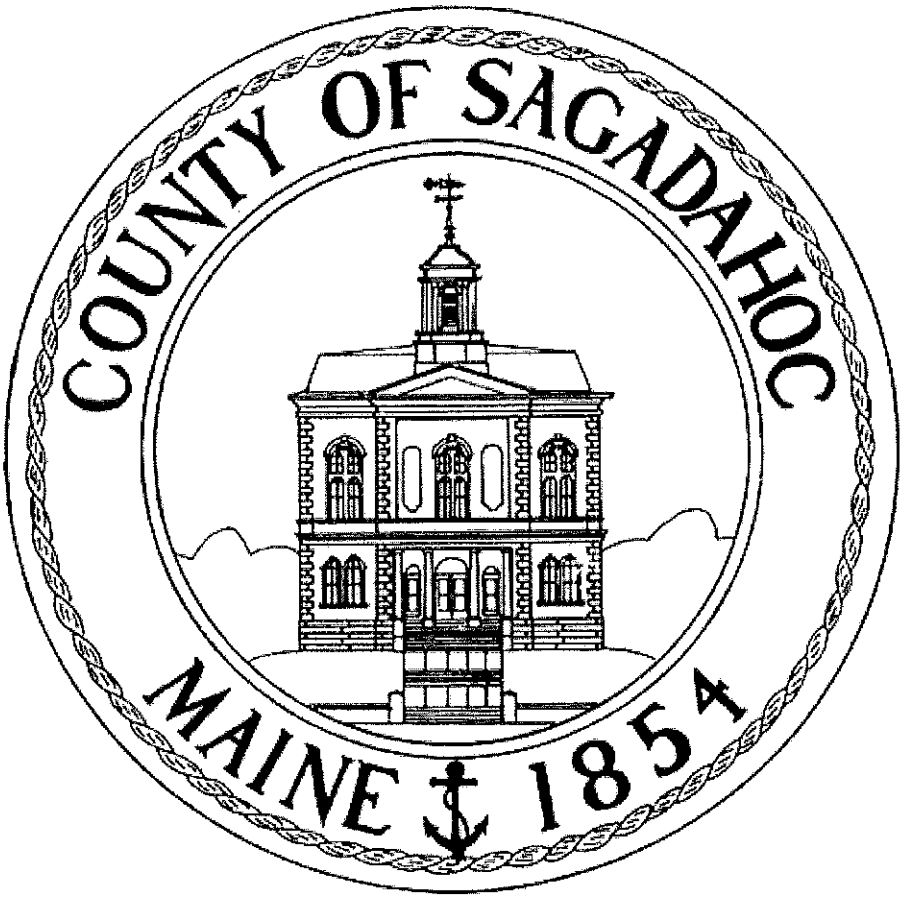
COUNTY OF SAGADAHOC, MAINE



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2011

COUNTY OF SAGADAHOC, MAINE
Comprehensive Annual Financial Report
For the Year Ended June 30, 2011

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INTRODUCTORY SECTION

COUNTY OF SAGADAHOC, MAINE
LIST OF ELECTED AND APPOINTED OFFICIALS
June 30, 2011

Elected Officials

Commissioner, District 1	Alan J. Houston
Commissioner, District 2	Carol Grose, Chair
Commissioner, District 3	Lawrence M. Dawson, Vice Chair
Treasurer	Jane Scease
Sheriff	Joel Merry
District Attorney	Geoffrey Rushlau
Registrar of Deeds	Judith Stevens
Probate Judge	Hon. John W. Voorhees
Register of Probate	Joan M. Atwood

Appointed Officials

County Administrator	Pamela S. Corrigan
Finance Director	Fay Labbe
Communications Director	Brodie Hinckley
Emergency Management Director	Misty D. Mixon

FINANCIAL SECTION

Independent Auditor's Report

Board of Commissioners
County of Sagadahoc, Maine:

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, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County of Sagadahoc, Maine's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2011, and respective changes in financial position and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

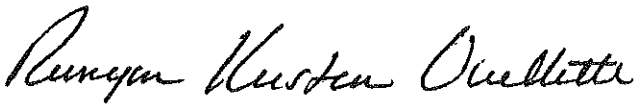
In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2011 on our consideration of the County of Sagadahoc, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not 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.

Board of Commissioners
County of Sagadahoc, Maine

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise County of Sagadahoc, Maine's financial statements as a whole. The combining and individual fund financial statements and statistical tables are presented for the purpose of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section 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 it.



November 30, 2011
South Portland, Maine

COUNTY OF SAGADAHOC, MAINE
ADMINISTRATIVE OFFICES

ALAN J. HOUSTON
DISTRICT 1
BOWDOIN & TOPSHAM

CAROL GROSE
DISTRICT 2
BOWDOINHAM, GEORGETOWN, PHIPPSBURG
RICHMOND & WOOLWICH

LAWRENCE M. DAWSON
DISTRICT 3
ARROWSIC
BATH & WEST BATH

LEE SMITH
IINTERIM COUNTY
ADMINISTRATOR
administrator@sagcounty.com
Phone: (207) 443-8200
Fax: (207) 443-8213

FAY A. LABBE
FINANCE DIRECTOR
finance@sagcounty.com
Phone: (207) 443-8202
Fax: (207) 443-8213

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2011

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, 2011. 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 audit 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 ASSETS

- **COUNTY'S NET ASSETS:** The assets of the County of Sagadahoc exceeded its liabilities by $5,548,692 at the close of the most recent fiscal year. (Statement 1) These net assets are purposed as follows:

Invested in capital assets, net of related debt	$ 2,542,592
Restricted	253,397
Unrestricted	2,752,703
NET ASSETS	$ 5,548,692

- **CHANGE IN NET ASSETS:** As of June 30, 2010, the County's net assets were $5,575,824 (as restated) and at the end of the current year the County's net assets were $5,548,692, a decrease in net assets in the amount of $27,132.

FUND BALANCES

- **END OF YEAR GOVERNMENTAL FUNDS.** Governmental funds include the General Fund, Correction Services Fund, Capital Projects Fund and other miscellaneous funds further described in the audit. On June 30, 2011, the end of year balance for the County of Sagadahoc's governmental funds fund balance was $3,237,565 (Statement 3) which was a decrease of $113,466 over the fund balance of the governmental funds at the close of the prior year (Statement 4).

- **UNASSIGNED FUND BALANCE (GENERAL FUND).** The General Fund unassigned fund balance of $1,526,952 equals approximately 47%, of the total fund balance of the governmental funds of $3,237,565 (Statement 3). The General Fund unassigned fund balance of $1,526,952 equals approximately 27% of the County's total General Fund expenditures and transfers of $5,713,769 (Statement 4), and 19% of the General and Correction services fund expenditures and transfers of $8,101,199.

- **CORRECTION SERVICES FUND.** As required by State law associated with the 2008 Unified Corrections legislation, beginning in FY 2009-2010, the County's financial audit must account for Corrections revenues and expenditures separately from non-corrections-related revenues and expenditures.

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 assets* presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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-nine 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, correction services fund and the capital improvement fund, all of which are considered to be a major funds. Data from the other twenty-eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor 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.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the County of Sagadahoc's own programs. The County's fiduciary fund is an agency fund consisting of funds held by the District Attorney and the Registrar 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 ASSETS
(ALL GOVERNMENT FUNDS – Statements 1 & 2)

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the County of Sagadahoc, assets from all Governmental Funds exceeded liabilities by $5,548,692 at the close of the most recent fiscal year (Statements 1 and 2).

A large portion of the value of the County's net assets, $2,542,592 (Statement 1), or 46%, of the total net assets amount of $5,548,692, reflects the County's investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. There was no debt outstanding on these assets at the end of the year. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The County's has net assets in the amount of $253,397, or 5% that are restricted and cannot be used to meet the government's ongoing obligations. The County's unrestricted net assets, $2,752,703 (Statement 1) or 49% of the total net assets of $5,548,692 may be used to meet the government's ongoing obligations.

Assets invested in capital – land, buildings, machinery & equipment	$ 2,542,592
Restricted	253,397
Unrestricted	2,752,703
Total amount of Government-wide net assets	$ 5,548,692

At the end of the current fiscal year, the County is able to report positive balances for the government as a whole, as well as for its separate governmental activities. The County's net assets decreased by $27,132 during the fiscal year (Statements 1 and 2).

Statement of Net Assets

	2011	2010 (Restated)
Current and other assets	$ 3,444,600	$3,520,188
Capital assets	2,542,592	2,610,429
Total assets	5,987,192	6,130,617
Long-term liabilities outstanding	231,465	318,732
Other liabilities	207,035	236,061
Total liabilities	438,500	554,793
Net assets		
Invested in capital assets, net of related debt	2,542,592	2,429,043
Restricted	253,397	181,741
Unrestricted	2,752,703	2,965,040
Total net assets	**5,548,692**	**5,575,824**
Change in net asset	**$ (27,132)**	**(39,153)**

Capital Assets

The County of Sagadahoc's investment in capital assets for its governmental activities as of June 30, 2011 amounts to $2,542,592 (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings, machinery and equipment and vehicles. The total decrease in the County's investment in capital assets for the current fiscal year was $67,837 or 2.67% of total capital assets. (See above 2010 Capital Assets of $2,610,429 – 2011 capital assets of $2,542,592 = $67,837).

REVENUES AND EXPENDITURES
(ALL GOVERNMENT FUNDS – Statements 4)

Revenue

Total County revenue, for the fiscal year ended June 30, 2011, was $8,206,399 ($5,517,399 in General Fund; $2,448,422 for Corrections; $240,578 Other Funds). The revenue was derived from the following sources:

	General Fund	Corrections	Capital & Other Funds	Total
County tax assessments	$ 4,936,383	2,295,849	-	7,232,232
Fees	406,522	-	-	406,522
Grants and intergovernmental	45,861	152,573	240,578	439,012
Charges for services	72,588	-	-	72,588
Investment income	8,574	-	-	8,574
Other	47,471	-	-	47,471
Total Revenue	$ 5,517,399	2,448,422	240,578	8,206,399

Expenditures

	General Fund	Corrections	Capital & Other Funds	Total
General Government	$ 2,093,768	-	-	2,093,768
Public Safety	2,279,863	-	-	2,279,863
Corrections	-	2,360,817	-	2,360,817
Miscellaneous	-	-	150,662	150,662
Debt Service – Jail Bond	1,024,013	-	-	1,024,013
Capital Lease Payments	193,062	-	-	193,062
Capital Outlay	-	26,613	191,067	217,680
Total Expenditures	$ 5,590,706	2,387,430	341,729	8,319,865

GENERAL FUND

In 2010-2011 the County collected revenue in the amount of $5,517,399 which is $36,048 more than the revenues collected in 2009-2010. The amount of revenue collected by the County through tax assessments to municipalities of general operations, $4,936,383 remained the same in 2010-2011 as it was in year 2009-2010.

Total County general fund expenditures, for the fiscal year ended June 30, 2011, were $5,713,769. See Statements 6 and detail below. Total County general fund expenditures for the current year were $314,979 higher than the total County general fund expenditures for the prior year. The budgeted funding gap created by the excess of expenditures over revenues was satisfied by applying a portion of the undesignated fund balance that existed as of June 30, 2010 to offset the amount the County needed to raise from taxes (as allowed by law).

General Fund	2011	2010
Total Revenues	$ 5,517,399	5,481,351
(Increase) in revenues compared to prior year	36,048	(364,636)
Total Expenditures for non-corrections services	5,590,706	5,275,727
(Increase) in expenditures compared to prior year	314,979	(3,140)
EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER (UNDER) EXPENDITURES	**$ (73,307)**	**205,624**

During the fiscal year ended June 30, 2011, the General fund Fund Balance decreased by $196,370 over the prior year.

Fund Balance - General Fund, beginning of year (restated)	$ 2,737,159
Fund Balance - General Fund, end of year	2,540,789
Net Change in fund balance – General Fund	$ (196,370)

General Fund Balance

At the end of the current fiscal year, the total amount of funds in the General Fund Balance was $2,540,789 which was made up of $252,073 Committed, $761,764 Assigned, and $1,526,952 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 $187,000, is part of the committed fund balance.

CORRECTION SERVICES FUND

In 2010-2011 the County collected correction services fund revenue in the amount of $2,448,422 which is $118 less than the revenues collected in 2009-2010. However, the amount of revenue collected by the County through tax assessments to municipalities for correction services operations, $2,295,849, remained the same in 2010-2011 as it was in year 2009-2010.

Total County correction services fund expenditures, for the fiscal year ended June 30, 2011, were $2,387,430. See Statements 6 and detail below. Total County correction services fund expenditures for the current year were $29,243 lower than the total County correction services fund expenditures for the prior year.

Correction Services Fund Revenues	2011	2010
Total Revenues for Corrections services	$ 2,448,422	2,448,304
(Increase) in revenues compared to prior year	118	-
Total Expenditures for Corrections related services	2,387,430	2,416,673
(Increase) in expenditures compared to prior year	29,243	-
EXCESS (DEFICIENCY) OF GENERAL FUND REVENUES OVER (UNDER) EXPENDITURES	**$ 60,992**	**31,631**

During the fiscal year ended June 30, 2011, the correction services Fund Balance increased by $60,992 over the prior year.

Fund Balance – Corrections, beginning of year	$ 31,030
Fund Balance – Corrections, end of year	92,022
Net Change in fund balance – Corrections	$ 60,922

OTHER GOVERNMENTAL FUNDS

State statutes also allow the Commissioners to appropriate net assets for expenditures to be made in future years for capital expenditures, and "other governmental funds". Other Governmental Funds consist of special revenues 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-1 of the financial audit.

DEBT ADMINISTRATION

Debt

In early 2009, the County used lease financing to acquire a building adjacent to the county courthouse to be used as office space. The County entered into a lease purchase agreement in the amount of $250,000 with Gorham Leasing for a term of five years at 4.58% interest. Principal lease payments totaling $181,386 were made in the current year, bringing the balance due to $0. (See Debt Schedule in footnotes).

In 2001, the County partnered with Lincoln County to form a multi-county jail authority. The Counties entered into a cost sharing agreement, and Sagadahoc County will be obligated to share operating and capital costs. The Lincoln and Sagadahoc Multicounty Jail Authority sold revenue bonds totaling $24,600,000 in June 2005. The County of Sagadahoc guaranteed the repayment of one half of these bonds or $12,300,000. This is a twenty year note at an average interest rate of 4.13%. The County's share of the remaining balance at June 30, 2011 is $9,625,000 (see Overlapping Debt and Joint Venture footnotes).

Economic Factors and Next Year's Budgets and Rates

According to State statute, the County Commissioners shall use any unencumbered surplus funds in excess of 20% of the amount to be raised by taxation in the following fiscal year to reduce the tax levy in that year. During the current fiscal year, fund balances in the general fund decreased by $196,370 to produce an unassigned fund balance of $1,526,952. Twenty percent of the estimated tax of $7,232,232 is $1,446,446. The Commissioners voted to apply $761,746 from surplus toward the budget for fiscal year 2011 which was based on preliminary estimates of undesignated fund balance.

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 requires 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") is $2,295,849. In addition to the CAP funds raised through taxes, Sagadahoc County receives Community Corrections Act (CCA) funds from the State. For budget year 2010-2011 Sagadahoc County received $152,573 in CCA funds, all of which were dedicated to Adult Alternative Sentencing Programs.

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 affect 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 for 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 Jail Consolidation legislation voted to change the cost sharing agreement, and Lincoln County and Sagadahoc County will now each pay 50% of the TBRJ operations budget. Therefore, commencing January 1, 2012, Sagadahoc County's CAP will increase to $2,657,105.

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 above).

Corrections funds in the amount of $2,387,430 (Statement 6a) were expended as follows:

Two Bridges Regional Jail Assessment for Operations	$ 1,994,795
County Services for Prisoner Transport	196,022
Adult Alternative Sentencing Programs	170,000
Capital Purchases	26,613
Total Expenditures	2,387,430
Total Revenues	2,448,422
Less Expenditures	2,387,430
End of Year Corrections Surplus	$ 60,992

Note: Authorization for the purchase of a new prisoner transport truck was approved by the Commissioners during the 2009-2010 budget year, however, the purchase was not made until fiscal year 2010-11.

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 Finance Director, Fay Labbe, 752 High Street, Bath, Maine, 04530.

COUNTY OF SAGADAHOC, MAINE
Statement of Net Assets
June 30, 2011

		Governmental Activities
ASSETS		
Cash and cash equivalents	$	3,430,397
Receivables:		
Accounts		14,203
Capital assets not being depreciated		62,198
Capital assets (net of accumulated depreciation)		2,480,394
Total assets		5,987,192
LIABILITIES		
Accounts payable and other current liabilities		207,035
Accrued compensated absences		231,465
Total liabilities		438,500
NET ASSETS		
Invested in capital assets, net of related debt		2,542,592
Restricted		253,397
Unrestricted		2,752,703
Total net assets	**$**	**5,548,692**

See accompanying notes to financial statements.

COUNTY OF SAGADAHOC, MAINE
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs		Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets – Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets – Primary Government: Total
Primary government:							
Governmental activities:							
General government	$	2,257,044	406,522	-	-	(1,850,522)	(1,850,522)
Public safety		3,425,656	72,588	186,649	-	(3,166,419)	(3,166,419)
Correction services		2,364,845	-	152,573	-	(2,212,272)	(2,212,272)
Miscellaneous		150,662	-	-	-	(150,662)	(150,662)
Capital maintenance		23,648	-	-	-	(23,648)	(23,648)
Interest on long-term debt		11,676	-	-	-	(11,676)	(11,676)
Total governmental activities		8,233,531	479,110	339,222	-	(7,415,199)	(7,415,199)
Total primary government	**$**	**8,233,531**	**479,110**	**339,222**	-	**(7,415,199)**	**(7,415,199)**
General revenues:							
Tax assessments						7,232,232	7,232,232
Miscellaneous						147,261	147,261
Unrestricted investment earnings						8,574	8,574
Total general revenues						7,388,067	7,388,067
Changes in net assets						(27,132)	(27,132)
Net assets - beginning, as restated						5,575,824	5,575,824
Net assets - ending						**$ 5,548,692**	**5,548,692**

See accompanying notes to financial statements.

COUNTY OF SAGADAHOC, MAINE
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Correction Services Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 3,211,749	-	-	218,648	3,430,397
Receivables:					
Accounts	14,203	-	-	-	14,203
Due from other funds	-	92,022	351,357	34,749	478,128
Total assets	**$ 3,225,952**	**92,022**	**351,357**	**253,397**	**3,922,728**
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	170,830	-	-	-	170,830
Accrued wages and benefits payable	36,205	-	-	-	36,205
Due to other funds	478,128	-	-	-	478,128
Total liabilities	685,163	-	-	-	685,163
Fund balances:					
Restricted - grants	-	-	-	253,397	253,397
Committed	252,073	-	351,357	-	603,430
Assigned to 2011-12 budget	761,764	-	-	-	761,764
Unassigned	1,526,952	92,022	-	-	1,618,974
Total fund balances	2,540,789	92,022	351,357	253,397	3,237,565
Total liabilities and fund balances	**$ 3,225,952**	**92,022**	**351,357**	**253,397**	

Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	2,542,592
Long-term liabilities (accrued compensated absences) are not due and payable in the current period and therefore are not reported in the funds.	(231,465)
Net assets of governmental activities	**$ 5,548,692**

See accompanying notes to financial statements.

COUNTY OF SAGADAHOC, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Correction Services Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 4,936,383	2,295,849	-	-	7,232,232
Fees	406,522	-	-	-	406,522
Intergovernmental	45,861	152,573	-	240,578	439,012
Charges for services	72,588	-	-	-	72,588
Interest	8,574	-	-	-	8,574
Other	47,471	-	-	-	47,471
Total revenues	5,517,399	2,448,422	-	240,578	8,206,399
Expenditures:					
Current:					
General government	2,093,768	-	-	-	2,093,768
Public safety	2,279,863	-	-	-	2,279,863
Correction services and transport	-	2,360,817	-	-	2,360,817
Miscellaneous	-	-	-	150,662	150,662
Debt service (Jail Authority):					
Principal	615,000	-	-	-	615,000
Interest	408,763	-	-	-	408,763
Capital lease payments	193,062	-	-	-	193,062
Admin fee	250	-	-	-	250
Capital outlay	-	26,613	191,067	-	217,680
Total expenditures	5,590,706	2,387,430	191,067	150,662	8,319,865
Excess (deficiency) of revenues over (under) expenditures	(73,307)	60,992	(191,067)	89,916	(113,466)
Other funding sources (uses):					
Transfers to other funds	(123,063)	-	104,561	18,502	-
Total other financing sources and (uses)	(123,063)	-	104,561	18,502	-
Net changes in fund balances	(196,370)	60,992	(86,506)	108,418	(113,466)
Fund balances, beginning of year, restated	2,737,159	31,030	437,863	144,979	3,351,031
Fund balances, end of year	**$ 2,540,789**	**92,022**	**351,357**	**253,397**	**3,237,565**

See accompanying notes to 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, 2011

Net change in fund balances - total governmental funds	$	(113,466)
Amounts reported for governmental activities in the statement of activities are different because:		
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. This is the amount by which depreciation expense ($250,875) exceeded capital outlay ($194,032) and loss on disposal of assets($10,994).		(67,837)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, interest is expended when paid in the governmental funds, but accrued in the statement of activities. This is the amount of the capital lease principal repayment.		181,386
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the increase in accrued compensated absences		(27,215)
Change in net assets of governmental activities	**$**	**(27,132)**

See accompanying notes to 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, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes:				
Tax assessments	$ 4,936,383	4,936,383	4,936,383	-
Total taxes	4,936,383	4,936,383	4,936,383	-
Fees:				
District attorney	1,400	1,400	6,132	4,732
Register of deeds	200,000	200,000	314,106	114,106
Register of probate	45,000	45,000	86,284	41,284
Total fees	246,400	246,400	406,522	160,122
Intergovernmental:				
Federal:				
Emergency management agency	32,000	32,000	45,861	13,861
State:				
Court fine surcharge	850	850	-	(850)
Total intergovernmental	32,850	32,850	45,861	13,011
Charges for services:				
Civil process	55,000	55,000	64,652	9,652
Sheriff's department	1,500	1,500	7,936	6,436
Total charges for services	56,500	56,500	72,588	16,088
Interest earned	20,000	20,000	8,574	(11,426)
Other revenues:				
Reimbursements and refunds				
Fuel tax refund	8,000	8,000	8,496	496
Miscellaneous	14,000	14,000	38,975	24,975
Total other revenues	22,000	22,000	47,471	25,471
Total revenues	5,314,133	5,314,133	5,517,399	203,266

COUNTY OF SAGADAHOC, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2011

	General Fund			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
EXPENDITURES				
Current:				
General government:				
Superior Court	$ 5,225	5,225	5,776	(551)
District attorney	172,750	172,750	173,652	(902)
Administration	412,410	412,410	404,064	8,346
Buildings	179,150	179,150	174,366	4,784
Register of deeds	157,718	157,718	147,395	10,323
Register of probate	141,706	141,706	133,539	8,167
Employee benefits	969,070	969,070	927,578	41,492
Insurance	83,390	83,390	76,351	7,039
Unfunded liability	20,000	20,000	-	20,000
Program grants	43,500	43,500	51,047	(7,547)
Total general government	2,184,919	2,184,919	2,093,768	91,151
Public safety:				
Emergency Management Agency	87,404	87,404	84,504	2,900
Sheriff's department	1,343,874	1,343,874	1,299,274	44,600
Civil process	33,886	33,886	95,053	(61,167)
Communications	886,377	886,377	801,032	85,345
Total public safety	2,351,541	2,351,541	2,279,863	71,678
Two Bridges Jail debt service:				
Principal	615,000	615,000	615,000	-
Interest	408,763	408,763	408,763	-
Capital lease payments	193,063	193,063	193,062	1
Admin Fee	250	250	250	-
Total debt service	1,217,076	1,217,076	1,217,075	1
Total expenditures	5,753,536	5,753,536	5,590,706	162,830
Excess (deficiency) of revenues over (under) expenditures	(439,403)	(439,403)	(73,307)	366,096
OTHER FINANCING SOURCES (USES)				
Budgeted use of surplus	550,202	550,202	-	(550,202)
Transfers to other funds - special revenue	(6,238)	(6,238)	(6,238)	-
Transfers to other funds - capital projects	(104,561)	(104,561)	(116,825)	(12,264)
Total other financing sources and (uses)	439,403	439,403	(123,063)	(562,466)
Net changes in fund balances	-	-	(196,370)	(196,370)
Fund balance, beginning of year, as restated			2,737,159	
Fund balance, end of year			**$ 2,540,789**	

See accompanying notes to 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, 2011

	Correction Services			Variance with Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes:				
Tax assessments	$ 2,295,849	2,295,849	2,295,849	-
Total taxes	2,295,849	2,295,849	2,295,849	-
Intergovernmental:				
State:				
Community corrections	152,456	152,456	152,573	117
Total intergovernmental	152,456	152,456	152,573	117
Total revenues	2,448,305	2,448,305	2,448,422	117
EXPENDITURES				
Current:				
Correction services and transport:				
Operations - Two Bridges Jail	1,984,395	1,984,395	1,994,795	(10,400)
Transport programs	288,910	288,910	196,022	92,888
Adult programs	175,000	175,000	170,000	5,000
Capital purchases - Sheriff's vehicles	-	26,247	26,613	(366)
Total expenditures	2,448,305	2,474,552	2,387,430	87,122
Excess (deficiency) of revenues over (under) expenditures	-	(26,247)	60,992	87,239
OTHER FINANCING SOURCES (USES)				
Budgeted use of surplus	-	26,247	-	(26,247)
Net changes in fund balances	-	-	60,992	60,992
Fund balance, beginning of year			31,030	
Fund balance, end of year			**$ 92,022**	

See accompanying notes to financial statements.

COUNTY OF SAGADAHOC, MAINE
Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

		Agency Funds
ASSETS		
Cash and cash equivalents	$	11,099
Total assets		**11,099**
LIABILITIES		
Accounts payable		5,468
Due to other governments		5,631
Total liabilities	**$**	**11,099**

See accompanying notes to 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 an approximate population of 34,000. 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 defining the reporting entity for financial reporting purposes, management has considered potential component units by applying criteria set forth in Statement 14 of the Governmental Accounting Standards Board, "The Financial Reporting Entity", as amended by Statement 39 of the Governmental Accounting Standards Board, "Determining Whether Certain Organizations are Component Units". 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 assets 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 is 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.

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 Capital Projects Fund accounts for projects that restores and renovates the courthouse and major capital projects not being financed by other funds.

Additionally, the government reports the following fund types:

The special revenue funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including permanent major capital projects).

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities and Net Assets

1. Deposits and Investments

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.

Investments that have a remaining maturity at time of purchase of one year or less are reported at amortized cost. All remaining investments are reported at fair value.

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 receivables/payables". 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. 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 fair 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:

Land Improvements	20 Years
Buildings	40 Years
Vehicles and Equipment	5-10 Years

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

4. Compensated Absences

Full-time employees accrue up to two weeks of vacation per year of employment; three weeks per year after seven years; and four weeks per year after thirteen years.

All employees covered by a collective bargaining agreement having less than fifteen years of continuous service may accumulate a total of 20 days vacation leave and those full-time employees having 15 or more years of continuous service may accumulate 30 days of vacation leave. Employees may not elect to receive cash payments in lieu of unused leave. Generally, unused accrued prorated vacation leave is paid to employees at the time of separation.

Employees covered by the collective bargaining agreement earn one day of sick leave per month up to a maximum of 120 days. Generally, upon separation, the equivalent of one-half accumulated unused sick leave is paid at one-half of the employee's rate of pay. Employees not covered by the collective bargaining agreement earn one day sick leave per month up to a maximum of 90 days. Upon separation in good standing, the equivalent of 20% of the accumulated unused sick leave shall be paid to an employee.

Employees covered by the collective bargaining agreement that have attained 40 hours of work within a work period, may apply for compensatory time for additional hours worked up to 10 hours in any one work period. The employee may use the compensatory time at the discretion of the Department Head. Employees not covered by a collective bargaining agreement may accumulate a maximum of forty hours of compensatory time per year. Any unused time will be paid to employees at the time of separation.

All full time employees, whether in a collective bargaining agreement or not, shall be granted three personal days per fiscal year for the purpose of managing personal business which cannot be taken care of except during regular normal working hours.

A liability for accumulated leave is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. All accumulated leave is accrued when incurred in the government-wide financial statements.

5. 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 assets.

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

6. Fund Equity

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

- *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.
- *Assigned* – r esources 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 has 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.

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

7. 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 and liabilities 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.

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 2011 budget were held in May and June 2010. The County Commissioners approved the budget on June 15, 2010. Sagadahoc County by law assesses taxes to the ten municipalities in its jurisdiction to be apportioned based on the last state valuation. The 2011 tax commitment of $7,232,232 was assessed in August, 2010. Assessments were due September 1, 2010 with interest at 12% payable on November 1, 2010.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There is no difference between the budgetary basis and generally accepted accounting principles (GAAP). 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. Excess of Expenditures over Appropriations

For the year ended June 30, 2011, expenditures exceeded appropriations in the following:

Superior Court	$ 551
District Attorney	902
Program Grants	7,547
Civil Process	61,167

C. 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, 2011, the contingent account balance was $187,036 and is 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, 2011 was $1,526,952.

D. Deficit Fund Equity

The following funds had a deficit fund balance at June 30, 2011:

Wellness Grant	$ 92
VOCA Grant	3,897
Recovery Grant	25,070
Byrne Jag Grant	1,500

CASH AND CASH EQUIVANTS

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, 2011, the County reported deposits of $3,441,495 with bank balances of $3,487,975. The County's deposit policy for custodial credit risk calls for F.D.I.C. insured bank accounts. None of the County's total bank balance was exposed to custodial credit risk.

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 or cash equivalents as follows:

Governmental activities	$ 3,430,397
Agency funds	11,099
Total	**$ 3,441,496**

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	Balance 07/01/10	Additions	Deletions	Balance 06/30/11
Capital assets not being depreciated:				
Land	$ 62,198	-	-	62,198
Capital assets being depreciated:				
Building	2,887,099	52,345	-	2,939,445
Improvements other than buildings	39,000	-	-	39,000
Vehicles	570,525	67,165	(20,890)	616,800
Machinery and equipment	1,327,885	74,522	-	1,402,407
Total capital assets being depreciated	4,824,509	194,032	(20,890)	4,997,652
Less accumulated depreciation for:				
Building	(1,154,740)	(76,822)	-	(1,231,562)
Improvements other than buildings	(15,763)	(1,950)	-	(17,713)
Vehicles	(298,357)	(56,507)	9,896	(344,968)
Machinery and equipment	(807,418)	(115,596)	-	(923,015)
Total accumulated depreciation	(2,276,278)	(250,875)	9,896	(2,517,258)
Total capital assets being depreciated, net	2,548,231	(56,843)	(10,994)	2,480,394
Total capital assets, net	**$ 2,610,429**	**(56,843)**	**(10,994)**	**2,542,592**

CAPITAL ASSETS, CONTINUED

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

General government	$ 164,453
Public safety	86,422
Total depreciation expense	**$ 250,875**

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2011, is as follows:

	Due from	Due to
General fund	$ -	478,128
Jail Fund	92,022	-
Capital projects fund	351,357	-
Other governmental funds	34,749	-
Total	**$ 478,128**	**478,128**

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers in (out):

	General Fund	Capital Projects Fund	Other Governmental Funds
Transfers in (out)	$ (123,063)	104,561	18,502

The $123,063 transferred from the general fund to other governmental funds was for amounts budgeted for various special revenue and capital projects.

OPERATING LEASE

The County has entered into a leasing agreement with the City of Bath to rent a portion of the basement at the old Bath Hospital for use by the Sheriff's Department for storage. The lease term is for five years, commencing on February 1, 2011. Rental expense for the year ended June 30, 2011 was $600.

LONG-TERM DEBT

Changes in long-term liabilities:

The following is a summary of long-term liability transactions of the County for the year ended June 30, 2011:

Issuer	Balance 07/01/10	Additions	Deductions	Balance 06/30/11	Due Within One Year
Lease purchase - Administration building	$ 181,386	-	181,386	-	-
Compensated absences	204,250	27,215	-	231,465	-
Totals	**$ 385,636**	**27,215**	**181,386**	**231,465**	**-**

Assets in the amount of $250,000 have been capitalized under lease agreements and are recorded as equipment in the statement of net assets. The County has approval to issue debt up to $500,000.

OVERLAPPING DEBT

In addition to the debt noted above, the County is contingently responsible for the following debt as of June 30, 2011 (also see Joint Venture note below):

Governmental Unit	Net debt outstanding	Percent Applicable to County	County's share of debt
Lincoln and Sagadahoc Multicounty Jail Authority	$ 19,250,000	50%	9,625,000

The debt of Lincoln and Sagadahoc Multicounty Jail Authority is paid through annual assessments to the County.

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; injuries to employees; and natural disasters for which the County carries insurance. There have been no significant changes in insurance coverage during the past fiscal year. Settlement amounts have not exceeded insurance coverage for the current year or the three (3) prior years.

The County belongs to the Maine County Commissioners Association (MCCA) Risk Pool, for its property and liability exposures. Further information on the MCCA Risk Pool may be obtained by writing them at 11 Columbia Street, Augusta, ME 04330.

For workers compensation, the County participates in the Maine Municipal Association (MMA) Worker's Compensation Pool. Further information on the MMA Worker's Compensation Pool may be obtained by writing them at MMA Risk Management Services, 60 Community Drive, Augusta, ME 04330.

If the assets of either pool are at any time actuarially determined to be insufficient to enable either pool to discharge its legal liability and other obligations and to maintain actuarially sound reserves, either pool has the power to make up the deficiency by the levy of a prorated assessment upon its members for the amount needed to make up the deficiency. There have been no such deficiencies in the past three years. Management believes that no such deficiencies exist at June 30, 2011.

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 revenue bonds in the amount of $24,600,000 on June 1, 2005. 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 $12,300,000. Sagadahoc County's share for fiscal year ending June 30, 2011 was $615,000 (principal) and $408,763 (interest). The outstanding balance of these bonds at June 30, 2011 is $19,250,000. Sagadahoc County's portion of this balance amounts to $9,625,000. Sagadahoc and Lincoln Counties entered into a cost sharing agreement which obligates Sagadahoc County to share in the operating and capital costs of the jail. The share of operating costs is a percentage based upon prisoner population from each County. For the fiscal year that ended June 30, 2011, Sagadahoc County's share was 43% for a total share of $2,015,482.

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, 2010 (the latest available) is as follows:

Total assets	$ 23,196,527
Total liabilities	21,394,721
Net assets	1,801,806
Change in net assets	871,139

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

DEFINED BENEFIT PENSION PLANS

For its participating full time County employees and elected officials, the County of Sagadahoc, Maine contributes to the Consolidated Plan for Participating Local Districts (CPPLD) a cost-sharing multiple employer, defined benefit pension plan administrated by the Maine Public Employees Retirement System (Maine PERS). Maine PERS is established and administered under Maine law. The CPPLD provides retirement and disability benefits, annual cost of living adjustments and death benefits to Plan members and beneficiaries. Maine PERS issues a publicly available financial report that includes financial statements and required supplementary information for the CPPLD. That report may be obtained by writing to the Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

Plan members, other than those engaged in law enforcement, are required to contribute 6.5% of their annual covered salary and the County is required to contribute 3.5%. With the exception of one employee who meets the requirements for a different plan, law enforcement employees, contribute 8.0% and the County is required to contribute 6.6%. The law enforcement officer who falls under the special plan contributes 6.5% and the County contributes 5%. The contribution rates are determined actuarially.

DEFINED BENEFIT PENSION PLANS, CONTINUED

The contribution requirements of the Plan members and the County are established by and may be amended by the State Legislature. The amounts the County was required to contribute to the CPPLD for the years ended June 30, 2011, 2010, 2009, 2008, and 2007 were $104,148, $78,302, $81,065, $72,333 and $79,990, respectively, less amounts from credits as noted below. All required contributions were made by the County. The CPPLD retirement programs provide defined retirement benefits based on a member's average final compensation. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit or, in some cases, the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age is 60. The monthly benefit of members eligible to retire before normal retirement age by virtue of having at least 25 years of service is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. Law enforcement personnel have special provisions that allow them to retire at any age, without a reduction in benefits, after 20 or 25 years of service depending on their individual date of hire.

The County rejoined the Maine Public Employees Retirement System effective July 1, 2002. The County's contribution rates included a joining rate in addition to the payroll rate until June 30, 2007. As a participant of the CPPLD plan, the County is entitled to its initial unfunded unpooled actuarial asset from its previous plan. At June 30, 2007 the remaining balance is $336,241. The County has used credits of $39,300, $47,107, $47,136, $49,601, and $45,180 for the years ended June 30, 2011, 2010, 2009, 2008 and 2007 respectively, to reduce contributions to the CPPLD.

DEFERRED COMPENSATION PLAN

The County offers two deferred compensation plans, 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.

County employees hired prior to July 1, 2002 and not covered by a collective bargaining agreement may participate in a deferred compensation plan created in accordance with Internal Revenue Code Section 457.

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, 2011, the County contributed between 3% and 6% of compensation. Participants are fully vested with respect to the County's contributions after completing a probationary period. The County contributed $5,750 for the year ended June 30, 2011 and employees contributed $20,647 to the plan.

CONTINGENT LIABILITIES

Grants - Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

RECLASSIFIED AND RESTATED FUND BALANCES/NET ASSETS

During fiscal year 2011 the County determined that some balances being presented as Special Revenue were in fact Committed Fund Balances in the General Fund. The beginning fund balances for the General Fund and the Special Revenues Fund were reclassified to reflect the portion of beginning fund balance attributable to the General fund as follows:

	General Fund	Special Revenues Fund
Fund Balance, July 1, 2010, as previously reported	$ 2,630,679	181,741
Portion carried for Committed General Fund	36,762	(36,762)
Fund Balance, July 1, 2010, as reclassified	**$ 2,667,441**	**144,979**

Also during fiscal year 2011, the County determined that accounts payable, withholding and accrued payroll accounts may have been overstated in the prior year. The beginning fund balances / net assets for the General Fund was restated to reflect the overstatement as follows:

	General Fund	Governmental Activities
Fund Balance / net assets, July 1, 2010, as reported	$ 2,667,441	5,506,106
Accounts Payable overstatement	2,814	2,814
Withholding and accrued payroll overstatement	66,904	66,904
Fund Balance, July 1, 2010, as restated	**$ 2,737,159**	**5,575,824**

COMMITTED AND ASSIGNED FUND BALANCES

As of June 30, 2011, the committed and assigned fund balances of the General Fund was made up of the following:

Committed:	
Contingency	$ 187,000
Unfunded Liability Reserve	40,000
Unemployment Reserve	24,371
Insurance Deductible Reserve	702
Total	**$ 252,073**
Assigned:	
Surplus assigned to 2011-12 budget	761,746
Total	**$ 761,746**

As of June 30, 2011 the committed fund balances of the Capital Project Fund was made up of the following:

Committed:	
Exterior Maintenance	$ 267,347
Roof	7,621
HVAC	10,037
Copiers & Laser Printers	20,117
Generator	392
Building Safety, ADA & Code	1,566
Communications	21,500
EMA Vehicle	4,500
Sheriff's Vehicles	18,277
Total	**$ 351,357**

COMBINING AND INDIVIDUAL FUND STATEMENTS

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

COUNTY OF SAGADAHOC, MAINE
Combining Statement of Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2011

	Fund Balance Beginning of year	Revenues: Inter-governmental	Revenues: Transfers in and other	Expenditures	Fund Balance End of year
Grant or program:					
Wellness Grant	$ (68)	1,734	-	1,758	(92)
VOCA Grant	2,827	21,511	6,238	34,473	(3,897)
Deed Preservation Fund	94,849	19,251	-	20,102	93,998
Probate Preservation Fund	8,109	2,554	-	1,354	9,309
MDEA overtime Grant	9,983	850	-	3,298	7,535
Seatbelt initiative Grant	-	1,725	76	1,801	-
Seatbelt Summer Enforcement Grant	(76)	1,827	-	1,751	-
Seatbelt Enforcement	-		2,409	1,041	1,368
OUI Emphasis Grant	2,723	7,738	-	7,084	3,377
Project Alert / DARE	(9,092)	-	12,264	3,172	-
Drug Fund	253	32	-	-	285
Speed Enforcement Grant	12,999	2,960	-	1,194	14,765
Underage Drinking Grant (2010)	1,755	-	3,613	255	5,113
Camera Grant	(2,388)	-	2,388	-	-
Special Detail	2,432	-	-	-	2,432
Recovery Grant	(25,070)	-	-	-	(25,070)
Drug Seized	5,367	5,785	15,709	-	26,861
Byrne Jag Grant	-	8,550	(3,417)	6,633	(1,500)
LEPC State	10,296	456	(59)	964	9,729
LEPC training	1	-	-	-	1
WMD Exercise Fund	809	10,167	-	10,499	477
Homeland Security Grant	808	97,936	(1)	41,671	57,072
Medical collections	1,904	-	-	-	1,904
Miscellaneous - state grants	26,558	57,502	(20,718)	13,612	49,730
Totals	**$ 144,979**	**240,578**	**18,502**	**150,662**	**253,397**

FIDUCIARY FUNDS

FIDUCIARY FUNDS

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

Agency Funds

District Attorney's Restitution Fund

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

Registry of Probate

To account for fees collected on behalf of other agencies.

COUNTY OF SAGADAHOC, MAINE
Combining Balance Sheet
Fiduciary Funds
Agency Fund
June 30, 2011

	D.A.'s Restitution	Probate	Total
ASSETS			
Cash	$ 5,468	5,631	11,099
Total assets	**5,468**	**5,631**	**11,099**
LIABILITIES			
Accounts payable	5,468	-	5,468
Due to other governments	-	5,631	5,631
Total liabilities	**$ 5,468**	**5,631**	**11,099**

COUNTY OF SAGADAHOC, MAINE
Statement of Changes in Assets and Liabilities
Fiduciary Funds
Agency Fund
For the Year Ended June 30, 2011

	Balance July 1, 2010	Additions	Deductions	Balance June 30, 2011
ASSETS				
Cash	$ 10,500	599	-	11,099
Total assets	**10,500**	**599**	**-**	**11,099**
LIABILITIES				
Accounts payable	4,892	576	-	5,468
Due to other governments	5,608	23	-	5,631
Total liabilities	**$ 10,500**	**599**	**-**	**11,099**

STATISTICAL SECTION

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

Contents **Table**

Financial Trends
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time. 1-5

Revenue Capacity
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax. 6-8

Debt Capacity
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future. 9-10

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place. 11

Operating Information
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. 12

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

Table 1

COUNTY OF SAGADAHOC, MAINE
Net Assets by Component
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Governmental activities							
Invested in capital assets, net of related debt	$ 1,808,088	2,284,714	2,130,423	2,470,534	2,477,508	2,429,043	2,542,592
Restricted	1,130,078	1,115,606	646,011	905,348	-	-	253,397
Unrestricted	879,526	1,003,812	1,916,809	1,805,291	3,067,751	3,077,063	2,752,703
Total governmental activities net assets	**$ 3,817,692**	**4,404,132**	**4,693,243**	**5,181,173**	**5,545,259**	**5,506,106**	**5,548,692**

Only seven years have been presented because 2005 was the year GASB Statement No. 34 was implemented.
The amounts shown above do not reflect the restatement of net assets as a result of prior period adjustments or accounting standard changes.

Table 2

COUNTY OF SAGADAHOC, MAINE
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Expenses							
Governmental activities:							
General government	$ 1,815,960	1,520,594	1,728,328	1,875,286	2,031,993	2,077,203	2,257,044
Public safety	3,420,997	3,689,319	6,754,408	6,114,336	5,886,499	3,389,464	3,425,656
Correction services	-	-	-	-	-	2,416,673	2,364,845
Capital maintenance	313,499	339,596	29,818	15,476	-	84,058	23,648
Miscellaneous	209,244	364,317	264,012	254,258	284,176	203,003	150,662
Interest on long-term debt	34,551	18,224	19,128	6,555	14,963	4,595	11,676
Total governmental activities expenses	**5,794,251**	**5,932,050**	**8,795,694**	**8,265,911**	**8,217,631**	**8,174,996**	**8,233,531**
Program Revenues							
Governmental activities:							
Charges for services							
Registrar of Deeds	$ 346,183	379,582	373,680	325,240	291,228	389,262	406,522
Other activities	109,106	176,804	189,547	175,097	185,961	80,480	72,588
Operating grants and contributions	576,914	528,965	501,334	602,234	506,901	297,172	339,222
Capital grants and contributions	46,524	156,660	119,292	-	-	-	-
Total governmental activities program revenues	**1,078,727**	**1,242,011**	**1,183,853**	**1,102,571**	**984,090**	**766,914**	**818,332**
Net (expense) revenue							
Total governmental activities net expenses	$ (4,715,524)	(4,690,039)	(7,611,841)	(7,163,340)	(7,233,541)	(7,408,082)	(7,415,199)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Tax assessments	4,508,954	5,247,887	8,121,370	7,232,233	7,232,232	7,232,232	7,232,232
Jail returned surplus	-	-	-	246,124	265,860	-	-
Miscellaneous				-	55,218	108,191	147,261
Unrestricted interest income	65,767	28,592	268,547	172,913	67,326	28,506	8,574
Total governmental activities	**4,574,721**	**5,276,479**	**8,389,917**	**7,651,270**	**7,620,636**	**7,368,929**	**7,388,067**
Change in Net Assets							
Total governmental activities	**$ (140,803)**	**586,440**	**778,076**	**487,930**	**387,095**	**(39,153)**	**(27,132)**

Only seven years have been presented because 2005 was the year GASB Statement No. 34 was implemented.
The amounts shown above do not reflect the restatement of net assets as a result of prior period adjustments.

Table 3

COUNTY OF SAGADAHOC, MAINE
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006(a)	2007	2008	2009	2010	2011
General Fund:										
Committed	$ 800,526	809,818	861,211	1,130,078	367,669	262,037	262,037	262,037	262,037	252,073
Assigned	-	-	-	-	-	-	-	-	-	761,764
Unassigned	1,403,253	1,562,349	1,313,442	1,068,555	1,247,266	1,968,205	1,822,802	2,335,604	2,368,642	1,526,952
Total general Fund	2,203,779	2,372,167	2,174,653	2,198,633	1,614,935	2,230,242	2,084,839	2,597,641	2,630,679	2,540,789
All Other Governmental Funds:										
Restricted	-	-	-	-	197,541	167,381	163,615	153,912	181,741	253,397
Committed	-	-	-	-	550,396	374,259	679,500	522,253	437,863	351,357
Unassigned, reported in:										
Correction Services Fund	-	-	-	-	-	-	-	-	31,030	92,022
Total all other governmental funds	$ -	-	-	-	**747,937**	**541,640**	**843,115**	**676,165**	**650,634**	**696,776**

(a) Prior to the 2006 financial statements, all activity of Sagadahoc County was accounted for in the General Fund. In 2006 a special revenue fund and a capital projects fund were created to more accurately reflect the activities of the County.

Governmental Accounting Standards Board Statement No. 54 was implemented in 2011. Prior years were restated assuming prior designated fund balances were committed and all other fund balances were unassigned.

Table 4

COUNTY OF SAGADAHOC, MAINE
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	1,402,228	4,456,920	4,114,804	4,508,954	5,247,887	8,121,370	7,232,232	7,232,232	7,232,232	7,232,232
Fees	162,627	405,245	420,859	398,913	451,624	447,702	401,343	353,189	389,262	406,522
Intergovernmental	199,813	393,589	705,430	491,962	539,575	389,453	501,270	681,713	379,177	439,012
Charges for services	52,438	127,350	128,216	129,931	89,986	94,766	89,381	95,622	80,480	72,588
Interest	10,141	43,136	46,800	66,435	39,585	268,549	424,779	78,653	28,506	8,574
Other	36,046	77,078	92,086	57,253	149,832	251,930	104,836	163,317	26,186	47,471
Total revenues	1,863,293	5,503,318	5,508,195	5,653,448	6,518,489	9,573,770	8,753,841	8,604,726	8,135,843	8,206,399
Expenditures										
General government	$ 608,509	1,374,853	1,444,181	1,714,411	1,636,903	1,651,010	1,785,419	1,858,910	1,922,249	2,093,768
Public safety	1,360,361	2,973,522	3,320,473	3,662,618	3,829,004	6,592,799	4,944,468	4,720,489	2,255,871	2,279,863
Correction Services	-	-	-	-	-	-	-	-	2,416,673	2,360,817
Miscellaneous	39,315	97,247	120,402	125,208	364,317	264,012	254,258	284,176	203,003	150,662
Debt service:										
Principal	63,852	604,100	376,731	178,694	156,200	191,811	734,005	615,000	615,000	615,000
Interest	18,710	39,210	33,120	39,227	28,229	18,427	491,543	457,963	437,613	408,763
Capital lease payments	-	-	-	-	-	-	-	43,178	44,994	193,062
Admin fee	-	-	-	-	-	-	-	-	-	250
Capital outlay	79,258	245,998	412,802	313,499	339,596	446,701	388,077	527,236	232,933	217,680
Total expenditures	2,170,005	5,334,930	5,707,709	6,033,657	6,354,249	9,164,760	8,597,770	8,506,952	8,128,336	8,319,865
Excess (deficiency) of revenues over (under) expenditures	(306,712)	168,388	(199,514)	(380,209)	164,240	409,010	156,071	97,774	7,507	(113,466)
Other financing sources (uses)										
Proceeds from borrowing	1,000,000	-	-	404,188	-	-	-	250,000	-	-
Transfer in	-	-	-	-	193,375	492,920	488,602	118,754	173,187	123,063
Transfer out	-	-	-	-	(193,375)	(492,920)	(488,602)	(118,754)	(173,187)	(123,063)
Total other financing sources (uses)	1,000,000	-	-	404,188	-	-	-	250,000	-	-
Net change in fund balance	$ 693,288	168,388	(199,514)	23,979	164,240	409,010	156,071	347,774	7,507	(113,466)
Debt service as a percentage of noncapital expenditures	**3.95%**	**12.64%**	**7.74%**	**3.81%**	**3.07%**	**2.41%**	**14.93%**	**13.45%**	**13.33%**	**12.64%**

Table 5

COUNTY OF SAGADAHOC, MAINE
Program Revenues by Function/Program
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2005	2006	2007	2008	2009	2010	2011
Function/Program							
Governmental activities:							
General government	$ 585,021	453,356	619,110	463,061	413,546	389,262	406,522
Public safety	493,706	399,512	535,884	542,537	570,544	225,195	259,237
Correction Services	-	-	-	-	-	152,457	152,573
Capital Outlay	-	5,594	-	-	-	-	-
Miscellaneous	-	383,549	28,859	96,973	-	-	-
Total governmental activities	**$ 1,078,727**	**1,242,011**	**1,183,853**	**1,102,571**	**984,090**	**766,914**	**818,332**

Only seven years have been presented because 2005 was the year GASB Statement No. 34 was implemented.

Table 6

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

Fiscal Year	State Valuation (a)	County Tax	Total Direct Tax Value (b)
2002	$ 2,142,750,000	1,402,228	0.6544
2003	2,142,750,000	4,456,920	2.0800
2004	2,370,500,000	4,114,804	1.7358
2005	2,674,700,000	4,508,954	1.6858
2006	3,120,800,000	5,242,944	1.6800
2007 (c)	3,608,800,000	8,120,000	2.2500
2008	4,161,650,000	7,232,232	1.7378
2009	4,527,600,000	7,232,232	1.5974
2010	4,704,200,000	7,232,232	1.5374
2011	4,558,500,000	7,232,232	1.5865

(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.

(c) The large increase in taxes for fiscal year 2007 is due primarily to the construction and operation of Two Bridges Regional Jail.

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

Fiscal Year	Arrowsic	Bath	Bowdoin	Bowdoinham	Georgetown	Phippsburg	Richmond	Topsham	West Bath	Woolwich	Total
2002(a)	$ 28,434	359,171	71,952	78,005	112,263	161,606	96,263	296,380	93,155	104,999	1,402,228
2003	90,376	1,141,608	228,696	247,936	356,824	513,656	305,968	942,032	296,088	333,736	4,456,920
2004	85,490	1,032,824	204,048	226,614	351,854	459,650	266,017	874,515	297,436	316,356	4,114,804
2005	99,292	1,095,757	219,067	231,879	424,226	526,637	273,686	935,270	316,168	386,971	4,508,954
2006	108,864	1,265,880	246,456	267,288	530,796	615,048	300,048	1,068,564	399,756	440,244	5,242,944
2007(b)	150,979	1,858,321	403,097	421,660	862,446	1,012,075	459,461	1,665,829	621,128	665,004	8,120,000
2008	135,203	1,626,955	345,220	399,527	851,882	980,656	410,649	1,378,185	550,631	553,324	7,232,232
2009	138,136	1,633,038	338,468	399,219	844,002	1,008,896	430,318	1,319,159	555,435	565,561	7,232,232
2010	151,154	1,516,599	357,272	411,514	809,287	994,432	459,247	1,402,330	558,328	572,069	7,232,232
2011	153,323	1,489,840	373,906	423,809	820,858	1,018,298	444,059	1,329,284	563,391	615,464	7,232,232

(a) In 2002, Sagadahoc County changed its fiscal year from a calendar year ending December 31 to a fiscal year ending June 30. Taxes were assessed for a six month period to cover the period from January 1, 2002 to June 30, 2002. Taxes were also assessed in 2002 for the 2002-2003 fiscal year that included July 1, 2002 to June 30, 2003.

(b) The large increase in taxes for fiscal year 2007 is due primarily to the construction and operation of Two Bridges Regional Jail. A bill was enacted by the Maine State Legislature in 2003 to create the Lincoln and Sagadahoc Multicounty Jail Authority for the purpose of building and operating a new jail. In a cost sharing agreement between the two counties, each county is to pay one half of the debt service and capital expense. The operating expense is to be paid based on prison population from each county. The Jail Authority issued revenue bonds June 1, 2005 in the amount of $24,600,000 with the first principal payment due December 1, 2006. The jail opened and began operating in December of 2006. Sagadahoc County's estimated share of operating expenditures was 43% but the Commissioners opted to raise 50% of the operating budget due to the uncertainty of the cost to operate the new facility.

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

	2011			2000		
Taxpayer	State Taxable Assessed Valuation	Rank	Percentage of State Taxable Assessed Valuation	State Taxable Assessed Valuation	Rank	Percentage of Total Taxable Assessed Valuation
Bath	$ 939,100,000	1	20.60%	501,950,000	1	26.98%
Topsham	837,800,000	2	18.38%	385,950,000	2	20.75%
Phippsburg	641,600,000	3	14.07%	222,100,000	3	11.94%
Georgetown	517,300,000	4	11.35%	151,250,000	5	8.13%
Woolwich	388,150,000	5	8.51%	145,050,000	4	7.80%
West Bath	355,050,000	6	7.79%	122,050,000	6	6.56%
Richmond	279,950,000	7	6.14%	109,500,000	7	5.89%
Bowdoinham	267,200,000	8	5.86%	101,300,000	8	5.45%
Bowdoin	235,750,000	9	5.17%	87,250,000	9	4.69%
Arrowsic	96,600,000	10	2.12%	33,950,000	10	1.82%
	$ 4,558,500,000		**100.00%**	**1,860,350,000**		**100.00%**

The County of Sagadahoc receives one hundred percent of its tax revenue from the ten towns within its boundaries. All taxes levied have been collected.

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

Fiscal Year	General Obligation Bonds	Capital Lease	Governmental Expense Bond	Total Primary Government	Population (a)	Per Capita Income (a)	Personal Income	Percentage of Personal Income	Per Capita	Percentage of Estimated State Taxable Value of Property (b)
2002	$ 300,000	246,249	1,000,000	1,546,249	35,214	19,533	687,835,062	0.22%	79.16	0.07%
2003	240,000	156,614	455,900	852,514	35,214	19,533	687,835,062	0.12%	43.64	0.04%
2004	180,000	61,695	198,600	440,295	35,214	19,533	687,835,062	0.06%	22.54	0.02%
2005	120,000	358,268	162,400	640,668	35,214	19,533	687,835,062	0.09%	32.80	0.02%
2006	60,000	290,228	66,200	416,428	35,214	19,533	687,835,062	0.06%	21.32	0.01%
2007	-	225,861	-	225,861	35,214	19,533	687,835,062	0.03%	11.56	0.01%
2008	-	-	-	-	35,214	19,533	687,835,062	0%	-	0%
2009	-	221,785	-	221,785	35,214	19,533	687,835,062	0.03%	11.35	0%
2010	-	181,386	-	181,386	35,214	26,769	942,643,566	0.02%	6.78	0%
2011	-	-	-	-	35,293	26,769	944,758,317	0%	-	0%

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

(b) See Table 6.

COUNTY OF SAGADAHOC, MAINE
Legal Debt Margin Information
June 30, 2011

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 2011

State Valuation	$ 4,558,500,000
Debt Limit - 15% of State Valuation	683,775,000
Less outstanding debt applicable to debt limit	-
Legal Debt Margin	**$ 683,775,000**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 3,214,125,000	321,412,500	355,575,000	401,205,000	468,120,000	541,320,000	624,247,500	679,140,000	705,630,000	683,775,000
Total debt applicable to limit	1,546,249	852,514	440,295	640,668	416,428	225,861	-	221,785	181,386	-
Legal debt margin	**$ 3,212,578,751**	**320,559,986**	**355,134,705**	**400,564,332**	**467,703,572**	**541,094,139**	**624,247,500**	**678,918,215**	**705,448,614**	**683,775,000**
Total debt applicable to the limit as a percentage of debt limit	0.05%	0.27%	0.12%	0.16%	0.09%	0.04%	0.00%	0.03%	0.03%	0%

Table 11

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

Fiscal Year	Population (a)	Personal Income	Per Capita Personal Income (a)	Median Age (a)	Unemployment Rate (b)
2002	35,214	$ 717,590,892	20,378	38.00	3.50%
2003	35,214	717,590,892	20,378	38.00	3.50%
2004	35,214	717,590,892	20,378	38.00	3.90%
2005	35,214	717,590,892	20,378	38.00	3.70%
2006	35,214	717,590,892	20,378	38.00	4.30%
2007	35,214	717,590,892	20,378	38.00	4.00%
2008	35,214	717,590,892	20,378	38.00	4.00%
2009	35,214	717,590,892	20,378	38.00	7.00%
2010	35,214	942,643,566	26,769	38.00	7.00%
2011	35,293	944,758,317	26,769	38.00	7.00%

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

(b) State of Maine Department of Labor, Division of Economic Analysis and Research .

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

	Fiscal Year									
Function	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
General government										
Administration (a)	11	10.5	10.5	10	10	9	8	8.5	9	9.5
District Attorney	2	2	3	3	3	3	3	4	4	4
D. A. Grant Positions	1	1	2	2	2	2	2	1	1	1
Registrar of Deeds (c)	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3	3	3
Register of Probate	3.5	3.5	3.5	3.5	3.5	3.5	3.5	2.5	3.5	3.5
Public safety										
Sheriff	17.5	17.5	16.5	16.5	16.5	20	20	21	21	21
Sheriff Grant Positions	2	2	-	-	-	1	1	-	-	-
Transport/Corrections (d)	7.5	9	11	11.5	11.5	8	8	5	4.5	5.5
Communications (b)	10.5	10.5	10.5	14.5	14.5	14.5	14	15	15	16
Emergency Management	1	1	1	1	1	1.5	1.5	1.5	1.5	1.5
Total	**59.5**	**60.5**	**61.5**	**65.5**	**65.5**	**66**	**64.5**	**61.5**	**62.5**	**65**

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 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.

(a) In fiscal year 2007, several departments were combined to form an Administration Department. Data from prior years has been combined to be consistent with curr organization.

(b) In 2005 the Communications Center began dispatching for the Town of Topsham and added additional staff to handle the additional work load.

(c) In fiscal year 2008, the part time person from the Registrar of Deeds became the part time person within the Administration office.

(d) In fiscal year 2008, the State of Maine combined the County Jails with the State Corrections, Sagadahoc County now has minimal staff within the Transport Division.