

Federal Compliance Audit

County of Androscoggin, Maine

December 31, 2023



Proven Expertise & Integrity

COUNTY OF ANDROSCOGGIN, MAINE

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DECEMBER 31, 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
County of Androscoggin
Auburn, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Androscoggin, Maine, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the County of Androscoggin, Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 County of Androscoggin, Maine as of December 31, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Androscoggin, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Androscoggin, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit 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 County of Androscoggin, Maine's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the County of Androscoggin, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and pension and OPEB information on pages 5 through 12 and 67 through 74 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Androscoggin, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The schedule of expenditures of federal awards is presented for purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and is also not a required part of the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements, capital asset schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, on our consideration of the County of Androscoggin, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County of Androscoggin, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Androscoggin, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
September 30, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

(UNAUDITED)

The following management's discussion and analysis of County of Androscoggin, Maine's financial performance provides an overview of the County's financial activities for the year ended December 31, 2023. Please read it in conjunction with the County's financial statements.

Financial Statement Overview

The County of Androscoggin's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension information, OPEB information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the County's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the County's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

The above-mentioned financial statements have one column for the County's activity. The type of activity presented for the County of Androscoggin is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the County's basic services are reported in governmental activities, which include superior court, district attorney, county commissioners, county treasurer, restitution specialist, county buildings, jail (support of prisoners), human resources, registry of deeds, registry of probate, auditing, sheriff, extension service, law enforcement death benefit, employee benefits, soil conservation, communications, insurances, emergency management agency, civil process, telecommunications and unclassified.

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 Androscoggin, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the County of Androscoggin can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: All of the basic services provided by the County are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the County's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the County.

Because the focus of governmental funds is narrower than that of 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 funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These

reconciliations are presented on the page immediately following each governmental fund financial statement.

The County of Androscoggin presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The County's major governmental funds are the general fund, jail fund and ARPA grant fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and jail fund are the only funds for which the County legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year. The jail fund budget was legally adopted for the period ending June 30, 2022 and the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Jail Fund is reported in the Androscoggin County Jail Department report issued for the June 30, 2023 period.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the County of Androscoggin. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

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 the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability (Asset), Schedule of Contributions - Pension, Schedule of Proportionate Share of the Net OPEB Liability - Group Life, Schedule of Changes in the Net OPEB Liability - Health Plan, Schedule of Changes in the Net OPEB Liability and Related Ratios - Health Plan, Schedule of Contributions - OPEB - Group Life and Health Plan and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the County's governmental activities. The County's total net position decreased by \$1,663,330 from a deficit balance of \$21,238,565 to a deficit balance of \$22,901,895.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased to a deficit balance of \$31,671,469 at the end of this year.

Table 1
County of Androscoggin, Maine
Net Position
December 31,

| | 2023 | 2022 (Restated) |
|--|-----------------|----------------------------|
| Assets: | | |
| Current Assets | \$ 16,287,353 | \$ 17,627,937 |
| Noncurrent Assets - Capital Assets | 7,799,367 | 6,942,849 |
| Total Assets | 24,086,720 | 24,570,786 |
| Deferred Outflows of Resources: | | |
| Deferred Outflows Related to Pensions | 833,516 | 1,247,558 |
| Deferred Outflows Related to OPEB | 7,443,179 | 9,412,450 |
| Total Deferred Outflows of Resources | 8,276,695 | 10,660,008 |
| Liabilities: | | |
| Current Liabilities | 1,486,895 | 85,723 |
| Noncurrent Liabilities | 37,521,032 | 40,651,752 |
| Total Liabilities | 39,007,927 | 40,737,475 |
| Deferred Inflows of Resources: | | |
| Deferred Revenues | 12,264,216 | 14,517,853 |
| Deferred Inflows Related to Pensions | 502,976 | 1,022,557 |
| Deferred Inflows Related to OPEB | 3,490,191 | 191,474 |
| Total Deferred Inflows of Resources | 16,257,383 | 15,731,884 |
| Net Position (Deficit): | | |
| Net Investment in Capital Assets | 7,034,754 | 6,012,425 |
| Restricted | 1,734,820 | 1,035,917 |
| Unrestricted (Deficit) | (31,671,469) | (28,286,907) |
| Total Net Position (Deficit) | \$ (22,901,895) | \$ (21,238,565) |

Revenues and Expenses

Revenues for the County's governmental activities increased by 19.93%, while total expenses increased by 4.28%. The primary increases in revenues were in operating grants and contributions and taxes. The largest increases in expenses were in jail (support of prisoners), sheriff and employee benefits, offset by a decrease in unclassified.

Table 2
County of Androscoggin, Maine
Change in Net Position
For The Years Ended December 31,

| | 2023 | 2022 (Restated) |
|--|-----------------|----------------------------|
| Revenues | | |
| <i>Program Revenues:</i> | | |
| Charges for services | \$ 1,935,481 | \$ 1,238,842 |
| Operating grants and contributions | 4,693,608 | 3,122,647 |
| <i>General Revenues:</i> | | |
| Taxes | 12,508,480 | 11,542,977 |
| Other grants/contracts | 1,224,336 | 1,163,571 |
| Interest income | 287,728 | 79,961 |
| Miscellaneous | 76,514 | 133,882 |
| Total Revenues | 20,726,147 | 17,281,880 |
| Expenses | | |
| Superior court | 35,206 | 13,370 |
| District attorney | 746,382 | 734,828 |
| County commissioners | 325,226 | 187,072 |
| County treasurer | 151,799 | 166,072 |
| Restitution specialist | 73,141 | 69,303 |
| County buildings | 400,435 | 387,779 |
| Jail (support of prisoners) | 8,680,702 | 8,152,485 |
| Human resources | 41,148 | 4,337 |
| Registry of deeds | 240,101 | 193,806 |
| Registry of probate | 199,176 | 205,176 |
| Auditing | 14,895 | 11,300 |
| Sheriff | 2,600,648 | 2,021,414 |
| Extension service | 51,154 | 51,154 |
| Law enforcement death benefit | 21,665 | 25,005 |
| Employee benefits | 5,480,506 | 5,038,186 |
| Soil conservation | 14,000 | 10,500 |
| Communications | 966,272 | 801,527 |
| Insurances | 99,714 | 100,151 |
| Emergency management agency | 196,270 | 188,317 |
| Civil process | 285,989 | 250,856 |
| Information technology | 185,162 | 144,386 |
| Unclassified | 1,468,001 | 2,628,776 |
| TAN interest | 95,127 | 22,261 |
| Unallocated depreciation (Note 5) | 16,758 | 62,410 |
| Total Expenses | 22,389,477 | 21,470,471 |
| Change in Net Position (Deficit) | (1,663,330) | (4,188,591) |
| Net Position (Deficit) - January 1, Restated | (21,238,565) | (17,049,974) |
| Net Position (Deficit) - December 31 | \$ (22,901,895) | \$ (21,238,565) |

Financial Analysis of the County's Fund Statements

Governmental funds: The financial reporting focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the County's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
County of Androscoggin, Maine
Fund Balances - Governmental Funds
December 31,

| | 2023 | 2022 (Restated) | Increase/ (Decrease) |
|-------------------------|--------------|--------------------|-------------------------|
| General Fund: | | | |
| Nonspendable | \$ 103,819 | \$ 103,971 | \$ (152) |
| Assigned | 150,000 | 200,000 | (50,000) |
| Unassigned | 2,034,543 | 2,111,863 | (77,320) |
| Total General Fund | \$ 2,288,362 | \$ 2,415,834 | \$ (127,472) |
| Jail Fund: | | | |
| Nonspendable | \$ - | \$ 41,778 | \$ (41,778) |
| Restricted | - | 24,245 | (24,245) |
| Unassigned (Deficits) | (944,832) | - | (944,832) |
| Total Jail Fund | \$ (944,832) | \$ 66,023 | \$ (1,010,855) |
| ARPA Grant Fund: | | | |
| Nonspendable | \$ 28,600 | \$ - | \$ 28,600 |
| Unassigned (Deficits) | (28,600) | - | (28,600) |
| Total ARPA Grant Fund | \$ - | \$ - | \$ - |
| Nonmajor Funds: | | | |
| Special Revenue Funds: | | | |
| Restricted | \$ 1,644,259 | \$ 780,658 | \$ 863,601 |
| Unassigned (Deficits) | (198,830) | (272,831) | 74,001 |
| Capital Projects Funds: | | | |
| Restricted | 90,561 | 229,811 | (139,250) |
| Total Nonmajor Funds | \$ 1,535,990 | \$ 737,638 | \$ 798,352 |

The changes to total fund balances for the general fund, ARPA fund and the aggregate remaining fund information occurred due to the regular activity of operations.

The change in the Jail fund balance was due to the Public Law, chapter 732 (LD1654) which was approved by the Governor on May 5, 2022. The new law froze the Jail tax cap for counties. Also, State funding has been flat funded for the past several years. These factors along with the increased costs of Jail operations has resulted in a significant decrease in the Jail Fund Balance.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues were below budgeted amounts by \$2,249,663. All revenue categories were in excess of budgeted amounts with the exception of intergovernmental revenues and miscellaneous.

The general fund actual expenditures were under budgeted amounts by \$2,448,212. All expenditure categories were within or under budgeted amounts with the exception of superior court, county commissioners, human resources, sheriff, employee benefits, communications, information technology and debt service-TAN interest.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2023, the net book value of capital assets recorded by the County increased by \$856,518 over the prior year. This increase was due to current year additions of \$1,468,511 less depreciation expense of \$611,993.

Table 4
County of Androscoggin, Maine
Capital Assets (Net of Depreciation)
December 31,

| | <u>2023</u> | <u>2022</u> <u>(Restated)</u> |
|---|---------------------|----------------------------------|
| Land | \$ 3,065,852 | \$ 2,199,600 |
| Buildings and improvements | 3,449,206 | 3,459,933 |
| Furniture, fixtures, machinery, equipment and vehicles | 1,284,309 | 1,283,316 |
| Total | <u>\$ 7,799,367</u> | <u>\$ 6,942,849</u> |

Debt

At December 31, 2023, the County had \$764,613 in notes from direct borrowings payable and lease liability versus \$930,424 from the prior year. Refer to Note 7 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

The County has also noted a subsequent event as a currently known fact. Refer to Note 22 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The County's unassigned fund balance is at a level sufficient to sustain government operations for a period of approximately one month.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer's Office at 2 Turner Street, Auburn, Maine 04210.

COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2023

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| ASSETS | |
| Current assets: | |
| Cash and cash equivalents | \$ 16,100,103 |
| Accounts receivable (net of allowance for uncollectibles) | 18,244 |
| Due from other governments | 36,587 |
| Prepaid items | 131,462 |
| Inventory | 957 |
| Total current assets | <u>16,287,353</u> |
| Noncurrent assets: | |
| Capital assets: | |
| Land and other assets not being depreciated | 3,065,852 |
| Depreciable assets, net of accumulated depreciation | <u>4,733,515</u> |
| Total noncurrent assets | <u>7,799,367</u> |
| TOTAL ASSETS | <u>24,086,720</u> |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred outflows related to pensions | 833,516 |
| Deferred outflows related to OPEB | <u>7,443,179</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | <u>8,276,695</u> |
| TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | <u><u>\$ 32,363,415</u></u> |

STATEMENT A (CONTINUED)

COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2023

| | <u>Governmental Activities</u> |
|--|------------------------------------|
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | \$ 348,426 |
| Accrued expenses | 517,242 |
| Due to other governments | 277,949 |
| Current portion of long-term obligations | <u>343,278</u> |
| Total current liabilities | <u>1,486,895</u> |
| Noncurrent liabilities: | |
| Noncurrent portion of long-term obligations: | |
| Notes from direct borrowings payable | 441,354 |
| Lease liability | 57,434 |
| Accrued compensated absences | 438,899 |
| Net pension liability/(asset) | 2,964,007 |
| Net OPEB liability | <u>33,619,338</u> |
| Total noncurrent liabilities | <u>37,521,032</u> |
| TOTAL LIABILITIES | <u>39,007,927</u> |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred revenues | 12,264,216 |
| Deferred inflows related to pensions | 502,976 |
| Deferred inflows related to OPEB | <u>3,490,191</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>16,257,383</u> |
| NET POSITION (DEFICIT) | |
| Net investment in capital assets | 7,034,754 |
| Restricted | 1,734,820 |
| Unrestricted (deficit) | <u>(31,671,469)</u> |
| TOTAL NET POSITION (DEFICIT) | <u>(22,901,895)</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (DEFICIT) | <u>\$ 32,363,415</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) |
|------------------------------------|---------------------|-------------------------|--|--|--|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Total Governmental Activities |
| Governmental activities: | | | | | |
| Superior court | \$ 35,206 | \$ - | \$ - | \$ - | \$ (35,206) |
| District attorney | 746,382 | 13,620 | - | - | (732,762) |
| County commissioners | 325,226 | - | 76,852 | - | (248,374) |
| County treasurer | 151,799 | - | - | - | (151,799) |
| Restitution specialist | 73,141 | 37,340 | - | - | (35,801) |
| County buildings | 400,435 | 4,583 | - | - | (395,852) |
| Jail (support of prisoners) | 8,680,702 | 85,003 | 2,236,680 | - | (6,359,019) |
| Human resources | 41,148 | - | - | - | (41,148) |
| Registry of deeds | 240,101 | 857,302 | - | - | 617,201 |
| Registry of probate | 199,176 | 282,137 | - | - | 82,961 |
| Auditing | 14,895 | - | - | - | (14,895) |
| Sheriff | 2,600,648 | 399,816 | 129,481 | - | (2,071,351) |
| Extension service | 51,154 | - | - | - | (51,154) |
| Employee benefits | 5,480,506 | - | - | - | (5,480,506) |
| Soil conservation | 14,000 | - | - | - | (14,000) |
| Communications | 966,272 | - | - | - | (966,272) |
| Insurances | 99,714 | - | - | - | (99,714) |
| Emergency management agency | 196,270 | - | 170,513 | - | (25,757) |
| Civil process | 285,989 | 240,680 | - | - | (45,309) |
| Law enforcement death benefit | 21,665 | - | - | - | (21,665) |
| Information technology | 185,162 | 15,000 | - | - | (170,162) |
| Unclassified | 1,468,001 | - | 2,080,082 | - | 612,081 |
| TAN interest | 95,127 | - | - | - | (95,127) |
| Unallocated depreciation (Note 5)* | 16,758 | - | - | - | (16,758) |
| Total government | <u>\$22,389,477</u> | <u>\$ 1,935,481</u> | <u>\$ 4,693,608</u> | <u>\$ -</u> | <u>(15,760,388)</u> |

* This amount excludes the depreciation that is included in the direct expenses of the various programs.

STATEMENT B (CONTINUED)
COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Governmental Activities |
|--|----------------------------|
| Changes in net position: | |
| Net (expense) revenue | (15,760,388) |
| General revenues: | |
| Property taxes, levied for general purposes | 12,508,480 |
| Other grants/contracts | 1,224,336 |
| Interest income | 287,728 |
| Miscellaneous | 76,514 |
| Total general revenues | 14,097,058 |
| CHANGE IN NET POSITION (DEFICIT) | (1,663,330) |
| NET POSITION (DEFICIT) - JANUARY 1, RESTATED | (21,238,565) |
| NET POSITION (DEFICIT) - DECEMBER 31 | \$ (22,901,895) |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2023

| | General Fund | Jail Fund | ARPA Grant Fund | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|------------------|-----------------------|--------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 4,926,894 | \$ - | \$ 10,536,790 | \$ 636,419 | \$ 16,100,103 |
| Accounts receivables (net of allowance for uncollectibles) | 18,244 | - | - | - | 18,244 |
| Due from other governments | 36,587 | - | - | - | 36,587 |
| Prepaid items | 102,862 | - | 28,600 | - | 131,462 |
| Inventory | 957 | - | - | - | 957 |
| Due from other funds | 799,768 | - | 1,261,457 | 1,409,405 | 3,470,630 |
| TOTAL ASSETS | <u>\$ 5,885,312</u> | <u>\$ -</u> | <u>\$ 11,826,847</u> | <u>\$ 2,045,824</u> | <u>\$ 19,757,983</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 223,122 | \$ 46,581 | \$ 68,158 | \$ 10,565 | \$ 348,426 |
| Accrued expenses | 425,017 | 81,055 | 2,327 | 8,843 | 517,242 |
| Due to other governments | 277,949 | - | - | - | 277,949 |
| Due to other funds | 2,670,862 | 309,342 | - | 490,426 | 3,470,630 |
| TOTAL LIABILITIES | <u>3,596,950</u> | <u>436,978</u> | <u>70,485</u> | <u>509,834</u> | <u>4,614,247</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred revenues | - | 507,854 | 11,756,362 | - | 12,264,216 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>-</u> | <u>507,854</u> | <u>11,756,362</u> | <u>-</u> | <u>12,264,216</u> |
| FUND BALANCES (DEFICITS) | | | | | |
| Nonspendable | 103,819 | - | 28,600 | - | 132,419 |
| Restricted | - | - | - | 1,734,820 | 1,734,820 |
| Committed | - | - | - | - | - |
| Assigned | 150,000 | - | - | - | 150,000 |
| Unassigned | 2,034,543 | (944,832) | (28,600) | (198,830) | 862,281 |
| TOTAL FUND BALANCES (DEFICITS) | <u>2,288,362</u> | <u>(944,832)</u> | <u>-</u> | <u>1,535,990</u> | <u>2,879,520</u> |
| TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS) | <u>\$ 5,885,312</u> | <u>\$ -</u> | <u>\$ 11,826,847</u> | <u>\$ 2,045,824</u> | <u>\$ 19,757,983</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

| | Total Governmental Funds |
|---|--------------------------------|
| | |
| Total fund balances | \$ 2,879,520 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation | 7,799,367 |
| Deferred outflows of resources related to pension and OPEB are not financial resources and therefore are not reported in the funds: | |
| Pension | 833,516 |
| OPEB | 7,443,179 |
| Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above: | |
| Notes from direct borrowings payable | (651,975) |
| Lease liability | (112,638) |
| Accrued compensated absences | (516,352) |
| Net pension liability | (2,964,007) |
| Net OPEB liability | (33,619,338) |
| Deferred inflows of resources related to pensions and OPEB are not financial resources and therefore are not reported in the funds: | |
| Pension | (502,976) |
| OPEB | (3,490,191) |
| | \$ (22,901,895) |
| Net position (deficit) of governmental activities | |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | General Fund | Jail Fund | ARPA Grant | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|---------------------|------------------|--------------------------------|--------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 12,508,480 | \$ - | \$ - | \$ - | \$ 12,508,480 |
| Intergovernmental revenues | 170,513 | 2,150,203 | 1,717,131 | 1,880,097 | 5,917,944 |
| Charges for services | 1,812,765 | 85,003 | - | 37,713 | 1,935,481 |
| Interest income | 36,216 | - | 194,676 | 56,836 | 287,728 |
| Miscellaneous revenues | 60,692 | 15,822 | - | - | 76,514 |
| TOTAL REVENUES | 14,588,666 | 2,251,028 | 1,911,807 | 1,974,646 | 20,726,147 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Superior court | 35,206 | - | - | - | 35,206 |
| District attorney | 744,691 | - | - | - | 744,691 |
| County commissioners | 248,364 | - | 76,862 | - | 325,226 |
| County treasurer | 150,299 | - | - | - | 150,299 |
| Restitution specialist | 73,141 | - | - | - | 73,141 |
| County buildings | 400,435 | - | - | - | 400,435 |
| Jail (support of prisoners) | - | 8,561,883 | 86,477 | - | 8,648,360 |
| Human resources | 41,148 | - | - | - | 41,148 |
| Register of deeds | 200,128 | - | - | 39,973 | 240,101 |
| Register of probate | 199,176 | - | - | - | 199,176 |
| Auditing | 14,895 | - | - | - | 14,895 |
| Sheriff | 2,317,649 | - | 129,481 | - | 2,447,130 |
| Extension service | 51,154 | - | - | - | 51,154 |
| Employee benefits | 3,194,063 | - | - | - | 3,194,063 |
| Soil conservation | 14,000 | - | - | - | 14,000 |
| Communications | 966,272 | - | - | - | 966,272 |
| Insurances | 99,714 | - | - | - | 99,714 |
| Emergency management agency | 196,270 | - | - | - | 196,270 |
| Civil process | 285,989 | - | - | - | 285,989 |
| Law enforcement death benefit | 21,665 | - | - | - | 21,665 |
| Information technology | 155,185 | - | - | - | 155,185 |
| Unclassified | 84,611 | - | 358,084 | 1,025,306 | 1,468,001 |
| Debt service: | | | | | |
| TAN interest | 95,127 | - | - | - | 95,127 |
| Capital outlay | - | - | 1,198,874 | - | 1,198,874 |
| TOTAL EXPENDITURES | 9,589,182 | 8,561,883 | 1,849,778 | 1,065,279 | 21,066,122 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 4,999,484 | (6,310,855) | 62,029 | 909,367 | (339,975) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 199,065 | 5,300,000 | - | - | 5,499,065 |
| Transfers (out) | (5,300,000) | - | (62,029) | (137,036) | (5,499,065) |
| TOTAL OTHER FINANCING SOURCES (USES) | (5,100,935) | 5,300,000 | (62,029) | (137,036) | - |
| NET CHANGE IN FUND BALANCES (DEFICITS) | (101,451) | (1,010,855) | - | 772,331 | (339,975) |
| FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED | 2,389,813 | 66,023 | - | 763,659 | 3,219,495 |
| FUND BALANCES (DEFICITS) - DECEMBER 31 | \$ 2,288,362 | \$ (944,832) | \$ - | \$ 1,535,990 | \$ 2,879,520 |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, 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 DECEMBER 31, 2023

Net change in fund balances - total governmental funds (Statement E) \$ (339,975)

Amounts reported for governmental activities in the Statement of
Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense allocated to
those expenditures over the life of the assets:

| | |
|----------------------------|------------------|
| Capital asset acquisitions | 1,468,511 |
| Depreciation expense | <u>(611,993)</u> |
| | <u>856,518</u> |

Deferred outflows of resources are a consumption of net position
by the government that are applicable to a future reporting period
and therefore are not reported in the funds:

| | |
|---------|--------------------|
| Pension | (414,042) |
| OPEB | <u>(1,969,271)</u> |
| | <u>(2,383,313)</u> |

Repayment of long-term debt principal is an expenditure in the
governmental funds, but the repayment reduces long-term obligations
in the Statement of Net Position

357,269

Debt proceeds provide current financial resources to governmental
funds, but issuing debt increases long-term liabilities in the
Statement of Net Position

(191,458)

Deferred inflows of resources are an acquisition of net position by
the government that are applicable to a future reporting period
and therefore are not reported in the funds:

| | |
|---------|--------------------|
| Pension | 519,581 |
| OPEB | <u>(3,298,717)</u> |
| | <u>(2,779,136)</u> |

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:

| | |
|------------------------------|------------------|
| Accrued compensated absences | (72,307) |
| Net pension liability | (527,639) |
| Net OPEB liability | <u>3,416,711</u> |
| | <u>2,816,765</u> |

Change in net position of governmental activities (Statement B) \$ (1,663,330)

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
DECEMBER 31, 2023

| | Total Custodial Funds |
|------------------------------------|-----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 401,031 |
| Due from other governments | 277,949 |
| TOTAL ASSETS | <u>\$ 678,980</u> |
| LIABILITIES | |
| Accounts payable | \$ 25,301 |
| Due to other governments | 470 |
| TOTAL LIABILITIES | <u>25,771</u> |
| NET POSITION | |
| Restricted | 653,209 |
| TOTAL NET POSITION | <u>653,209</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 678,980</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | Total Custodial Funds |
|----------------------------|-----------------------------|
| REVENUE | |
| Interest income | \$ 6,839 |
| Other | 300,803 |
| TOTAL REVENUE | <u>307,642</u> |
| EXPENSE | |
| Program charges | <u>269,080</u> |
| TOTAL EXPENSE | <u>269,080</u> |
| NET CHANGE IN NET POSITION | 38,562 |
| NET POSITION, JANUARY 1 | <u>614,647</u> |
| NET POSITION, DECEMBER 31 | <u>\$ 653,209</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Androscoggin was incorporated under the laws of the State of Maine. The County operates under the County Manager-Commissioner form of government and provides the following services: superior court, district attorney, county commissioners, county treasurer, restitution specialist, county buildings, jail (support of prisoners), human resources, registry of deeds, registry of probate, auditing, sheriff, extension service, employee benefits, soil conservation, communications, insurances, emergency management agency, civil process, law enforcement death benefit, telecommunications and unclassified.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

Implementation of New Accounting Standards

During the year ended December 31, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All other activities of the County are categorized as governmental.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements. The net costs (by function) are normally covered by general revenues (taxes, certain intergovernmental revenues and charges for services, etc.).

The County does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the County as an entity and the change in the County's net position resulting from the current year's activities.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the County 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 following fund types are used by the County:

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

Major Funds

- a. The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Jail Fund is another operating fund of the County that was established by state statutes. It is used to account for the revenues and expenditures of the jail.
- c. The ARPA Grant Fund is a major special revenue fund. It is used to account for the revenues and expenditures related to the American Rescue Plan Act.

Nonmajor Funds

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- e. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 County programs. The reporting focus is on net position and changes in net position and are reported using accounting principles similar to proprietary funds.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The County's policy is to adopt an annual budget for operations of the General Fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the County prepares a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the County Commissioners was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the County Commissioners.

Deposits and Investments

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

It is the County's policy to value investments at fair value. None of the County's investments are reported at amortized cost. The County 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 deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The County of Androscoggin has no formal investment policy but instead follows the State of Maine Statutes.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables include amounts due for services provided. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$54,831 for the year ended December 31, 2023.

Inventories and Prepaid Items

Inventories consist of expendable supplies held for consumption and are valued at cost. Under the consumption method, the costs of inventory items are recognized as expenditures when used. In the general fund, inventory consists of office supplies. The cost value is determined using the first-in, first-out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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".

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset 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 estimated useful lives.

A right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized on a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

| | |
|----------------------------|---------------|
| Buildings and improvements | 20 - 50 years |
| Machinery and equipment | 3 - 50 years |
| Vehicles | 3 - 25 years |

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of notes from direct borrowings payable, leases, accrued compensated absences, net pension liability and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Pensions

For purposes of measuring the net pension liability (asset), 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.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Postemployment Benefits (OPEB)

For purposes of measuring the County's OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Maine Public Employees Retirement System OPEB Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the County's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

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 County 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.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 County. Please refer to the budgeting process for the authority for committing items within the budget.

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 County Commissioners.

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred outflows related to pensions and OPEB are reported in the statement of net position.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred revenues qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. Deferred inflows related to pensions and OPEB qualify for reporting in this category as well. These items are reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The County's property tax for the current year was assessed based on the values obtained by the State of Maine for all real and personal property located in the County. Property taxes were to be paid in one installment with a due date of September 1, 2023. Interest will begin accruing at rate of 7.5% after 60 days from the due date.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. All property taxes were collected prior to December 31, 2023.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

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. The County does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the County'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.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS

The County follows state statutes for the investment of funds, which authorize the County 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 apply to all County funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County will not be able to recover its deposits. The County does not have a policy covering custodial credit risk for deposits. However, the County 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 December 31, 2023, the County's cash balance of \$16,501,134 was comprised of bank deposits amounting to \$16,655,698. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the County's cash balance. Of these deposits, \$16,444,732 were insured by federal depository insurance and consequently not exposed to custodial credit risk and \$159,370 were collateralized by an irrevocable stand-by letter of credit. The remaining deposits of \$51,596 were uninsured and uncollateralized.

| <u>Account Type</u> | <u>Bank Balance</u> |
|-----------------------|-------------------------|
| Checking accounts | \$ 668,767 |
| NOW Checking accounts | 264,356 |
| Savings accounts | 26,366 |
| Intra-Fi accounts | 15,696,209 |
| | <u>\$ 16,655,698</u> |

Investments:

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

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At December 31, 2023, the County had \$0 of investments.

Credit risk - Statutes for the State of Maine authorize the County 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 County does not have an investment policy on credit risk. Generally, the County invests excess funds in savings accounts and various certificates of deposit.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2023 consisted of the following individual fund receivables and payables:

| | Receivables (Due from) | Payables (Due to) |
|---------------------------------|---------------------------|----------------------|
| General Fund | \$ 799,768 | \$ 2,670,862 |
| Jail Fund | - | 309,342 |
| ARPA Grant Fund | 1,261,457 | - |
| Nonmajor Special Revenue Funds | 1,324,488 | 239,650 |
| Nonmajor Capital Projects Funds | 84,917 | 250,776 |
| | <u>\$ 3,470,630</u> | <u>\$ 3,470,630</u> |

The result of amounts owed between funds are considered to be in the course of normal operations by the County. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at December 31, 2023 consisted of the following:

| | Transfers In | Transfers Out |
|---------------------------------|---------------------|---------------------|
| General Fund | \$ 199,065 | \$ 5,300,000 |
| Jail Fund | 5,300,000 | - |
| ARPA Fund | - | 62,029 |
| Nonmajor Capital Projects Funds | - | 137,036 |
| | <u>\$ 5,499,065</u> | <u>\$ 5,499,065</u> |

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2023:

| | Balance, 1/1/23 (Restated) | Additions | Disposals | Balance, 12/31/23 |
|-------------------------------|----------------------------------|-------------------|-------------|----------------------|
| Non-depreciated assets: | | | | |
| Land | \$ 2,199,600 | \$ - | \$ - | \$ 2,199,600 |
| Construction in progress | - | 866,252 | - | 866,252 |
| Total | <u>2,199,600</u> | <u>866,252</u> | <u>-</u> | <u>3,065,852</u> |
| Depreciated assets: | | | | |
| Buildings/improvements | 14,800,753 | 171,984 | - | 14,972,737 |
| Vehicles | 1,480,616 | 386,274 | - | 1,866,890 |
| Machinery/equipment | 1,726,201 | 44,001 | - | 1,770,202 |
| Furniture/fixtures | 190,653 | - | - | 190,653 |
| Right of use lease asset | 168,946 | - | - | 168,946 |
| | <u>18,367,169</u> | <u>602,259</u> | <u>-</u> | <u>18,969,428</u> |
| Less accumulated depreciation | <u>(13,623,920)</u> | <u>(611,993)</u> | <u>-</u> | <u>(14,235,913)</u> |
| | <u>4,743,249</u> | <u>(9,734)</u> | <u>-</u> | <u>4,733,515</u> |
| Net capital assets | <u>\$ 6,942,849</u> | <u>\$ 856,518</u> | <u>\$ -</u> | <u>\$ 7,799,367</u> |

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 5 - CAPITAL ASSETS (CONTINUED)

| | |
|----------------------------------|-------------------|
| <u>Current year depreciation</u> | |
| Jail | \$ 37,204 |
| IT | 29,977 |
| Treasurer | 1,500 |
| District attorney | 57,999 |
| Sheriff's department | 468,555 |
| County-wide | 16,758 |
| Total depreciation expense | <u>\$ 611,993</u> |

NOTE 6 - SHORT-TERM DEBT

On January 3, 2023, the County issued a tax anticipation note to provide liquidity for governmental operations financed by property taxes, which are collected in annual payments due September 1. The note, a line of credit, allowed principal draws up to \$6,000,000 at 4.67% interest per annum with a maturity date of December 26, 2023.

Short-term debt activity for the year ended December 31, 2023 is as follows:

| | <u>Balance</u> <u>1/1/23</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance</u> <u>12/31/23</u> |
|-----------------------|---------------------------------|---------------------|-----------------------|-----------------------------------|
| Tax anticipation note | <u>\$ -</u> | <u>\$ 6,000,000</u> | <u>\$ (6,000,000)</u> | <u>\$ -</u> |

In December of 2023, the note was paid in full. Interest expense for the note was \$95,271.

NOTE 7 - LONG-TERM DEBT

The General Fund of the County is used to pay for all long-term debt. A summary of long-term debt for the year ended December 31, 2023 is as follows:

| | <u>Balance,</u> <u>1/1/23</u> <u>(Restated)</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance,</u> <u>12/31/23</u> | <u>Current</u> <u>Portion</u> |
|--------------------------------------|---|-------------------|---------------------|------------------------------------|----------------------------------|
| Notes from direct borrowings payable | \$ 761,478 | \$ 191,458 | \$ (300,961) | \$ 651,975 | \$ 210,621 |
| Lease liability | 168,946 | - | (56,308) | 112,638 | 55,204 |
| Totals | <u>\$ 930,424</u> | <u>\$ 191,458</u> | <u>\$ (357,269)</u> | <u>\$ 764,613</u> | <u>\$ 265,825</u> |

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding notes from direct borrowings payable for the year ended December 31, 2023:

| | |
|--|------------|
| \$610,207 Capital Lease for a Sheriff's Department radio equipment with a fixed interest rate of 3.35% per annum. Due in annual principal and interest payments of \$70,536. Maturity in February of 2029. | \$ 377,712 |
| \$29,958 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 2.29% per annum. Due in annual principal and interest payments of \$7,750. Maturity in October of 2024. | 7,577 |
| \$39,453 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 2.29% per annum. Due in annual principal and interest payments of \$10,201. Maturity in October of 2024. | 9,972 |
| \$46,058 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 2.29% per annum. Due in annual principal and interest payments of \$11,928. Maturity in November of 2024. | 11,661 |
| \$46,058 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 2.29% per annum. Due in annual principal and interest payments of \$11,928. Maturity in November of 2024. | 11,661 |
| \$39,562 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 2.29% per annum. Due in annual principal and interest payments of \$10,246. Maturity in November of 2024. | 10,016 |
| \$47,611 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 2.50% per annum. Due in annual principal and interest payments of \$12,362. Maturity in January of 2025. | 23,826 |
| \$149,883 Capital Lease for a IT Department server with a fixed interest rate of 3.76% per annum. Initial payment of \$25,000 and then due in annual principal and interest payments of \$34,259. Maturity in September of 2024. | 32,998 |
| \$54,953 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 2.50% per annum. Due in annual principal and interest payments of \$14,268. Maturity in January of 2025. | 27,500 |
| \$48,643 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 6.40% per annum. Due in annual principal and interest payments of \$13,315. Maturity in December of 2026. | 35,328 |
| \$48,228 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 6.40% per annum. Due in annual principal and interest payments of \$13,201. Maturity in December of 2026. | 35,027 |

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 7 - LONG-TERM DEBT (CONTINUED)

| | |
|---|-------------------|
| \$50,587 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 6.40% per annum. Due in annual principal and interest payments of \$13,847. Maturity in December of 2026. | 36,741 |
| \$44,000 Capital Lease for a Sheriff's Department vehicle with a fixed interest rate of 6.40% per annum. Due in annual principal and interest payments of \$12,044. Maturity in December of 2026. | <u>31,956</u> |
| Total notes from direct borrowings payable | <u>\$ 651,975</u> |

The following is a summary of outstanding lease liability for the year ended December 31, 2023:

| | |
|--|-------------------|
| Lease for the District Attorney's Office with a fixed interest rate of 3.35% per annum. Due in annual principal and interest payments of \$70,536. Maturity in February of 2029. | <u>\$ 112,638</u> |
|--|-------------------|

The following is a summary of outstanding notes from direct borrowings and lease liability principal and interest requirements for the following years ending December 31:

| | NOTES FROM DIRECT BORROWINGS | | LEASE LIABILITY | | Total Debt Service |
|-----------|---------------------------------|------------------|-------------------|-------------|-----------------------|
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 210,621 | \$ 25,262 | \$ 55,204 | \$ - | \$ 291,087 |
| 2025 | 132,092 | 17,479 | 57,434 | - | 207,005 |
| 2026 | 111,079 | 11,863 | - | - | 122,942 |
| 2027 | 63,897 | 6,639 | - | - | 70,536 |
| 2028 | 66,037 | 4,499 | - | - | 70,536 |
| 2029-2033 | 68,249 | 2,286 | - | - | 70,535 |
| | <u>\$ 651,975</u> | <u>\$ 68,028</u> | <u>\$ 112,638</u> | <u>\$ -</u> | <u>\$ 832,641</u> |

All notes from direct borrowings payable and lease liabilities are direct obligations of the County, for which its full faith and credit are pledged. The County is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the County.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 8 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended December 31, 2023 is as follows:

| | Balance, 1/1/23 | Additions | Deletions | Balance, 12/31/23 | Current Portion |
|---------------------------------|----------------------|---------------------|-----------------------|----------------------|--------------------|
| Accrued compensated absences | \$ 444,045 | \$ 72,307 | \$ - | \$ 516,352 | \$ 77,453 |
| Net pension liability/(asset) | 2,436,368 | 1,842,585 | (1,314,946) | 2,964,007 | - |
| Net OPEB liability | 37,036,049 | 1,318,378 | (4,735,089) | 33,619,338 | - |
| Totals | <u>\$ 39,916,462</u> | <u>\$ 3,233,270</u> | <u>\$ (6,050,035)</u> | <u>\$ 37,099,697</u> | <u>\$ 77,453</u> |

Please see Notes 9, 15 and 16 for detailed information on each of the other long-term obligations.

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The County's policy regarding vacation is to permit employees to accumulate earned but unused vacation leave. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. At December 31, 2023, the County reported a liability of \$516,352.

NOTE 10 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the County at December 31, 2023:

| | |
|----------------------------------|---------------------|
| Invested in capital assets | \$ 22,035,280 |
| Accumulated depreciation | (14,235,913) |
| Outstanding capital related debt | <u>(764,613)</u> |
| | <u>\$ 7,034,754</u> |

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 11 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At December 31, 2023, the County had the following restricted net position and restricted fund balances:

| | |
|----------------------------------|---------------------|
| Nonmajor Special Revenue Funds: | |
| Chemical emergency response | \$ 1,898 |
| Probate surcharge | 6,687 |
| DARE | 37 |
| Wellness grant | 18,600 |
| Click it or ticket it | 241 |
| DA trial assistance grant | 12,247 |
| FEMA/COVID | 16,835 |
| Opioid settlement | 136,590 |
| RSU #52 RSO | 21,887 |
| Distracted driving grant | 2 |
| Deeds surcharge fund | 307,056 |
| Homeland security | 4,501 |
| HSPG 18 | 10,228 |
| HSPG 20 | 722 |
| MAT grant | 121 |
| Maine EDUL | 2,018 |
| Alcohol enforcement | 1,797 |
| Traffic safety | 1,171 |
| Contingency | 100,000 |
| Undesignated jail surplus | 3 |
| Electronic monitoring | 7,101 |
| Dive team equipment | 235 |
| Asset forfeiture | 16,365 |
| RSU #16 contract | 4,589 |
| Poland patrol contract | 231,901 |
| DA tech grant | 741,427 |
| Nonmajor Capital Projects Funds: | |
| Building improvement | 5,644 |
| Sheriff's vehicle | 79,919 |
| Facilities truck | 20 |
| Office equipment | 742 |
| County capital | 4,236 |
| | <u>\$ 1,734,820</u> |

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 12 - NONSPENDABLE FUND BALANCES

At December 31, 2023, the County had the following nonspendable fund balances:

| | | |
|---------------|----|----------------|
| General Fund: | | |
| Prepaid Items | \$ | 102,862 |
| Inventory | | 957 |
| ARPA Fund: | | |
| Prepaid Items | | 28,600 |
| | \$ | <u>132,419</u> |

NOTE 13 - ASSIGNED FUND BALANCE

At December 31, 2023, the County had the following assigned fund balance:

| | | |
|------------------------|----|----------------|
| General Fund: | | |
| For use in 2024 budget | \$ | <u>150,000</u> |

FUND 14 - DEFICIT FUND BALANCES

At December 31, 2023, the County had the following deficit fund balances:

| | | |
|-----------------------|----|------------------|
| Jail fund | \$ | 944,832 |
| Victim advocate grant | | 40,721 |
| Speed grant | | 5,757 |
| EMPG-S COVID | | 3,017 |
| ME DEA contract | | 1,399 |
| HSPG 22 | | 66,879 |
| HSPG 21 | | 77,122 |
| Byrne/JAG firearms | | 3,935 |
| | \$ | <u>1,143,662</u> |

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

Plan Description

County 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.maineopers.org or by contacting the System at (207) 512-3100.

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 or 65. 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 other PLD employers under applicable statutory provisions. As of June 30, 2023, there were 327 employers in the plan.

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 3.88%.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - 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. All County employees hired after June 30, 1997 are part of the following plans: law enforcement and corrections officer employees are part of the PLD's special plan "2C" and are required to contribute 8.20% of their annual salary, while all other employees are part of the PLD's plan "AC" and are required to contribute between 6.85% and 7.60% of their annual salary. Prior to July 1, 1997, all County employees were part of the PLD's special plan "1C". Employees in that group are also required to contribute 9.70% of their annual salary. The County is required to contribute at an actuarially determined rate of 11.40% of special plan "2C" members' covered payroll, 10.20% of the plan "AC" members' covered payroll and 14.70% of special plan "1C" members' covered payroll. Member contribution rates are defined by law, or by the Systems' Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. The County's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2023 was \$484,831.

Pension Liabilities

PLD Consolidated Plan

At December 31, 2023, the County reported a liability of \$2,964,007 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2023 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The County's proportion of the net pension liabilities were based on a projection of the County's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2023, the County's proportion was 0.928879%, which was an increase of 0.01238% from its proportion measured as of June 30, 2022.

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

For the year ended December 31, 2023, the County recognized total pension expense of \$422,100 for the PLD plan. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

| | PLD Plan | |
|--|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | \$ 550,272 | \$ - |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | - | 502,976 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 27,073 | - |
| Contributions subsequent to the measurement date | 256,171 | - |
| Total | \$ 833,516 | \$ 502,976 |

\$256,171 for the PLD plan was reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| | PLD Plan |
|---------------------|-------------|
| Year ended June 30: | |
| 2024 | \$ (20,714) |
| 2025 | (438,452) |
| 2026 | 510,154 |
| 2027 | 23,382 |
| 2028 | - |
| Thereafter | - |

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2023, using the following methods and assumptions applied to all periods included in the measurement:

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method

The Entry Age Normal cost method is used to determine costs. Under this cost method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age, of the member's expected future salary. The normal cost for each employee is the product of the member's pay and their normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

Investment Rate of Return - 6.50% per annum for the year ended June 30, 2023 and 2022, compounded annually.

Salary Increases, Merit and Inflation - 2.75% -11.48%

Mortality Rates - Based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Cost of Living Benefit Increases - 1.91%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table.

| Asset Class | PLD Plan | |
|--------------------|-------------------|--|
| | Target Allocation | Long-term Expected Real Rate of Return |
| Public equities | 30.00% | 6.00% |
| US Government | 7.50% | 2.60% |
| Private equity | 15.00% | 7.60% |
| Real assets: | | |
| Real estate | 10.00% | 5.20% |
| Infrastructure | 10.00% | 5.30% |
| Natural resources | 5.00% | 5.00% |
| Traditional credit | 7.50% | 3.20% |
| Alternative credit | 5.00% | 7.40% |
| Diversifiers | 10.00% | 5.00% |

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2023 for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The following table shows how the collective net pension liability as of June 30, 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the Plan.

| | 1% Decrease | Discount Rate | 1% Increase |
|--|----------------|------------------|----------------|
| PLD Plan: | | | |
| Discount rate | 5.50% | 6.50% | 7.50% |
| County's proportionate share of the net pension liability (asset) | \$ 8,121,595 | \$ 2,964,007 | \$ (1,290,584) |

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2023 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2023 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2023, 2022, 2021 and 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan.

Differences between Expected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2023 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2023 Annual Comprehensive Financial Report available online at www.mainebers.org or by contacting the System at (207) 512-3100.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Plan Description

County employees contribute to the Group Life Insurance Plan for Retired Participating Local District (PLD) (the PLD Consolidated Plan of the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit 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 Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. As of June 30, 2023, there were 146 employers participating in the plan. 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.maineopers.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Group Life Insurance Plan (the Plan) provides basic group life insurance benefits, during retirement, to retirees who participated in the Plan prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions

Life insurance benefits are funded by contributions from members and employers. Premium rates are those determined by the MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. For state employees, the premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State as the total dollar amount of each year's annual required contribution. PLD employers are required to remit a premium of \$0.48 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.48 per \$1,000 of coverage per month during the post-employment retired period. The County's contribution to the Plan for the year ended December 31, 2023 was \$17,106.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

Proportionate Net OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, the County reported a liability of \$175,163 for its proportionate share of the net OPEB liabilities for the Plan. The net OPEB liabilities were measured as of June 30, 2023 and the total OPEB liabilities used to calculate the net OPEB liabilities was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liabilities were based on a projection of the County's long-term share of contributions to the Plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2023, the County's proportion was 1.28375%, which was an increase of 0.45098% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the County recognized net OPEB expense of \$110,396,. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>PLD Life Insurance</u> | |
|--|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 3,111 | \$ 1,371 |
| Changes of assumptions | 8,560 | 38,706 |
| Net difference between projected and actual earnings on pension plan investments | 5,639 | 53,472 |
| Changes in proportion and differences between contributions and proportionate share of contributions | 65,736 | - |
| Contributions subsequent to the measurement date | <u>-</u> | <u>-</u> |
| Total | <u>\$ 83,046</u> | <u>\$ 93,549</u> |

\$0 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

| | <u>PLD Life Insurance</u> |
|--------------------------|---------------------------|
| Plan year ended June 30: | |
| 2024 | \$ (11,401) |
| 2025 | (13,750) |
| 2026 | 12,434 |
| 2027 | 1,098 |
| 2028 | 1,116 |
| Thereafter | - |

Actuarial Methods and Assumptions

The collective total OPEB liability for the Plan was determined by an actuarial valuation as of June 30, 2023, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., actual decreases or increases in liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

Investments are reported at fair value.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

Amortization

The net OPEB liability of the Plan is amortized on a level percentage of payroll over a thirty-year period on a closed basis. As of June 30, 2023, there were 7 years remaining for the Plan.

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study conducted for the period of July 1, 2015 to June 30, 2020.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2023 are as follows:

Investment Rate of Return - For the PLD Plan, 6.50% per annum, compounded annually.

Inflation Rate - 2.75%

Annual Salary Increases including Inflation - For the PLD Plan, 2.75% to 11.48% per year.

Mortality Rates - For active members and non-disabled retirees of the Plan, the 2010 Public Plan General Benefits - Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model is used.

Participation Rate for Future Retirees - 100% of those currently enrolled.

Conversion Charges - Apply to the cost of active group life insurance, not retiree group life insurance.

Form of Benefit Payment - Lump sum

The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table. Assets for the defined benefit plan are pooled for investment purposes.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|--------------------------|-------------------|--|
| Public equities | 70.00% | 6.00% |
| Real estate | 5.00% | 5.20% |
| Traditional credit | 15.00% | 3.20% |
| US Government securities | 10.00% | 2.30% |
| Total | 100.00% | |

Discount Rate

The discount rate used to measure the collective total OPEB liability was 6.50% for 2023. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined.

The following table shows how the collective net OPEB liability/(asset) as of June 30, 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the PLD Plan.

| | 1% Decrease | Discount Rate | 1% Increase |
|--|-------------|---------------|-------------|
| PLD Life Insurance: Discount rate | 5.50% | 6.50% | 7.50% |
| County's proportionate share of the net OPEB benefits liability | \$ 242,950 | \$ 175,163 | \$ 120,675 |

Changes in Net OPEB Liability

Each employer's share of the collective net OPEB liability is equal to the collective net OPEB liability multiplied by the employer's proportionate share as of June 30, 2023 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The differences between expected and actual experience as of June 30, 2023 was \$1,740.

Differences between Projected and Actual Investment Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in the plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability. There were no differences between employer contributions and proportionate share of contributions as of June 30, 2023.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2023 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The County and County retirees contribute to the County's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the County and/or the County retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the County concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

Employees Covered by Benefit Terms

At January 1, 2023, the following employees were covered by the benefit terms:

| | |
|----------------------|-------------------|
| Active members | 118 |
| Retirees and spouses | <u>82</u> |
| Total | <u><u>200</u></u> |

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute various percentages of the premium amounts if the former employee was non-Union upon retirement. The sponsoring employer pays the remainder of the premium for all other statuses. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

| <u>Pre-Medicare</u> | <u>Single Coverage</u> | <u>Family Coverage</u> |
|----------------------------|------------------------|------------------------|
| POS 200 | \$919 | \$2,061 |
| POS C | \$962 | \$2,158 |
| PPO 500 | \$886 | \$1,988 |
| <u>Medicare</u> | | |
| Medicare eligible retirees | \$601 | \$1,201 |

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2023, the County reported a liability of \$33,444,175 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date. The County's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

For the year ended December 31, 2023, the County recognized OPEB expense of \$1,740,881. At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>MMEHT</u> | |
|---|---|--|
| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 1,904,120 | \$ - |
| Changes of assumptions | 4,508,784 | 3,396,642 |
| Net difference between projected and actual earnings on OPEB plan investments | - | - |
| Contributions subsequent to the measurement date | <u>947,229</u> | <u>-</u> |
| Total | <u>\$ 7,360,133</u> | <u>\$ 3,396,642</u> |

\$947,229 were reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | <u>MMEHT</u> |
|------------------------------|--------------|
| Plan year ended December 31: | |
| 2024 | \$ 1,451,996 |
| 2025 | 1,496,124 |
| 2026 | 363,324 |
| 2027 | 61,250 |
| 2028 | 61,250 |
| Thereafter | (417,682) |

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2023. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.72% per annum for December 31, 2023 was based upon measurement date of December 29, 2022. The sensitivity of net OPEB liability to changes in discount rate are as follows:

| | 1% Decrease | Discount Rate | 1% Increase |
|--|----------------------|----------------------|----------------------|
| | 2.72% | 3.72% | 4.72% |
| Total OPEB liability | \$ 39,039,416 | \$ 33,444,175 | \$ 28,958,928 |
| Plan fiduciary net position | - | - | - |
| Net OPEB liability | <u>\$ 39,039,416</u> | <u>\$ 33,444,175</u> | <u>\$ 28,958,928</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% |

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

| | 1% Decrease | Healthcare Trend Rates | 1% Increase |
|--|----------------------|---------------------------|----------------------|
| Total OPEB liability | \$ 28,351,197 | \$ 33,444,175 | \$ 39,911,088 |
| Plan fiduciary net position | - | - | - |
| Net OPEB liability | <u>\$ 28,351,197</u> | <u>\$ 33,444,175</u> | <u>\$ 39,911,088</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00% | 0.00% | 0.00% |

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2023, using the following methods and assumptions applied to all periods included in the measurement:

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Assumptions

The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2022 and based on the experience study covering the period from June 30, 2016 through June 30, 2021. As of January 1, 2023, they are as follows:

Discount Rate - 3.72% per annum for year end 2023 reporting. 2.06% per annum for year end 2022 reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2023_fl was used for this valuation. The following assumptions were input into this model:

| <u>Variable</u> | <u>Rate</u> |
|---|-------------|
| Rate of Inflation | 3.00% |
| Rate of Growth in Real Income/GDP per capital 2032+ | 1.50% |
| Extra Trend due to Taste/Technology 2032+ | 0.80% |
| Expected Health Share of GDP 2032 | 19.80% |
| Health Share of GDP Resistance Point | 19.00% |
| Year for Limiting Cost Growth to GDP Growth | 2043 |

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2023 to 2026 were based on plan design, population weighting, renewal projections and market analysis. For years 2027 to 2031, these are interpolated from 2026 to 2032 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employee is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 16 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) PLANS (CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2023 was \$1,904,120.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the County Finance Office at 2 Turner Street, Auburn, Maine 04210.

NOTE 17 - 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

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 17 - JAIL OPERATIONS (CONTINUED)

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 2023 annual audit report.

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 asset balances (deficits) have not been specifically addressed in this Act.

NOTE 18 - LETTER OF CREDIT

At December 31, 2023, the County has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. This letter of credit, which expires at the close of business on January 25, 2024, authorizes one draw only up to the amount of \$200,000. There were no draws for the year ended December 31, 2023.

NOTE 19 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the County either carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine County Commissioners Association Self-Funded Risk Management Pool.

Based on the coverage provided by the insurance purchased, the County is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2023. The amount of settlements has not exceeded insurance coverage for each of the past three years and there were no significant reductions in insurance coverage from that of the prior year.

NOTE 20 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the County's financial position.

The County participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the County's compliance with applicable grant requirement may be

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 20 - CONTINGENCIES (CONTINUED)

established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 21 - RESTATEMENTS

In 2023 the County determined that certain transactions had been incorrectly presented, therefore restatements to the 2022 beginning net position and fund balances were required. The beginning net position for was restated by decreases of \$111,359 to present accrued compensated absences for the Jail and \$185,982 to correct long-term debt balances. The beginning net position was also restated by an increase of \$168,946 to reflect a right of use lease asset. The beginning net position and fund balances were restated for a net increase of \$931,863 to correct manual interfund accounts and accounts payable balances. The beginning net position and fund balances were also restated by a decrease of \$13,473,493 to properly present the ARPA grant balance from fund balance to deferred revenue. The resulting restatements changed the beginning net position from a deficit of \$8,568,540 to a deficit of \$21,238,565, increased the general fund total fund balance from \$1,688,849 to \$2,389,813, increased the Jail fund total fund balance from a deficit of \$160,179 to \$66,023, decreased the ARPA grant from \$13,473,493 to \$0 and decreased the nonmajor special revenue funds total fund balance from \$531,323 to \$513,848.

NOTE 22 - SUBSEQUENT EVENT

On January 2, 2024, the County issued a tax anticipation note to provide liquidity for governmental operations financed by property taxes, which are collected in annual payments due September 1. The note, a line of credit, allowed principal draws up to \$6,000,000 at 5.98% interest per annum with a maturity date of December 27, 2024.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental 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
- Schedule of Proportionate Share of the Net Pension Liability (Asset)
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of the Net OPEB Liability - Group Life
- Schedule of Changes in the Net OPEB Liability - Health Plan
- Schedule of Changes in the Net OPEB Liability and Related Ratios - Health Plan
- Schedule of Contributions - OPEB - Group Life and Health Plan
- Notes to Required Supplementary Information

COUNTY OF ANDROSCOGGIN, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | Budgeted Amounts | | Actual Amounts | Variance Positive (Negative) |
|---|---------------------|---------------------|---------------------|------------------------------------|
| | Original | Final | | |
| Budgetary Fund Balance, January 1, Restated | \$ 2,389,813 | 2,389,813 | \$ 2,389,813 | \$ - |
| Resources (Inflows): | | | | |
| Taxes - municipalities | 12,320,605 | 12,320,605 | 12,508,480 | 187,875 |
| Intergovernmental revenues | 3,021,937 | 3,021,937 | 170,513 | (2,851,424) |
| Charges for services | 1,377,291 | 1,377,291 | 1,812,765 | 435,474 |
| Interest income | 20,000 | 20,000 | 36,216 | 16,216 |
| Miscellaneous | 160,525 | 160,525 | 60,692 | (99,833) |
| Transfers from other funds | 137,036 | 137,036 | 199,065 | 62,029 |
| Amounts Available for Appropriation | <u>19,427,207</u> | <u>19,427,207</u> | <u>17,177,544</u> | <u>(2,249,663)</u> |
| Charges to Appropriations (Outflows): | | | | |
| Superior court | 11,100 | 11,100 | 35,206 | (24,106) |
| District attorney | 854,177 | 854,177 | 744,691 | 109,486 |
| County commissioners | 201,276 | 201,276 | 248,364 | (47,088) |
| County treasurer | 192,884 | 192,884 | 150,299 | 42,585 |
| Restitution specialist | 74,200 | 74,200 | 73,141 | 1,059 |
| County buildings | 412,559 | 412,559 | 400,435 | 12,124 |
| Human resources | 34,422 | 34,422 | 41,148 | (6,726) |
| Registry of deeds | 215,684 | 215,684 | 200,128 | 15,556 |
| Registry of probate | 218,077 | 218,077 | 199,176 | 18,901 |
| Auditing | 16,760 | 16,760 | 14,895 | 1,865 |
| Sheriff | 2,270,900 | 2,270,900 | 2,317,649 | (46,749) |
| Extension service | 51,154 | 51,154 | 51,154 | - |
| Employee benefits | 2,972,856 | 2,972,856 | 3,194,063 | (221,207) |
| Soil conservation | 14,000 | 14,000 | 14,000 | - |
| Communications | 955,035 | 955,035 | 966,272 | (11,237) |
| Insurances | 115,500 | 115,500 | 99,714 | 15,786 |
| Emergency management agency | 214,840 | 214,840 | 196,270 | 18,570 |
| Civil process | 288,490 | 288,490 | 285,989 | 2,501 |
| Law enforcement death benefit | 21,665 | 21,665 | 21,665 | - |
| Information Technology | 153,188 | 153,188 | 155,185 | (1,997) |
| Debt service: | | | | |
| TAN interest | 40,000 | 40,000 | 95,127 | (55,127) |
| Unclassified | 85,379 | 85,379 | 84,611 | 768 |
| Transfers to other funds | 7,923,248 | 7,923,248 | 5,300,000 | 2,623,248 |
| Total Charges to Appropriations | <u>17,337,394</u> | <u>17,337,394</u> | <u>14,889,182</u> | <u>2,448,212</u> |
| Budgetary Fund Balance, December 31 | <u>\$ 2,089,813</u> | <u>\$ 2,089,813</u> | <u>\$ 2,288,362</u> | <u>\$ 198,549</u> |
| Utilization of unassigned fund balance | <u>\$ 300,000</u> | <u>\$ 300,000</u> | <u>\$ -</u> | <u>\$ (300,000)</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
LAST 10 FISCAL YEARS*

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>PLD Plan:</u> | | | | | | | | | |
| Proportion of the net pension liability (asset) | 0.93% | 0.92% | 0.91% | 0.84% | 0.87% | 0.86% | 0.82% | 0.84% | 0.89% |
| Proportionate share of the net pension liability (asset) | \$ 2,964,007 | \$ 2,436,368 | \$ (292,992) | \$ 3,348,955 | \$ 2,649,519 | \$ 2,349,713 | \$ 3,362,842 | \$ 4,471,562 | \$ 2,849,993 |
| Covered payroll | \$ 3,896,784 | \$ 3,974,333 | \$ 4,226,733 | \$ 4,954,790 | \$ 4,916,840 | \$ 4,536,299 | \$ 4,403,707 | \$ 4,285,185 | \$ 3,923,173 |
| Proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 76.06% | 61.30% | -6.93% | 67.59% | 53.89% | 51.80% | 76.36% | 104.35% | 72.65% |
| Plan fiduciary net position as a percentage of the total pension liability (asset) | 82.95% | 93.26% | 100.86% | 88.35% | 90.62% | 91.14% | 86.43% | 86.40% | 81.61% |

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <u>PLD Plan:</u> | | | | | | | | | |
| Contractually required contribution | \$ 484,831 | \$ 398,209 | \$ 342,060 | \$ 550,158 | \$ 541,187 | \$ 530,797 | \$ 448,507 | \$ 509,966 | \$ 430,266 |
| Contributions in relation to the contractually required contribution | <u>(484,831)</u> | <u>(398,209)</u> | <u>(342,060)</u> | <u>(550,158)</u> | <u>(541,187)</u> | <u>(530,797)</u> | <u>(448,507)</u> | <u>(509,966)</u> | <u>(430,266)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 3,873,726 | \$ 3,923,944 | \$ 3,533,552 | \$ 5,244,781 | \$ 5,196,014 | \$ 4,747,875 | \$ 4,536,299 | \$ 4,398,335 | \$ 4,044,026 |
| Contributions as a percentage of covered payroll | 12.52% | 10.15% | 9.68% | 10.49% | 10.42% | 11.18% | 9.89% | 11.59% | 10.64% |

* The amounts presented for each fiscal are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
GROUP LIFE
LAST 10 FISCAL YEARS*

| | <u>2023</u> | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>PLD Life Insurance:</u> | | | | | | | |
| Proportion of the net OPEB liability | 1.28% | 0.83% | 1.26% | 1.24% | 1.19% | 1.20% | 1.13% |
| County's proportionate share of the net OPEB liability | <u>\$ 175,163</u> | <u>\$ 120,612</u> | <u>\$ 129,697</u> | <u>\$ 163,050</u> | <u>\$ 254,562</u> | <u>\$ 242,502</u> | <u>\$ 189,165</u> |
| Total | <u>\$ 175,163</u> | <u>\$ 120,612</u> | <u>\$ 129,697</u> | <u>\$ 163,050</u> | <u>\$ 254,562</u> | <u>\$ 242,502</u> | <u>\$ 189,165</u> |
| Covered payroll | \$ 3,896,784 | \$ 3,974,333 | \$ 4,226,733 | \$ 4,954,790 | \$ 4,916,840 | \$ 4,536,299 | \$ 4,403,707 |
| Proportionate share of the net OPEB liability as a percentage of its covered payroll | 4.50% | 3.03% | 3.07% | 3.29% | 5.18% | 5.35% | 4.30% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 59.71% | 55.88% | 55.40% | 43.18% | 43.92% | 47.42% | 47.42% |

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY - HEALTH PLAN
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Increase (Decrease) | | |
|--|------------------------------|--|------------------------------------|
| | Net OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| | <u>(a)</u> | <u>(b)</u> | <u>(a) - (b)</u> |
| Balances at 1/1/22 (Reporting December 31, 2022) | \$36,915,437 | \$ - | \$36,915,437 |
| Changes for the year: | | | |
| Service cost | 485,350 | - | 485,350 |
| Interest | 761,371 | - | 761,371 |
| Changes of benefits | - | - | - |
| Differences between expected and actual experience | - | - | - |
| Changes of assumptions | (3,831,441) | - | (3,831,441) |
| Contributions - employer | - | 886,542 | (886,542) |
| Contributions - member | - | - | - |
| Net investment income | - | - | - |
| Benefit payments | (886,542) | (886,542) | - |
| Administrative expense | - | - | - |
| Net changes | <u>(3,471,262)</u> | <u>-</u> | <u>(3,471,262)</u> |
| Balances at 1/1/23 (Reporting December 31, 2023) | <u>\$ 33,444,175</u> | <u>\$ -</u> | <u>\$ 33,444,175</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
HEALTH PLAN
LAST 10 FISCAL YEARS*

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| <u>Total OPEB liability</u> | | | | | | |
| Service cost (BOY) | \$ 485,350 | \$ 509,163 | \$ 433,771 | \$ 35,848 | \$ 40,480 | \$ 32,928 |
| Interest (includes interest on service cost) | 761,371 | 685,993 | 824,494 | 113,192 | 102,378 | 87,171 |
| Changes of benefit terms | - | - | - | 20,459,894 | - | - |
| Differences between expected and actual experience | - | 1,956,582 | - | 1,310,056 | - | 294,762 |
| Changes of assumptions | (3,831,441) | 2,364,857 | 1,812,449 | 5,486,753 | (264,796) | 311,737 |
| Benefit payments, including refunds of member contributions | (886,542) | (895,628) | (861,181) | (90,583) | (87,099) | (41,523) |
| Net change in total OPEB liability | <u>\$ (3,471,262)</u> | <u>\$ 4,620,967</u> | <u>\$ 2,209,533</u> | <u>\$ 27,315,160</u> | <u>\$ (209,037)</u> | <u>\$ 685,075</u> |
| Total OPEB liability - beginning | \$ 36,915,437 | \$ 32,294,470 | \$ 30,084,937 | \$ 2,769,777 | \$ 2,978,814 | \$ 2,293,739 |
| Total OPEB liability - ending | <u>\$ 33,444,175</u> | <u>\$ 36,915,437</u> | <u>\$ 32,294,470</u> | <u>\$ 30,084,937</u> | <u>\$ 2,769,777</u> | <u>\$ 2,978,814</u> |
| <u>Plan fiduciary net position</u> | | | | | | |
| Contributions - employer | 895,628 | 895,628 | 861,181 | 90,583 | 87,099 | 41,523 |
| Contributions - member | - | - | - | - | - | - |
| Net investment income | - | - | - | - | - | - |
| Benefit payments, including refunds of member contributions | (895,628) | (895,628) | (861,181) | (90,583) | (87,099) | (41,523) |
| Administrative expense | - | - | - | - | - | - |
| Net change in fiduciary net position | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Plan fiduciary net position - beginning | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Plan fiduciary net position - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net OPEB liability - ending | <u>\$ 33,444,175</u> | <u>\$ 36,915,437</u> | <u>\$ 32,294,470</u> | <u>\$ 30,084,937</u> | <u>\$ 2,769,777</u> | <u>\$ 2,978,814</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Covered payroll | \$ 5,938,547 | \$ 5,938,547 | \$ 4,900,415 | \$ 4,900,415 | \$ 4,327,691 | \$ 4,327,691 |
| Net OPEB liability as a percentage of covered payroll | 563.2% | 621.6% | 659.0% | 613.9% | 64.0% | 68.8% |

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB - GROUP LIFE AND HEALTH PLAN
LAST 10 FISCAL YEARS*

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <u>PLD Life Insurance:</u> | | | | | | | | |
| Contractually required contribution | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Contributions in relation to the contractually required contribution | - | - | - | - | - | - | - | - |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 3,873,726 | \$ 3,923,944 | \$ 3,533,552 | \$ 5,244,781 | \$ 5,196,014 | \$ 4,747,875 | \$ 4,536,299 | \$ 4,398,335 |
| Contributions as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| <u>MMEHT:</u> | | | | | | | | |
| Employer contributions | \$ 886,542 | \$ 895,628 | \$ 861,181 | \$ 90,583 | \$ 87,099 | \$ 41,523 | | |
| Benefit payments | (886,542) | (895,628) | (861,181) | (90,583) | (87,099) | (41,523) | | |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Covered payroll | \$ 5,938,547 | \$ 5,938,547 | \$ 4,900,415 | \$ 4,900,415 | \$ 4,327,691 | \$ 4,327,691 | | |
| Contributions as a percentage of covered payroll | 14.93% | 15.08% | 17.57% | 1.85% | 2.01% | 0.96% | | |

* The amounts presented for each fiscal year are for those years for which information is available.

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2023

Changes of Assumptions

MEPERS PLD Pension Plan:

There have been no changes in assumptions.

MEPERS OPEB Plan:

There have been no changes in assumptions.

Maine Municipal Health Trust:

There was a change in the discount rate from 2.06% to 3.72% per GASB 75 discount rate selection. Ultimate medical trends were aligned to the higher inflation environment for the roll forward as of this measurement date.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Schedule of Net Position - Fiduciary Funds - Custodial Funds
- Combining Schedule of Changes in Net Position - Fiduciary Funds - Custodial Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Original Budget | Budget Adjustments | Final Budget | Actual Expenditures | Variance Positive (Negative) |
|----------------------------------|--------------------|-----------------------|-----------------|------------------------|------------------------------------|
| SUPERIOR COURT | | | | | |
| Witness fees | \$ 11,000 | \$ - | \$ 11,000 | \$ 35,203 | \$ (24,203) |
| Other expenditures | 100 | - | 100 | 3 | 97 |
| Total | 11,100 | - | 11,100 | 35,206 | (24,106) |
| DISTRICT ATTORNEY | | | | | |
| Personnel | 549,730 | - | 549,730 | 519,429 | 30,301 |
| Telephone | 24,000 | - | 24,000 | 26,440 | (2,440) |
| Utilities | 16,000 | - | 16,000 | 16,106 | (106) |
| Contracted services | 38,067 | - | 38,067 | 42,728 | (4,661) |
| Office supplies/printing/postage | 17,478 | - | 17,478 | 18,029 | (551) |
| Software/hardware | 1,100 | - | 1,100 | 2,497 | (1,397) |
| Court lease | 54,122 | - | 54,122 | 55,091 | (969) |
| Other expenditures | 37,875 | - | 37,875 | 50,929 | (13,054) |
| Victim advocate | 100,305 | - | 100,305 | - | 100,305 |
| Joint District Attorney | 15,500 | - | 15,500 | 13,442 | 2,058 |
| Total | 854,177 | - | 854,177 | 744,691 | 109,486 |
| COUNTY COMMISSIONERS | | | | | |
| Personnel | 166,726 | - | 166,726 | 146,043 | 20,683 |
| Contracted services | 9,000 | - | 9,000 | 72,158 | (63,158) |
| Telephone | 1,200 | - | 1,200 | 869 | 331 |
| Office supplies/printing/postage | 4,800 | - | 4,800 | 6,899 | (2,099) |
| Dues | 14,000 | - | 14,000 | 12,802 | 1,198 |
| Other expenditures | 5,550 | - | 5,550 | 9,593 | (4,043) |
| Total | 201,276 | - | 201,276 | 248,364 | (47,088) |
| COUNTY TREASURER | | | | | |
| Personnel | 164,998 | - | 164,998 | 90,269 | 74,729 |
| Software/hardware | 16,400 | - | 16,400 | 14,157 | 2,243 |
| Office supplies/printing/postage | 7,350 | - | 7,350 | 7,938 | (588) |
| Other expenditures | 4,136 | - | 4,136 | 37,935 | (33,799) |
| Total | 192,884 | - | 192,884 | 150,299 | 42,585 |
| RESTITUTION SPECIALIST | | | | | |
| | 74,200 | - | 74,200 | 73,141 | 1,059 |

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Original Budget | Budget Adjustments | Final Budget | Actual Expenditures | Variance Positive (Negative) |
|----------------------------------|--------------------|-----------------------|-----------------|------------------------|------------------------------------|
| COUNTY BUILDINGS | | | | | |
| Personnel | 260,484 | - | 260,484 | 218,067 | 42,417 |
| Fuel oil | 5,000 | - | 5,000 | - | 5,000 |
| Cleaning | 10,000 | - | 10,000 | 6,932 | 3,068 |
| Grounds/snow removal | 14,000 | - | 14,000 | 15,433 | (1,433) |
| Repairs | 27,600 | - | 27,600 | 26,191 | 1,409 |
| Utilities | 76,200 | - | 76,200 | 106,735 | (30,535) |
| Software/hardware | 2,300 | - | 2,300 | 3,795 | (1,495) |
| Other expenditures | 16,975 | - | 16,975 | 23,282 | (6,307) |
| Total | 412,559 | - | 412,559 | 400,435 | 12,124 |
| HUMAN RESOURCES | | | | | |
| Personnel | 24,203 | - | 24,203 | 25,604 | (1,401) |
| Human resources | 10,219 | - | 10,219 | 15,544 | (5,325) |
| Total | 34,422 | - | 34,422 | 41,148 | (6,726) |
| REGISTRY OF DEEDS | | | | | |
| Personnel | 192,974 | - | 192,974 | 180,187 | 12,787 |
| Microfilming | 15,500 | - | 15,500 | 15,270 | 230 |
| Office supplies/printing/postage | 3,400 | - | 3,400 | 2,477 | 923 |
| Telephone | 750 | - | 750 | 748 | 2 |
| Other expenditures | 3,060 | - | 3,060 | 1,446 | 1,614 |
| Total | 215,684 | - | 215,684 | 200,128 | 15,556 |
| REGISTRY OF PROBATE | | | | | |
| Personnel | 160,316 | - | 160,316 | 149,176 | 11,140 |
| Advertising | 14,000 | - | 14,000 | 13,535 | 465 |
| Attorney fees | 22,000 | - | 22,000 | 14,114 | 7,886 |
| Software/hardware | 3,300 | - | 3,300 | 3,345 | (45) |
| Office supplies/printing/postage | 9,428 | - | 9,428 | 12,726 | (3,298) |
| Insurance | 2,233 | - | 2,233 | 2,310 | (77) |
| Telephone | 450 | - | 450 | 404 | 46 |
| Repairs | 500 | - | 500 | 11 | 489 |
| Other expenditures | 5,850 | - | 5,850 | 3,555 | 2,295 |
| Total | 218,077 | - | 218,077 | 199,176 | 18,901 |

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Original Budget | Budget Adjustments | Final Budget | Actual Expenditures | Variance Positive (Negative) |
|----------------------------------|--------------------|-----------------------|-----------------|------------------------|------------------------------------|
| AUDITING | | | | | |
| Audit services | 16,760 | - | 16,760 | 14,895 | 1,865 |
| Total | 16,760 | - | 16,760 | 14,895 | 1,865 |
| SHERIFF | | | | | |
| Personnel | 1,876,600 | - | 1,876,600 | 1,876,625 | (25) |
| Service contracts | 23,200 | - | 23,200 | 24,931 | (1,731) |
| Gas/oil/grease | 60,000 | - | 60,000 | 99,047 | (39,047) |
| Clothing/uniforms | 23,000 | - | 23,000 | 19,020 | 3,980 |
| Telephone | 24,000 | - | 24,000 | 21,813 | 2,187 |
| Automotive supplies | 13,500 | - | 13,500 | 4,177 | 9,323 |
| Software/hardware | 13,000 | - | 13,000 | 14,603 | (1,603) |
| Office supplies/printing/postage | 5,600 | - | 5,600 | 5,176 | 424 |
| Training/education | 11,250 | - | 11,250 | 14,353 | (3,103) |
| Repairs | 35,600 | - | 35,600 | 24,970 | 10,630 |
| Vehicle | 155,000 | - | 155,000 | 181,455 | (26,455) |
| Other expenditures | 30,150 | - | 30,150 | 31,479 | (1,329) |
| Total | 2,270,900 | - | 2,270,900 | 2,317,649 | (46,749) |
| EXTENSION SERVICE | | | | | |
| Twin County Extension | 51,154 | - | 51,154 | 51,154 | - |
| Total | 51,154 | - | 51,154 | 51,154 | - |
| EMPLOYEE BENEFITS | | | | | |
| Health/dental insurance | 2,076,556 | - | 2,076,556 | 2,159,755 | (83,199) |
| Unemployment compensation | 5,000 | - | 5,000 | 85 | 4,915 |
| Retirement | 550,800 | - | 550,800 | 501,388 | 49,412 |
| Social security | 340,500 | - | 340,500 | 532,835 | (192,335) |
| Total | 2,972,856 | - | 2,972,856 | 3,194,063 | (221,207) |

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Original Budget | Budget Adjustments | Final Budget | Actual Expenditures | Variance Positive (Negative) |
|------------------------------------|--------------------|-----------------------|-----------------|------------------------|------------------------------------|
| COMMUNICATIONS | | | | | |
| Personnel | 808,679 | - | 808,679 | 851,942 | (43,263) |
| Telephone/teletype | 10,128 | - | 10,128 | 6,922 | 3,206 |
| Repairs | 5,500 | - | 5,500 | 1,946 | 3,554 |
| Software/hardware | 4,885 | - | 4,885 | 4,591 | 294 |
| Office supplies/printing/postage | 1,475 | - | 1,475 | 1,727 | (252) |
| Communications | 90,536 | - | 90,536 | 70,536 | 20,000 |
| Other expenditures | 33,832 | - | 33,832 | 28,608 | 5,224 |
| Total | 955,035 | - | 955,035 | 966,272 | (11,237) |
| SOIL CONSERVATION | | | | | |
| Androscoggin Soil Conservation | 14,000 | - | 14,000 | 14,000 | - |
| Total | 14,000 | - | 14,000 | 14,000 | - |
| LAW ENFORCEMENT | | | | | |
| Death benefit | 21,665 | - | 21,665 | 21,665 | - |
| Totals | 21,665 | - | 21,665 | 21,665 | - |
| INSURANCES | | | | | |
| Auto/liability | 54,450 | - | 54,450 | 53,239 | 1,211 |
| Worker's compensation | 61,050 | - | 61,050 | 46,475 | 14,575 |
| Total | 115,500 | - | 115,500 | 99,714 | 15,786 |
| EMERGENCY MANAGEMENT AGENCY | | | | | |
| Personnel | 196,664 | - | 196,664 | 168,818 | 27,846 |
| Telephone | 5,200 | - | 5,200 | 6,335 | (1,135) |
| Utilities | 7,251 | - | 7,251 | 11,365 | (4,114) |
| Office supplies/printing/postage | 2,250 | - | 2,250 | 4,395 | (2,145) |
| Vehicle expenditures | 950 | - | 950 | 950 | - |
| Other expenditures | 2,525 | - | 2,525 | 4,407 | (1,882) |
| Total | 214,840 | - | 214,840 | 196,270 | 18,570 |

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Original Budget | Budget Adjustments | Final Budget | Actual Expenditures | Variance Positive (Negative) |
|----------------------------------|--------------------|-----------------------|-----------------|------------------------|------------------------------------|
| CIVIL PROCESS SERVICE | | | | | |
| Personnel | 245,800 | - | 245,800 | 244,950 | 850 |
| Gas, oil and grease | 8,000 | - | 8,000 | 10,692 | (2,692) |
| Repairs | 5,500 | - | 5,500 | 5,531 | (31) |
| Motor vehicle | 8,000 | - | 8,000 | 8,012 | (12) |
| Software/hardware | 3,600 | - | 3,600 | 3,779 | (179) |
| Office supplies/printing/postage | 4,290 | - | 4,290 | 3,904 | 386 |
| Other expenditures | 13,300 | - | 13,300 | 9,121 | 4,179 |
| Total | 288,490 | - | 288,490 | 285,989 | 2,501 |
| INFORMATION TECHNOLOGY | | | | | |
| Personnel | 88,300 | - | 88,300 | 68,556 | 19,744 |
| Telephone | 2,044 | - | 2,044 | 4,256 | (2,212) |
| Repairs | 4,000 | - | 4,000 | 3,423 | 577 |
| Computer/software supplies | 37,844 | - | 37,844 | 74,988 | (37,144) |
| Other expenditures | 21,000 | - | 21,000 | 3,962 | 17,038 |
| Total | 153,188 | - | 153,188 | 155,185 | (1,997) |
| DEBT SERVICE | | | | | |
| TAN interest | 40,000 | - | 40,000 | 95,127 | (55,127) |
| Total | 40,000 | - | 40,000 | 95,127 | (55,127) |

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Original Budget | Budget Adjustments | Final Budget | Actual Expenditures | Variance Positive (Negative) |
|---------------------------------------|----------------------|-----------------------|----------------------|------------------------|------------------------------------|
| UNCLASSIFIED | | | | | |
| Western Maine Transportation Services | 42,500 | - | 42,500 | 42,500 | - |
| AVCOG | 7,979 | - | 7,979 | 8,197 | (218) |
| 774 Center Street | 34,900 | - | 34,900 | 33,914 | 986 |
| Total | <u>85,379</u> | <u>-</u> | <u>85,379</u> | <u>84,611</u> | <u>768</u> |
| TRANSFERS TO OTHER FUNDS | | | | | |
| Jail fund | 7,923,248 | - | 7,923,248 | 5,300,000 | 2,623,248 |
| Total | <u>7,923,248</u> | <u>-</u> | <u>7,923,248</u> | <u>5,300,000</u> | <u>2,623,248</u> |
| TOTAL DEPARTMENTAL OPERATIONS | <u>\$ 17,337,394</u> | <u>\$ -</u> | <u>\$ 17,337,394</u> | <u>\$ 14,889,182</u> | <u>\$ 2,448,212</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|-----------------------------|------------------------------|---|
| ASSETS | | | |
| Cash and cash equivalents | \$ 379,999 | \$ 256,420 | \$ 636,419 |
| Due from other funds | 1,324,488 | 84,917 | 1,409,405 |
| TOTAL ASSETS | <u>\$ 1,704,487</u> | <u>\$ 341,337</u> | <u>\$ 2,045,824</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 10,565 | \$ - | \$ 10,565 |
| Accrued payroll | 8,843 | - | 8,843 |
| Due to other funds | 239,650 | 250,776 | 490,426 |
| TOTAL LIABILITIES | <u>259,058</u> | <u>250,776</u> | <u>509,834</u> |
| FUND BALANCES (DEFICITS) | | | |
| Nonspendable | - | - | - |
| Restricted | 1,644,259 | 90,561 | 1,734,820 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | (198,830) | - | (198,830) |
| TOTAL FUND BALANCES (DEFICITS) | <u>1,445,429</u> | <u>90,561</u> | <u>1,535,990</u> |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | <u>\$ 1,704,487</u> | <u>\$ 341,337</u> | <u>\$ 2,045,824</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Special Revenue Funds | Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|-----------------------------|------------------------------|---|
| REVENUES | | | |
| Intergovernmental | \$ 1,880,097 | \$ - | \$ 1,880,097 |
| Interest income | 50,227 | 6,609 | 56,836 |
| TOTAL REVENUES | <u>1,968,037</u> | <u>6,609</u> | <u>1,974,646</u> |
| EXPENDITURES | | | |
| Program expenses | 1,036,456 | 28,823 | 1,065,279 |
| TOTAL EXPENDITURES | <u>1,036,456</u> | <u>28,823</u> | <u>1,065,279</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>931,581</u> | <u>(22,214)</u> | <u>909,367</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | - | - |
| Transfers (out) | - | (137,036) | (137,036) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>(137,036)</u> | <u>(137,036)</u> |
| NET CHANGE IN FUND BALANCES (DEFICITS) | 931,581 | (159,250) | 772,331 |
| FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED | <u>513,848</u> | <u>249,811</u> | <u>763,659</u> |
| FUND BALANCES (DEFICITS) - DECEMBER 31 | <u>\$ 1,445,429</u> | <u>\$ 90,561</u> | <u>\$ 1,535,990</u> |

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

| | Chemical Emergency Response | Probate Surcharge | DARE | Victim Advocate Grant | Wellness Grant | Speed Grant | Click It or Ticket It | DA Trial Assistance Grant |
|---|-----------------------------------|----------------------|--------------|-----------------------------|-------------------|----------------|-----------------------------|---------------------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ 7,940 | \$ 24,564 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due from other funds | - | - | 37 | - | 18,600 | - | 241 | 12,247 |
| TOTAL ASSETS | \$ 7,940 | \$ 24,564 | \$ 37 | \$ - | \$ 18,600 | \$ - | \$ 241 | \$ 12,247 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 6,089 | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - | - |
| Due to other funds | 6,042 | 17,877 | - | 34,632 | - | 5,757 | - | - |
| TOTAL LIABILITIES | 6,042 | 17,877 | - | 40,721 | - | 5,757 | - | - |
| FUND BALANCES (DEFICITS) | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | 1,898 | 6,687 | 37 | - | 18,600 | - | 241 | 12,247 |
| Committed | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | (40,721) | - | (5,757) | - | - |
| TOTAL FUND BALANCES (DEFICITS) | 1,898 | 6,687 | 37 | (40,721) | 18,600 | (5,757) | 241 | 12,247 |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | \$ 7,940 | \$ 24,564 | \$ 37 | \$ - | \$ 18,600 | \$ - | \$ 241 | \$ 12,247 |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

| | FEMA/ COVID | Opioid Settlement | EMPG-S COVID | RSU #52 RSO | Distracted Driving Grant | Law Enforcement Training |
|---|------------------|----------------------|-----------------|------------------|-----------------------------|--------------------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due from other funds | 16,835 | 136,590 | - | 23,142 | 2 | - |
| TOTAL ASSETS | \$ 16,835 | \$ 136,590 | \$ - | \$ 23,142 | \$ 2 | \$ - |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | 1,255 | - | - |
| Due to other funds | - | - | 3,017 | - | - | - |
| TOTAL LIABILITIES | - | - | 3,017 | 1,255 | - | - |
| FUND BALANCES (DEFICITS) | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 16,835 | 136,590 | - | 21,887 | 2 | - |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | (3,017) | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | 16,835 | 136,590 | (3,017) | 21,887 | 2 | - |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | \$ 16,835 | \$ 136,590 | \$ - | \$ 23,142 | \$ 2 | \$ - |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

| | MDEA Agent Contract | HSPG 22 | BHS Drug Recognition Grant (DRE) | Deeds Surcharge Fund | Homeland Security | HSPG 18 | HSPG 19 | HSPG 20 | HSPG 21 |
|---|---------------------------|-----------------|--|----------------------------|----------------------|------------------|-------------|---------------|-----------------|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ 333,887 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Due from other funds | - | - | - | - | 4,501 | 10,228 | - | 722 | - |
| TOTAL ASSETS | \$ - | \$ - | \$ - | \$ 333,887 | \$ 4,501 | \$ 10,228 | \$ - | \$ 722 | \$ - |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 3,824 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | 22 | - | - | - | - | - |
| Due to other funds | 1,399 | 66,879 | - | 22,985 | - | - | - | - | 77,122 |
| TOTAL LIABILITIES | 1,399 | 66,879 | - | 26,831 | - | - | - | - | 77,122 |
| FUND BALANCES (DEFICITS) | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | 307,056 | 4,501 | 10,228 | - | 722 | - |
| Committed | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Unassigned | (1,399) | (66,879) | - | - | - | - | - | - | (77,122) |
| TOTAL FUND BALANCES (DEFICITS) | (1,399) | (66,879) | - | 307,056 | 4,501 | 10,228 | - | 722 | (77,122) |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | | | | | | | | | |
| | \$ - | \$ - | \$ - | \$ 333,887 | \$ 4,501 | \$ 10,228 | \$ - | \$ 722 | \$ - |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

| | Misc Sheriff Grants | COPS | Misc. IT Grant | MAT Grant | Maine EDUL | Alcohol Enforcement | Traffic Safety | Contingency |
|---|---------------------------|-------------|-------------------|---------------|-----------------|------------------------|-------------------|-------------------|
| ASSETS | | | | | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,802 | \$ - | \$ - |
| Due from other funds | - | - | - | 121 | 2,018 | - | 1,171 | 100,000 |
| TOTAL ASSETS | \$ - | \$ - | \$ - | \$ 121 | \$ 2,018 | \$ 1,802 | \$ 1,171 | \$ 100,000 |
| LIABILITIES | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued payroll | - | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | 5 | - | - |
| TOTAL LIABILITIES | - | - | - | - | - | 5 | - | - |
| FUND BALANCES (DEFICITS) | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - |
| Restricted | - | - | - | 121 | 2,018 | 1,797 | 1,171 | 100,000 |
| Committed | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | - | - | - | 121 | 2,018 | 1,797 | 1,171 | 100,000 |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | \$ - | \$ - | \$ - | \$ 121 | \$ 2,018 | \$ 1,802 | \$ 1,171 | \$ 100,000 |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

| | Undesignated Jail Surplus | Byrne/JAG Firearms | Electronic Monitoring | Dive Team Equipment | Asset Forfeiture | RSU #16 Contract | Poland Patrol Contract | DA Tech Grant | Total |
|---|------------------------------|-----------------------|--------------------------|------------------------|---------------------|---------------------|------------------------------|-------------------|---------------------|
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | \$ 3 | \$ - | \$ 7,101 | \$ 235 | \$ 4,467 | \$ - | \$ - | \$ - | \$ 379,999 |
| Due from other funds | - | - | - | - | 11,898 | 5,957 | 238,751 | 741,427 | 1,324,488 |
| TOTAL ASSETS | \$ 3 | \$ - | \$ 7,101 | \$ 235 | \$ 16,365 | \$ 5,957 | \$ 238,751 | \$ 741,427 | \$ 1,704,487 |
| LIABILITIES | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 652 | \$ - | \$ 10,565 |
| Accrued payroll | - | - | - | - | - | 1,368 | 6,198 | - | 8,843 |
| Due to other funds | - | 3,935 | - | - | - | - | - | - | 239,650 |
| TOTAL LIABILITIES | - | 3,935 | - | - | - | 1,368 | 6,850 | - | 259,058 |
| FUND BALANCES (DEFICITS) | | | | | | | | | |
| Nonspendable | - | - | - | - | - | - | - | - | - |
| Restricted | 3 | - | 7,101 | 235 | 16,365 | 4,589 | 231,901 | 741,427 | 1,644,259 |
| Committed | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - |
| Unassigned | - | (3,935) | - | - | - | - | - | - | (198,830) |
| TOTAL FUND BALANCES (DEFICITS) | 3 | (3,935) | 7,101 | 235 | 16,365 | 4,589 | 231,901 | 741,427 | 1,445,429 |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | | | | | | | | | |
| | \$ 3 | \$ - | \$ 7,101 | \$ 235 | \$ 16,365 | \$ 5,957 | \$ 238,751 | \$ 741,427 | \$ 1,704,487 |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | Chemical Emergency Response | Probate Surcharge | DARE | Victim Advocate Grant | Wellness Grant | Speed Grant | Click It or Ticket It | DA Trial Assistance Grant |
|--|-----------------------------------|----------------------|--------------|-----------------------------|-------------------|-------------------|-----------------------------|---------------------------------|
| REVENUES | | | | | | | | |
| Intergovernmental | \$ 28,760 | \$ - | \$ - | \$ 67,662 | \$ 4,029 | \$ 16,940 | \$ - | \$ - |
| Charges for services | - | - | - | - | - | - | - | - |
| Interest income | 64 | 47 | - | - | - | - | - | - |
| TOTAL REVENUES | <u>28,824</u> | <u>47</u> | <u>-</u> | <u>67,662</u> | <u>4,029</u> | <u>16,940</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | | | | | | |
| Program expenses | 19,842 | 4,661 | - | 69,980 | 4,734 | 20,056 | - | - |
| TOTAL EXPENDITURES | <u>19,842</u> | <u>4,661</u> | <u>-</u> | <u>69,980</u> | <u>4,734</u> | <u>20,056</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES (DEFICITS) | 8,982 | (4,614) | - | (2,318) | (705) | (3,116) | - | - |
| FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED | <u>(7,084)</u> | <u>11,301</u> | <u>37</u> | <u>(38,403)</u> | <u>19,305</u> | <u>(2,641)</u> | <u>241</u> | <u>12,247</u> |
| FUND BALANCES (DEFICITS) - DECEMBER 31 | <u>\$ 1,898</u> | <u>\$ 6,687</u> | <u>\$ 37</u> | <u>\$ (40,721)</u> | <u>\$ 18,600</u> | <u>\$ (5,757)</u> | <u>\$ 241</u> | <u>\$ 12,247</u> |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | FEMA/ COVID | Opioid Settlement | EMPG-S COVID | RSU #52 RSO | Distracted Driving Grant | Law Enforcement Training |
|--|------------------|----------------------|-------------------|------------------|-----------------------------|--------------------------------|
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ 49,869 | \$ - | \$ 15,000 |
| Charges for services | - | - | - | - | - | - |
| Interest income | - | 27,309 | - | - | - | - |
| TOTAL REVENUES | <u>-</u> | <u>27,309</u> | <u>-</u> | <u>49,869</u> | <u>-</u> | <u>15,000</u> |
| EXPENDITURES | | | | | | |
| Program expenses | - | 25,607 | - | 27,982 | - | 15,000 |
| TOTAL EXPENDITURES | <u>-</u> | <u>25,607</u> | <u>-</u> | <u>27,982</u> | <u>-</u> | <u>15,000</u> |
| NET CHANGE IN FUND BALANCES (DEFICITS) | - | 1,702 | - | 21,887 | - | - |
| FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED | 16,835 | 134,888 | (3,017) | - | 2 | - |
| FUND BALANCES (DEFICITS) - DECEMBER 31 | <u>\$ 16,835</u> | <u>\$ 136,590</u> | <u>\$ (3,017)</u> | <u>\$ 21,887</u> | <u>\$ 2</u> | <u>\$ -</u> |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | MDEA Agent Contract | HSPG 22 | BHS Drug Recognition Grant (DRE) | Deeds Surcharge Fund | Homeland Security | HSPG 18 | HSPG 19 | HSPG 20 | HSPG 21 |
|--|---------------------------|-------------|--|----------------------------|----------------------|-----------|----------|-----------|-------------|
| REVENUES | | | | | | | | | |
| Intergovernmental | \$ - | \$ 27,995 | \$ 15,000 | \$ - | \$ - | \$ - | \$ - | \$ 20,357 | \$ - |
| Charges for services | - | - | - | 37,713 | - | - | - | - | - |
| Interest income | - | - | - | 2,914 | - | - | - | - | - |
| TOTAL REVENUES | - | 27,995 | 15,000 | 40,627 | - | - | - | 20,357 | - |
| EXPENDITURES | | | | | | | | | |
| Program expenses | - | 66,879 | - | 39,973 | - | - | 10,296 | 13,116 | 60,592 |
| TOTAL EXPENDITURES | - | 66,879 | - | 39,973 | - | - | 10,296 | 13,116 | 60,592 |
| NET CHANGE IN FUND BALANCES (DEFICITS) | - | (38,884) | 15,000 | 654 | - | - | (10,296) | 7,241 | (60,592) |
| FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED | (1,399) | (27,995) | (15,000) | 306,402 | 4,501 | 10,228 | 10,296 | (6,519) | (16,530) |
| FUND BALANCES (DEFICITS) - DECEMBER 31 | \$ (1,399) | \$ (66,879) | \$ - | \$ 307,056 | \$ 4,501 | \$ 10,228 | \$ - | \$ 722 | \$ (77,122) |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | Misc Sheriff Grants | COPS | Misc. IT Grant | MAT Grant | Maine EDUL | Alcohol Enforcement | Traffic Safety | Contingency |
|--|---------------------------|-----------------|-------------------|---------------|-----------------|------------------------|-------------------|-------------------|
| REVENUES | | | | | | | | |
| Intergovernmental | \$ 16,845 | \$ 118,959 | \$ - | \$ 30,162 | \$ - | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - | - | - | - | - |
| Interest income | - | - | 2,779 | - | - | 4 | - | - |
| TOTAL REVENUES | <u>16,845</u> | <u>118,959</u> | <u>2,779</u> | <u>30,162</u> | <u>-</u> | <u>4</u> | <u>-</u> | <u>-</u> |
| EXPENDITURES | | | | | | | | |
| Program expenses | - | 25,322 | - | 43,641 | - | - | - | - |
| TOTAL EXPENDITURES | <u>-</u> | <u>25,322</u> | <u>-</u> | <u>43,641</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCES (DEFICITS) | 16,845 | 93,637 | 2,779 | (13,479) | - | 4 | - | - |
| FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED | <u>(16,845)</u> | <u>(93,637)</u> | <u>(2,779)</u> | <u>13,600</u> | <u>2,018</u> | <u>1,793</u> | <u>1,171</u> | <u>100,000</u> |
| FUND BALANCES (DEFICITS) - DECEMBER 31 | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 121</u> | <u>\$ 2,018</u> | <u>\$ 1,797</u> | <u>\$ 1,171</u> | <u>\$ 100,000</u> |

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | Undesignated Jail Surplus | Byrne/JAG Firearms | Electronic Monitoring | Dive Team Equipment | Asset Forfeiture | RSU #16 Contract | Poland Patrol Contract | DA Tech Grant | Total |
|--|------------------------------|-----------------------|--------------------------|------------------------|---------------------|---------------------|------------------------------|------------------|--------------|
| REVENUES | | | | | | | | | |
| Intergovernmental | \$ - | \$ 9,562 | \$ - | \$ - | \$ - | \$ 105,494 | \$ 612,036 | \$ 741,427 | \$ 1,880,097 |
| Charges for services | - | - | - | - | - | - | - | - | 37,713 |
| Interest income | - | - | 164 | 5 | 16,941 | - | - | - | 50,227 |
| TOTAL REVENUES | - | 9,562 | 164 | 5 | 16,941 | 105,494 | 612,036 | 741,427 | 1,968,037 |
| EXPENDITURES | | | | | | | | | |
| Program expenses | - | 8,844 | - | - | 12,996 | 79,791 | 487,144 | - | 1,036,456 |
| TOTAL EXPENDITURES | - | 8,844 | - | - | 12,996 | 79,791 | 487,144 | - | 1,036,456 |
| NET CHANGE IN FUND BALANCES (DEFICITS) | - | 718 | 164 | 5 | 3,945 | 25,703 | 124,892 | 741,427 | 931,581 |
| FUND BALANCES (DEFICITS) - JANUARY 1, RESTATED | 3 | (4,653) | 6,937 | 230 | 12,420 | (21,114) | 107,009 | - | 513,848 |
| FUND BALANCES (DEFICITS) - DECEMBER 31 | \$ 3 | \$ (3,935) | \$ 7,101 | \$ 235 | \$ 16,365 | \$ 4,589 | \$ 231,901 | \$ 741,427 | \$ 1,445,429 |

See accompanying independent auditor's report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment, other than those financed by proprietary or trust funds.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2023

| | Building Improvement | Facilities Truck | Office Equipment | County Capital | Sheriff's Vehicle | Total |
|---|-------------------------|---------------------|---------------------|-------------------|----------------------|-------------------|
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 256,420 | \$ - | \$ - | \$ - | \$ - | \$ 256,420 |
| Due from other funds | - | 20 | 742 | 4,236 | 79,919 | 84,917 |
| TOTAL ASSETS | \$ 256,420 | \$ 20 | \$ 742 | \$ 4,236 | \$ 79,919 | \$ 341,337 |
| LIABILITIES | | | | | | |
| Due to other funds | \$ 250,776 | \$ - | \$ - | \$ - | \$ - | \$ 250,776 |
| TOTAL LIABILITIES | 250,776 | - | - | - | - | 250,776 |
| FUND BALANCES (DEFICITS) | | | | | | |
| Nonspendable | - | - | - | - | - | - |
| Restricted | 5,644 | 20 | 742 | 4,236 | 79,919 | 90,561 |
| Committed | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| TOTAL FUND BALANCES (DEFICITS) | 5,644 | 20 | 742 | 4,236 | 79,919 | 90,561 |
| TOTAL LIABILITIES AND FUND BALANCES (DEFICITS) | \$ 256,420 | \$ 20 | \$ 742 | \$ 4,236 | \$ 79,919 | \$ 341,337 |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | Building Improvement | Facilities Truck | Office Equipment | County Capital | Sheriff's Vehicle | Total |
|---|-------------------------|---------------------|---------------------|-------------------|----------------------|------------------|
| REVENUES | | | | | | |
| Interest income | \$ 162 | \$ 650 | \$ 650 | \$ 3,357 | \$ 1,790 | \$ 6,609 |
| TOTAL REVENUES | <u>162</u> | <u>650</u> | <u>650</u> | <u>3,357</u> | <u>1,790</u> | <u>6,609</u> |
| EXPENDITURES | | | | | | |
| Program expenses | - | 28,823 | - | - | - | 28,823 |
| TOTAL EXPENDITURES | <u>-</u> | <u>28,823</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>28,823</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>162</u> | <u>(28,173)</u> | <u>650</u> | <u>3,357</u> | <u>1,790</u> | <u>(22,214)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers (out) | - | - | (22,300) | (114,736) | - | (137,036) |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>-</u> | <u>-</u> | <u>(22,300)</u> | <u>(114,736)</u> | <u>-</u> | <u>(137,036)</u> |
| NET CHANGE IN FUND BALANCES | 162 | (28,173) | (21,650) | (111,379) | 1,790 | (159,250) |
| FUND BALANCES - JANUARY 1, RESTATED | <u>5,482</u> | <u>28,193</u> | <u>22,392</u> | <u>115,615</u> | <u>78,129</u> | <u>249,811</u> |
| FUND BALANCES - DECEMBER 31 | <u>\$ 5,644</u> | <u>\$ 20</u> | <u>\$ 742</u> | <u>\$ 4,236</u> | <u>\$ 79,919</u> | <u>\$ 90,561</u> |

See accompanying independent auditor's report and notes to financial statements.

Fiduciary Funds

Fiduciary funds are used to account for assets held by the County of Androscoggin, Maine as an agent for individuals, private organizations or other governmental units. These funds have been established for the provisions of the Inmate Benefit Account.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF NET POSITION - FIDUCIARY FUNDS
 CUSTODIAL FUNDS
 DECEMBER 31, 2023

| | Inmate Benefit Account | Total |
|---|------------------------------|-------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 401,031 | \$ 401,031 |
| Due from other governments | 277,949 | 277,949 |
| TOTAL ASSETS | <u>\$ 678,980</u> | <u>\$ 678,980</u> |
| LIABILITIES | | |
| Accounts payable | \$ 25,301 | \$ 25,301 |
| Due to other governments | 470 | 470 |
| TOTAL LIABILITIES | <u>25,771</u> | <u>25,771</u> |
| NET POSITION | | |
| Restricted | 653,209 | 653,209 |
| TOTAL NET POSITION | <u>653,209</u> | <u>653,209</u> |
| TOTAL LIABILITIES AND NET POSITION | <u>\$ 678,980</u> | <u>\$ 678,980</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

COMBINING SCHEDULE OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2023

| | Inmate Benefit Account | Total |
|----------------------------|------------------------------|-------------------|
| REVENUE | | |
| Interest income | \$ 6,839 | \$ 6,839 |
| Other | 300,803 | 300,803 |
| TOTAL REVENUE | <u>307,642</u> | <u>307,642</u> |
| EXPENSE | | |
| Program charges | <u>269,080</u> | <u>269,080</u> |
| TOTAL EXPENSE | <u>269,080</u> | <u>269,080</u> |
| NET CHANGE IN NET POSITION | 38,562 | 38,562 |
| NET POSITION, JANUARY 1 | <u>614,647</u> | <u>614,647</u> |
| NET POSITION, DECEMBER 31 | <u>\$ 653,209</u> | <u>\$ 653,209</u> |

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2023

| | Land and Non-depreciable Assets | Buildings, Building Improvements and Land Improvements | Furniture, Fixtures, Equipment and Vehicles | Total |
|--------------------------------|---------------------------------------|--|--|---------------------|
| Jail | \$ - | \$ 9,157,612 | \$ 413,939 | \$ 9,571,551 |
| IT | - | - | 149,883 | 149,883 |
| Treasurer | - | - | 6,000 | 6,000 |
| Sheriff's Department | 866,252 | 3,168,851 | 3,052,512 | 7,087,615 |
| District Attorney | - | 168,946 | 19,028 | 187,974 |
| County-wide | 2,199,600 | 2,646,274 | 186,383 | 5,032,257 |
| Total General Capital Assets | 3,065,852 | 15,141,683 | 3,827,745 | 22,035,280 |
| Less: Accumulated Depreciation | - | (11,692,477) | (2,543,436) | (14,235,913) |
| Net General Capital Assets | <u>\$ 3,065,852</u> | <u>\$ 3,449,206</u> | <u>\$ 1,284,309</u> | <u>\$ 7,799,367</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023

| | General Capital Assets 1/1/23 (Restated) | Additions | Disposals | General Capital Assets 12/31/23 |
|--------------------------------|--|-------------------|-------------|--|
| Jail | \$ 9,415,109 | \$ 156,442 | - | \$ 9,571,551 |
| IT | 149,883 | - | - | 149,883 |
| Treasurer | 6,000 | - | - | 6,000 |
| Sheriff's department | 5,853,621 | 1,233,994 | - | 7,087,615 |
| District attorney | 177,399 | 10,575 | - | 187,974 |
| County-wide | 4,964,757 | 67,500 | - | 5,032,257 |
| Total General Capital Assets | <u>20,566,769</u> | <u>1,468,511</u> | <u>-</u> | <u>22,035,280</u> |
| Less: Accumulated Depreciation | <u>(13,623,920)</u> | <u>(611,993)</u> | <u>-</u> | <u>(14,235,913)</u> |
| Net General Capital Assets | <u>\$ 6,942,849</u> | <u>\$ 856,518</u> | <u>\$ -</u> | <u>\$ 7,799,367</u> |

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance

Federal compliance includes financial information and reports that are required in accordance with *Government Auditing Standards* and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

| Federal Grantor Pass-Through Grantor Program Title | Federal AL Number | Pass-Through Grantor Number | Federal Expenditures | Expenditures to Subrecipients |
|---|-------------------------|--------------------------------|-------------------------|-------------------------------------|
| U.S. DEPARTMENT OF JUSTICE | | | | |
| Passed through Maine Department of Justice: | | | | |
| Forensics Training and Technical Assistance Program | 16.044 | CT 16A20220815*0482 | \$ 15,000 | \$ - |
| Crime Victim Assistance/Discretionary Grants | 16.582 | CT 10A2021090200000000564 | 89,694 | - |
| Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | N/A | 8,844 | - |
| Total U.S. DEPARTMENT OF JUSTICE | | | <u>113,538</u> | <u>-</u> |
| U.S. DEPARTMENT OF TRANSPORTATION | | | | |
| Passed through Maine Department of Transportation and Highway Safety: | | | | |
| National Highway Traffic Safety Administration (NHTSA) Discretionary Safety Grants and Cooperative Agreements | 20.614 | PT 23-036 | 20,056 | - |
| Passed through Maine Emergency Management Agency in the Department of Defense and Veteran's Services: | | | | |
| Interagency Hazardous Materials Public Sector Training and Planning Grants | 20.703 | 693JK31940019HMEP | 19,143 | - |
| Total U.S. DEPARTMENT OF TRANSPORTATION | | | <u>39,199</u> | <u>-</u> |
| U.S. DEPARTMENT OF TREASURY | | | | |
| Direct Programs | | | | |
| Coronavirus State and Local Fiscal Recovery Funds | 21.027 | N/A | 1,849,778 | 358,084 |
| Total U.S. DEPARTMENT OF TREASURY | | | <u>1,849,778</u> | <u>358,084</u> |
| U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Passed through Maine Department of Health and Human Services: | | | | |
| Substance Abuse and Mental Health Services Projects of Regional and National Significance | 93.243 | CT 10A20230418000000002716 | 43,641 | - |
| Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | <u>43,641</u> | <u>-</u> |
| U.S. DEPARTMENT OF HOMELAND SECURITY | | | | |
| Passed through Federal Emergency Management Agency and Maine Emergency Management Agency in the Department of Defense and Veteran's Services: | | | | |
| Emergency Management Performance Grants | 97.042 | CT 20200819*0544 | 196,270 | - |
| Homeland Security Grant Program | 97.067 | CT 20190723*0239 | 10,296 | - |
| Homeland Security Grant Program | 97.067 | CT 20200820*0630 | 13,116 | - |
| Homeland Security Grant Program | 97.067 | CT 202109270*0808 | 60,592 | - |
| Homeland Security Grant Program | 97.067 | CT 20220930*0977 | 66,879 | - |
| | | | 150,883 | - |
| Total U.S. DEPARTMENT OF HOMELAND SECURITY | | | <u>347,153</u> | <u>-</u> |
| Total Federal Assistance | | | <u>\$ 2,393,309</u> | <u>\$ 358,084</u> |

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF ANDROSCOGGIN, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Androscoggin, Maine under programs of the federal government for the year ended December 31, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Androscoggin, Maine, it is not intended to and does not present the financial position, changes in net assets or cash flows of the County of Androscoggin, Maine.

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The County of Androscoggin, Maine has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Expenditures to Subrecipients

| <u>Subrecipient</u> | <u>ALN</u> | <u>Expenditures to Subrecipients</u> |
|-------------------------|------------|--|
| Community Concepts, Inc | 21.027 | \$ 297,680 |
| Trinity Jubilee Center | 21.027 | 60,404 |
| | | <u>\$ 358,084</u> |

See accompanying independent auditor's report and notes to financial statements.



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners
County of Androscoggin
Auburn, Maine

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Androscoggin, Maine, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the County of Androscoggin, Maine's basic financial statements and have issued our report thereon dated September 30, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered County of Androscoggin, Maine's internal control over financial reporting to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of County of Androscoggin, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Androscoggin, Maine's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Androscoggin, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. We noted certain other matters that we reported to management of the County of Androscoggin, Maine in a separate letter dated September 30, 2024.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
September 30, 2024



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
County of Androscoggin
Auburn, Maine

Report on Compliance for Each Major Federal Program

Unmodified Opinion

We have audited the County of Androscoggin, Maine's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the County of Androscoggin, Maine's major federal programs for the year ended December 31, 2023. the County of Androscoggin, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the County of Androscoggin, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Unmodified Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility section of our report.

We are required to be independent of the County of Androscoggin, Maine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal

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program. Our audit does not provide a legal determination of the County of Androscoggin, Maine's compliance with the compliance requirements referred to above.

Management's Responsibility

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County of Androscoggin, Maine's federal programs.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the County of Androscoggin, Maine's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Androscoggin, Maine's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Androscoggin, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Androscoggin, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County of Androscoggin, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the County of Androscoggin, Maine's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. the County of Androscoggin, Maine's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
September 30, 2024

COUNTY OF ANDROSCOGGIN, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023

Section I - Summary of Auditor's Results

• Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

• Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? yes no

Identification of major programs:

| <u>AL Numbers</u> | <u>Name of Federal Program or Cluster</u> |
|-------------------|---|
| 21.027 | Coronavirus State and Local Fiscal Recovery Funds |

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None