

# Federal Compliance Audit

County of Cumberland, Maine

December 31, 2008



*Proven Expertise and Integrity*

COUNTY OF CUMBERLAND, MAINE

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DECEMBER 31, 2008

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## INDEPENDENT AUDITORS' REPORT

February 20, 2009

Board of Commissioners  
County of Cumberland  
Portland, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Cumberland, Maine, as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Cumberland, Maine as of December 31, 2008, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2009 on our consideration of County of Cumberland, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering our audit.

The Management's Discussion and Analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Cumberland's basic financial statements. The combining and individual nonmajor fund financial statements and the capital asset schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County of Cumberland, Maine. The combining and individual nonmajor fund financial statements, capital asset schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RHR Smith & Company  
Certified Public Accountants

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

Our discussion and analysis of the County of Cumberland, Maine's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2008. Please read it in conjunction with the County's financial statements.

### **Brief Discussion of the Basic Financial Statements**

#### **Using This Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the County as a whole and present a longer-term view of the County's finances. Fund financial statements follow. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the County's operations in more detail than the government-wide statements by providing information about the County's most significant funds. The remaining statements provide financial information about activities for which the County acts solely as a trustee or agent for the benefit of those outside of the government.

#### **Reporting the County as a Whole**

One of the most important questions asked about the County's finances is, "Is the County as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the County as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting* which is similar to the accounting, used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the County's *net assets* and changes in them. You can think of the County's net assets - the difference between assets and liabilities - as one way to measure the County's financial health, or *financial position*. Over time, *increases or decreases* in the County's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the County's property tax base and the condition of the County's infrastructure, to assess the *overall health* of the County.

In the Statement of Net Assets and the Statement of Activities, the County's activities are classified solely as governmental activities:

- Governmental activities - Most of the County's basic services are reported here, including all County government offices and registrars, the District Attorney, the Sheriff's office and the Jail. Property taxes, charges for services, and state and federal grants finance most of these activities.

### **Reporting the County's Most Significant Funds**

Our analysis of the County's major funds begins on page 18. The fund financial statements begin on page 21 and provide detailed information about the most significant funds - not the County as a whole. Some funds are required to be established by State law and by bond covenants. However, the County Commissioners establish many other funds to help them control and manage money for particular purposes (like Sheriff Contract Services) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants received from the U.S. Department of Justice). The County uses only one kind of fund - governmental funds.

- *Governmental funds* - Most of the county's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the County's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in a reconciliation at the bottom of the fund financial statements.

### **The County as Trustee**

The County is the trustee, or *fiduciary*, for its employees' pension plans. These fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 25 and 26. We exclude these activities from the County's other financial statements because the County cannot use these assets to finance its operations. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes.



## Condensed Financial Information

### The County as a Whole

Our analysis below focuses on the net assets, and changes in net assets of the County's governmental activities. The County's total net assets increased by \$148,111 from \$29.7 million to \$29.9 million or a .05% increase.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$111,748 from \$3,688,976 to a balance of \$3,577,228 at the end of this year.

**Table 1**  
**County of Cumberland, Maine**  
**Net Assets**  
**December 31,**

Assets:	<u>2008</u>	<u>2007</u>
Current and other assets	\$ 12,044,439	\$ 11,911,221
Capital Assets	29,375,937	30,246,422
Total Assets	<u>\$ 41,420,376</u>	<u>\$ 42,157,643</u>
Liabilities:		
Current Liabilities	\$ 4,087,271	\$ 4,871,397
Long-term Debt Outstanding	7,454,844	7,555,736
Total Liabilities	<u>\$ 11,542,115</u>	<u>\$ 12,427,133</u>
Net Assets:		
Invested in Capital Assets, Net of related Debt	\$ 21,580,937	\$ 22,116,422
Restricted for: General fund	400,000	400,000
Special revenues	3,612,431	2,567,467
Capital projects	695,664	949,257
Expendable trust funds	12,001	8,388
Unrestricted Net Assets	<u>3,577,228</u>	<u>3,688,616</u>
Total Net Assets	<u>\$ 29,878,261</u>	<u>\$ 29,730,150</u>

## Revenues and Expenses

Revenues for the County's governmental activities increased by 2.15%, while total expenses increased by over 4.61%. To cover the anticipated rise in the level of expenditures, the County raised the property tax revenue by 6.6% which accounted for \$1,337,923 in additional revenues over the past fiscal year.

**Table 2**  
**County of Cumberland, Maine**  
**Change in Net Assets**  
**For the Year Ended December 31,**

	<u>2008</u>	<u>2007</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 9,024,872	\$ 9,961,190
Operating grants and contributions	3,373,044	2,813,585
General revenues:		
Taxes	21,613,749	20,275,826
Grants and contributions not restricted to specific programs	505,201	394,083
Miscellaneous	883,779	1,212,245
<b>Total Revenues</b>	<u>35,400,645</u>	<u>34,656,929</u>
<b>Expenses</b>		
Executive Department	825,304	899,396
Treasurer	33,974	34,394
Finance	311,394	316,872
Register of Deeds	1,493,808	972,307
Register of Probate	502,726	478,082
Emergency Management	1,553,306	1,038,247
Sheriff - County Services	6,445,659	5,916,740
Sheriff - Reimbursable Services	1,236,470	1,109,730
Jail	16,451,193	16,086,131
District Attorney	1,311,023	1,223,888
Facilities	2,186,045	2,664,631
Management System	386,392	273,578
Agency Grants	330,565	426,291
Parking Garage	160,319	157,855
Civic Center Debt Allocation	161,975	161,975
Contingency	-	-
Other	403,243	243,339
Interest on Long-Term Debt	481,405	591,936
Capital Expenditures	712,773	815,549
Depreciation Expense	264,960	287,944
<b>Total Expenses</b>	<u>35,252,534</u>	<u>33,698,885</u>
<b>Change in Net Assets</b>	148,111	958,044
<b>Net Assets - January 1</b>	<u>29,730,150</u>	<u>27,983,701</u>
<b>Restatement</b>	-	788,405
<b>Net Assets - December 31</b>	<u>\$ 29,878,261</u>	<u>\$ 29,730,150</u>

The cost of all governmental activities this year was \$35.3 million compared to \$33.7 million last year. However, as shown in the Statement of Activities on pages 19 and 20, the amount that our taxpayers ultimately financed for these activities through County taxes was only \$22.9 million because some of the cost was paid by those who directly benefited from the programs (\$12.4 million). Overall, the County's governmental program revenues, including intergovernmental aid and fees for services, decreased in 2008 from \$12.7 million to \$12.3 million, principally based on the decrease in charges for service revenues. The County paid for the remaining "public benefit" portion of governmental activities with \$22.9 million in taxes and with other revenues, such as interest and miscellaneous collections.

### **Analysis of Balances and Transactions of Individual Funds**

**Table 3**  
**County of Cumberland, Maine**  
**Net Cost of Services**  
**For the Year Ended December 31, 2008**

	Total Cost of Services	Total Revenue	Net Cost of Services
Register of Deeds	\$ 1,493,808	\$ 2,494,842	\$ (1,001,034)
Sheriff - County Services	6,445,659	305,771	6,139,888
Jail	16,451,193	5,238,955	11,212,238
District Attorney	1,311,023	-	1,311,023
Facilities	2,186,045	-	2,186,045
All Other Departments	7,364,806	4,358,348	3,006,458
Totals	<u>\$ 35,252,534</u>	<u>\$ 12,397,916</u>	<u>\$ 22,854,618</u>

Expenditures in the General Fund increased by 4.61% over the prior year. Most of this increase is due to an increase in Sheriff – County Services expenditures of 8.94% and an increase in Jail expenditures of 2.27%.

The County's major funds –Accrued Compensated Absences incurred \$151,736 in expenses but had a transfer in of the same amount. The Capital Improvement Fund incurred \$585,065 in expenditures, net transfers in of \$315,000 and interest of \$16,472 resulting in a net decrease for the year of \$253,593. The Radio Upgrade Fund received bond monies of \$1,700,000, had expenses of \$140,879 and miscellaneous revenues of \$1,091 for a net increase for the year of \$1,560,212.

## **Capital Asset and Long-Term Debt Activity**

### **Capital Assets**

As of December 31, 2008, the gross book value of capital assets recorded by the County increased by \$205,598 over the prior year. The increase was due to net change in additions and deletions to vehicles, machinery and equipment.

The County has begun to include the historical cost or estimated fair market value of infrastructure systems in its capital assets. More detailed information on capital asset activity can be found in Note 3 to the financial statements.

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

	<u>2008</u>	<u>2007</u>
Land and buildings	\$ 28,341,426	\$ 29,317,355
Equipment	<u>1,034,511</u>	<u>929,067</u>
Total	<u>\$ 29,375,937</u>	<u>\$ 30,246,422</u>

### **Debt**

At December 31, 2008, the County had \$7.80 million in bonds outstanding versus \$8.13 million last year, a decrease of 4.12%, as shown in Note 7 of the financial statements.

### **Currently Known Facts, Decisions, or Conditions**

#### **Economic Factors and Next Year's Budgets and Rates**

The fiscal year 2009 County of Cumberland budget was adopted on December 19, 2008 and establishes the operational goals of the County for the upcoming year. The County budget strikes a balance between the needs, requirements, and resources available while maintaining required service levels and fulfilling the items within the financial plan.

The adopted FY 2008 budget totals \$31,566,466. This represents a 6.60% tax increase, with 3.91% from the departmental expenditure increases, 2.96% from reducing the tax stabilization fund, and a -.27% reduction in the estimated revenues. This does not include enterprise funds and grants, which account for another \$5.9 million for a total of \$37,450,934.

The total budget was adopted after careful consideration of the comments and recommendations offered by the municipal officials serving on the Budget Advisory Committee. County officials recognize and appreciate the important involvement of departmental staff, department heads, members of the Budget Advisory Committee, and interested citizens in constructing this budget document. A total of 411 full and part-time personnel have been approved as the total county workforce.

The executive summary consists of an introduction to the Cumberland County departments and their FY2008 requests, with a summary of the major changes to the 2008 budget. In addition, there is an explanation of the county's financial plan and 2008 tax increase.

### **County Departments – Functions and 2008 Requests**

There are thirteen departments within the County, with 8 appointed and 5 elected department heads.

Community Development – In 2007 Cumberland County became a direct recipient of Community Development Block Grant (CDBG) program funds from the U.S. Department of Housing & Urban Development (HUD). This year marks the second year of the Cumberland County Community Development Office and its programs. Now after two years in operation the program has been extremely successful bringing in and distributing almost \$1.5 million in federal grant resources annually. The Community Development Director is Aaron Shapiro.

District Attorney - This office prosecutes criminal, civil, and traffic charges for the County through the state court system. There are 47 attorneys and staff who work in the DA's Office who handle about 15,000 cases per year. There are four divisions: 1) The Misdemeanor Division; 2) the Felony Division; 3) The Domestic Violence Unit; and 4) the Juvenile Justice Division. The DA's Office also administers pre and post conviction Diversion Programs for adult offenders, as well as a few public awareness initiatives. **Key Budget Issue:** A major issue is upgrading the office's software system with the McJustice software to make it compatible with district attorneys' offices throughout the state.

Emergency Communications – In recent years two milestone events have occurred that have positioned the Cumberland County Regional Communications Center as an increasingly successful provider of emergency communications services to the county's municipalities. First, in 2004 a nationally respected firm called Kimball & Associates was hired by the County with municipal involvement to conduct an independent analysis to

### **Beginning and Ending General Fund Balance Summary for 2008**

<b>Fund Balances</b>	<b>Amount</b>
Beginning Fund Balance 1/1/08	\$ 4,367,691
Revenues:	
Taxes	14,245,929
Intergovernmental	668,175
Charges for Services	5,860,142
Miscellaneous Revenues	215,013
Expenditures:	
Departmental	20,131,622
Debt Service	362,655
Benefits/Termination Pay	-
Other	102,132
Transfers	466,736
Ending Fund Balance 12/31/08	<u>\$ 4,293,805</u>

The Beginning and Ending Balance Summary reflects the county's financial position at the beginning and end of 2008. The county's reserves have decreased as revenues from refinancing and the purchasing of new homes have reduced Deeds revenue.

### **Budget Expenditures by Object**

General Fund Budget expenditures totaled \$31,197,983 for 2008, which represent an 1.3% expenditure increase over 2007 budgeted levels. Dividing the General Fund expenditures by object shows an allocation of 63% to Personnel, 24% to Operations and Maintenance, 9% to Debt Service, 1% to Capital and 3% to Other miscellaneous expenses.

The increase in "Personnel" costs is attributable to a combination of one additional employee, increased benefit costs, and the inclusion of figures for the cost of the collective bargaining agreements with the County's Three bargaining units. The "Operations & Maintenance" expenses also increased, with a slight decrease in the "Capital Expenditures" reflecting a very conservative use of county resources. Human Services was decreased by 8.0% after much debate, and Grant funds were also adjusted. "Debt Service" decreased based on bond rate structures, and this trend is expected to continue as Cumberland County retires debt each year. The Jail Bond was refinanced in 2003, saving over \$1 million dollars during the balance of the term. Appropriations in the "Other" accounts experienced a decrease in 2007.

review and determine the fee that the County should be charging to municipalities for emergency communications services. Secondly, in 2007 an expanded center was constructed utilizing capital reserve funds which were derived from non-tax revenues generated by the Registry of Deeds. There is no outstanding debt on the expanded facility, which can house up to over twenty work stations when it is fully built out. The CCRCC provides both emergency and non-emergency dispatching service for many public safety agencies within Cumberland County and serves as the Public Safety Answering Point (PSAP) for 18 of the 28 communities within the County. **Key Budget Issue:** Going forward the number one budget issue facing the County is how to fit up the remainder of the facility for future utilization should some of the larger communities want to join the Center.

Emergency Management Agency - This department provides assistance to the 27 municipalities in the County on all emergency operations ranging from ice storms to chemical spill emergencies. **Key Budget Issues:** For over ten years the county has funded four regional hazardous materials response units staffed by local fire departments. With the heightened alert and awareness from September 11, 2001 this effort is being formalized through the establishment of the County of Cumberland Hazardous Materials-Weapons of Mass Destruction Response Committee. This team has been designated by the Maine Emergency Management Agency as the region's response team for incidents involving chemical and biological threats to public safety.

Executive Department - The Executive Department is headed by the county manager. As prescribed under Title 30-A of the State Statutes, the county manager works under the direction of the Commissioners to oversee the implementation of county policy and the day-to-day administration of county operations, including development of the annual county budget. This department works closely with the commissioners and department heads, as well as the state, municipalities and other outside organizations. **Key Budget Issues:** In 2008, the Executive Department will work with the county's strategic plan consultant to continue implementation of the 2006-2010 Cumberland County Strategic Plan. In addition, the department will continue to ensure that the County has a presence at the State House on legislative matters that are important to the region and to Cumberland County Government.

Facilities - The Facilities Department is responsible for the physical operations of the County's seven buildings, including the jail. **Key Budget Issues:** The budget will complete the upgrade of master control sub panels, as well as the ongoing maintenance necessary to maintain over 1000 electronic doors, 657 toilets and sinks. In addition, there are a number of capital projects, which the facilities director will be overseeing in 2007, ranging from the development of a new primary access road for the Cumberland County Correctional Facility to a renovation project involving the Cumberland County Courthouse Building.

Finance -The department of Finance is responsible for managing the fiscal affairs of the county including preparation of the budget, managing payroll, and providing fiscal analysis of revenue and expenditure trends. **Key Budget Issues:** Among the issues that will be worked on by the Finance Office in 2008 will be continued improvements to the County's purchasing procedures, financial analysis of contracts with communities for services like dispatch/911 and police.

Human Resources - The Department administers human resource programs, employee services, administers employee benefits, and to recruit and retain the best employees. Cumberland County Government is an Equal Opportunity/Affirmative Action Employer. We encourage diversity in our workforce.

Information Technology - The Cumberland County IT Department provides for the County's IT needs and has employees in three different locations for on-site professional IT help. As well as working daily on County IT needs, they diligently work to bring the most current technology to the County ranging from ongoing maintenance, to our state-of-the-art communications center, to the "Mobile Offices" in the deputies' cars, to the Cumberland County website. **Key Budget Issue:** It is very challenging to continue making the necessary investment in technology with the limited fiscal resources the County has available.

Registry of Deeds - The Deeds office serves the public by recording documents such as mortgages, deeds, liens, and mapping plans. **Key Budget Issues:** In keeping with the Five Year Strategic Plan adopted in 2001 the registry has completed the process of using scanning to store documents for research. In 2008, access through the internet will be evaluated and re-assessed for its effectiveness.

Registry of Probate - This department operates the Probate Court, which includes proceedings such as adoptions, guardian petitions, wills, and name changes. **Key Budget Issues:** In 2008, the Register of Probate will continue to implement new efficiencies to increase the effectiveness of the probate activities. The Cumberland County Registry files about 25% of the wills, trusts, adoptions, and name changes in the State of Maine.

Sheriff - The office of Sheriff is responsible for operating a direct supervision County jail, as well as managing a full-service public safety and patrol organization. **Key Budget Issues:** Maine has a higher than national average for inmates needing mental health care. The lack of state supported facilities for persons needing institutionalized care has resulted in a large segment of that population ending up in the county jail system. This will continue to be a challenge for the foreseeable future. A federal grant has been received and implemented to help direct the nonviolent mentally ill to a special home instead of housing these individuals in the county correctional facility.

Treasurer - This office is responsible for managing the investment of funds, issuing the tax anticipation note, and collecting taxes.



## **Major Changes to the Adopted Budget**

The following changes represent the most significant changes to the 2008 budget.

- Ø Tax Stabilization Fund: For the past few years the county has been drawing down the annual amount of its tax stabilization fund to assure an adequate fund balance. In the 2008 budget the Board of Commissioners continued this prudent fiscal management by reducing the TSF another \$600,000 resulting in an increased expenditure of \$600,000.
- Ø Jail Expenditures: The second largest single expenditure next to the tax stabilization fund is the jail with an increase of \$425,000, with a \$350,000 increase in the inmate medical costs alone.
- Ø Decreased Funding for Human Service Agencies and Organizations: With the adoption of the 2008 budget the Commissioners approved new funding criteria for the human service agencies developed collaboratively by the County with the Human Services Advisory Committee, and the agencies involved. One of the outcomes was an overall reduction from the previous year of approximately \$90,000.

## **Financial Plan**

The County's financial plan for 2008 is based on two objectives: (1) an increase in taxes, and (2) maintaining a balanced budget. The County Manager has established policies to assist departments in constructing their budgets to accomplish these financial goals. Each aspect of the County's financial plan is detailed below.

### **Tax increase**

The County Commissioners entered the FY 2008 budget process committed to presenting a budget to the citizens of Cumberland County that will accomplish the above mentioned objectives by maintaining efficient, effective services and meeting the mandates of the state. Almost the total increase to the budget is due to the increased cost of the Cumberland County Correctional Facility. The total adopted expenditures increased by 3.9%, with an overall tax increase of 6.6% due to anticipated nontax revenues, and a tax subsidy from the general fund.

### **Fund balance**

The county's financial department, in collaboration with the county manager, deputy county manager, and County Commissioners, continues to monitor all issues that are pertinent to the financial health of Cumberland County Government. A very important goal of the County is to have a fund balance, which provides an adequate

buffer against economic downturns. The Maine statutes give the County Commissioners the authority to commit 20% (as a % of the tax assessment) to the undesignated fund balance. The exact amount of the reserve will be determined after the year-end audit to allow all county commitments to be met before funds are allocated to the reserves.

### **Balanced budget**

The County of Cumberland is committed to managing its budget responsibly to ensure that each department is staying within its budget authorization, absent any unforeseen circumstances. Many factors contribute to maintaining a balanced budget. Financial reports are issued monthly and reviewed to give managers the tools to track their budgets. A system of encumbrances is in place to inform departments of current account balances throughout the year. Each week, all expenditures are reviewed to ensure appropriate use of county funds. The result is a well-managed, financially responsible organization that operates within its budget authority.

### **Policy and Guidance**

The County Manager has established financial policies for departments to help them conform to budgetary requirements including overall budget guidance to keep requests to less than 2% over last year. Other policies include:

- A policy of strictly controlled overspending in line items within departmental budgets. The purpose of this policy is to accurately track expenditures. (This policy does not authorize overspending departmental budgets.)
- A review process is in place whereby departments identify and justify each account request during the annual budget review.

### **Estimated Fund Changes for 2008-Actual Amounts**

The County's General Fund revenues were lower than expenditures in FY 2008 by \$94,344. The Special Revenue Fund and Fiduciary Fund and Capital Projects Fund ended 2008 with balances that reflected a nominal increase. The following table presents a summary of the county's changes in general fund balances for FY 2008, and a more detailed summary follows in the body of the budget document.

### **Beginning and Ending General Fund Balance Summary for 2008**

<b>Fund Balances</b>	<b>Amount</b>
Beginning Fund Balance 1/1/08	\$ 4,367,691
Revenues:	
Taxes	14,245,929
Intergovernmental	668,175
Charges for Services	5,860,142
Miscellaneous Revenues	215,013
Expenditures:	
Departmental	20,131,622
Debt Service	362,655
Benefits/Termination Pay	-
Other	102,132
Transfers	466,736
Ending Fund Balance 12/31/08	<u>\$ 4,293,805</u>

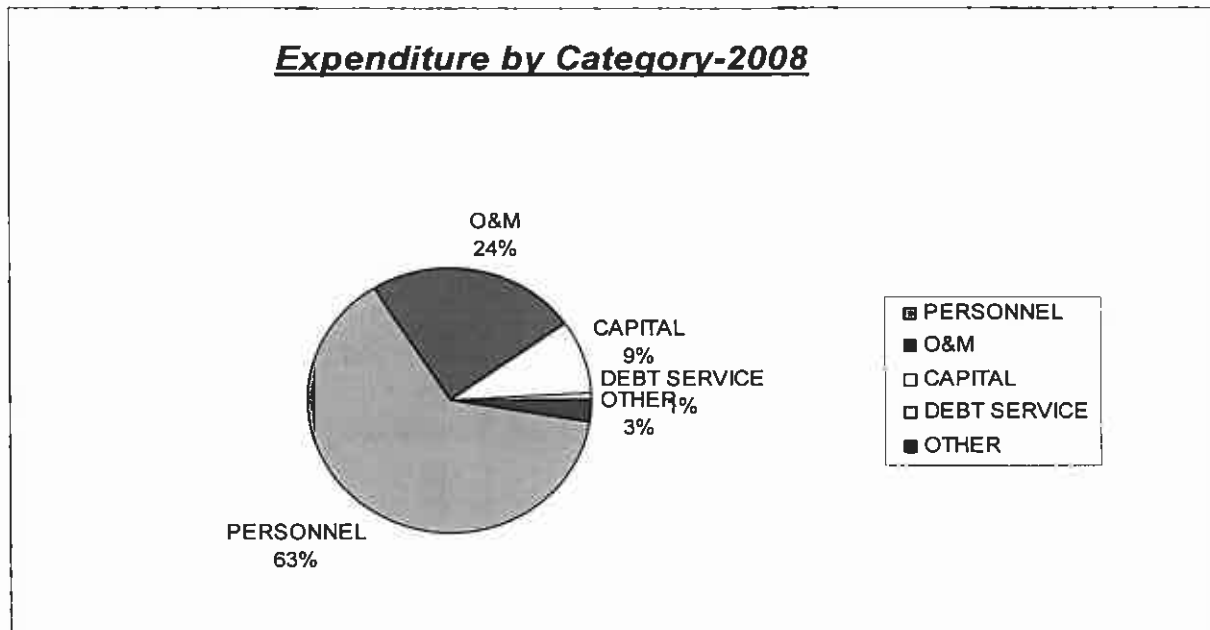
The Beginning and Ending Balance Summary reflects the county's financial position at the beginning and end of 2008. The county's reserves have decreased as revenues from refinancing and the purchasing of new homes have reduced Deeds revenue.

### **Budget Expenditures by Object**

General Fund Budget expenditures totaled \$31,197,983 for 2008, which represent an 1.3% expenditure increase over 2007 budgeted levels. Dividing the General Fund expenditures by object shows an allocation of 63% to Personnel, 24% to Operations and Maintenance, 9% to Debt Service, 1% to Capital and 3% to Other miscellaneous expenses.

The increase in "Personnel" costs is attributable to a combination of one additional employee, increased benefit costs, and the inclusion of figures for the cost of the collective bargaining agreements with the County's Three bargaining units. The "Operations & Maintenance" expenses also increased, with a slight decrease in the "Capital Expenditures" reflecting a very conservative use of county resources. Human Services was decreased by 8.0% after much debate, and Grant funds were also adjusted. "Debt Service" decreased based on bond rate structures, and this trend is expected to continue as Cumberland County retires debt each year. The Jail Bond was refinanced in 2003, saving over \$1 million dollars during the balance of the term. Appropriations in the "Other" accounts experienced a decrease in 2007.

The chart below graphically depicts budget expenditures by object:



#### Comparison of Object Changes for the Last Two Fiscal Periods:

<u>Objects</u>	<u>FY 2008</u>	<u>Percent</u>	<u>FY 2007</u>	<u>Percent</u>
Personnel	\$ 19,740,073	63.27%	\$ 19,387,017	63.00%
Operations & Maintenance	7,588,708	24.32%	7,693,261	25.00%
Debt Service	2,719,359	8.72%	2,769,574	9.00%
Capital	324,051	1.04%	307,730	1.00%
Other	825,792	2.65%	615,461	2.00%
Totals	\$ 31,197,983	100.00%	\$ 30,773,043	100.00%

#### Carry Forward Accounts

There are no authorized carry forward accounts into FY 2008.

#### Projected revenues 2008

The budget adopted by the County Commissioners for 2008 shows an estimated amount of \$9,552,719 in non-tax revenues. All revenues are accurately, but conservatively estimated based on performance over the past 12 months and input from the various departments. The following table lists non-tax revenues by department, percent, and total:

Sheriff	54.3%	\$	5,171,841
Registry of Deeds	31.4%	\$	3,004,377
Treasurer	1.3%	\$	125,000
Registry of Probate	4.4%	\$	420,960
Executive (Garage)	3.3%	\$	320,000
Other	5.3%	\$	510,541
Total 2008 Revenue	100.0%	\$	9,552,719

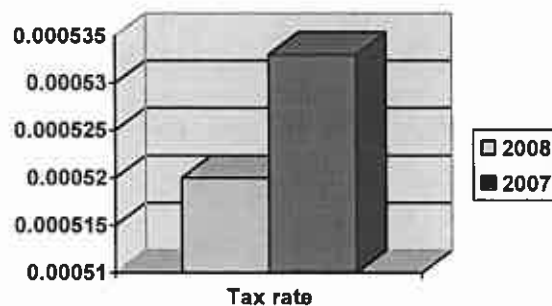
### Tax rate

The County has no role in assessing citizens for taxes directly. County taxes are levied by each municipality. The county tax rate is based on the Certified State Valuation of each municipality. The County proportions necessary taxes to municipalities based on their assessed value. The tax rate for 2007 was 0.0005329880 per dollar of valuation and the 2008 tax rate has been set at 0.0005200882 per dollar of valuation, based on the State Certified Valuation. Therefore, a person with property in Cumberland County valued at \$200,000 paid \$106.59 in taxes in the year 2007 to the County compared to the \$104.02 they will pay in 2008.

The State Valuation for 2008 actually increased by 9.2%, while the county taxes went up only 6.6%. As a consequence, the mil rate decreases, however the homeowner now has a more expensive valuation of his property with which to apply the lower tax mil.

For example, the owner of a \$200,000 house in 2007 paid \$106.59 in county tax. In 2007, the valuation of the same property would increase approximately 9.2%, resulting in a new valuation of \$218,400 for a tax of \$113.58, or a net county tax increase of \$6.99 dollars in 2008.

*Note Fundamentals: As the valuation goes higher, the tax mil rate can actually go lower, while still increasing the tax bill to the property owner.*



### **Contacting the County's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and 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 Finance Department at 36 County Way, Portland, Maine 04102.

COUNTY OF CUMBERLAND, MAINE

STATEMENT A

STATEMENT OF NET ASSETS  
DECEMBER 31, 2008

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash	\$ 8,595,438
Investments	1,868,598
Accounts receivable (net allowance for uncollectibles)	8,577
Due from other governments	1,570,285
Inventories	-
Prepaid expenses	1,541
Total current assets	<u>12,044,439</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	4,651,690
Buildings and equipment, net of accumulated depreciation	24,724,247
Total noncurrent assets	<u>29,375,937</u>
<b>TOTAL ASSETS</b>	<u>\$ 41,420,376</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 729,515
Accrued payroll	695,381
Due to other funds	990
Unearned revenue	430,059
Other liabilities	156,326
Current portion of long-term obligations	2,075,000
Total current liabilities	<u>4,087,271</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	5,720,000
Accrued compensated absences	1,734,844
Total noncurrent liabilities	<u>7,454,844</u>
<b>TOTAL LIABILITIES</b>	<u>11,542,115</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	21,580,937
Restricted for:	
General fund designations	400,000
Special revenues	3,612,431
Capital projects	695,664
Expendable trust funds	12,001
Unrestricted	3,577,228
<b>TOTAL NET ASSETS</b>	<u>29,878,261</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 41,420,376</u>

See accompanying independent auditors' report and notes to financial statements

## STATEMENT B

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue & Change in Net Assets	
	Total				Governmental	
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions		Activities
Governmental activities	\$	\$	\$	\$	\$	
Executive Department	825,304	-	-	-	-	(825,304)
Treasurer	33,974	-	-	-	-	(33,974)
Finance	311,394	-	-	-	-	(311,394)
Register of Deeds	1,493,808	2,494,842	-	-	-	1,001,034
Register of Probate	502,726	464,249	-	-	-	(38,477)
Emergency Management	1,553,306	-	527,991	-	-	(1,025,315)
Sheriff - County Services	6,445,659	305,771	1,778,159	-	-	(4,361,729)
Sheriff - Reimbursable Services	1,236,470	1,204,947	-	-	-	(31,523)
Jail	16,451,193	4,172,061	1,066,894	-	-	(11,212,238)
District Attorney	1,311,023	-	-	-	-	(1,311,023)
Facilities	2,186,045	-	-	-	-	(2,186,045)
Management System	386,392	-	-	-	-	(386,392)
Agency Grants	330,565	-	-	-	-	(330,565)
Parking Garage	160,319	383,002	-	-	-	222,683
Civic Center Debt Allocation	161,975	-	-	-	-	(161,975)
Contingency	-	-	-	-	-	-
Other	403,243	-	-	-	-	(403,243)
Capital Expenditures	712,773	-	-	-	-	(712,773)
Unallocated Depreciation Expense	264,960	-	-	-	-	(264,960)
Interest on Long-Term Debt	481,405	-	-	-	-	(481,405)
	35,252,534	9,024,872	3,373,044	-	-	(22,854,618)



STATEMENT B (CONTINUED)  
COUNTY OF CUMBERLAND, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>\$ (22,854,618)</u>
General revenue:	
Taxes:	
Property taxes, levied for general purposes	21,613,749
Grants and contributions not restricted to specific programs	505,201
Miscellaneous	883,779
Total general revenue	<u>23,002,729</u>
Change in net assets	148,111
NET ASSETS - JANUARY 1, 2008	<u>28,941,745</u>
RESTATEMENT	788,405
NET ASSETS - DECEMBER 31, 2008	<u><u>\$ 29,878,261</u></u>

See accompanying independent auditors' report and notes to financial statements

## STATEMENT C

## COUNTY OF CUMBERLAND, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	General Fund	Capital Improvements	Radio Upgrade	Jail Fund	Accrued Compensated Absences	Other Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>							
Cash	\$ 8,594,938	\$ -	\$ -	500	\$ -	\$ -	\$ 8,595,438
Investments	-	621,668	-	-	-	1,246,930	1,868,598
Accounts receivables (net of allowance for uncollectibles)	-	-	-	-	-	8,577	8,577
Due from other governments	86,395	-	-	1,483,890	-	-	1,570,285
Due from other funds	734,932	141,458	1,561,452	-	946,799	819,450	4,204,091
Inventories	-	-	-	-	-	-	-
Prepaid expenses	1,541	-	-	-	-	-	1,541
<b>TOTAL ASSETS</b>	<b>\$ 9,417,806</b>	<b>\$ 763,126</b>	<b>\$ 1,561,452</b>	<b>\$ 1,484,390</b>	<b>\$ 946,799</b>	<b>\$ 2,074,957</b>	<b>\$ 16,248,530</b>
<b>LIABILITIES AND FUND EQUITY</b>							
<b>Liabilities</b>							
Accounts payable	\$ 584,436	\$ 67,462	\$ 1,240	\$ 65,857	\$ -	\$ 10,520	\$ 729,515
Accrued payroll	483,031	-	-	212,350	-	-	695,381
Due to other funds	3,470,149	-	-	438,596	-	296,336	4,205,081
Unearned revenue	430,059	-	-	-	-	-	430,059
Accrued compensated absences	-	-	-	788,045	946,799	-	1,734,844
Other liabilities	156,326	-	-	-	-	-	156,326
<b>TOTAL LIABILITIES</b>	<b>5,124,001</b>	<b>67,462</b>	<b>1,240</b>	<b>1,504,848</b>	<b>946,799</b>	<b>306,856</b>	<b>7,951,206</b>
<b>Fund Equity</b>							
Unreserved, reported in:							
General fund:							
Designated	400,000	-	-	-	-	-	400,000
Undesignated	3,893,805	-	-	-	-	-	3,893,805
Special revenue funds :							
Designated	-	-	1,560,212	-	-	2,052,219	3,612,431
Undesignated	-	-	-	(20,458)	-	(295,035)	(315,493)
Capital project funds	-	695,664	-	-	-	-	695,664
Permanent funds	-	-	-	-	-	-	-
Designated	-	-	-	-	-	12,001	12,001
Undesignated	-	-	-	-	-	(1,084)	(1,084)
<b>TOTAL FUND EQUITY</b>	<b>4,293,805</b>	<b>695,664</b>	<b>1,560,212</b>	<b>(20,458)</b>	<b>-</b>	<b>1,768,101</b>	<b>8,297,324</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 9,417,806</b>	<b>\$ 763,126</b>	<b>\$ 1,561,452</b>	<b>\$ 1,484,390</b>	<b>\$ 946,799</b>	<b>\$ 2,074,957</b>	<b>\$ 16,248,530</b>

STATEMENT C (CONTINUED)  
COUNTY OF CUMBERLAND, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2008

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 8,297,324
Amounts reported for governmental activities in the statement 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	29,375,937
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	<u>(7,795,000)</u>
Net assets of governmental activities	<u>\$ 29,878,261</u>

See accompanying independent auditors' report and notes to financial statements

## STATEMENT D

COUNTY OF CUMBERLAND, MAINE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Fund	Capital Improvements	Radio Upgrade	Jail Fund	Accrued Compensated Absences	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 16,399,679	\$ -	\$ -	\$ 5,214,070	\$ -	\$ -	\$ 21,613,749
Intergovernmental revenues	668,175	-	-	786,782	-	2,423,288	3,878,245
Charges for services	5,860,142	-	-	1,959,783	-	1,204,947	9,024,872
Miscellaneous revenues	215,013	16,472	1,091	-	-	651,203	883,779
<b>TOTAL REVENUES</b>	<b>23,143,009</b>	<b>16,472</b>	<b>1,091</b>	<b>7,960,635</b>	<b>-</b>	<b>4,279,438</b>	<b>35,400,645</b>
<b>EXPENDITURES</b>							
Executive Department	821,095	-	-	-	-	-	821,095
Treasurer	33,974	-	-	-	-	-	33,974
Finance	313,774	-	-	-	-	-	313,774
Register of Deeds	807,210	-	-	-	-	686,152	1,493,362
Register of Probate	492,076	-	-	-	-	-	492,076
Emergency Management	282,278	-	-	-	-	1,263,647	1,545,925
Sheriff - County Services	5,387,371	-	-	-	-	2,436,818	7,824,189
Jail	7,558,629	-	-	7,981,093	-	271,598	15,811,320
District Attorney	1,307,279	-	-	-	-	-	1,307,279
Facilities	2,177,244	-	-	-	-	-	2,177,244
Management System	379,083	-	-	-	-	-	379,083
Agency Grants	330,565	-	-	-	-	-	330,565
Parking Garage	79,069	-	-	-	-	-	79,069
Civic Center Debt Allocation	161,975	-	-	-	-	-	161,975
Debt service:							
Principal	2,035,000	-	-	-	-	-	2,035,000
Interest	481,405	-	-	-	-	-	481,405
Capital Expenditures	-	585,065	-	-	-	141,406	726,471
Other	102,132	-	140,879	-	151,736	8,496	403,243
<b>TOTAL EXPENDITURES</b>	<b>22,750,159</b>	<b>585,065</b>	<b>140,879</b>	<b>7,981,093</b>	<b>151,736</b>	<b>4,808,117</b>	<b>36,417,049</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>392,850</b>	<b>(568,593)</b>	<b>(139,788)</b>	<b>(20,458)</b>	<b>(151,736)</b>	<b>(528,679)</b>	<b>(1,016,404)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Bond proceeds	-	-	1,700,000	-	-	-	1,700,000
Transfers in	-	315,000	-	-	151,736	-	466,736
Transfers out	(466,736)	-	-	-	-	-	(466,736)
<b>TOTAL OTHER FINANCING SOURCES USES</b>	<b>(466,736)</b>	<b>315,000</b>	<b>1,700,000</b>	<b>-</b>	<b>151,736</b>	<b>-</b>	<b>1,700,000</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(73,886)</b>	<b>(253,593)</b>	<b>1,560,212</b>	<b>(20,458)</b>	<b>-</b>	<b>(528,679)</b>	<b>683,596</b>
<b>FUND BALANCES - JANUARY 1 RESTATED</b>	<b>4,367,691</b>	<b>949,257</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,296,780</b>	<b>7,613,728</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 4,293,805</b>	<b>\$ 695,664</b>	<b>\$ 1,560,212</b>	<b>\$ (20,458)</b>	<b>\$ -</b>	<b>\$ 1,768,101</b>	<b>\$ 8,297,324</b>

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

## COUNTY OF CUMBERLAND, 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, 2008

Net change in fund balances - total governmental funds (Statement D)	<u>\$ 683,596</u>
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 to allocated those expenditures over the life of the assets:	
Capital asset purchases capitalized	372,676
Capital asset deletions	-
Depreciation expense	<u>(1,243,161)</u>
	<u>(870,485)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	<u>2,035,000</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Assets.	<u>\$ (1,700,000)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 148,111</u></u>

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

## STATEMENT F

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS  
DECEMBER 31, 2008

	Private- Purpose Trusts	Agency Funds
<b>ASSETS</b>		
Current assets:		
Cash	\$ -	\$ 59,671
Investments	2,367,632	372,008
Due from other funds	-	990
	<u>2,367,632</u>	<u>432,669</u>
<b>TOTAL ASSETS</b>	<u>\$ 2,367,632</u>	<u>\$ 432,669</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 7,084
Due to other funds	-	-
Deposits held for others	-	425,585
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>432,669</u>
<b>NET ASSETS</b>		
Held in trust for special purposes	<u>2,367,632</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,367,632</u>	<u>\$ 432,669</u>

See accompanying independent auditors' report and notes to financial statements

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS – FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Private- Purpose Trusts</u>
ADDITIONS	
Contributions	\$ 398,962
Net increase (decrease) in the fair value of investments	<u>(957,152)</u>
Total additions	<u>(558,190)</u>
DEDUCTIONS	
Investment expenses	-
Withdrawals	<u>296,582</u>
Total deductions	<u>296,582</u>
Change in net assets	(854,772)
NET ASSETS - JANUARY 1	<u>3,222,404</u>
NET ASSETS - DECEMBER 31	<u><u>\$ 2,367,632</u></u>

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of Cumberland conform to generally accepted accounting principles applicable to governmental units. The following is a summary of the more significant of such policies.

In June of 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Certain of the significant changes in the Statement include the following:

The financial statements include:

A Management's Discussion and Analysis (MD&A) section providing an analysis of the County's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the County's activities, including infrastructure (roads, bridges, sewer mains, etc.).

A change in the fund financial statements to focus on the major funds. These and other changes are reflected in the accompanying financial statements (including the notes to the financial statements).

Principles Determining Scope of Reporting Entity

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

Basic Financial Statements - Government-Wide 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. The County's activities are all categorized as governmental activities.

In the government-wide Statement of Net Assets, the governmental activity column is (a) presented on a consolidated basis by column, and (b) is reported on a full accrual, economic resources measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The effect of interfund activity has been removed from these statements. The County's net assets are reported in three parts - invested in capital assets net of related debt, restricted net assets and unrestricted net assets.



COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (Registry of Deeds, Sheriff's Department, etc.). The functions are also supported by general government revenues (taxes, certain intergovernmental revenues and charges for services, 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.

The net costs (by function) are normally covered by general revenue (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 assets resulting from the current year's activities.

Basic Financial Statements - 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 comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund type is 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:

- 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.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- d. Permanent Funds are used to account for assets held by the County pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

2. Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds. The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows.

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, liabilities, 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.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and agency). 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 County's Private Purpose Trust Funds accounts for the activities of the County's deferred compensation plan. The County's Jail Commissary Fund is the County's only Agency Fund.

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.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting using the economic resources measurement focus. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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 (i.e. sixty days) or soon enough thereafter to be used to pay liabilities of the current period. Property taxes and interest are susceptible to accrual and so have been recognized as revenues in the current period. Expenditures are generally recognized under the modified 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. Exceptions to the general rule include principal and interest on general long-term debt which is recognized when due.

Budget

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

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

1. Early in the second half of the prior fiscal year the County prepared a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings on the budget were held.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. The proposed budget was then approved by a majority of the County Commissioners.

The budget is approved by the County Commissioners at the department level. After the budget has been approved, it may only be amended with written approval of a majority of the County Commissioners. Amendments may only be made between specific line accounts (i.e. salaries, benefits, supplies) of individual departments as long as the total department budget is not exceeded. Total department expenditures for the fiscal year may not exceed the approved appropriations without approval of the County Commissioners. Additionally, no supplemental budgetary appropriations were necessary during the year.

Investments

The County's policy is to state investments at fair value at the balance sheet date.

Inventories

Inventories of supplies are accounted for using the consumption method. Material inventories are accounted for using the first in, first out valuation method and are stated at cost.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the governmental-wide financial statements.

Revenue Recognition - Property Taxes

The County's property tax for the current year was voted December 17, 2007, on the assessed value listed as of April 1, 2007, for all real and personal property located in the County. Property taxes were to be paid in one installment with tax due date of September 1, 2008. Interest will begin accruing at rate of 8.00% 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, 2008.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

Employees earn vacation and sick leave as they provide services. Employees may accumulate (subject to certain limitations) unused sick leave of up to 90 days and, upon retirement, termination or death, may be compensated for half of the accumulated time at current rates of pay.

Accumulated leave that has matured upon an employee's resignation or retirement is reported as an expenditure and a fund liability of the Governmental Fund that will pay it. Amounts of accumulated leave that have not matured are reported in the government-wide financial statements. No expenditure is reported for these amounts. In accordance with the provisions of Statements of Governmental Accounting Standards No. 16, "Accounting for Compensated Absences," no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

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 unless designated as carry forwards by the County Commissioners. The County of Cumberland's General Fund does not utilize encumbrance accounting, therefore, reservation of fund balance is not provided for at December 31, 2008. Accordingly, no difference exists between actual results and the applicable budgetary data presented in the accompanying combined financial statements.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Finance Related Legal Provisions

The County has no material violations of finance related provisions.

NOTE 3 - 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. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The County does not have any infrastructure to be 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, which vary from asset to asset.

In 2001, the County undertook a program to record its investment property, plant and equipment. An inventory of all existing assets with a useful life of more than five years and a value of greater than \$5,000 was taken. The assets were valued at

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 3 - CAPITAL ASSETS (CONTINUED)

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

GASB Statement No. 34 requires the County to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. The County does not own any infrastructure.

Buildings	20-50 years
Infrastructure	50-100 years
Machinery and equipment	3-50 years
Vehicles	3-25 years

The following is a summary of changes in capital assets at December 31, 2008:

	Balance, 1/1/08	Additions	Disposals	Balance, 12/31/08
Governmental activities				
Non-depreciated assets:				
Land	\$ 4,651,690	\$ -	\$ -	\$ 4,651,690
Totals	<u>4,651,690</u>	<u>-</u>	<u>-</u>	<u>4,651,690</u>
Depreciated assets:				
Buildings	40,062,804	-	-	40,062,804
Land improvements	53,000	-	-	53,000
Machinery & equipment	1,261,844	153,482	(39,078)	1,376,248
Vehicles	2,255,397	219,194	(128,000)	2,346,591
	<u>43,633,045</u>	<u>372,676</u>	<u>(167,078)</u>	<u>43,838,643</u>
Less accumulated depreciation:				
Buildings	(15,425,406)	(972,396)	-	(16,397,802)
Land improvements	(24,733)	(3,533)	-	(28,266)
Machinery & equipment	(992,581)	(73,241)	39,078	(1,026,744)
Vehicles	(1,595,593)	(193,991)	128,000	(1,661,584)
	<u>(18,038,313)</u>	<u>(1,243,161)</u>	<u>167,078</u>	<u>(19,114,396)</u>
Sub-total	<u>25,594,732</u>	<u>(870,485)</u>	<u>-</u>	<u>24,724,247</u>
Net capital assets	<u>\$ 30,246,422</u>	<u>\$ (870,485)</u>	<u>\$ -</u>	<u>\$ 29,375,937</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 3 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

Communications	\$ 36,845
EMA	6,177
Administration	3,896
General Courthouse	212,615
DA	10,776
Executive	224
Facilities	9,613
Probate	2,222
Treasury	-
Education - Jail	764
Food service - Jail	18,167
Inmate education - Jail	2,900
Intake - Jail	630
General - Jail	617,663
Business	-
CID	3,166
Civil	3,533
Finance	1,373
MIS	7,309
Sheriff	174,413
Sub-Station	382
Deeds	446
Parking Garage	81,250
County-Wide	<u>48,797</u>
Total depreciation expense	<u>\$ 1,243,161</u>

NOTE 4 - CASH AND INVESTMENTS

The County's investment policies, which follow state statutes, 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 investment policies apply to all County funds.

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 or will not be able to recover collateral securities that are in possession of an outside party. The County does not have a policy covering custodial credit risk.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 4 - CASH AND INVESTMENTS (CONTINUED)

At December 31, 2008, the County's had deposits amounting to \$343,638 of which all were insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	<u>\$ 9,198,675</u>
	<u><u>\$ 9,198,675</u></u>

At December 31, 2008, the County's investments were comprised of \$13,771,510 which were insured or collateralized with securities held by the financial institution in the County's name and consequently was not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Fair Value</u>
Repurchase agreements	\$ 371,264
Mutual Funds/Stocks	2,367,632
Banking Investments	<u>2,177,577</u>
	<u><u>\$ 4,916,473</u></u>

The County's investment policies, which were created around state statutes, 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 investment policies apply to all County fund types and individual funds.

NOTE 5 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

The allowance for doubtful accounts was estimated to be \$15,558 at December 31, 2008.



COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 6 – INTERFUND RECEIVABLES AND PAYABLES

The County maintains a cash pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "due from other funds" under each funds caption. The purpose of this cash pool is to reduce the number of bank accounts held by the County.

Interfund balances at December 31, 2008 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
Major funds:		
General fund	\$ 734,932	\$ 3,470,149
Capital Improvements	141,458	-
Radio upgrade	1,561,452	-
Jail fund	-	438,596
Accrued Compensated Absences	946,799	-
Nonmajor funds:		
Special revenue funds	807,295	295,252
Permanent funds	12,155	1,084
Agency funds	990	-
	<u>820,440</u>	<u>296,336</u>
	<u>\$ 4,205,081</u>	<u>\$ 4,205,081</u>

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 is as follows:

	Balance, 1/1/08	Additions	Deletions	Balance, 12/31/08	Current Year
Bonds payable	\$ 8,130,000	\$ 1,700,000	\$ (2,035,000)	\$ 7,795,000	\$ 2,075,000
Accrued compensated absences	1,825,920	-	(91,076)	1,734,844	-
Totals	<u>\$ 9,955,920</u>	<u>\$ 1,700,000</u>	<u>\$ (2,126,076)</u>	<u>\$ 9,529,844</u>	<u>\$ 2,075,000</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of bonds of the County for the year ended December 31, 2008:

	<u>Balance, 12/31/08</u>	<u>Current Portion</u>
Cumberland County Courthouse Improvement Bonds, bearing interest at rates ranging from 7.25% to 7.3%, due in annual installments of \$75,000 plus interest through October 25, 2009.	\$ 75,000	\$ 75,000
Cumberland County Jail Construction Bonds, bearing interest rates ranging from 2.00% to 5.00%, due in varying annual installments of \$150,000 to \$2,220,000 plus interest through February 1, 2011.	6,020,000	1,915,000
Cumberland County Capital Improvement Bonds, bearing interest rates ranging from 4.25% to 5.00%, due in annual installments of \$85,000 plus interest through November 1, 2028.	<u>1,700,000</u>	<u>85,000</u>
	<u>\$ 7,795,000</u>	<u>\$ 2,075,000</u>

The annual principal and interest requirements to amortize the bonds are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2009	2,075,000	329,938	\$ 2,404,938
2010	2,085,000	230,156	2,315,156
2011	2,190,000	123,929	2,313,929
2012	85,000	67,681	152,681
2013	85,000	64,069	149,069
2014 - 2018	425,000	265,731	690,731
2019 - 2023	425,000	169,150	594,150
2024 - 2028	425,000	63,750	488,750
	<u>\$ 7,795,000</u>	<u>\$ 1,314,404</u>	<u>\$ 9,109,404</u>

NOTE 8 - PENSION PLAN

A. Plan Description

The County's defined benefit pension plan, an agent multi-employer public employee retirement system is administered by the Maine State Retirement System (MSRS). The MSRS acts as a common investment and administrative agent for

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 8 - PENSION PLAN (CONTINUED)

participating local districts. The MSRS is established and administered under the Maine State Retirement System Laws, Title 5 M.R.S.A., C. 421, 423, and 425. The MSRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The authority to establish and amend benefit provisions rest with the State legislature. The MSRS issues a publicly available financial report that includes financial statements and required supplementary information for the MSRS. The MSRS operates on a June 30 fiscal year end. That report may be obtained by writing to Maine State Retirement System, 46 State House Station, Augusta, Maine 04333-0046.

The County's status as a participating local district requires that the County continues to fund the plan on an actuarially sound basis for liabilities of any currently active, inactive vested, or retired participants. The County's participating employees are eligible for normal retirement upon attaining age 60 and early retirement after completing 25 or more years of service. Participants are fully vested after 10 years of service.

B. Funding Policy

Employees are required to contribute 6.5% of their annual salary to the system. The County contributes the remaining amounts necessary to fund the system, using the actuarial basis specified by statute. The current rate is 9.3% of annual covered payroll. The contribution requirements of the County are established by and may be amended by the State Legislature.

C. Annual Pension Cost

For 2008, the County's annual pension cost was \$250,712. The annual pension cost was determined as part of the June 30, 2008 and June 30, 2007 actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included (a) an 8% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 5.5% to 6.0% per year, and (c) 3% cost-of-living adjustments. For determining plan cost, assets are valued at "actuarial value". The actuarial value recognized the assumed rate of investment return, plus one-third of the difference between the actual rate and the assumed rate. The amortization method used is the level of percentage of payroll. As of June 30, 2008, the County had an unfunded actuarial accrued liability credit, computed using the actuarial method used for funding purposes of approximately \$410,025. This credit is being used to reduce future contributions and is being amortized over a closed period of 18 years from July 1, 1999. The County's actual contribution was \$188,300 after the unfunded actuarial accrued liability credit of \$62,412 was deducted from the annual pension cost.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 8 - PENSION PLAN (CONTINUED)

D. Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 253,658	100.00%	\$ -
12/31/07	280,118	100.00%	-
12/31/08	250,712	100.00%	-

E. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2006	\$ 1,846,304,483	\$ 1,511,362,184	\$ 334,942,299	1.22	\$ 323,834,104	103.43%
6/30/2007	2,001,713,785	1,620,483,839	381,229,946	1.24	342,528,740	111.30%
6/30/2008	-	-	-	1.24	-	-

NOTE 9 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to County employees as part of a collective bargaining agreement and to County elected officials and assistants to department heads, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency.

Participants' rights under the plan are equal to those of the County's in an amount equal to the fair market value of the deferred account for each participant. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries.

It is in the opinion of the County's management that the County has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 10 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 1998, the County contracted with Maine County Commissioners Association Self-Funded Risk Management Pool for property insurance and general liability insurance. Property coverage is \$154,293,568, \$10,000,000 per occurrence and in the aggregate annually for the peril of flood, and \$10,000,000 per occurrence and in the aggregate annually for the peril of earthquake. The deductible for property coverage is \$1,000 per occurrence.

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

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

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

The County is self-funded regarding unemployment compensation. The County reimburses the State of Maine, who pays the former County employees while unemployed, for all valid unemployment claims. While an amount cannot be determined in advance, the County has paid claims of \$16,984, \$42,018 and \$23,100 in 2008, 2007, and 2006, respectively.

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 11 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended December 31, 2008, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The expenditure amounts, if any, which may be disallowed by granting agencies cannot be determined.

The County and its officers are defendants in various lawsuits, which at this time, an amount, if any, or outcome, cannot be determined.

NOTE 12 - DEFICIT FUND BALANCES

Eleven of the individual Special Revenue Funds had deficit fund balances as of December 31, 2008. They are as follows:

Courthouse Addition	\$ 68,320
Emergency Communications	4,238
Divert Offender	2,387
State Projects	24,144
Homeland Security	53,824
Domestic Violence Grant	14,597
Domestic Violence 06-08	6,507
Hazard Control	58
CDBG	75,303
Domestic Violence 08-11	44,225
Project Connect	1,432
Totals	<u>\$ 295,035</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2008

NOTE 13 - RESTRICTED NET ASSETS

The following net assets have been reserved at December 31, 2008 for the following purposes:

Reserved for general fund designations	\$ 400,000
Reserved for grant programs	3,591,973
Reserved for capital projects	695,664
Reserved for expendable trust funds	12,001
	<u>\$ 4,699,638</u>

NOTE 14 – DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES

At December 31, 2008, the General Fund balances designated for subsequent years' expenditures consisted of:

2009 Budget Reconciliation	<u>\$ 400,000</u>
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The amounts reported as designated for the special revenue funds are designated for the individual funds to which they correspond.

NOTE 15 – JAIL OPERATIONS – INCLUDING RESTATEMENT

During its 2007 Fiscal Year, the State of Maine enacted legislation known as LD 2080 "An Act to Better Coordinate and Reduce the Cost of the delivery of State and County Correctional Services", located in Public Laws 2007, Chapter 653. This Act has in essence capped what Counties can assess their municipalities for taxes to fund their corrections budgets, and will also establish the annual growth limitations for future corrections expenditures. A Board of Overseers at the State of Maine has been appointed to supervise county correction operations. The Act has raised many accounting and auditing issues regarding both financial and budgetary reporting. It is the position of the County that it has addressed, to the best of its ability, these issues in its 2008 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. Any financial and/or other impact on the County cannot be determined at the time of the issuance of this report. Subsequent to July 1, future budgets for jail operations will now fund benefit time for jail employees. Prior to July 1, the County had funded this through jail operations. The County as of June 30, 2008 is of the position that these benefits will be funded through jail operations budgets approved by the Board of Corrections.

### Required Supplementary Information

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

- Budgetary Comparison Schedule - General Fund



## SCHEDULE 1

## COUNTY OF CUMBERLAND, MAINE

**BUDGETARY COMPARISON SCHEDULE – BUDGETARY (GAAP) BASIS  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2008**

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, January 1	\$ 4,367,691	\$ 4,367,691	\$ 4,367,691	\$ -
Resources (Inflows):				
Taxes - municipalities	21,613,747	21,613,747	16,399,679	(5,214,068)
Intergovernmental revenues:				
Emergency management	170,000	170,000	162,974	(7,026)
Surcharge on fines	100,000	100,000	146,358	46,358
Rent	2,400	2,400	2,400	-
State Court System (Note 10)	272,891	272,891	242,951	(29,940)
Department of Corrections	794,341	794,341	-	(794,341)
District attorney	45,000	45,000	87,385	42,385
Federal Gas Tax Refund	20,000	20,000	26,107	6,107
	1,404,632	1,404,632	668,175	(736,457)
Charges for services:				
Register of Deeds	3,004,377	3,004,377	2,494,842	(509,535)
Register of Probate	420,960	420,960	464,249	43,289
Civil Department	250,000	250,000	305,771	55,771
Jail - Board of Prisoners	3,937,500	3,937,500	2,212,278	(1,725,222)
Parking Garage	320,000	320,000	383,002	63,002
	7,932,837	7,932,837	5,860,142	(2,072,695)
Miscellaneous:				
Interest on investments	125,000	125,000	100,133	(24,867)
Other revenues	90,250	90,250	114,880	24,630
	215,250	215,250	215,013	(237)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	35,534,157	35,534,157	27,510,700	(8,023,457)
EXPENDITURES				
Executive Department	870,405	870,405	821,095	49,310
Treasurer	13,485	13,485	33,974	(20,489)
Finance	334,112	334,112	313,774	20,338
Register of Deeds	910,544	910,544	807,210	103,334
Register of Probate	513,011	513,011	492,076	20,935
Emergency Management	308,748	308,748	282,278	26,470
Sheriff - County Services	5,445,017	5,445,017	5,387,371	57,646
Jail	15,159,981	15,159,981	7,558,629	7,601,352
District Attorney	1,342,866	1,342,866	1,307,279	35,587
Facilities	2,871,171	2,871,171	2,177,244	693,927
Management Information Systems	381,366	381,366	379,083	2,283
Agency Grants	330,563	330,563	330,565	(2)
Parking Garage	78,197	78,197	79,069	(872)
Civic Center Debt Allocation	161,975	161,975	161,975	-
Debt Service:				
Principal	2,120,000	2,120,000	2,035,000	85,000
Interest	605,025	605,025	481,405	123,620
Other	120,000	120,000	102,132	17,868
Transfers to Other funds	-	-	466,736	(466,736)
Total Charges to Appropriations	31,566,466	31,566,466	23,216,895	8,349,571
Budgetary Fund Balance, December 31	\$ 3,967,691	\$ 3,967,691	\$ 4,293,805	\$ 326,114
Utilization of Designated Fund Balance	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
Utilization of Undesignated Fund Balance	-	-	-	-
	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)

See accompanying independent auditors' report.

### Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government 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 Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Permanent Funds
- Statement of General Capital Assets by Function
- Statement of Changes in General Capital Assets by Function

## COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Appropriated	Carry Forward	Receipts	Expended	Balance 12/31/08
<b>Executive:</b>					
Human Resources					
Personnel	\$ 217,042	\$ -	\$ -	\$ 215,439	\$ 1,603
Operations and maintenance	37,435	-	-	21,811	15,624
Capital outlay	5,000	-	-	6,563	(1,563)
Administration					
Personnel	377,606	-	-	380,284	(2,678)
Operations and maintenance	163,522	-	-	177,778	(14,256)
Employee benefits	26,500	-	-	19,220	7,280
Termination pay	3,300	-	-	-	3,300
Contingency	40,000	-	-	-	40,000
Subtotal Executive	870,405	-	-	821,095	49,310
Management Information Systems					
Personnel	265,516	-	-	267,539	(2,023)
Operations and maintenance	115,850	-	-	111,544	4,306
Subtotal Management Information Systems	381,366	-	-	379,083	2,283
EMA					
Personnel	243,392	-	-	227,901	15,491
Operations and maintenance	65,356	-	-	54,377	10,979
Capital outlay	-	-	-	-	-
Subtotal EMA	308,748	-	-	282,278	26,470
DA					
Personnel	1,094,579	-	-	1,054,708	39,871
Operations and maintenance	246,287	-	-	250,061	(3,774)
Capital outlay	2,000	-	-	2,510	(510)
Subtotal DA	1,342,866	-	-	1,307,279	35,587
Garage					
Personnel	74,397	-	-	75,619	(1,222)
Operations and maintenance	3,800	-	-	3,450	350
Subtotal Garage	78,197	-	-	79,069	(872)

SCHEDULE 2 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Appropriated	Carry Forward	Receipts	Expended	Balance 12/31/08
<b>Treasurer</b>					
Personnel	7,793	-	-	27,673	(19,880)
Operations and maintenance	5,692	-	-	6,301	(609)
Capital outlay	-	-	-	-	-
Subtotal Treasurer	13,485	-	-	33,974	(20,489)
<b>Facilities</b>					
Personnel	1,368,525	-	-	1,118,998	249,527
Operations and maintenance	1,501,546	-	-	1,057,146	444,400
Capital outlay	1,100	-	-	1,100	-
Subtotal Facilities	2,871,171	-	-	2,177,244	693,927
<b>Sheriff - County Services</b>					
Administration/Support service					
Personnel	714,631	-	-	612,284	102,347
Operations and maintenance	351,110	-	-	297,524	53,586
Capital outlay	2,500	-	-	1,702	798
Law Enforcement					
Personnel	2,532,436	-	-	2,627,108	(94,672)
Operations and maintenance	405,241	-	-	451,872	(46,631)
Capital outlay	237,289	-	-	222,218	15,071
Civil					
Personnel	230,698	-	-	198,591	32,107
Operations and maintenance	50,773	-	-	40,353	10,420
Capital outlay	900	-	-	610	290
Communications					
Personnel	823,939	-	-	845,435	(21,496)
Operations and maintenance	93,500	-	-	88,656	4,844
Capital outlay	2,000	-	-	1,018	982
Subtotal Sheriff - County Services	5,445,017	-	-	5,387,371	57,646

## COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	<u>Appropriated</u>	<u>Carry Forward</u>	<u>Receipts</u>	<u>Expended</u>	<u>Balance 12/31/08</u>
<b>Jail</b>					
Personnel	10,312,999	-	-	5,257,754	5,055,245
Operations and maintenance	4,777,382	-	-	2,275,452	2,501,930
Capital outlay	69,600	-	-	25,423	44,177
Subtotal Jail	<u>15,159,981</u>	<u>-</u>	<u>-</u>	<u>7,558,629</u>	<u>7,601,352</u>
<b>Registry of Deeds</b>					
Personnel	643,684	-	-	605,458	38,226
Operations and maintenance	258,860	-	-	196,899	61,961
Capital outlay	8,000	-	-	4,853	3,147
Subtotal Registry of Deeds	<u>910,544</u>	<u>-</u>	<u>-</u>	<u>807,210</u>	<u>103,334</u>
<b>Register of Probate</b>					
Personnel	383,652	-	-	366,016	17,636
Operations and maintenance	124,359	-	-	122,809	1,550
Capital outlay	5,000	-	-	3,251	1,749
Subtotal Register of Probate	<u>513,011</u>	<u>-</u>	<u>-</u>	<u>492,076</u>	<u>20,935</u>
<b>Finance</b>					
Personnel	294,605	-	-	275,533	19,072
Operations and maintenance	39,407	-	-	38,241	1,166
Capital outlay	100	-	-	-	100
Subtotal Finance	<u>334,112</u>	<u>-</u>	<u>-</u>	<u>313,774</u>	<u>20,338</u>
<b>Debt service</b>					
Principal	2,120,000	-	-	2,035,000	85,000
Interest	605,025	-	-	481,405	123,620
Subtotal Debt service	<u>2,725,025</u>	<u>-</u>	<u>-</u>	<u>2,516,405</u>	<u>208,620</u>

SCHEDULE 2 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Appropriated	Carry Forward	Receipts	Expended	Balance 12/31/08
Civic center bond allocation					
Principal	150,000	-	-	150,000	-
Interest	11,975	-	-	11,975	-
Subtotal civic center bond allocation	161,975	-	-	161,975	-
Agency grants					
Cumberland county extension	105,000	-	-	105,000	-
Cumberland county soil and water	14,000	-	-	14,000	-
Portland public library	11,808	-	-	11,808	-
So. Maine emergency medical services	4,346	-	-	4,346	-
YMCA programs	194,659	-	-	194,661	(2)
Threshold to Maine	750	-	-	750	-
Subtotal Agency grants	330,563	-	-	330,565	(2)
Other					
Misc	50,000	-	-	79,608	(29,608)
Federal grants contract	70,000	-	-	22,524	47,476
Subtotal Other	120,000	-	-	102,132	17,868
TOTAL DEPARTMENTAL OPERATIONS	\$ 31,566,466	\$ -	\$ -	\$ 22,750,159	\$ 8,816,307

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2008

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Investments	\$ 1,246,930	\$ -	\$ 1,246,930
Accounts receivable	8,577	-	8,577
Due from other funds	807,295	12,155	819,450
<b>TOTAL ASSETS</b>	<u>\$ 2,062,802</u>	<u>\$ 12,155</u>	<u>\$ 2,074,957</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 10,366	\$ 154	\$ 10,520
Due to other funds	295,252	1,084	296,336
<b>TOTAL LIABILITIES</b>	<u>305,618</u>	<u>1,238</u>	<u>306,856</u>
<b>FUND EQUITY</b>			
Fund balance:			
Designated for subsequent years' expenditures	2,052,219	12,001	2,064,220
Undesignated	(295,035)	(1,084)	(296,119)
<b>TOTAL FUND EQUITY</b>	<u>1,757,184</u>	<u>10,917</u>	<u>1,768,101</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 2,062,802</u>	<u>\$ 12,155</u>	<u>\$ 2,074,957</u>

See accompanying independent auditors' report.

## STATEMENT 2

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Grants and contracts	\$ 1,951,353	\$ -	\$ 1,951,353
MDEA	191,823	-	191,823
Community Corrections	280,112	-	280,112
Other	1,845,125	11,025	1,856,150
TOTAL REVENUES	<u>4,268,413</u>	<u>11,025</u>	<u>4,279,438</u>
EXPENDITURES			
Program expenditures	<u>4,799,621</u>	<u>8,496</u>	<u>4,808,117</u>
TOTAL EXPENDITURES	<u>4,799,621</u>	<u>8,496</u>	<u>4,808,117</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(531,208)</u>	<u>2,529</u>	<u>(528,679)</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	-	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(531,208)	2,529	(528,679)
FUND BALANCES, JANUARY 1	<u>2,288,392</u>	<u>8,388</u>	<u>2,296,780</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,757,184</u>	<u>\$ 10,917</u>	<u>\$ 1,768,101</u>

See accompanying independent auditors' report.



### Special Revenue Funds Description

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.

1. Courthouse Addition (21220) - The County is responsible for maintaining and cleaning our adjacent courthouse structure. The account depicts the revenue from the State of Maine as well as the expenses to maintain the facility.
2. MDEA (21225) - The Cumberland County Sheriff's Office sponsor three employees to work on a task force with the Maine Drug Enforcement Agency. The salaries are reimbursed back to the Sheriff's Office from the local MDEA Office.
3. Domestic Violence Investigator (21254) - The county receives a grant from the Office of Justice to provide a detective to investigate domestic violence related items.
4. Outside Civil Deputies (21255) – Civil process servers who service outlying areas
5. Emergency Communications (21256) – Enterprise fund for regional communications activities.
6. DEA Property Forfeiture (31231) - Certain assets seized in the prosecution of drug cases may be allocated back to the arresting agency. These funds are deposited in this account and are available to the Sheriff to enhance additional law enforcement assets.
7. Probate Surcharge (31238) – Dedicated funds for probate functions and updates.
8. MMA Fund (31277) - A credit received from the Maine Municipal Association.
9. State Reimbursement DOC Program (31290) - The Department of Corrections reimburses the county, on a limited basis, for State inmates housed in the Cumberland County Jail. Under current State of Maine law, 20% of these annual proceeds need to be allocated for the purpose of establishing and maintaining diversionary programs.
10. Public Health (31298) - An initiative between the City of Portland and the County to analyze public health needs within the county overall. Funding from donations from local businesses.
11. ABE Grant (51237) - A grant issued from the State of Maine Department of Education to support the adult basic education programs for inmates in the facility.

12. Local Emergency Planning (51240) - The County Emergency Management Agency receives funding from the MEMA/FEMA agencies to support local planning requirements for the county cities and Counties.
13. Wellness Incentive Grant (51247) - Funds received from our insurance carrier, Maine Municipal Association, to support and enhance wellness programs for employees.
14. Terrorism Training Grant (51261) - Funding from federal and state agencies to our EMA agency to plan, coordinate, and train local agencies in the event of a terrorist event.
15. Hazard Mitigation Grant (51266) - Funding to the Emergency Management Agency to study and plan for contingency coordination of activities in Cumberland County.
16. Brunswick Hazmat (51271) - Funds provided to support the material needs of the county localized hazmat response units.
17. Underage Drinking Grant (51274) - Funds from the Department of Behavioral and Developmental Services to enhance education to help the fight against underage drinking in Cumberland County.
18. Divert Offender (51275) - Funds received from the Public Health Service Act to identify, treat, and divert inmates with significant mental health issues away from the county jail and into mental health programs and treatment within the local community.
19. WMD Grant (51276) - Funds received to assist the County to provide training against weapons of mass destruction.
20. Homeland Security Grant 03 (51279) – Pass through account set up to funnel monies from the State Homeland Security monies to the County to the municipalities in 2003.
21. Citizens Emergency Response Team (51280) – Funds received to set up neighborhood watch programs.
22. State Projects (51281) – Capital improvement projects being reimbursed by the State of Maine.
23. Homeland Security Grant 04 (51283) – Pass through account set up to funnel monies from the State Homeland Security monies to the County to the municipalities in 2004.

24. Domestic Violence Grant (51284) - Ongoing funding from the Office of Justice to promote domestic violence prosecution and education programs.
25. Buffer Zone Grant (51286) – Traffic detour, and evacuation plan grant.
26. Critical Infrastructure (51287) – Review of dams and shelters under a grant.
27. LETPP HLSG 05 (51291) – Grant for law Enforcement equipment.
28. JAG Portland (51292) – Joint equipment grant with City of Portland.
29. HLSG City Watch (51293) – Pass through account set up to funnel monies from the State Homeland Security monies to the county to the municipalities.
30. Pandemic Flu Planning (51295) – Grant for Regional planning for pandemic.
31. Domestic Violence 06-08 (51296)(51343) – Grant for Domestic Violence Intervention.
32. CDBG (52800) – Community Development Block Grant.
33. Lead Hazard Control (51299) – Executive department received a small grant to evaluate the hazards of lead in Cumberland County.
34. Hazard Assessing Study (51300) – Planning grant to evaluate a plan to regionalize assessing activity in Cumberland County.
35. GPCOG Phase II (51301) – Homeland security grant to plan for emergency evacuation of the Maine Mall area.
36. SMCC Grant (51302) – Homeland security grant for developing on line training programs at Southern Maine Community College.
37. York Cumberland Planning (51303) – Homeland security grant for emergency operation planning between York and Cumberland County.
38. Alpha One Resilience (51304) –
39. USPS Exercise (51305) –
40. GPCOG EMA Planning (51306) –
41. GPCOG EVAC (51307)
42. Project Connect (51344) -

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008

	Courthouse Addition 21220	MDEA 21225	Domestic Violence Investigator 21254	Outside Civil Deputies 21255	Emergency Communications 21256	DEA Property Forfeiture 31231	Probate Surcharge 31238
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,592
Accounts receivable	-	-	-	8,577	-	-	-
Due from other funds	-	86,560	22,135	2,250	-	5,557	-
Total assets	\$ -	\$ 86,560	\$ 22,135	\$ 10,827	\$ -	\$ 5,557	\$ 55,592
LIABILITIES							
Accounts payable	\$ 337	\$ -	\$ -	\$ -	\$ -	\$ 116	\$ -
Due to other funds	67,983	-	-	-	4,238	-	121
Total liabilities	68,320	-	-	-	4,238	116	121
FUND EQUITY							
Fund balance:							
Designated for subsequent years'	-	86,560	22,135	10,827	-	5,441	55,471
expenditures	(68,320)	-	-	-	(4,238)	-	-
Undesignated							
Total fund equity	(68,320)	86,560	22,135	10,827	(4,238)	5,441	55,471
TOTAL LIABILITIES AND FUND EQUITY	\$ -	\$ 86,560	\$ 22,135	\$ 10,827	\$ -	\$ 5,557	\$ 55,592

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008

	State						
	MMA Fund	Reimbursement DOC Program	Public Health	ABE Grant	Local Emergency Planning	Wellness Incentive Grant	Terrorism Training Grant
	31277	31290	31298	51237	51240	51247	51261
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	28,411	373,552	33,803	10,825	44,282	7,186	5,892
Total assets	<u>\$ 28,411</u>	<u>\$ 373,552</u>	<u>\$ 33,803</u>	<u>\$ 10,825</u>	<u>\$ 44,282</u>	<u>\$ 7,186</u>	<u>\$ 5,892</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,028	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	28,411	373,552	33,803	10,825	44,282	6,158	5,892
Undesignated	-	-	-	-	-	-	-
Total fund equity	<u>28,411</u>	<u>373,552</u>	<u>33,803</u>	<u>10,825</u>	<u>44,282</u>	<u>6,158</u>	<u>5,892</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 28,411</u>	<u>\$ 373,552</u>	<u>\$ 33,803</u>	<u>\$ 10,825</u>	<u>\$ 44,282</u>	<u>\$ 7,186</u>	<u>\$ 5,892</u>

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008

	Hazard Mitigation Grant 51266	Brunswick Hazmat 51271	Underage Drinking Grant 51274	Divert Offender 51275	WMD Grant 51276	Homeland Security Grant 03 51279	Citizens Emergency Response Team 51280
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	1	7,744	1,779	-	10,000	9,175	2,575
Total assets	<u>\$ 1</u>	<u>\$ 7,744</u>	<u>\$ 1,779</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 9,175</u>	<u>\$ 2,575</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	2,387	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,387</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	1	7,744	1,779	-	10,000	9,175	2,575
Undesignated	-	-	-	(2,387)	-	-	-
Total fund equity	<u>1</u>	<u>7,744</u>	<u>1,779</u>	<u>(2,387)</u>	<u>10,000</u>	<u>9,175</u>	<u>2,575</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1</u>	<u>\$ 7,744</u>	<u>\$ 1,779</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 9,175</u>	<u>\$ 2,575</u>

## STATEMENT 3 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008

	State Projects 51281	Alpha One Resilience 51304	Homeland Security Grant 04 51283	Domestic Violence Grant 51284	Buffer Zone Grant 51286	Critical Infrastructure 51287
ASSETS						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	323	-	-	4,886	20,378
Total assets	\$ -	\$ 323	\$ -	\$ -	\$ 4,886	\$ 20,378
LIABILITIES						
Accounts payable	\$ 1,411	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	22,733	-	53,824	14,597	-	-
Total liabilities	24,144	-	53,824	14,597	-	-
FUND EQUITY						
Fund balance:						
Designated for subsequent years' expenditures	-	323	-	-	4,886	20,378
Undesignated	(24,144)	-	(53,824)	(14,597)	-	-
Total fund equity	(24,144)	323	(53,824)	(14,597)	4,886	20,378
TOTAL LIABILITIES AND FUND EQUITY	\$ -	\$ 323	\$ -	\$ -	\$ 4,886	\$ 20,378

## STATEMENT 3 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008

	LETPP HLSG 05 51291	JAG Portland 51292	HLSG City Watch 51293	Pandemic Flu Planning 51295	Domestic Violence 06-08 51296	CCEMA USPS Exercise 51305	Lead Hazard Control 51299
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	6,354	2,463	12,797	2,242	-	-	-
Total assets	<u>\$ 6,354</u>	<u>\$ 2,463</u>	<u>\$ 12,797</u>	<u>\$ 2,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	6,507	-	58
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,507</u>	<u>-</u>	<u>58</u>
FUND EQUITY							
Fund balance:							
Designated for subsequent years'							
expenditures	6,354	2,463	12,797	2,242	-	-	-
Undesignated	-	-	-	-	(6,507)	-	(58)
Total fund equity	<u>6,354</u>	<u>2,463</u>	<u>12,797</u>	<u>2,242</u>	<u>(6,507)</u>	<u>-</u>	<u>(58)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 6,354</u>	<u>\$ 2,463</u>	<u>\$ 12,797</u>	<u>\$ 2,242</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008

	Hazard Assessing Study 51300	GPCOG Phase II 51301	SMCC Grant 51302	York Cumberland Planning 51303	CDBG 52800	GPCOG EMA Planning 51306
ASSETS						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other funds	1,708	2,225	-	9,822	-	1,280
Total assets	<u>\$ 1,708</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 9,822</u>	<u>\$ -</u>	<u>\$ 1,280</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	75,303	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,303</u>	<u>-</u>
FUND EQUITY						
Fund balance:						
Designated for subsequent years'						
expenditures	1,708	2,225	-	9,822	-	1,280
Undesignated	-	-	-	-	(75,303)	-
Total fund equity	<u>1,708</u>	<u>2,225</u>	<u>-</u>	<u>9,822</u>	<u>(75,303)</u>	<u>1,280</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,708</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 9,822</u>	<u>\$ -</u>	<u>\$ 1,280</u>

## STATEMENT 3 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2008

	GPCOG EVAC 51307	Domestic Violence 08 - 11 51343	Project Connect 51344	Deeds Surcharge 31239	Sheriff Contracted Services	Totals
ASSETS						
Investments	\$ -	\$ -	\$ -	\$ 1,191,338	\$ -	\$ 1,246,930
Accounts receivable	-	-	-	-	-	8,577
Due from other funds	1,411	-	-	-	89,679	807,295
Total assets	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,338</u>	<u>\$ 89,679</u>	<u>\$ 2,062,802</u>
LIABILITIES						
Accounts payable	\$ -	\$ 5,236	\$ -	\$ -	\$ 2,238	\$ 10,366
Due to other funds	-	38,989	1,432	7,080	-	295,252
Total liabilities	<u>-</u>	<u>44,225</u>	<u>1,432</u>	<u>7,080</u>	<u>2,238</u>	<u>305,618</u>
FUND EQUITY						
Fund balance:						
Designated for subsequent years'	1,411	-	-	1,184,258	87,441	2,052,219
expenditures	-	(44,225)	(1,432)	-	-	(295,035)
Undesignated	<u>1,411</u>	<u>(44,225)</u>	<u>(1,432)</u>	<u>1,184,258</u>	<u>87,441</u>	<u>1,757,184</u>
Total fund equity						
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,191,338</u>	<u>\$ 89,679</u>	<u>\$ 2,062,802</u>

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Courthouse Addition 21220	MDEA Reimbursement 21225	Domestic Violence Investigator 21254	Outside Civil Deputies 21255	Emergency Communications 21256	DEA Property Forfeiture 31231	Probate Surcharge 31238
REVENUES							
Grants and contracts	\$ -	\$ -	\$ 74,938	\$ 309,923	\$ 365,017	\$ -	\$ -
MDEA	-	191,823	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	166,967	-	-	-	-	10,633	17,057
TOTAL REVENUES	<u>166,967</u>	<u>191,823</u>	<u>74,938</u>	<u>309,923</u>	<u>365,017</u>	<u>10,633</u>	<u>17,057</u>
EXPENDITURES							
Program Expenses	141,406	191,665	66,130	310,610	372,126	41,008	-
TOTAL EXPENDITURES	<u>141,406</u>	<u>191,665</u>	<u>66,130</u>	<u>310,610</u>	<u>372,126</u>	<u>41,008</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>25,561</u>	<u>158</u>	<u>8,808</u>	<u>(687)</u>	<u>(7,109)</u>	<u>(30,375)</u>	<u>17,057</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	25,561	158	8,808	(687)	(7,109)	(30,375)	17,057
FUND BALANCES, JANUARY 1	<u>(93,881)</u>	<u>86,402</u>	<u>13,327</u>	<u>11,514</u>	<u>2,871</u>	<u>35,816</u>	<u>38,414</u>
FUND BALANCES, DECEMBER 31	<u>\$ (68,320)</u>	<u>\$ 86,560</u>	<u>\$ 22,135</u>	<u>\$ 10,827</u>	<u>\$ (4,238)</u>	<u>\$ 5,441</u>	<u>\$ 55,471</u>

## STATEMENT 4 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	State		Local		Wellness		Terrorism	
	MMA	Reimbursement	Public	ABE	Emergency	Incentive	Training	
	Fund	DOC	Health	Grant	Planning	Grant	Grant	
	31277	31290	31298	51237	51240	51247	51261	
REVENUES								
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,894	\$ 12,682	
MDEA	-	-	-	-	-	-	-	
Community Corrections	-	280,112	-	-	-	-	-	
Other	9,511	-	20,359	-	75,632	-	-	
TOTAL REVENUES	9,511	280,112	20,359	-	75,632	7,894	12,682	
EXPENDITURES								
Program Expenses	2,967	271,598	-	-	100,572	7,941	6,775	
TOTAL EXPENDITURES	2,967	271,598	-	-	100,572	7,941	6,775	
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,544	8,514	20,359	-	(24,940)	(47)	5,907	
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	
Transfers Out	-	-	-	-	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	
NET CHANGE IN FUND BALANCE	6,544	8,514	20,359	-	(24,940)	(47)	5,907	
FUND BALANCES, JANUARY 1	21,867	365,038	13,444	10,825	69,222	6,205	(15)	
FUND BALANCES, DECEMBER 31	\$ 28,411	\$ 373,552	\$ 33,803	\$ 10,825	\$ 44,282	\$ 6,158	\$ 5,892	

## STATEMENT 4 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Hazard Mitigation Grant 51266	Brunswick Hazmat 51271	Underage Drinking Grant 51274	Divers Offender 51275	WMD Grant 51276	Homeland Security Grant 03 51279	Citizens Emergency Response Team 51280
REVENUES							
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Program Expenses	37,999	-	-	-	-	-	-
TOTAL EXPENDITURES	37,999	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(37,999)	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(37,999)	-	-	-	-	-	-
FUND BALANCES, JANUARY 1	38,000	7,744	1,779	(2,387)	10,000	9,175	2,575
FUND BALANCES, DECEMBER 31	\$ 1	\$ 7,744	\$ 1,779	\$ (2,387)	\$ 10,000	\$ 9,175	\$ 2,575

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	State Projects 51281	Alpha One Resilience 51304	Homeland Security Grant 04 51283	Domestic Violence Grant 51284	Buffer Zone Grant 51286	Critical Infrastructure 51287
REVENUES						
Grants and contracts	\$ -	\$ 4,994	\$ 20,000	\$ -	\$ -	\$ -
MDEA	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-
Other	66,478	-	-	-	-	-
TOTAL REVENUES	<u>66,478</u>	<u>4,994</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Program Expenses	68,255	4,671	20,000	-	-	-
TOTAL EXPENDITURES	<u>68,255</u>	<u>4,671</u>	<u>20,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,777)</u>	<u>323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(1,777)</u>	<u>323</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES, JANUARY 1	<u>(22,367)</u>	<u>-</u>	<u>(53,824)</u>	<u>(14,597)</u>	<u>4,886</u>	<u>20,378</u>
FUND BALANCES, DECEMBER 31	<u>\$ (24,144)</u>	<u>\$ 323</u>	<u>\$ (53,824)</u>	<u>\$ (14,597)</u>	<u>\$ 4,886</u>	<u>\$ 20,378</u>

## STATEMENT 4 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	LETPP HLSG 05 51291	JAG Portland 51292	HLSG City Watch 51293	Pandemic Flu Planning 51295	Domestic Violence 06-08 51296	CCEMA USPS Exercise 51305	Lead Hazard Control 51299
REVENUES							
Grants and contracts	\$ -	\$ -	\$ 7,000	\$ -	\$ 197,838	\$ 13,100	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	2,220
TOTAL REVENUES	-	-	7,000	-	197,838	13,100	2,220
EXPENDITURES							
Program Expenses	-	-	62	523	148,088	13,100	-
TOTAL EXPENDITURES	-	-	62	523	148,088	13,100	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	6,938	(523)	49,750	-	2,220
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	6,938	(523)	49,750	-	2,220
FUND BALANCES, JANUARY 1	6,354	2,463	5,859	2,765	(56,257)	-	(2,278)
FUND BALANCES, DECEMBER 31	\$ 6,354	\$ 2,463	\$ 12,797	\$ 2,242	\$ (6,507)	\$ -	\$ (58)

## STATEMENT 4 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	Hazard Assessing Study 51300	GPCOG Phase II 51301	SMCC Grant 51302	York Cumberland Planning 51303	CDBG 52800	GPCOG EMA Planning 51306
REVENUES						
Grants and contracts	\$ -	\$ -	\$ 64,097	\$ -	\$ 848,809	\$ 12,471
MDEA	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-
Other	6,700	23,931	-	31,860	-	-
TOTAL REVENUES	<u>6,700</u>	<u>23,931</u>	<u>64,097</u>	<u>31,860</u>	<u>848,809</u>	<u>12,471</u>
EXPENDITURES						
Program Expenses	4,114	21,706	64,097	22,038	891,521	11,191
TOTAL EXPENDITURES	<u>4,114</u>	<u>21,706</u>	<u>64,097</u>	<u>22,038</u>	<u>891,521</u>	<u>11,191</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,586</u>	<u>2,225</u>	<u>-</u>	<u>9,822</u>	<u>(42,712)</u>	<u>1,280</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,586	2,225	-	9,822	(42,712)	1,280
FUND BALANCES, JANUARY 1	<u>(878)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,591)</u>	<u>-</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,708</u>	<u>\$ 2,225</u>	<u>\$ -</u>	<u>\$ 9,822</u>	<u>\$ (75,303)</u>	<u>\$ 1,280</u>



## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	GPCOG EVAC 51307	Domestic Violence 08 - 11 51343	Project Connect 51344	Deeds Surcharge 31239	Sheriff Contracted Services	Totals
REVENUES						
Grants and contracts	\$ 12,590	\$ -	\$ -	\$ -	\$ -	\$ 1,951,353
MDEA	-	-	-	-	-	191,823
Community Corrections	-	-	-	-	-	280,112
Other	-	-	-	208,830	1,204,947	1,845,125
TOTAL REVENUES	<u>12,590</u>	<u>-</u>	<u>-</u>	<u>208,830</u>	<u>1,204,947</u>	<u>4,268,413</u>
EXPENDITURES						
Program Expenses	11,179	44,225	1,432	686,152	1,236,470	4,799,621
TOTAL EXPENDITURES	<u>11,179</u>	<u>44,225</u>	<u>1,432</u>	<u>686,152</u>	<u>1,236,470</u>	<u>4,799,621</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,411</u>	<u>(44,225)</u>	<u>(1,432)</u>	<u>(477,322)</u>	<u>(31,523)</u>	<u>(531,208)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	1,411	(44,225)	(1,432)	(477,322)	(31,523)	(531,208)
FUND BALANCES, JANUARY 1	-	-	-	1,661,580	118,964	2,288,392
FUND BALANCES, DECEMBER 31	<u>\$ 1,411</u>	<u>\$ (44,225)</u>	<u>\$ (1,432)</u>	<u>\$ 1,184,258</u>	<u>\$ 87,441</u>	<u>\$ 1,757,184</u>

See accompanying independent auditors' report.

### Permanent Funds Description

Permanent funds are used to account for assets held by the County of Cumberland, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

1. D.A.R.E./Officer Friendly – Donations received by outside citizens for the purpose of assisting or purchasing tools for the DARE school resource officer.
2. Sunshine Fund - Funds received from vending machine commissions etc for utilization for employee events on the Sheriff's Office campus.
3. EAC Fund - Employee Advisory Committee funds used to sponsor employee activities and events and recognition programs.
4. Employee Fund -

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2008

	D.A.R.E./ Officer Friendly	Sunshine Fund	EAC Fund	Employee Fund	Total
<b>ASSETS</b>					
Due from other funds	\$ 3,768	\$ 1,501	\$ 6,886	\$ -	\$ 12,155
Total assets	<u>\$ 3,768</u>	<u>\$ 1,501</u>	<u>\$ 6,886</u>	<u>\$ -</u>	<u>\$ 12,155</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 154	\$ -	\$ -	\$ 154
Due to other funds	-	-	-	1,084	1,084
Total liabilities	<u>-</u>	<u>154</u>	<u>-</u>	<u>1,084</u>	<u>1,238</u>
<b>FUND EQUITY</b>					
Fund balance:					
Designated for subsequent years' expenditures	3,768	1,347	6,886	-	12,001
Undesignated	-	-	-	(1,084)	(1,084)
Total fund equity	<u>3,768</u>	<u>1,347</u>	<u>6,886</u>	<u>(1,084)</u>	<u>10,917</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ -</u>	<u>\$ 154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 154</u>

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 – NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2008

	D.A.R.E./ Officer Friendly	Sunshine Fund	EAC Fund	Employee Fund	Total
REVENUE	\$ 250	\$ 3,091	\$ 7,684	\$ -	\$ 11,025
EXPENDITURES	260	4,055	3,097	1,084	8,496
NET CHANGE IN FUND BALANCE	(10)	(964)	4,587	(1,084)	2,529
FUND BALANCES, JANUARY 1	3,778	2,311	2,299	-	8,388
FUND BALANCES, DECEMBER 31	\$ 3,768	\$ 1,347	\$ 6,886	\$ (1,084)	\$ 10,917

See accompanying independent auditors' report.

### Agency Funds

Agency funds are used to account for assets held by the County of Cumberland, Maine as an agent for individuals, private organizations or other governmental units. This fund has been established for the provisions of the Jail Commissary Account.

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF FIDUCIARY NET ASSETS – AGENCY FUNDS  
DECEMBER 31, 2008

	Jail Commissary Account	Total
ASSETS		
Cash	\$ 59,671	\$ 59,671
Investments	372,008	372,008
Due from other funds	990	990
TOTAL ASSETS	<u>\$ 432,669</u>	<u>\$ 432,669</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 7,084	\$ 7,084
Deposits held for others	425,585	425,585
TOTAL LIABILITIES	<u>432,669</u>	<u>432,669</u>
NET ASSETS		
Held in trust for special purposes	-	-
TOTAL NET ASSETS	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 432,669</u>	<u>\$ 432,669</u>

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

	Balances, 01/01/08	Debits	Credits	Balances, 12/31/08
<b>ASSETS</b>				
Cash	\$ 92,223	\$ -	\$ 32,552	\$ 59,671
Investments	595,630	11,854	235,476	372,008
Due from general fund	-	535,575	534,585	990
<b>TOTAL ASSETS</b>	<u>\$ 687,853</u>	<u>\$ 547,429</u>	<u>\$ 802,613</u>	<u>\$ 432,669</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 12,404	\$ 219,408	\$ 214,088	\$ 7,084
Due to general fund	-	-	-	-
Deposits held for others	675,449	249,864	-	425,585
<b>TOTAL LIABILITIES</b>	<u>687,853</u>	<u>469,272</u>	<u>214,088</u>	<u>432,669</u>
<b>NET ASSETS</b>				
Held in trust for special purposes	-	-	-	-
<b>TOTAL NET ASSETS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 687,853</u>	<u>\$ 469,272</u>	<u>\$ 214,088</u>	<u>\$ 432,669</u>

See accompanying independent auditors' report.

### 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 assets.



## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2008

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures Equipment & Vehicles	Total
Communication	\$	\$	\$	\$
EMA	-	1,423,318	104,852	1,528,170
Administration	-	-	63,951	63,951
General Courthouse	-	-	30,353	30,353
DA	1,413,200	9,500,000	40,075	10,953,275
Executive	-	-	174,409	174,409
Facilities	-	-	12,544	12,544
Probate	-	-	153,072	153,072
Treasury	-	-	22,475	22,475
Education - Jail	-	-	9,209	9,209
Food service - Jail	-	-	5,068	5,068
Inmate education - Jail	-	-	343,014	343,014
Intake - Jail	-	-	30,186	30,186
General - Jail	2,036,840	23,785,886	21,255	26,051,783
CID	-	-	229,057	229,057
Civil	-	53,000	43,427	43,427
Finance	-	-	2,785	55,785
MIS	-	-	21,399	21,399
Sheriff	-	-	48,523	48,523
Sub-station	-	-	2,336,904	2,336,904
Deeds	-	-	1,528	1,528
Parking Garage	834,750	3,250,000	4,133	4,133
County-wide	366,900	2,103,600	2,333	4,087,083
Total General Capital	4,651,690	40,115,804	3,722,839	48,490,333
Less: Accumulated Depreciation	-	(16,426,068)	(2,688,328)	(19,114,396)
Net General Capital Assets	\$ 4,651,690	\$ 23,689,736	\$ 1,034,511	\$ 29,375,937

See accompanying independent auditors report.

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2008

	General Capital Assets 1/1/08	Additions	Deletions	General Capital Assets 12/31/08
Communication	\$ 1,527,470	\$ 700	\$ -	\$ 1,528,170
EMA	65,155	-	(1,204)	63,951
Administration	28,103	2,250	-	30,353
General Courthouse	10,953,275	-	-	10,953,275
DA	167,377	13,809	(6,777)	174,409
Executive	14,883	2,534	(4,873)	12,544
Facilities	152,260	2,452	(1,640)	153,072
Probate	30,903	-	(8,428)	22,475
Treasury	9,209	-	-	9,209
Education - Jail	5,068	-	-	5,068
Food service - Jail	343,014	-	-	343,014
Inmate education - Jail	30,186	-	-	30,186
Intake - Jail	21,255	-	-	21,255
General - Jail	26,051,532	2,973	(2,722)	26,051,783
CID	43,427	-	-	43,427
Civil	55,785	-	-	55,785
Finance	17,646	3,753	-	21,399
MIS	48,523	-	-	48,523
Sheriff	2,147,831	330,507	(141,434)	2,336,904
Sub-station	1,528	-	-	1,528
Deeds	4,133	-	-	4,133
Parking Garage	4,087,083	-	-	4,087,083
County-wide	2,479,089	13,698	-	2,492,787
Total General Capital	48,284,735	372,676	(167,078)	48,490,333
Less: Accumulated Depreciation	(18,038,313)	(1,243,161)	167,078	(19,114,396)
Net General Capital Assets	\$ 30,246,422	\$ (870,485)	\$ -	\$ 29,375,937
See accompanying independent auditors' report.				

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2008

Federal Grantor Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF JUSTICE		
Direct Programs -		
Violence Against Women Formula Grant	16.588	\$ 192,313
Total U.S. Department of Justice		<u>192,313</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Passed Through Maine Emergency Management Agency in the Department of Defense and Veteran's Services		
Homeland Security Grant	97.004	20,000
Hazard Mitigation Grant	83.548	<u>37,999</u>
		<u>57,999</u>
U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Programs -		
Community Development Block Grant	14.218	<u>891,521</u>
		<u>891,521</u>
Total Federal Assistance		<u>\$ 1,141,833</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2008

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the County of Cumberland, Maine. All federal financial assistance received is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. Major Programs:

Community Development Block Grant                      CFDA# 14.218



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

February 20, 2009

Board of Commissioners  
County of Cumberland  
Portland, Maine

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Cumberland, Maine, as of and for the year ended December 31, 2008, which collectively comprise the County of Cumberland, Maine's basic financial statements and have issued our report thereon dated February 20, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County of Cumberland, Maine's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Cumberland, Maine's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Cumberland, Maine's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Cumberland, Maine's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Cumberland, Maine's financial statements that is more than inconsequential will not be prevented or detected by the County of Cumberland, Maine's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County of Cumberland, Maine's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Cumberland, Maine's financial statements are free of 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the County Commissioners, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company  
Certified Public Accountants



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

February 20, 2009

Board of Commissioners  
County of Cumberland  
Portland, Maine

Compliance

We have audited the compliance of the County of Cumberland, Maine, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The County of Cumberland, Maine's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Cumberland, Maine's management. Our responsibility is to express an opinion on the County of Cumberland, Maine's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about The County of Cumberland, Maine's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County of Cumberland, Maine's compliance with those requirements.

In our opinion, the County of Cumberland, Maine complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

#### Internal Control Over Compliance

The management of the County of Cumberland, Maine is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County of Cumberland, Maine's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County of Cumberland, Maine's internal control over compliance.

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the County Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Certified Public Accountants



COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2008

**Summary of Auditor's Results:**

- 1) We have issued an unqualified report dated February 20, 2009 on the financial statements of the County which can be found on pages one and two.
- 2) Our statement of significant deficiencies and material weaknesses can be found on pages 80 - 81 as they pertain to our audit of the financial statements for the County.
- 3) Our statement of non-compliance can be found on pages 80 - 81 as they pertain to our audit of the financial statements of the County.
- 4) Our statement of significant deficiencies on internal control over major programs can be found on pages 82 - 83 as they pertain to our audit of the financial statements for the County.
- 5) We have issued an unqualified report dated February 20, 2009 on compliance for major programs for the County on pages 82 - 83.
- 6) Our statements disclosed no audit findings.
- 7) The following major programs were audited as of December 31, 2008:
  - 1) Community Development Block Grant CFDA# 14.218
- 8) The dollar threshold used to determine Type A and Type B programs as defined by OMB Circular A-133 is \$300,000.
- 9) The auditee qualified as low risk as defined by OMB Circular A-133.
- 10) There were no findings related to the financial statements of the County in accordance with GAGAS.
- 11) There were no findings and questioned costs for federal awards to report for the County for the year ended December 31, 2008.