prepaid expenditures	46,139	-	-	-	46,139
Due from other funds	-	641,521	-	689,639	1,331,160
Total assets	5,632,561	643,520	3,483,673	818,430	10,578,184
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	427,516	-	-	3,919	431,435
Accrued wages and benefits payable	119,458	-	-	-	119,458
Unearned revenue	-	-	3,482,304	-	3,482,304
Due to other funds	1,331,160	-	-	-	1,331,160
Total liabilities	1,878,134	-	3,482,304	3,919	5,364,357
Fund balances:					
Nonspendable	46,139	-	-	-	46,139
Restricted	-	643,520	1,369	174,656	819,545
Committed	1,028,666	-	-	682,859	1,711,525
Assigned	633,856	-	-	-	633,856
Unassigned	2,045,766	-	-	(43,004)	2,002,762
Total fund balances	3,754,427	643,520	1,369	814,511	5,213,827
Total liabilities and fund balances	\$ 5,632,561	643,520	3,483,673	818,430	
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.					2,168,493
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:					
Accrued compensated absences					(267,851)
Other post employment benefits, including related deferred inflows and outflows of resources					(1,083,737)
Net pension liability, including related deferred inflows and outflows of resources					(1,387,009)
Net position of governmental activities				\$ 4,643,723	

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, 2021

	General Fund	Correction Services Fund	American Rescue Plan Grant	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 6,334,592	2,657,105	-	-	8,991,697
Fees	590,076	-	-	-	590,076
Intergovernmental	112,509	286,803	-	99,349	498,661
Charges for services	132,954	-	-	58,128	191,082
Interest	25,517	-	1,369	350	27,236
Other	7,220	-	-	500	7,720
Total revenues	7,202,868	2,943,908	1,369	158,327	10,306,472
Expenditures:					
Current:					
General government	2,714,955	-	-	113,175	2,828,130
Public safety	2,618,552	-	-	31,454	2,650,006
Correction services and transport	-	2,901,927	-	-	2,901,927
Debt service (Jail Authority):					
Principal	620,000	-	-	-	620,000
Interest	153,850	-	-	-	153,850
Debt service (Courthouse):					
Principal	58,386	-	-	-	58,386
Interest	2,802	-	-	-	2,802
Capital outlay	-	-	-	282,256	282,256
Total expenditures	6,168,545	2,901,927	-	426,885	9,497,357
Excess (deficiency) of revenues over					
(under) expenditures	1,034,323	41,981	1,369	(268,558)	809,115
Other financing sources (uses):					
Transfers from other funds	-	-	-	391,411	391,411
Transfers to other funds	(391,411)	-	-	-	(391,411)
Total other financing sources (uses)	(391,411)	-	-	391,411	-
Net changes in fund balances	642,912	41,981	1,369	122,853	809,115
Fund balances, beginning of year	3,111,515	601,539	-	691,658	4,404,712
Fund balances, end of year	\$ 3,754,427	643,520	1,369	814,511	5,213,827

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, 2021

Net change in fund balances - total governmental funds	\$	809,115
<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	248,181	
Less: depreciation expense	(326,499)	(78,318)
<p>Financed purchase proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Repayment of financed purchase principal	58,385	58,385
<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	1,516	
Change in accrued compensated absences	8,609	
Change in net pension liability, with related deferred outflows and inflows of resources	(19,870)	
Change in OPEB liability, with related deferred outflows and inflows of resources	21,760	12,015
Change in net position of governmental activities	\$	801,197

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, 2021

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes:				
Tax assessments	\$ 6,334,592	6,334,592	6,334,592	-
Total taxes	6,334,592	6,334,592	6,334,592	-
Fees:				
District attorney	9,000	9,000	21,890	12,890
Register of deeds	325,000	325,000	486,419	161,419
Register of probate	68,000	68,000	81,767	13,767
Total fees	402,000	402,000	590,076	188,076
Intergovernmental:				
Emergency management agency	95,000	95,000	112,509	17,509
Total intergovernmental	95,000	95,000	112,509	17,509
Charges for services:				
Sheriff's department	105,000	105,000	132,954	27,954
Total charges for services	105,000	105,000	132,954	27,954
Interest earned	25,000	25,000	25,517	517
Other revenues:				
Miscellaneous	10,500	10,500	7,220	(3,280)
Total other revenues	10,500	10,500	7,220	(3,280)
Total revenues	6,972,092	6,972,092	7,202,868	230,776

COUNTY OF SAGadahoc, MAINE
Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2021

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES				
Current:				
General government:				
District attorney	\$ 255,090	255,090	231,883	23,207
Administration	570,271	563,771	491,846	71,925
Buildings	184,628	184,628	161,660	22,968
Register of deeds	166,961	166,961	159,745	7,216
Register of probate	168,314	168,314	156,505	11,809
Employee benefits	1,594,325	1,594,325	1,551,338	42,987
Insurance	80,925	80,925	81,689	(764)
Program grants	42,750	42,750	42,750	-
Total general government	3,063,264	3,056,764	2,877,416	179,348
Public safety:				
Emergency Management Agency	183,193	183,193	163,177	20,016
Sheriff's department	1,643,247	1,643,247	1,487,778	155,469
Civil process	26,006	26,006	25,608	398
Communications	1,119,005	1,119,005	941,989	177,016
Total public safety	2,971,451	2,971,451	2,618,552	352,899
Debt service:				
Principal (Jail Authority)	620,000	620,000	620,000	-
Interest (Jail Authority)	154,225	154,225	153,850	375
Principal (Courthouse)	58,386	58,386	58,386	-
Interest (Courthouse)	2,802	2,802	2,802	-
Principal (Steeple)	45,600	45,600	-	45,600
Interest (Steeple)	7,200	7,200	-	7,200
Total debt service	888,213	888,213	835,038	53,175
Total expenditures	6,922,928	6,916,428	6,331,006	585,422
Excess (deficiency) of revenues over (under) expenditures	49,164	55,664	871,862	816,198
OTHER FINANCING SOURCES (USES)				
Budgeted use of surplus	381,577	381,577	-	(381,577)
Budgeted transfers to reserves	(45,830)	(45,830)	(45,830)	-
Transfers to other funds - special revenue	(50,324)	(50,324)	(50,324)	-
Transfers to other funds - capital projects	(334,587)	(341,087)	(341,087)	-
Total other financing sources and (uses)	(49,164)	(55,664)	(437,241)	(381,577)
Net changes in fund balance - budgetary basis	-	-	434,621	434,621
Reconciliation from budgetary to GAAP basis:				
Net activity in reserve accounts			208,291	
Net changes in fund balance - GAAP basis			642,912	
Fund balance, beginning of year			3,111,515	
Fund balance, end of year			\$ 3,754,427	

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, 2021

	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	315,000	315,000	286,803	(28,197)
Total intergovernmental	315,000	315,000	286,803	(28,197)
Other/miscellaneous	3,000	3,000	-	(3,000)
Total revenues	2,975,105	2,975,105	2,943,908	(31,197)
EXPENDITURES				
Current:				
Operations - Two Bridges Jail	2,454,776	2,454,776	2,454,776	-
Transport programs	445,030	445,030	344,539	100,491
Pre-trial services	110,000	110,000	102,612	7,388
Total expenditures	3,009,806	3,009,806	2,901,927	107,879
Excess (deficiency) of revenues over (under) expenditures	(34,701)	(34,701)	41,981	76,682
OTHER FINANCING SOURCES (USES)				
Budgeted use of surplus	34,701	34,701	-	(34,701)
Net changes in fund balance	-	-	41,981	41,981
Fund balance, beginning of year			601,539	
Fund balance, end of year			\$ 643,520	

See accompanying notes to basic financial statements.

COUNTY OF SAGADAHOC, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Funds			Total
	D.A.'s Restitution	Probate		
ASSETS				
Cash and cash equivalents	\$ 6,279	881		7,160
Total assets	6,279	881		7,160
LIABILITIES				
Accounts payable	-	-		-
Due to other governments	-	-		-
Total liabilities	-	-		-
NET POSITION				
Restricted for:				
Individuals and organizations	6,279	-		6,279
Other governments	-	881		881
Total net position	\$ 6,279	881		7,160

See accompanying notes to basic financial statements.

COUNTY OF SAGADAHOC, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2021

	Custodial Funds		Balance June 30, 2021
	D.A.'s Restitution	Probate	
Additions:			
Restitution collections	\$ 2,263	-	2,263
Probate collections	-	79,506	79,506
Total additions	2,263	79,506	81,769
Deductions:			
Payments to victims	900	-	900
Remitted to other agencies	-	80,257	80,257
Total deductions	900	80,257	81,157
Net increase (decrease) in fiduciary net position	1,363	(751)	612
Net position, beginning of year	4,916	1,632	6,548
Net position, end of year	\$ 6,279	881	7,160

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 35,720. 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.

The American Rescue Plan Grant fund accounts for revenues and expenditures related to projects aimed to stimulate the economy and aid recovery after the covid pandemic.

Additionally, the government reports the following fund types:

Fiduciary funds account for assets held by the government in a trustee capacity or 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:

Custodial funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that the government holds for others. The departments of the District Attorney and Registry of Probate maintain custodial 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 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 June 30, 2021 budget were held in May 2020. The County Commissioners approved the budget on June 9, 2020. Sagadahoc County by law assesses taxes to the ten municipalities in its jurisdiction to be apportioned based on the last state valuation. The June 30, 2021 tax commitment of \$8,991,697 was assessed in August, 2020. Assessments were due September 1, 2020 with interest at 6% payable on November 1, 2020.

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, 2021, 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, 2021 was \$2,045,766, which represents 22.75% of the fiscal year 2021 assessments raised of \$8,991,697.

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, 2021:

Civil Process	\$ 5,337
LEPC Training	1,700
MEMA	3,126
Homeland Security FY 15	24,642
Homeland Security FY 17	4,807
Homeland Security FY 18	2,420
Homeland Security FY 19	972

These deficits will be funded with future revenues anticipated in 2021-2022.

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, 2021, the County reported deposits of \$8,976,706 with bank balances of \$9,124,469. The County's deposit policy for custodial credit risk calls for F.D.I.C. insured bank accounts. Of the County's \$9,124,469 bank balance, \$10,505 was exposed to custodial credit risk as it was uninsured and uncollateralized. The remaining amount of \$9,113,964 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	\$ 8,969,546
Custodial funds	7,160
Total	\$ 8,976,706

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances and transfers as of June 30, 2021 is as follows:

	<u>Due from</u>	<u>Due to</u>	<u>Transfers in (out)</u>
General fund	\$ -	1,331,160	(391,411)
Correction services fund	641,521	-	-
Other governmental funds	689,639	-	391,411
Total	\$ 1,331,160	1,331,160	-

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, 2021 was as follows:

	Balance <u>07/01/20</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>06/30/21</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	3,840,403	71,103	-	3,911,506
Improvements other than buildings	58,340	8,419	-	66,759
Vehicles	876,753	147,224	(166,156)	857,821
Machinery and equipment	1,895,073	21,435	-	1,916,508
Total capital assets being depreciated	6,670,569	248,181	(166,156)	6,752,594
Less accumulated depreciation for:				
Buildings	(2,156,540)	(106,686)	-	(2,263,226)
Improvements other than buildings	(37,090)	(6,073)	-	(43,163)
Vehicles	(636,196)	(155,040)	166,156	(625,080)
Machinery and equipment	(1,656,130)	(58,700)	-	(1,714,830)
Total accumulated depreciation	(4,485,956)	(326,499)	166,156	(4,646,299)
Total capital assets being depreciated, net	2,184,613	(78,318)	-	2,106,295
Total capital assets, net	\$ 2,246,811	(78,318)	-	2,168,493

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

General government	\$ 123,061
Public safety	203,438
Total depreciation expense	\$ 326,499

LONG-TERM DEBT

The following is a summary of long-term liability transactions of the County for the year ended June 30, 2021:

<u>Issuer</u>	Balance <u>07/01/20</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>06/30/21</u>	<u>Due within one year</u>
Notes from direct borrowing	\$ 58,385	-	58,385	-	-
Net pension liability	1,475,643	322,341	-	1,797,984	-
OPEB liability	776,704	-	2,398	774,306	-
Accrued compensated absences	276,460	-	8,609	267,851	-
Totals	\$ 2,587,192	322,341	69,392	2,840,141	-

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

OVERLAPPING DEBT

In addition to the debt noted above, the County is contingently responsible for the following debt as of June 30, 2021 (also see Joint Venture note below):

<u>Governmental Unit</u>	<u>Net debt outstanding</u>	<u>Percent Applicable to County</u>	<u>County's share of debt</u>
Lincoln and Sagadahoc Multicounty Jail Authority	\$ 6,150,000	50%	3,075,000

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.

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, 2021 is \$6,150,000. Sagadahoc County's portion of this balance amounts to \$3,075,000. Sagadahoc and Lincoln Counties share of the operating budget is capped legislatively. For the fiscal year that ended June 30, 2021, 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, 2021 is as follows:

Total assets and deferred outflows	\$17,702,662
Total liabilities and deferred inflows	8,344,088
Net position	9,358,574
Change in net position	1,006,232

Complete financial statements may be obtained from the Lincoln and Sagadahoc Multicounty Jail Authority, 522 Bath Road, 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, 2021.

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>2021</u>	<u>2020</u>
Beginning balance, unpaid claims	\$ 60,059	45,799
Incurred claims	791,517	1,004,549
Claims paid (includes reinsurance)	(811,115)	(990,289)
<u>Ending balance, unpaid claims</u>	<u>\$ 40,461</u>	<u>60,059</u>

NET PENSION LIABILITY

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 7.35-8.1% 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, 2021 was 10.1%-12.9% of annual payroll depending on the plan (AC 10.1%, 3C 12.9%) 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 \$306,712 for the year ended June 30, 2021.

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

NET PENSION LIABILITY, CONTINUED

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

At June 30, 2021, the County reported a liability of \$1,797,984 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020, the County's proportion was 0.4525%.

For the year ended June 30, 2021, the County recognized a pension expense of \$326,582. At June 30, 2021, 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	\$ 88,125	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	116,997	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	100,859
County contributions subsequent to the measurement date	306,712	-
Total	\$ 511,834	100,859

\$306,712 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, 2022. 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>	
2022	\$ (110,429)
2023	15,720
2024	99,377
2025	99,595

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

NET PENSION LIABILITY, CONTINUED

Actuarial Assumptions - The total pension liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	2.75% plus merit
Investment return	6.75%
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, 2020 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, 2020 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%	7.2%
Diversifiers	10.0%	5.9%

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

NET PENSION LIABILITY, 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 (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
County's proportionate share of the net pension liability	\$ 3,778,637	1,797,984	176,675

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, 2021.

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, 2021, 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 \$32,965 for the year ended June 30, 2021 and employees contributed \$100,643 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, 2021, the committed and assigned fund balances of the General Fund were made up of the following:

Committed:

Contingency	\$ 100,000
Unemployment reserve	41,423
Insurance deductible reserve	1,022
Fuel reserve	10,000
Insurance reserve fund	876,221

Total committed **\$ 1,028,666**

Assigned:

Surplus assigned to 2021-22 budget	\$ 618,620
Administrative contingency	15,236

Total assigned **\$ 633,856**

As of June 30, 2021, the committed fund balance of the Capital Project Fund was made up of the following:

Administrative equipment	\$ 16,305
Building repair and upgrade	282,540
Sherriff equipment and vehicles	56,772
Communications equipment	291,826
EMA vehicle	35,416

Total **\$ 682,859**

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 \$174,656.

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 \$2,501 for the year ended June 30, 2021. 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, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by actuarial valuation as of that same 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, 2021, the County reported a liability of \$132,546 for its proportionate share of the net OPEB liability. At June 30, 2020, the County's proportion was 1.0047%.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

For the year ended June 30, 2021, the County recognized OPEB gain of \$13,407 for the PLD OPEB Plan. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the PLD OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,363	-
Changes of assumptions	-	80,663
Net difference between projected and actual earnings on OPEB plan investments	-	3,310
Changes in proportion and differences between County contributions and proportionate share of Contributions	28,214	-
County contributions subsequent to the measurement date	2,501	-
<u>Total</u>	<u>\$ 47,078</u>	<u>83,973</u>

\$2,501 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 net OPEB liability in the year ended June 30, 2022. 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:	
2022	\$(13,895)
2023	(11,884)
2024	584
2025	(6,135)
2026	(8,066)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2020 actuarial valuation for the PLD OPEB plan was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	<u>PLD OPEB Plan</u>
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, 2020 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:

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

Discount Rate - The rate used to measure the total OPEB liability for the PLD OPEB plan was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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 6.75%, 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 (5.75%) or 1 percentage-point higher (7.75%) than the current rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB liability	\$ 178,515	132,546	95,598

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 health 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, 2021, 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	56
	56

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 \$641,760 was measured as of June 30, 2021, and the total OPEB liability was determined by applying roll forward procedures to an actuarial valuation as of June 30, 2020.

Changes in the Total Health Plan OPEB Liability

Total OPEB Liability	
Balance at June 30, 2020	\$ 595,923
Changes for the year:	
Service cost	42,581
Interest	15,479
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	15,816
Benefit payments	(28,039)
Other changes	-
Net changes	45,837
Balance at June 30, 2021	\$ 641,760

Change in assumptions reflects a change in the discount rate from 2.66% to 2.18%.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH PLAN, CONTINUED

For the year ended June 30, 2021, the County recognized OPEB gain of \$5,852 related to the Health Plan. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	149,453
<u>Changes of assumption or other inputs</u>	<u>-</u>	<u>123,083</u>
<u>Total</u>	<u>\$ -</u>	<u>272,536</u>

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:	
2022	(35,874)
2023	(35,874)
2024	(35,874)
2025	(35,874)
2026	(35,874)
Thereafter	(93,166)

Actuarial Assumptions and Other Inputs - The total OPEB liability in the June 30, 2021 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	2.18%
Healthcare cost trend rates	5.50% for 2020, decreasing 0.07% per year to an ultimate rate of 4.50% in 2036 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 PubG.H-2010 Mortality Table – General.

Discount Rate - The discount rate of 2.18% 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, 2021.

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

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH PLAN, CONTINUED

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 2.18%, 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 (1.18%) or 1 percentage-point higher (3.18%) than the current rate:

	1% Decrease <u>(1.18%)</u>	Discount Rate <u>(2.18%)</u>	1% Increase <u>(3.18%)</u>
Total OPEB liability	675,845	641,760	609,303

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 initial healthcare cost trend rates of 5.50%, 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:

	<u>1% Decrease</u>	Healthcare Cost Trend Rates	<u>1% Increase</u>
Total OPEB liability	593,891	641,760	696,407

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*						
		2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability	\$	0.4525%	0.4828%	0.5053%	0.5053%	0.5318%	0.5319%	0.4989%
County's proportionate share of the net pension liability		1,797,984	1,475,643	1,384,060	2,068,841	2,825,537	1,639,619	767,724
County's covered payroll		2,544,744	2,627,646	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		70.65%	56.16%	53.05%	82.61%	112.45%	71.48%	36.45%
Plan fiduciary net position as a percentage of the total pension liability		88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%

* Only seven 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 – Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan

	Last 10 Fiscal Years*							
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 306,712	279,426	291,887	280,639	259,044	249,938	197,462	171,793
Contributions in relation to the contractually required contribution	<u>(306,712)</u>	<u>(279,426)</u>	<u>(291,887)</u>	<u>(280,639)</u>	<u>(259,044)</u>	<u>(249,938)</u>	<u>(197,462)</u>	<u>(171,793)</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>						
County's covered payroll	\$ 2,726,023	2,544,744	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	11.25%	10.98%	11.11%	10.76%	10.34%	9.95%	8.61%	8.16%

* Only eight 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*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 42,581	39,663	62,971	55,524
Interest	15,479	18,551	19,454	27,806
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(62,813)	-	(150,331)
Changes of assumptions or other inputs	15,816	(56,117)	27,918	(160,666)
Benefit payments	(28,039)	-	(18,335)	(10,485)
Other changes	-	(8,276)	(145)	-
Net change in total OPEB Liability	<u>45,837</u>	<u>(68,992)</u>	<u>91,863</u>	<u>(238,152)</u>
Total OPEB liability - beginning	<u>595,923</u>	<u>664,915</u>	<u>573,052</u>	<u>811,204</u>
Total OPEB liability - ending	\$ <u>641,760</u>	<u>595,923</u>	<u>664,915</u>	<u>573,052</u>
Covered-employee payroll	\$ 2,969,000	2,969,000	2,834,000	2,834,000
Total OPEB liability as a percent of covered-employee payroll	21.62%	20.07%	23.46%	20.22%

*Only four 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>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
County's proportion of the net OPEB liability	1.0047%	0.8449%	0.8508%	0.8177%	0.8695%
County's proportionate share of the net OPEB liability	\$ 132,546	180,781	171,867	136,733	196,625
County's covered-employee payroll	2,544,744	2,822,907	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	5.21%	6.40%	5.46%	4.65%	6.93%
Plan fiduciary net position as a percentage of the total OPEB liability	44.60%	43.18%	43.92%	47.42%	unavailable

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

COUNTY OF SAGadahoc, MAINE
Required Supplementary Information, Continued

Schedule County's Contributions - Net OPEB Liability
Maine Public Employees Retirement System Consolidated Plan

		Last 10 Fiscal Years*				
		<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$	2,501	2,612	1,636	1,243	1,290
Contributions in relation to the contractually required contribution		<u>(2,501)</u>	<u>(2,612)</u>	<u>(1,636)</u>	<u>(1,243)</u>	<u>(1,290)</u>
Contribution deficiency (excess)	\$	<u> -</u>				
County's covered-employee payroll	\$	2,726,023	2,544,744	2,822,907	3,146,159	2,942,644
Contributions as a percentage of covered- employee payroll		0.09%	0.10%	0.06%	0.04%	0.04%

* Only five years of information available.

COUNTY OF SAGadahoc, MAINE
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>2020</u>	<u>2018</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Discount rate	6.75%	6.75%	6.88%	7.13%	7.25%	7.25%
Inflation rate	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases	2.75 plus merit	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%	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 Healthy Annuitant Mortality Table.

Changes of Benefit Terms (OPEB – PLD Plan) - None

Changes of Assumptions (OPEB – PLD Plan) - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate	6.75%	4.98%	5.13%	5.41%

Changes of Benefit Terms (OPEB – Health Insurance) - None

Changes of Assumptions (OPEB – Health Insurance) - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate	2.18%	2.66%	2.79%	3.45%	4.00%
Healthcare cost trend rates	5.50%	5.50%	5.97%	6.00%	7.80%
Starting Per Capita Costs	Retiree \$23,365 Spouse \$29,046	Retiree \$23,365 Spouse \$29,046	Retiree \$23,077 Spouse \$28,688	Retiree \$23,077 Spouse \$28,688	Retiree \$21,484 Spouse \$26,708
Mortality Table	PubG.H-2010 Mortality Table – General	PubG.H-2010 Mortality Table – General	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

** 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.*

**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, 2021

	Fund Balances (Deficits) Beginning of Year	Revenues		Expenditures	Transfers	Fund Balances (Deficits) End of Year
		Inter- governmental	Other Revenues			
Capital project funds	584,684	-	-	242,912	341,087	682,859
Special revenue funds:						
General:						
VOCA Grant	(233)	27,500	-	75,760	50,324	1,831
Deed Preservation Fund	43,853	-	28,149	3,480	-	68,522
Probate Preservation Fund	5,053	-	1,974	2,394	-	4,633
Civil Process	(2,127)	-	28,331	31,541	-	(5,337)
Sheriff grants and programs:						
Seatbelt Initiative Grant	5,546	4,316	-	5,445	-	4,417
OUI Emphasis Grant	3,804	4,490	-	6,527	-	1,767
Distracted Driving	8,143	14,432	-	9,634	-	12,941
Spillman Grant	10,904	-	-	-	-	10,904
Drug Seizure K-9 account	21,023	-	524	37	-	21,510
Electronic Monitoring Funds	3,674	-	-	-	-	3,674
EUDL	120	-	-	-	-	120
Ride Grant	2,703	-	-	-	-	2,703
Speed Enforcement Grant	16,678	9,267	-	6,676	-	19,269
EMA grants and programs:						
LEPC State	1,429	-	-	485	-	944
LEPC Training	950	-	-	2,650	-	(1,700)
CRI	25	-	-	-	-	25
MEMA	(3,126)	-	-	-	-	(3,126)
Homeland Security FY 14	287	-	-	-	-	287
Homeland Security FY 15	(24,642)	-	-	-	-	(24,642)
Homeland Security FY 16	21,109	-	-	-	-	21,109
Homeland Security FY 17	(4,807)	-	-	-	-	(4,807)
Homeland Security FY 18	(2,420)	8,609	-	8,609	-	(2,420)
Homeland Security FY 19	(972)	-	-	-	-	(972)
Homeland Security FY 20	-	30,735	-	30,735	-	-
Total special revenue funds	106,974	99,349	58,978	183,973	50,324	131,652
Total other governmental funds	\$ 691,658	99,349	58,978	426,885	391,411	814,511

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STATISTICAL SECTION

This part of the County of Sagadahoc's 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 contains 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.

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Governmental activities										
Net investment in capital assets	\$ 2,808,934	2,699,779	2,677,967	2,563,922	2,457,267	2,272,310	2,309,082	2,342,256	2,188,426	2,168,493
Restricted	296,612	309,367	340,493	267,081	349,565	384,885	455,800	578,987	746,840	819,545
Unrestricted	2,272,451	2,147,218	716,240	920,396	766,995	861,375	225,461	725,708	907,260	1,655,685
Total governmental activities net position	\$ 5,377,997	5,156,364	3,734,700	3,751,399	3,573,827	3,518,570	2,990,343	3,646,951	3,842,526	4,643,723

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental activities:										
General government	\$ 2,203,184	2,367,471	2,279,449	2,429,107	3,008,886	2,821,414	2,851,594	2,410,654	3,218,353	2,949,872
Public safety	3,337,450	3,264,488	3,466,246	2,887,843	2,690,226	2,782,193	2,868,134	2,962,317	2,918,884	2,845,633
Correction services	2,591,729	2,781,073	2,810,399	3,656,786	3,754,162	3,756,876	3,718,498	3,663,499	3,618,667	3,674,408
Capital maintenance	13,691	232,833	-	-	46,134	-	2,677	-	80,865	34,075
Miscellaneous	180,420	12,878	245,221	-	-	-	-	-	-	-
Interest on long-term debt	-	21,063	19,137	17,119	21,920	11,516	9,149	6,651	4,037	1,287
Total governmental activities expenses	8,326,474	8,679,806	8,820,452	8,990,855	9,521,328	9,371,999	9,450,052	9,043,121	9,840,806	9,505,275
Program Revenues										
Governmental activities:										
Charges for services	460,994	500,188	480,678	515,121	526,285	613,340	629,664	603,576	649,014	781,658
Operating grants and contributions	349,254	309,827	371,486	389,807	540,513	471,111	576,924	654,807	567,042	459,317
Capital grants and contributions	-	-	-	-	3,842	-	-	-	77,661	39,344
Total governmental activities program revenues	810,248	810,015	852,164	904,928	1,070,640	1,084,451	1,206,588	1,258,383	1,293,717	1,280,319
Net (expense) revenue										
Total governmental activities net expenses	(7,516,226)	(7,869,791)	(7,968,288)	(8,085,927)	(8,450,688)	(8,287,548)	(8,243,464)	(7,784,738)	(8,547,089)	(8,224,956)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Tax assessments	7,232,232	7,608,238	7,842,074	8,064,121	8,197,291	8,185,794	8,422,172	8,358,854	8,688,185	8,991,697
Miscellaneous	62,915	61,402	46,688	47,936	14,461	23,260	11,069	36,936	10,747	7,220
Unrestricted interest income	8,828	7,922	8,227	12,144	22,550	23,237	30,602	45,556	43,732	27,236
Loss on disposal of assets	(9,806)	(29,404)	-	(21,575)	(7,374)	-	-	-	-	-
Total governmental activities	7,294,169	7,648,158	7,896,989	8,102,626	8,226,928	8,232,291	8,463,843	8,441,346	8,742,664	9,026,153
Change in net position of governmental activities	\$ (222,057)	(221,633)	(71,299)	16,699	(223,760)	(55,257)	220,379	656,608	195,575	801,197

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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Fund:										
Nonspendable	\$ 92,995	123,559	148,122	37,374	246,248	36,873	38,066	38,399	39,282	46,139
Committed	217,707	188,221	187,896	261,952	321,349	664,363	752,598	828,916	820,375	1,028,666
Assigned	512,576	447,799	341,320	268,503	399,237	292,846	552,654	445,947	396,813	633,856
Unassigned	1,527,625	1,484,284	1,467,186	1,668,567	1,513,686	1,825,825	1,741,890	1,668,645	1,855,045	2,045,766
Total General Fund	2,350,903	2,243,863	2,144,524	2,236,396	2,480,520	2,819,907	3,085,208	2,981,907	3,111,515	3,754,427
All Other Governmental Funds:										
Restricted	296,612	309,367	340,493	267,081	349,565	384,885	455,800	578,987	746,840	819,545
Committed	135,035	123,115	133,314	120,067	150,730	232,580	248,207	353,266	584,684	682,859
Unassigned	-	-	(3,932)	-	(17,011)	(8,996)	(13,186)	(34,248)	(38,327)	(43,004)
Total all other governmental funds	\$ 431,647	432,482	469,875	387,148	483,284	608,469	690,821	898,005	1,293,197	1,459,400

Table 4

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

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Revenues										
Taxes	\$ 7,232,232	7,608,238	7,842,074	8,064,121	8,197,291	8,185,794	8,422,172	8,358,854	8,688,185	8,991,697
Fees	359,064	401,625	384,616	419,912	414,354	432,393	445,774	429,585	469,345	590,076
Intergovernmental	408,962	364,271	395,983	425,245	544,355	471,111	576,924	654,807	644,703	498,661
Charges for services	8,053	5,659	9,181	94,219	111,931	180,947	183,890	173,991	179,669	191,082
Interest	8,828	7,922	8,227	12,144	22,550	23,237	30,602	45,556	43,732	27,236
Other	97,084	99,862	109,072	13,488	14,461	23,259	11,069	36,936	10,747	7,720
Total revenues	8,114,223	8,487,577	8,749,153	9,029,129	9,304,942	9,316,741	9,670,431	9,699,729	10,036,381	10,306,472
Expenditures										
General government	2,034,483	2,173,676	2,252,314	2,446,098	2,489,694	2,369,742	2,620,432	2,811,153	2,941,565	2,828,130
Public safety	2,269,712	2,242,957	2,326,863	2,621,687	2,556,013	2,553,676	2,708,383	2,809,554	2,742,115	2,650,006
Correction services and transport	2,592,194	2,779,555	2,815,324	2,767,634	2,887,465	2,877,504	2,867,452	2,842,839	2,815,616	2,901,927
Miscellaneous	338,346	232,833	245,221	-	-	-	-	-	-	-
Debt service (including Jail)	1,060,601	1,036,001	1,011,401	956,259	926,938	941,487	914,838	884,638	859,838	835,038
Capital outlay	825,264	128,760	159,976	220,277	104,572	109,760	211,673	247,662	152,447	282,256
Total expenditures	9,120,600	8,593,782	8,811,099	9,011,955	8,964,682	8,852,169	9,322,778	9,595,846	9,511,581	9,497,357
Excess (deficiency) of revenues over (under) expenditures	(1,006,377)	(106,205)	(61,946)	17,174	340,260	464,572	347,653	103,883	524,800	809,115
Other financing sources (uses)										
Proceeds from borrowing	500,000	-	-	-	-	-	-	-	-	-
Transfer in	134,121	106,598	184,029	146,601	142,597	202,939	210,395	307,795	327,354	391,411
Transfer out	(134,121)	(106,598)	(184,029)	(146,601)	(142,597)	(202,939)	(210,395)	(307,795)	(327,354)	(391,411)
Total other financing sources (uses)	500,000	-	-							
Net change in fund balance	\$ (506,377)	(106,205)	(61,946)	17,174	340,260	464,572	347,653	103,883	524,800	809,115
Debt service as a percentage of noncapital expenditures	12.79%	12.24%	11.69%	10.88%	10.46%	10.79%	10.04%	9.46%	9.19%	9.06%

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

	Program Revenues by Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Function/Program										
Governmental activities:										
General government	\$ 452,941	494,529	471,497	441,195	525,413	539,042	551,442	546,033	563,717	676,204
Public safety	204,773	161,451	227,257	310,082	228,771	272,447	352,264	392,351	328,664	277,968
Correction services	152,534	154,035	153,410	153,651	312,614	272,962	302,882	319,999	323,675	286,803
Capital maintenance	-	-	-	-	3,842	-	-	-	77,661	39,344
Total governmental activities	\$ 810,248	810,015	852,164	904,928	1,070,640	1,084,451	1,206,588	1,258,383	1,293,717	1,280,319

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>
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
2020	4,944,400,000	8,991,697	1.8186
2021	5,232,100,000	9,117,617	1.7426

(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>
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
2020	168,145	1,894,551	441,492	529,611	885,682	1,230,064	524,216	1,828,911	722,932	766,093	8,991,697
2021	185,999	1,906,494	454,057	579,880	872,556	1,215,378	537,028	1,882,788	716,645	766,792	9,117,617

* - 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	2021			2012		
	State Taxable Assessed Valuation	Rank	Percentage of State Taxable Assessed Valuation	State Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Bath	\$ 1,093,400,000	1	20.90%	905,000,000	1	20.71%
Topsham	1,080,150,000	2	20.64%	805,150,000	2	18.43%
Phippsburg	697,150,000	3	13.32%	620,450,000	3	14.20%
Georgetown	500,850,000	4	9.57%	492,200,000	4	11.26%
Woolwich	439,750,000	5	8.40%	374,050,000	5	8.56%
West Bath	412,600,000	6	7.89%	349,200,000	6	7.99%
Bowdoinham	332,950,000	7	6.36%	262,600,000	8	6.01%
Richmond	307,900,000	8	5.88%	245,400,000	7	5.62%
Bowdoin	260,450,000	9	4.98%	225,700,000	9	5.17%
Arrowsic	106,900,000	10	2.04%	89,750,000	10	2.05%
	\$ 5,232,100,000		100.00%	4,369,500,000		100.00%

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>Financed Purchases</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>
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%
2020	-	58,385	58,385	35,452	34,675	1,229,298,100	0.00%	1.65	0.00%
2021	-	-	-	35,720	35,226	1,258,272,720	0.00%	-	0.00%

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

COUNTY OF SAGADAHOC, MAINE
Legal Debt Margin Information
June 30, 2021

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 2021

State valuation	<u>\$ 5,232,100,000</u>
Debt Limit - 15% of State Valuation	784,815,000
Less outstanding debt applicable to debt limit	<u>-</u>
Legal debt margin	<u>\$ 784,815,000</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>	<u>2020</u>	<u>2021</u>
Debt limit	\$ 655,425,000	637,033,813	637,035,000	644,392,500	659,542,500	676,162,500	686,445,000	700,725,000	741,660,000	784,815,000
Total debt applicable to limit	438,812	398,687	356,636	312,567	266,382	217,981	167,256	114,096	58,385	-
Legal debt margin	\$ 654,986,188	636,635,126	636,678,364	644,079,933	659,276,118	675,944,519	686,277,744	700,610,904	741,601,615	784,815,000
Total debt applicable to the limit as a percentage of debt limit	0.07%	0.06%	0.06%	0.05%	0.04%	0.03%	0.02%	0.02%	0.01%	0.00%

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>
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%
2020	35,452	1,229,298,100	34,675	5.60%
2021	35,720	1,258,272,720	35,226	4.10%

(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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General government:										
Administration	9	9.5	9.5	9.5	9.5	9.5	9.5	9.5	9.5	8.5
District Attorney	4	4	3	3	4	4	4.5	4.5	4.5	4.5
D. A. Grant Positions	1	1	1	1	1	1	1	1	1	1
Registrar of Deeds	3	3	3.5	3.5	3.5	3	3	3	3	3
Register of Probate	3.5	3.5	3	3	3	2.5	3.5	3.5	3.5	3.5
Public safety:										
Sheriff	22	21	21	22	21	21	21	21	21	21
Sheriff Grant Positions	-	-	-	-	1	1	1	1	1	1
Transport/Corrections	4.5	5.5	4.5	4.5	4	4	4	4	4	4
Communications	16	16	16	16	17	17	17	17	17	17
Emergency Management	1.5	1.5	2	2	2	2	2	2	2	2
Total	64.5	65	63.5	64.5	66	65	66.5	66.5	66.5	65.5

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.