

Audited Financial Statements

Jail Department of the County of  
Androscoggin, Maine

June 30, 2015



*Proven Expertise and Integrity*

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

CONTENTS

JUNE 30, 2015

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
<u>BASIC FINANCIAL STATEMENTS</u>	
STATEMENT A - BALANCE SHEET - GOVERNMENTAL FUNDS	4
STATEMENT B - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	5
STATEMENT C - STATEMENT OF FIDUCIARY NET POSITION – AGENCY FUNDS	6
NOTES TO FINANCIAL STATEMENTS	7 - 16
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	17
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS - BUDGET AND ACTUAL – GENERAL FUND	18



*Proven Expertise and Integrity*

## INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
County of Androscoggin, Maine  
Auburn, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the Jail Department of the County of Androscoggin, Maine, a department of the County of Androscoggin Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
www.rhrsmith.com

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

#### Basis for Adverse Opinions

As discussed in Note 1, the financial statements of the Jail Department of the County of Androscoggin, Maine are intended to present the financial position, and the changes in financial position and, where applicable, cash flows of only that portion of each major fund and the aggregate remaining fund information of the County of Androscoggin, Maine that is attributable to the transactions of the Jail Department of the County of Androscoggin, Maine. Accounting principles generally accepted in the United States of America require that the County of Androscoggin, Maine's financial statements present the governmental activities, each major fund, and the aggregate remaining fund information of the County of Androscoggin, Maine.

#### Basis for Adverse Opinions

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinions" paragraph, the financial statements referred to above do not present fairly the financial position of the County of Androscoggin, Maine as of June 30, 2015, or the changes in financial position or cash flows thereof for the year then ended.

#### Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Jail Department of the County of Androscoggin, Maine as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Other Matters

##### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedule – budgetary basis – budget and actual – general fund on page 18 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the

information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted a management's discussion and analysis, capital assets, depreciation on capital assets, debt, and other disclosures that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required 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. These financial statements have been prepared for the purposes of the State of Maine. Our opinion on the basic financial statements is not affected by this missing information.

*R.H.R. Smith & Company*

Buxton, Maine  
April 22, 2016

STATEMENT A

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<u>General Fund</u>
<b>ASSETS</b>	
Due from other governments	\$ 205,862
Due from State of Maine/accrued compensated absences	<u>115,100</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 320,962</u></u>
 <b>LIABILITIES</b>	
Accounts payable	\$ 105,401
Accrued payroll	74,449
Accrued compensated absences	<u>115,100</u>
<b>TOTAL LIABILITIES</b>	<u><u>294,950</u></u>
 <b>FUND BALANCES</b>	
Nonspendable	-
Restricted	-
Committed	-
Assigned	-
Unassigned	<u>26,012</u>
<b>TOTAL FUND BALANCES</b>	<u><u>26,012</u></u>
 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	 <u><u>\$ 320,962</u></u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT B

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund
REVENUES	
Taxes	\$ 4,287,340
Intergovernmental revenues	1,381,973
Charges for services	58,397
Miscellaneous revenues	60,631
TOTAL REVENUES	5,788,341
EXPENDITURES	
Current:	
Personnel	4,135,168
Contract services	673,179
Vehicles and travel	21,166
Utilities	253,259
Repairs and maintenance	79,340
Insurance	109,866
Jail surcharges	132,672
Other	5,595
Commodities	368,160
Capital outlay	21,142
TOTAL EXPENDITURES	5,799,547
EXCESS REVENUES OVER (UNDER) EXPENDITURES	(11,206)
OTHER FINANCING SOURCES (USES)	
Transfers in	-
Transfers (out)	-
TOTAL OTHER FINANCING SOURCES (USES)	-
NET CHANGE IN FUND BALANCES	(11,206)
FUND BALANCES - JULY 1	37,218
FUND BALANCES - JUNE 30	\$ 26,012

See accompanying independent auditors' report and notes to financial statements.

STATEMENT C  
JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF FIDUCIARY NET POSITION - AGENCY FUNDS  
JUNE 30, 2015

	<u>Inmate Benefit Account</u>
ASSETS	
Cash	\$ 95,979
Accounts receivable (net of allowance for uncollectibles)	21,955
TOTAL ASSETS	<u>\$ 117,934</u>
LIABILITIES	
Accounts payable	\$ 17,080
Deposits held for others	100,854
TOTAL LIABILITIES	<u>\$ 117,934</u>

See accompanying independent auditors' report and notes to financial statements.



JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Jail is a Department of the County of Androscoggin, Maine. This Department has been separated out from the County for the purposes of State regulatory agencies. The financial statements of the County of Androscoggin, Maine have been issued in a separate report dated March 22, 2015 for the year ended December 31, 2014. Therefore, the financial statements that follow present only the operations for the Department and are not intended to present fairly the financial position and results of operations of the County of Androscoggin, Maine in accordance with generally accepted accounting principles (GAAP). Certain disclosures relevant to the County of Androscoggin, Maine and the Jail Department have been omitted from these financial statements and have been disclosed in the County's financial statements.

The Department's financial statements are prepared, in most part, in accordance with generally accepted accounting principles (GAAP). Because these statements are a special purpose report, they do not need to follow GAAP. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Department's combined financial statements include all accounts and all operations of the Department. We have determined that the Department has no component units as described in GASB Statement No. 14, as amended by GASB Statements No. 39 and No. 61.

**Measurement Focus - Fund Financial Statements**

The financial transactions of the Department are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The Department has no component units that are fiduciary in nature.

The following fund types are used by the Department:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

resources) rather than upon net income. The following is a description of the governmental funds of the Department:

- a. The General Fund is the general operating fund of the Department. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Department programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The Department has no nonmajor funds.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due. Also, a liability for accrued compensated absences has been recorded along with an offsetting asset from the State of Maine. Most of these amounts are not current, and therefore are not presented on the modified accrual basis of accounting.

**Budget**

The Department's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. The State Board of Corrections approves the budget and is the final decision makers.

**Deposits and Investments**

The Department's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Department's policy to value investments at fair value. None of the Department's investments are reported at amortized cost. The Department Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

**Interfund 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 "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2015.

**Pensions**

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

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Department is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Department. The inhabitants of the Department through Board meetings are the highest level of decision-making

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

authority of the Department. Commitments may be established, modified, or rescinded only through a Board meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Corrections.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Department considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Department considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board meeting vote has provided otherwise in its commitment or assignment actions.

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end.

**Use of Estimates**

During the preparation of the Department's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Department's investment policies, which follow state statutes, authorize the Department to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Department funds.

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Department will not be able to recover its deposits. The Department does not have a policy covering custodial credit risk for deposits. However, the Department maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2015, the Department's cash balance of \$95,979 was comprised of bank deposits amounting to \$95,979. All of these deposits were insured by federal depository insurance and consequently were not exposed to custodial credit risk.

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Department will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Department does not have a policy for custodial credit risk for investments.

At June 30, 2015, the Department had \$0 of investments.

Credit risk – Statutes for the State of Maine authorize the Department to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Department does not have an investment policy on credit risk.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Department does not have a policy related to interest rate risk.

The Department has determined that it has complied with state and federal laws governing the investment of public funds.

NOTE 3 - RISK MANAGEMENT

The Department 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. During fiscal year 1998, the Department contracted with Maine County Commissioners Association Self-Funded Risk Management Pool for property insurance and general liability insurance. Property coverage is \$154,293,568,

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 3 - RISK MANAGEMENT (CONTINUED)

\$10,000,000 per occurrence and in the aggregate annually for the peril of flood, and \$10,000,000 per occurrence and in the aggregate annually for the peril of earthquake. The deductible for property coverage is \$1,000 per occurrence.

Professional liability is protected by the Maine County Commissioners Association Self-Funded Risk Management Pool with a \$1,000,000 single occurrence limit and no deductible. Vehicles are covered by Maine County Commissioners Association Self-Funded Risk Management Pool and hold a \$1,000 deductible for comprehensive and a \$1,000 deductible for collision. Automobile liability has a \$1,000,000 combined single limit of liability. The above mentioned risk pool can make special assessments to its members if the risk pool is experiencing financial troubles. No special assessments have been made to its members since the inception of the risk pool.

The Department pays the State Workers' Compensation Fund a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

The Department provides life insurance and accidental death and dismemberment insurance to most employees through Maine Municipal Employees Health Trust.

The County is self-funded regarding unemployment compensation. The County reimburses the State of Maine, who pays the former County employees while unemployed, for all valid unemployment claims.

There were no significant reductions in insurance coverage during the year. The Department did not have any claims that exceeded insurance coverage in each of the past three years.

The overall responsibility and liability for any types of losses, insurances or claims lies with the County.

NOTE 4 - CONTINGENT LIABILITIES

The Department participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2015, have not yet been conducted. Accordingly, the Department's compliance with applicable grant requirements will be established at some future date. The expenditure amounts, if any, which may be disallowed by granting agencies cannot be determined.

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

**Plan Description**

Department employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (800) 451-9800.

**Benefits Provided**

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.



JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 5 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Contributions**

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Department's law enforcement and corrections officers plan members are required to contribute 8.0% of their annual covered salary and the Department is required to contribute at an actuarially determined rate. The current rate is 9.1% of covered payroll. The contribution rates of plan members and the Department are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Department's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2015 was \$215,271.

NOTE 6 - OVER EXPENDED APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

	<u>Excess</u>
Contract services	17,340
Utilities	27,259
Insurance	9,866
Commodities	42,285
Jail surcharges	3,012
Capital outlay	4,742
	<u>\$ 104,504</u>

NOTE 7 - JAIL OPERATIONS

During its 2007 Fiscal Year, the State of Maine enacted legislation known as LD 2080 "An Act to Better Coordinate and Reduce the Cost of the delivery of State and County Correctional Services", located in Public Laws 2007, Chapter 653. This Act has in essence capped what Counties can assess their municipalities for taxes to fund their corrections budgets, and will also establish the annual growth limitations for future corrections expenditures. A Board of Overseers at the State of Maine has been appointed to supervise county correction operations. The Act has raised many accounting and auditing issues regarding both financial and budgetary reporting. It is the position of the County that it has addressed, to the best of its ability, these issues in its County annual audit report and the jail annual audit.

JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

NOTE 7 - JAIL OPERATIONS (CONTINUED)

At the present time issues such as the funding of accrued benefits; ownership and maintenance of correction assets; external funding of certain corrections operations; corrections capital / reserve funding and ownership; and the treatment of net position balances (deficits) have not been specifically addressed in this Act. However, we have included a liability and offsetting receivable from the State of Maine for accrued compensated absences that are expected to be paid by the State. If the State decides not to cover these amounts, the jail will be liable for them. Any financial and/or other impact on the County and the Jail Department cannot be determined at the time of the issuance of this report.

NOTE 8 – RESTATEMENT

The beginning net position for the fiduciary funds has been restated as of July 1, 2014. This balance was restated to correct the cash balance in the inmate benefit account. The fiduciary funds were restated by \$82,720.

## Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund

## JAIL DEPARTMENT OF THE COUNTY OF ANDROSCOGGIN, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 37,218	\$ 37,218	\$ 37,218	\$ -
Resources (Inflows):				
Taxes	4,287,340	4,287,340	4,287,340	-
Intergovernmental revenues	1,216,973	1,326,973	1,381,973	55,000
Charges for services	39,263	39,263	58,397	19,134
Miscellaneous revenues	60,000	60,000	60,631	631
Amounts Available for Appropriation	<u>5,640,794</u>	<u>5,750,794</u>	<u>5,825,559</u>	<u>74,765</u>
Charges to Appropriations (Outflows):				
Personnel	4,032,807	4,142,807	4,135,168	7,639
Contract services	655,839	655,839	673,179	(17,340)
Vehicles and travel	22,200	22,200	21,166	1,034
Utilities	226,000	226,000	253,259	(27,259)
Repairs and maintenance	88,500	88,500	79,340	9,160
Insurance	100,000	100,000	109,866	(9,866)
Jail surcharges	129,660	129,660	132,672	(3,012)
Other	6,295	6,295	5,595	700
Commodities	325,875	325,875	368,160	(42,285)
Capital outlay	16,400	16,400	21,142	(4,742)
Total Charges to Appropriations	<u>5,603,576</u>	<u>5,713,576</u>	<u>5,799,547</u>	<u>(85,971)</u>
Budgetary Fund Balance, June 30	<u>\$ 37,218</u>	<u>\$ 37,218</u>	<u>\$ 26,012</u>	<u>\$ (11,206)</u>

See accompanying independent auditors' report and notes to financial statements.