COUNTY OF PENOBSCOT, MAINE

FINANCIAL STATEMENTS

DECEMBER 31, 2022

TABLE OF CONTENTS

	PAGE
GENERAL PURPOSE FINANCIAL STATEMENTS	
INDEPENDENT AUDITORS' REPORT	1-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-12
GOVERNMENT - WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	13
STATEMENT OF ACTIVITIES	14
FUND FINANCIAL STATEMENTS	
BALANCE SHEET - GOVERNMENTAL FUNDS	15
RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	17
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT OF FIDUCIARY FUNDS NET POSITION (DEFICIT)	19
STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET POSITION (DEFICIT)	20
NOTES TO FINANCIAL STATEMENTS	21-45
REQUIRED SUPPLEMENTARY INFORMATION	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	46
BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	47-48
SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS	49
SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY	49
SCHEDULE OF CHANGES IN NET OPEB LIABILTIY AND RELATED RATIOS	49
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	50

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	51
SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND - BUDGETARY BASIS	52-57
COMBINING BALANCE SHEET -- NONMAJOR GOVERNMENTAL FUNDS	58
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	59
SPECIAL REVENUE FUNDS DESCRIPTION	60
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	61-66
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	67-72
CAPITAL PROJECTS FUNDS DESCRIPTION	73
COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS	74-78
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS	79-83
GENERAL CAPITAL ASSETS DESCRIPTION	84
SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	85
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	86
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	87
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	88-89
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	90-93
CORRECTIVE ACTION PLAN	94

ADDITIONAL REPORTS

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS 95-96

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE 97-99

Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the County Commissioners of the
County of Penobscot, Maine

INDEPENDENT AUDITORS' REPORT

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Penobscot, Maine as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County of Penobscot, Maine's basic financial statements as listed in the table of contents.

Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Adverse
Governmental Fund – General Fund	Unmodified
Governmental Fund – Jail Fund	Unmodified
Governmental Fund – Grants Fund	Unmodified
Governmental Fund – PRCC Bond Fund	Unmodified
Aggregate Remaining Fund Information	Unmodified

Adverse Opinion on Governmental Activities

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse and Unmodified Opinion on Governmental Activities" paragraph, the financial statements referred to above do not present fairly the financial position of the governmental activities of the County of Penobscot, Maine as of December 31, 2022, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Each Major Fund and Aggregate Remaining Fund Information

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund and the aggregate remaining fund information of the County of Penobscot, Maine as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Adverse and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Penobscot, Maine, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unmodified audit opinions.

Matter Giving Rise to Adverse Opinion on Governmental Activities

As discussed in Note 13 to the financial statements, related to health insurance benefits, management has not recorded a liability for other post-employment benefits (OPEB) obligations related to retiree health insurance benefits in accordance with Governmental Accounting Standards Board Statement No. 75 (GASB No. 75) within the governmental activities and has not recognized deferred outflows of resources, deferred inflows of resources or included disclosures and supplementary information required by GASB No. 75. Accounting principles generally accepted in the United States of America require that liabilities, deferred inflows of resources and deferred outflows of resources related to OPEB obligations be reported in accordance with GASB No. 75 for fiscal years beginning after June 15, 2017. The amount by which this departure would affect the deferred outflows of resources, liabilities, deferred inflows of resources, net position, and expenses of the governmental activities has not been determined.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County of Penobscot, Maine's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Penobscot, Maine's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and the Schedule of Employer's Pension Contributions, the Schedule of Employer's Share of Net Pension Liability and the Schedule of Changes in Net OPEB Liability and Related Ratios, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Penobscot, Maine's basic financial statements. The combining and individual fund financial statements and schedules and the accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated June 25, 2025, on our consideration of the County of Penobscot, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County of Penobscot's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Penobscot, Maine's internal control over financial reporting and compliance.

Chester M. Kearney

Presque Isle, Maine
June 25, 2025

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2022

(UNAUDITED)

The following management's discussion and analysis of the County of Penobscot, Maine's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2022. Please read it in conjunction with the County's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

The Statement of Net Position – this statement presents *all* of the government's assets and liabilities with the difference being reported as net position.

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

The types of activities presented for the County of Penobscot are:

- Governmental activities – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the County's basic services are reported in governmental activities, which include County Treasurer, Registry of Deeds, Registry of Probate, Jail, District Attorney, Sheriff, and County Commissioners, buildings and other unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Penobscot, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the County of Penobscot can be divided into two categories: governmental funds and fiduciary funds.

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The County of Penobscot presents three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County's major governmental funds are the general fund, jail fund, grants fund, and PRCC bond fund. All other funds are shown as nonmajor and are presented in the "Other nonmajor funds" column on these statements.

The general fund is the only fund for which the County legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Fiduciary Fund Financial Statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund, Schedule of Employer's Share of Net Pension Liability, Schedule of Employer Contributions and related notes.

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the County's governmental activities. The County's total net position increased by $1,909,324 from $12,048,299 to $13,957,623. This increase was largely a result of an increase to the tax commitment in 2022 compared to the prior year.

Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – increased to a balance of $6,399,839 at the end of this year.

Table 1
County of Penobscot, Maine
Net Position
Years Ended December 31,

	2022	2021
Assets		
Current and other assets	37,119,503	23,942,387
Capital assets	7,485,457	6,350,515
Total Assets	44,604,960	30,292,902
Deferred outflows of resources		
Deferred outflows related to pension expense	1,915,942	1,963,709
Deferred outflows related to OPEB expense	39,047	41,625
Total Deferred Outflows	1,954,989	2,005,334
Liabilities		
Current liabilities	26,847,787	15,419,600
Long-term liabilities	3,867,594	627,747
Total Liabilities	30,715,381	16,047,347
Deferred inflows of resources		
Deferred inflows related to pension expense	1,184,151	4,080,203
Deferred inflows related to OPEB expense	71,194	122,387
Unearned lease revenue	631,600	-
Total Deferred Inflows	1,886,945	4,202,590
Net position		
Invested in capital assets, net of related debt	7,485,457	6,350,515
Restricted	72,327	30,420
Unrestricted	6,399,839	5,667,364
Total Net Position	13,957,623	12,048,299

Table 2
County of Penobscot, Maine
Change in Net Position
Years Ended December 31,

	2022	2021
Revenues		
Program revenues:		
Charges for services	4,220,673	4,182,476
Operating grants and contributions	7,420,211	4,436,295
General revenues:		
Tax commitment	19,536,296	18,282,142
Rental of office space	160,081	156,024
Other revenues	1,783,686	826,733
Total Revenues	33,120,947	27,883,670

Table 2
County of Penobscot, Maine
Change in Net Position
Years Ended December 31,

	2022	2021
Expenses		
Human relations	195,068	152,184
Emergency management	318,698	201,405
Telecommunications	2,611,537	2,583,804
District attorney	1,123,966	1,062,760
County commissioners	352,430	348,501
County treasurer	299,241	262,550
County buildings	537,415	935,167
Jail	11,788,358	10,184,117
ARPA grant	3,239,103	698,435
MAT grant	104,926	71,513
COVID grants	28,200	-
Registry of deeds	348,674	340,736
Registry of probate	477,171	503,120
Sheriff	5,883,489	5,332,455
Civil process	346,681	15,148
UT administration	170,939	163,968
IT department	797,704	813,450
Workplace safety	3,017	2,918
Employee benefits	6,676	4,287
County insurance	97,623	59,795
Development corporations	82,710	62,000
Programs/donations	1,149,422	1,230,979
Labor relations	-	2,721
Wage adjustments	172	2,209
Unallocated depreciation	157,657	115,699
Unclassified	7,211	5,531
Capital outlay	809,388	975,872
Interest on debt	23,921	22,650
OPEB expense (recovery)	(20,735)	(28,740)
Pension expense (recovery)	270,961	(490,918)
Total Expenses	31,211,623	25,633,448
Loss on impairment		(659,162)
Loss on asset disposal		(80,215)
Change in net position	1,909,324	1,509,977
Net position – January 1	12,048,299	10,538,322
Net position – December 31	13,957,623	12,048,299

Revenues and Expenses

Revenues for the County's governmental activities increased by 18.8%, while total expenses increased by 21.8%. Revenues and expenses were fairly consistent with the prior year with the largest increase being in tax commitment revenue.

Financial Analysis of the County's Fund Statements

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

Table 3
County of Penobscot, Maine
Fund Balances – Gov't. Funds
December 31,

	2022	2021
Major funds:		
General fund:		
Committed	100,000	100,000
Unassigned	5,296,496	4,335,060
Total General fund	5,396,496	4,435,060
Jail fund:		
Committed	-	462,855
Unassigned	(62,106)	-
Total Jail fund	(62,106)	462,855
Grants fund:		
Restricted	72,277	30,370
Total Grants fund	72,277	30,370
PRCC Bond fund:		
Unassigned	(1,439,535)	(702,081)
Total PRCC Bond fund	(1,439,535)	(702,081)
Total major funds	3,967,132	4,226,204
Non-major funds		
Special revenue:		
Restricted	50	50
Assigned	1,593,291	656,810
Unassigned	(181,905)	(97,018)
Total Special revenue	1,411,436	559,842

Capital projects:		
Committed	3,342,574	2,976,287
Unassigned	-	(65,799)
Total Capital projects	3,342,574	2,910,488
Total Non-major funds	4,754,010	3,470,330
Total Governmental funds	8,721,142	7,696,534

The general fund total fund balance increased by $961,436 from the prior fiscal year. The jail fund balance decreased by $524,961. The grants fund balance increased by $41,907. The PRCC bond fund balance decreased by $737,454. The other nonmajor fund balances increased by $1,283,680 from the prior fiscal year.

Budgetary Highlights

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

The general fund actual revenues exceeded budget by $614,552. This was a result of charges for services exceeding the budgeted amount by $583,615 and intergovernmental revenues exceeding the budgeted amount by $6,489.

The general fund actual expenditures were under budget by $812,222. All expenditure categories were under budget with the exception of human relations, county buildings, sheriff, employee related expenses, county insurance, and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2022, the net book value of capital assets recorded by the County increased by $1,134,942 from the prior year. Refer to Note 4 of Notes to Financial Statements for more detailed information.

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

	2022	2021
Land	900,514	900,514
Buildings and improvements	3,913,127	3,472,358
Machinery and equipment	2,671,816	1,977,643
Total	7,485,457	6,350,515

Debt

At December 31, 2022, the County has no bonds payable. The County did have a long-term liability related accrued compensated absences which can be seen in Note 5 of Notes to Financial Statements.

Requests for Information

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 97 Hammond Street, Bangor, Maine 04401.

COUNTY OF PENOBSCOT, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities
ASSETS	
Current Assets	
Cash and cash equivalents	$ 35,585,299
Accounts receivable (net of allowance for uncollectibles)	419,730
Prepaid expenses	314,215
Leases receivable, current poriton	89,948
Total current assets	36,409,192
Noncurrent assets	
Capital assets	
Land and other assets not being depreciated	900,514
Depreciable assets, net of accumulated depreciation	6,584,943
Total noncurrent assets	7,485,457
Other assets	
Leases receivable, net of current portion	541,652
Right of use assets	168,659
	710,311
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension expense	1,915,942
Deferred outflows related to OPEB	39,047
Total deferred outflows of resources	1,954,989
Total assets and deferred outflows of resources	46,559,949
LIABILITIES	
Current Liabilities	
Accounts payable	559,999
Payroll related liabilities	111,439
Due to other governments	107,996
Deferred revenue	25,615,427
Line of credit	384,160
Leases payable, current portion	68,766
Total current liabilities	26,847,787
Noncurrent liabilities	
Noncurrent portion of long-term obligations	
Net pension liability	2,821,385
OPEB Liability	127,235
Accrued compensated absences	819,081
Leases payable, net of current portion	99,893
Total noncurrent liabilities	3,867,594
Total liabilities	30,715,381
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pension expense	1,184,151
Deferred inflows related to OPEB	71,194
Unearned lease revenue	631,600
Total deferred inflows of resources	1,886,945
NET POSITION	
Invested in capital assets, net of related debt	7,485,457
Restricted	72,327
Unrestricted	6,399,839
Total net position	$ 13,957,623

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

COUNTY OF PENOBSCOT, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services / Dept Revenues	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position: Total Governmental Activities
Governmental activities:					
Human relations	$ 195,068	$ -	$ -	$ -	$ (195,068)
Emergency management	318,698	-	128,477	-	(190,221)
Telecommunications	2,611,537	203,363	-	-	(2,408,174)
District attorney	1,123,966	7,725	-	-	(1,116,241)
County commissioners	352,430	230,799	-	-	(121,631)
County treasurer	299,241	50,393	-	-	(248,848)
County buildings	537,415	-	-	-	(537,415)
Jail	11,788,358	36,448	3,552,030	-	(8,199,880)
ARPA Grant	3,239,103	-	3,239,103	-	-
MAT grant	104,926	-	102,674	-	(2,252)
COVID grants	28,200	-	46,431	-	18,231
Registry of deeds	348,674	1,440,742	-	-	1,092,068
Registry of probate	477,171	334,461	-	-	(142,710)
Sheriff	5,883,489	1,639,630	-	-	(4,243,859)
Civil process	346,681	197,846	-	-	(148,835)
UT administration	170,939	71,907	-	-	(99,032)
IT department	797,704	7,359	-	-	(790,345)
Workplace safety	3,017	-	-	-	(3,017)
Employee benefits	6,676	-	-	-	(6,676)
County insurance	97,623	-	-	-	(97,623)
Development corporations	82,710	-	-	-	(82,710)
Programs / donations	1,149,422	-	351,496	-	(797,926)
Labor relations	-	-	-	-	-
Wage adjustments	172	-	-	-	(172)
Unallocated depreciation (Note 4)	157,657	-	-	-	(157,657)
Unclassified	7,211	-	-	-	(7,211)
Capital outlay	809,388	-	-	-	(809,388)
TAN interest	23,921	-	-	-	(23,921)
OPEB expense (recovery)	(20,735)	-	-	-	20,735
Pension expense (recovery)	270,961	-	-	-	(270,961)
Total government	$ 31,211,623	$ 4,220,673	$ 7,420,211	$ -	$ (19,570,739)

General revenues:	
Tax Commitment	19,536,296
PILT	175,000
Rental of office space	160,081
Interest	4,070
Other revenues	1,604,616
Total general revenues	21,480,063
Change in net position	1,909,324
Net position - January 1	12,048,299
Net position - December 31	$ 13,957,623

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

COUNTY OF PENOBSCOT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Jail Fund	Grants Fund	PRCC Bond Fund	Other Nonmajor Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 8,294,643	$ -	$ 26,797,224	$ 491,024	$ 2,408	$ 35,585,299
Accounts receivable (net of allowance for uncollectables)	257,317	-	-	-	162,413	419,730
Prepaid expenses	314,215	-	-	-	-	314,215
Due from other governments	-	-	-	-	-	-
Due from other funds	2,991,492	185,333	-	-	4,924,762	8,101,587
TOTAL ASSETS	11,857,667	185,333	26,797,224	491,024	5,089,583	44,420,831
LIABILITIES						
Accounts payable	$ 559,999	$ -	$ -	$ -	$ -	$ 559,999
Payroll related liabilities	111,439	-	-	-	-	111,439
Due to other governments	107,996	-	-	-	-	107,996
Due to other funds	5,110,095	-	1,109,520	1,546,399	335,573	8,101,587
Deferred revenue	-	-	25,615,427	-	-	25,615,427
Line of credit	-	-	-	384,160	-	384,160
Accrued compensated absences	571,642	247,439	-	-	-	819,081
TOTAL LIABILITIES	6,461,171	247,439	26,724,947	1,930,559	335,573	35,699,689
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	72,277	-	50	72,327
Committed	100,000	-	-	-	3,342,574	3,442,574
Assigned	-	-	-	-	1,593,291	1,593,291
Unassigned	5,296,496	(62,106)	-	(1,439,535)	(181,905)	3,612,950
TOTAL FUND BALANCES	5,396,496	(62,106)	72,277	(1,439,535)	4,754,010	8,721,142
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 11,857,667	$ 185,333	26,797,224	491,024	$ 5,089,583	$ 44,420,831

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

COUNTY OF PENOBSCOT, MAINE

RECONCILIATION OF THE GOVERNMENTAL BALANCE SHEET TO THE
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Total Governmental Funds
Total Fund Balances	$ 8,721,142
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governemental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	7,485,457
Amounts reported related to net pension liabilty under GASB #68 are used in governmental activities and therefore are not reported in the funds	
Net pension liability	(2,821,385)
Deferred outflows of resources	1,915,942
Deferred inflows of resources	(1,184,151)
	(2,089,594)
Amounts reported related to net OPEB liability under GASB #75 are used in governmental activities and therefore are not reported in the funds	
Net OPEB liability	(127,235)
Deferred outflows of resources	39,047
Deferred inflows of resources	(71,194)
	(159,382)
Amounts reported related to leases under GASB #87 are used in governmental activities and therefore are not reported in the funds	
Lease assets	800,259
Lease liabilities	(168,659)
Deferred inflows of resources	(631,600)
	-
Net position of governmental activities	$ 13,957,623

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

COUNTY OF PENOBSCOT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General Fund	Jail Fund	Grants Fund	PRCC Bond Fund	Other Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes	$ 19,536,296	$ -	$ -	$ -	$ -	$ 19,536,296
PILT	175,000	-	-	-	-	175,000
Intergovernmental	128,477	3,552,030	3,388,208	-	351,496	7,420,211
Charges for services/other fees	4,184,225	36,448	-	-	-	4,220,673
Rental of office space	160,081	-	-	-	-	160,081
Interest	-	-	-	746	3,324	4,070
Other revenues	42,867	84,440	534	-	1,476,775	1,604,616
TOTAL REVENUES	24,226,946	3,672,918	3,388,742	746	1,831,595	33,120,947
EXPENDITURES						
Current:						
Human relations	195,068	-	-	-	-	195,068
Emergency management	317,948	-	-	-	-	317,948
Telecommunications	3,212,274	-	-	-	-	3,212,274
District attorney	1,122,262	-	-	-	-	1,122,262
County commissioners	352,430	-	-	-	-	352,430
County treasurer	314,010	-	-	-	-	314,010
County buildings	1,163,595	-	-	-	-	1,163,595
Jail	-	11,812,572	-	-	-	11,812,572
Registry of deeds	348,674	-	-	-	-	348,674
Registry of probate	477,171	-	-	-	-	477,171
Sheriff	5,956,928	-	-	-	-	5,956,928
Civil process	346,681	-	-	-	-	346,681
UT administration	170,939	-	-	-	-	170,939
IT department	753,418	-	-	-	-	753,418
Workplace safety	3,017	-	-	-	-	3,017
MPERS	6,676	-	-	-	-	6,676
County insurance	97,623	-	-	-	-	97,623
Development corporations	82,710	-	-	-	-	82,710
Programs / donations	203,515	-	-	-	945,907	1,149,422
Labor relations	-	-	-	-	-	-
Wage adjustments/benefits	172	-	-	-	-	172
COVID grants	-	-	28,200	-	-	28,200
MAT grant	-	-	104,926	-	-	104,926
ARPA grant	-	-	3,239,103	-	-	3,239,103
Unclassified	-	-	-	7,211	-	7,211
Capital outlay	43,401	-	-	726,620	39,367	809,388
Interest on debt	19,552	-	-	4,369	-	23,921
TOTAL EXPENDITURES	15,188,064	11,812,572	3,372,229	738,200	985,274	32,096,339
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	9,038,882	(8,139,654)	16,513	(737,454)	846,321	1,024,608
OTHER FINANCING SOURCES (USES)						
Operating transfers in	8,774	7,640,087	25,394	-	446,133	8,120,388
Operating transfers (out)	(8,086,220)	(25,394)	-	-	(8,774)	(8,120,388)
TOTAL OTHER FINANCING SOURCES (USES)	(8,077,446)	7,614,693	25,394	-	437,359	-
NET CHANGE IN FUND BALANCES	961,436	(524,961)	41,907	(737,454)	1,283,680	1,024,608
FUND BALANCES - JANUARY 1	4,435,060	462,855	30,370	(702,081)	3,470,330	7,696,534
FUND BALANCES - DECEMBER 31	$ 5,396,496	$ (62,106)	$ 72,277	$ (1,439,535)	$ 4,754,010	$ 8,721,142

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

COUNTY OF PENOBSCOT, 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, 2022

Net change in fund balances - total governmental funds	$ 1,024,608
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets.	
Capital asset purchases	1,905,477
Depreciation expense	(770,535)
	1,134,942
OPEB expense recovery reported under GASB #75 is not reported in the governmental funds	20,735
Pension expense recovery reported under GASB #68 is not reported in the governmental funds	(270,961)
Change in net position of governmental activities	$ 1,909,324

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

COUNTY OF PENOBSCOT, MAINE

STATEMENT OF FIDUCIARY FUNDS NET POSITION (DEFICIT)

DECEMBER 31, 2022

		Custodial Funds									
	Private Purpose Trust Fund	Registry of Deeds & Probate	Extradition Account	Inmate Account	Civil Revenue Account	Officer Account	Restitution Account	TPA Account	Witness Account	Northeastern Workforce Development Board	Total
ASSETS											
Cash and cash equivalents	$ -	$ 575,177	$ 38,097	$ 20,593	$ 32,799	$ 5,658	$ 94,704	$ 230,422	$ 101,011	$ 36,152	$ 1,134,613
Accounts receivable	-	-	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-
Investments, at fair value	10,379,818	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	10,379,818	575,177	38,097	20,593	32,799	5,658	94,704	230,422	101,011	36,152	1,134,613
LIABILITIES											
Accounts payable and accrued expenses	-	-	-	-	-	-	-	-	-	84,090	84,090
Deposits held for others	-	575,177	38,097	20,593	32,799	5,658	94,704	-	101,011	-	868,039
TOTAL LIABILITIES	-	575,177	38,097	20,593	32,799	5,658	94,704	-	101,011	84,090	952,129
NET POSITION (DEFICIT)											
Unrestricted	-	-	-	-	-	-	-	230,422	-	(47,938)	182,484
Held in trust for employee benefits	10,379,818	-	-	-	-	-	-	-	-	-	-
	10,379,818	-	-	-	-	-	-	230,422	-	(47,938)	182,484
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	$ 10,379,818	$ 575,177	$ 38,097	$ 20,593	$ 32,799	$ 5,658	$ 94,704	$ 230,422	$ 101,011	$ 36,152	$ 1,134,613

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

COUNTY OF PENOBSCOT

STATEMENT OF CHANGES IN FIDUCIARY FUNDS NET POSITION (DEFICIT)

FOR THE YEAR ENDED DECEMBER 31, 2022

	Private Purpose Trust Fund	Custodial Funds		
		TPA Account	Northeastern Workforce Development Board	Total
ADDITIONS				
Contributions	$ 504,822	$ -	$ -	$ -
Federal grants	-	-	2,333,447	2,333,447
Interest income	5,787	1,448	421	1,869
Inmate sales	-	216,850	-	216,850
Other	42,824	-	-	-
Total additions	553,433	218,298	2,333,868	2,552,166
DEDUCTIONS				
Salaries	-	-	120,655	120,655
Benefits	-	-	36,811	36,811
Travel	-	-	1,453	1,453
Supplies	-	-	596	596
Professional fees	-	-	57,626	57,626
Other administrative expenses	2,216	12,246	57,920	70,166
Payments to sub-recipients	-	-	2,076,596	2,076,596
Interest expense	-	-	150	150
Inmate store	-	132,446	-	132,446
Inmate costs	-	64,902	-	64,902
Net decrease in the fair value of investments	1,408,717	-	-	-
Distributions	511,346	-	-	-
Total deductions	1,922,279	209,594	2,351,807	2,561,401
CHANGE IN NET POSITION (DEFICIT)	(1,368,846)	8,704	(17,939)	(9,235)
NET POSITION (DEFICIT) - JANUARY 1	11,748,664	221,718	(29,999)	191,719
NET POSITION (DEFICIT) - DECEMBER 31	$ 10,379,818	$ 230,422	$ (47,938)	$ 182,484

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Penobscot was incorporated under the laws of the State of Maine. The County operates under the Commissioner-manager form of government and provides the following services: Jail services, District Attorney, Sheriff, Registry of Deeds, Registry of Probate, Treasurer, and Commissioners.

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

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

Government–Wide and Fund Financial Statements

The County's basic financial statements include both government-wide (reporting the County as a whole) and fund financial statements (reporting the County's major fund).

Both the government-wide and fund financial statements categorize primary activities as governmental. All activities of the County are categorized as governmental.

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

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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 position resulting from the current year's activities.

Measurement Focus – Basic Financial Statements and Fund Financial Statements

The financial transactions of the County are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, and fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the County:

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.

b. Jail Fund is another operating fund of the County that was established by state statutes.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. There is one major Special Revenue Fund (Grants Fund) that is used to track activity involving ARPA (American Rescue Plan Act) and MAT (Medication Assisted Treatment) grant funds.

d. Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities. There is one major Capital Projects Fund (PRCC Bond Fund) that is used to track activity on the PRCC upgrade project.

Fiduciary Funds:

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

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

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.

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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. 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.

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:

Early in the second half of the year, the County prepares a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.

The budget committee reviews the budget and makes recommendations to the County Commissioners. The budget is adopted subsequent to passage by the commissioners of the County.

The County does not adopt budgets for Special Revenue Funds or Capital Projects Funds.

Deposits and Investments

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

Fair values for investments are determined by the framework established by FASB ASC 820, Fair Value Measurements and Disclosures, which requires the use of valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. These inputs are prioritized as follows:

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Level 1 – Observable inputs such as quoted market prices in active markets for identical assets or liabilities
Level 2 – Observable market-based inputs or unobservable inputs that are corroborated by market data.
Level 3 – Unobservable inputs for which there is little or no market data, which require the use of the reporting entity's own assumptions.

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

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

The County of Penobscot has no formal investment policy but instead follows the State of Maine Statutes. They are in the process of adopting a more detailed investment policy.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements. There were no business-type activities for the current year.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of both Governmental and Proprietary Funds. There were no proprietary funds for the current year.

Allowance for Uncollectible Accounts

Management believes all outstanding receivables to be collectible; therefore, the allowance for uncollectible accounts is estimated to be $0 as of December 31, 2022.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the County. The County has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

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

Long-term Obligations

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide or fund financial statements. The long-term debt consists primarily of capital leases payable and compensated absences.

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Compensated Absences

The County's policies regarding vacation and sick time is to permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded for the jail fund as a liability for all other long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. At the end of this fiscal year, the County's liability for compensated absences was $819,081.

Net Position

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

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted net position to be depleted before unrestricted net position is applied.

Fund Balances

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

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

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

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

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the County Commissioners. The County Commissioners are the highest level of decision-making authority of the County. Commitments may be established, modified, or rescinded only through a meeting of the County Commissioners.

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

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

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

The County is in the process of adopting a set of financial policies to guide the financial operation of the County. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The County does not utilize encumbrance accounting for its general fund.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

Use of Estimates

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

Deferred Outflows of Resources

The County reports decreases in net assets that relate to future periods as deferred outflows of resources in a separate section of its statement of net position. The County's deferred outflows of resources as of December 31, 2022 are related to amounts for future pension expense and other post-employment benefit obligations.

Deferred Inflows of Resources

The County reports a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net assets that applies to future periods. The County will not recognize the related revenues until a future event occurs. The County's deferred inflows of resources consist of items related to pension expense and other post-employment benefit obligations.

New Accounting Policies

The County has adopted the provisions of Statement No. 87 of the Governmental Accounting Standards Board (GASB) Accounting Board – Leases. GASB 87 expands required reporting of long-term lease commitments. See note #20 for additional detail related to leases.

(2) DEPOSITS AND INVESTMENTS

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

(2) DEPOSITS AND INVESTMENTS (cont'd.)

Deposits

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County will not be able to recover its deposits. The County does not have a policy covering custodial credit risk for deposits. However, the County maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statues.

The County's cash is categorized to give an indication of the level of risk assumed by the County at year end. These categories are defined as follows:

Category #1 - Insured or collateralized with securities held by the County or by its agent in the County's name.

Category #2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the County's name.

Category #3 - Uncollateralized, which includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the County's name.

At December 31, 2022, the County's governmental activities' cash balance of $35,585,299 and fiduciary funds' cash balance of $1,134,613 was comprised of bank deposits amounting to $37,690,078. This entire amount was fully insured by federal depository insurance or covered by an irrevocable letter of credit and thus not exposed to custodial credit risk.

Account Type	Bank Balance
Checking Accounts	$ 10,396,069
Savings Accounts	27,294,009
	$ 37,690,078

Investments

Custodial credit risk for investments is that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the County does not have a policy for custodial credit risk for investments. At December 31, 2022, $500,000 of the County's mutual fund investments, held as a fiduciary private purpose trust fund for the County's deferred compensation plan, was covered by the Securities Investor Protection Corporation (SIPC) and consequently not exposed to custodial credit risk. The remaining $9,879,818 was comprised of mutual funds which were uninsured and collateralized and therefore exposed to custodial credit risk.

(2) DEPOSITS AND INVESTMENTS (cont'd.)

Investments are stated at market value, determined using level 1 inputs as defined in Note #1.

At December 31, 2022, the County had the following investments and maturities reported as fiduciary private purpose trust fund:

Account type	Fair Value	Demand	Maturity <1 Year	2-5 Years
Mutual funds - equity	$10,379,818	$10,379,818	$ 0	$0

Credit risk – The County does not have an investment policy on credit risk. Generally, the County invests excess funds in savings accounts and various certificates of deposit.

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

(3) INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2022 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due to)
General fund	$ 2,991,492	$ 5,110,095
Jail fund	185,333	
Grants fund		1,109,520
PRCC bond fund		1,546,399
Special revenue funds	1,582,188	335,573
Capital projects funds	3,342,574	-
	$ 8,101,587	$ 8,101,587

(4) CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2022:

	Balance 1/1/2022	Additions	Disposals	Balance 12/31/2022
Governmental activities				
Non-depreciated assets				
Land	$ 900,514			$ 900,514
	$ 900,514			$ 900,514

(4) CAPITAL ASSETS (cont'd.)

Depreciated assets			
Land improvements	$ 62,000		$ 62,000
Buildings	9,091,717		9,091,717
Building improvements	3,882,290	646,680	4,528,970
Machinery and equipment	3,352,508	846,024	4,198,532
Vehicles	1,728,608	412,773	2,141,381
	18,117,123	1,905,477	20,022,600
Less: Accumulated depreciation	(12,667,122)	(770,535)	(13,437,657)
	5,450,001	1,134,942	6,584,943
Net capital assets	$ 6,350,515	1,134,942	$ 7,485,457

Current year depreciation	
Sheriff	$ 385,086
PRCC	152,725
District Attorney	1,704
Jail	28,327
Emergency Management	750
IT Department	44,286
Unallocated depreciation	157,657
Total depreciation expense	$ 770,535

(5) LONG-TERM LIABILITIES

The following is a summary of changes in the long-term liabilities for the year ended December 31, 2022:

	Balance 1/1/2022	Additions	Reductions	Balance 12/31/2022	Current Portion
Accrued compensated absences	826,253	0	7,172	819,081	0
	826,253	0	7,172	819,081	0

(6) RESTRICTED FUND BALANCES

At December 31, 2022, the County has the following restricted fund balances:

Non-major special revenue funds (Pages 59-72)	$	50
Grants fund		72,277
	$	72,327

(7) COMMITTED FUND BALANCES

Title 30-A, Section 922, Maine Revised Statutes Annotated of 1964 provides that a County can establish a contingency account not to exceed the greater of 1.5% of the annual county budget or $100,000. This fund may be used at the discretion of the County Commissioners for emergency purposes only. The contingency account balance was $100,000 as of December 31, 2022.

Title 30-A, Section 922, Maine Revised Statutes Annotated of 1964 provides that any unexpended balance of capital expenditures shall not lapse but shall be carried forward into the next year or until the purpose for which said account was established has been completed. At December 31, 2022, the capital project accounts carried forward can be found on pages 73-83.

At December 31, 2022, the County had the following committed fund balances:

Contingency	$	100,000
Non-major capital project funds (pages 73-85)		3,342,574
	$	3,442,574

(8) ASSIGNED FUND BALANCES

At December 31, 2022, the County had the following assigned fund balances:

Non-major special revenue funds (pages 59-72)	$	1,593,291
	$	1,593,291

(9) DEFERRED COMPENSATION PENSION PLAN

VOYA RETIREMENT INSURANCE AND ANNUITY COMPANY

A. Plan Description

The County offers certain employees a deferred compensation plan with Voya Retirement Insurance and Annuity Company (formerly ING North America Insurance Corporation) created in accordance with Internal Revenue Code Section 457(b). The plan, available to County employees as part of a collective bargaining agreement and to the 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.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights (until paid or made available to the employee or other beneficiary) are held in a trust for the exclusive benefit of participants and their beneficiaries. All amounts are not subject to the claims of the County's general creditors.

It is 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.

B. Funding Policy

Under the deferred compensation plan, employees may elect to participate. Employees are required to contribute a minimum of $600 of their annual salary to participate in the plan. The County is required to match 6.5% - 7% of the employee's contribution. The rate is determined by the individual collective bargaining plans under which the employees operate. Non-union employees became eligible to participate and receive a 7% match in November 2016. The employee's contribution is tax deferred for federal and state taxes until the withdrawal date. Employees are immediately 100% vested in employee and employer contributions. Employer contributions for the year ended December 31, 2022 total $105,609.

(10) DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

A. Plan Description

County employees contribute to the Participating Local Districts (PLDs) Consolidated Plan, a cost-sharing multiple-employer defined benefit pension plan administered by the Maine Public Employees Retirement System (MainePERS). The PLDs Consolidated Plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the PLD's Consolidated Plan Board of Trustees. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for PLDs Consolidated Plan. That report may be obtained by writing to Maine Public Employees Retirement System, 46 State House Station, Augusta, Maine 04333, by calling (800) 451-9800 or at MainePERS.org.

B. Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the PLD's Consolidated Board of Trustees. The County's employees are part of the PLD's plan "AC" and are required to contribute 7.8% of their annual salary through June 30, 2022. The rate decreased to 7.6% effective July 1, 2022. Through June 30, 2022 the County was required to contribute a blended rate of 10.3% of the plan "AC" members' covered payroll annually to the system along with a predetermined initial unpooled unfunded actuarial liability (IUUAL) rate set by the system. The blended rate decreased to 10.2% effective July 1, 2022. The IUUAL can either be a monthly payment or credit, which is added to or subtracted from the employer's percentage of employees' covered payroll to determine the employers actual cost. Beginning July 1, 2017, as part of their collective bargaining plan, corrections employees were transferred to MainePers PLD "2C" plan under which employers contribute 11.3%. This rate increased to 11.4% effective July 1, 2022.

(10) DEFINED BENEFIT PENSION PLAN (cont'd.)

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

The Net Pension Liability (Asset) was measured as of June 30, 2022 by MainePERS and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The County reported a liability of $2,821,385 for its proportionate share of the Net Pension Liability. The County recognized pension expense of $270,961 plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 524,336	
Difference between projected and actual earnings		$1,184,151
Changes of assumptions	572,644	
Contributions subsequent to the measurement date	462,876	
Changes in proportion and differences between employer contributions and proportionate share of contributions	356,086	
	$1,915,942	$1,184,151

$462,876 is reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	1,049,495
2024	(138,224)
2025	(735,661)
2026	556,181

(10) DEFINED BENEFIT PENSION PLAN (cont'd.)

Discount Rate

The discount rate used to measure the collective pension liability was 6.50% for 2022. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at the contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the PLD Consolidated Plan.

1% Decrease	Current Discount Rate	1% Increase
5.50%	6.50%	7.50%
$8,335,174	$2,821,385	(1,735,958)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equities	30%	6.0%
U.S. Government	7.5%	2.3%
Private equity	15%	7.6%
Real estate	10%	5.2%
Infrastructure	10%	5.3%
Natural resources	5%	5.0%
Traditional credit	7.5%	3.2%
Alternative credit	5.0%	7.4%
Diversifiers	10%	5.9%

(11) COMMITMENTS/CONTINGENCIES

The county participates in various intergovernmental grant programs, which may be subject to future compliance audits by the grantors or their representatives. Accordingly, the County's compliance with applicable grant requirements may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

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

(12) JAIL OPERATIONAL CONTINGENCIES

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 addressed, to the best of its ability, these issues in its 2013 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.

(13) OTHER POST-EMPLOYMENT BENEFITS

The County, in accordance with its current health insurance company agreement, provides health and other benefits to eligible retirees and their spouses. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts towards the cost of receiving benefits under the County's medical benefits program.

Management was unable to obtain complete information to properly report deferred outflows of resources, deferred inflows of resources, OPEB liabilities and the related disclosures and required supplementary information in accordance with GASB No. 75 as required for fiscal years beginning after June 15, 2017.

(13) OTHER POST-EMPLOYMENT BENEFITS (cont'd.)

PLD Consolidated Plan – Retiree Group Life Insurance

Plan Description

The Group Life Insurance Plan for Retired Participating Local District (PLD) Employees (the PLD Consolidated Plan) is a multiple-employer cost sharing plan.

The Group Life Insurance Plans (the Plans) provide basic group life insurance benefits, during retirement, to retirees who participated in the Plans prior to retirement for a minimum of 10 years (the 10-year participation requirement does not apply to recipients of disability retirement benefits).

The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or $2,500.

The Net OPEB Liability was measured as of June 30, 2022 by MainePERS and the total pension liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The County reported a liability of $127,235 for its proportionate share of the Net Pension Liability. The County recognized OPEB expense (recovery) of ($20,735) plus employer's amortization of change in proportionate share and differences between employer contributions and proportionate share of contributions.

The County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6,189	$ 1,126
Difference between projected and actual earnings	11,000	
Changes of assumptions	10,580	39,731
Contributions subsequent to the measurement date	11,278	
Changes in proportion and differences between employer contributions and proportionate share of contributions		30,337
	$ 39,047	$ 71,194

(13) OTHER POST-EMPLOYMENT BENEFITS (cont'd.)

$11,278 is reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:

2023	(1,681)
2024	(15,530)
2025	(15,300)
2026	5,205
2027	(2,552)
Thereafter	(2,289)

Discount Rate

The discount rate used to measure the total OPEB liability for the PLD Consolidated Plan was 6.50% which is equal to the assumed long-term expected rate of return as of June 30, 2022. Projections of the Plan's fiduciary net position indicate that it is not expected to be sufficient to make projected benefit payments for current members beyond 2050. Therefore, the portion of future projected benefit payments after 2050 are discounted at the municipal bond index rate. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined.

The following table shows how the collective net pension liability as of June 30, 2022 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the PLD Consolidated Plan.

1% Decrease	Current Discount Rate	1% Increase
5.50%	6.50%	7.50%
$172,688	$127,235	$90,741

Assets of the Plans are pooled for investment purposes and are allocated to each Plan based on each Plan's fiduciary net position. The long-term expected rate of return on the Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of long-term real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

(13) OTHER POST-EMPLOYMENT BENEFITS (cont'd.)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public Equities	70.0%	6.0%
Real Estate	5.0%	5.2%
Traditional Credit	15%	3.0%
US Government Securities	10%	2.3%

(14) DEFICIT FUND BALANCES

At December 31, 2022, the County has the following special revenue and capital project funds with deficit fund balances:

Special revenue funds	
LEPC	8,189
FY 18 Homeland Security	500
FY 20 Homeland Security	46,392
FY 21 Homeland Security	91,488
PSIC Grant Funds - PRCC	6,430
ACO Services	12,916
Tri-County Workforce	168
Domestic Violence	2,963
MDEA Full-Time Officer	5,245
MDEA Position	2,943
Health Advisory Fund	4,671
Capital projects funds	
None	

(15) SHORT-TERM DEBT

On April 23, 2021, the County issued a tax anticipation note to provide liquidity for government operations financed by property taxes, which are collected in annual payments due October 1. The note, a line of credit, allowed principle draws up to $4,740,964 at 1.99% interest with a maturity date of December 31, 2022.

(15) SHORT-TERM DEBT (cont'd.)

Short-term debt activity for the year ended December 31, 2022 was as follows:

	Balance 1/1/2022	Draws	Repayments	Balance 12/31/2022
Tax anticipation note	$ 0	$ 4,675,000	$ (4,675,000)	$ 0

(16) OVERSPENT APPROPRIATIONS

At December 31, 2022 the County has the following overspent appropriations:

Human relations	$ 6,114
County buildings	144,468
Sheriff	345,138
Employee related expenses	1,326
County insurance	32,623
Transfers to other funds	437,359

(17) SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 25, 2025, the date the financial statements were available to be issued, and has determined that no additional disclosures are necessary.

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closings. Management is presently evaluating the effect of the disruptions on operations. The related financial impact and duration cannot be reasonably estimated at this time by management.

(18) TAXES

As a municipal entity, the County is not subject to Federal and State income taxes, accordingly it is not necessary to consider the effects of any uncertain tax positions.

The County is subject to Federal and State payroll taxes and is required to file the appropriate tax returns. Management believes that all required returns have been properly filed as of December 31, 2022. No examinations have been conducted by the Federal or State taxing authorities and no correspondence has been received from these authorities.

(19) RISK MANAGEMENT

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. During fiscal year 1998, the Department contracted with Maine County Commissioners Association Self-Funded Risk Management Pool for property insurance and general liability insurance.

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 have 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 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. The County has a surety bond on file with the State of Maine for Security.

(20) LEASING

The County follows GASB #87 in regard to reporting leases. The policy is applied to contracts entered or changed, on or after January 1, 2022. The County assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the County assesses whether; the contract involves the use of an identified asset, if the County has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use and if the County has the right to direct the use of the asset. The County recognizes a right of use asset and a lease liability at the lease commencement date.

(20) LEASING (cont'd.)

The lease receivable is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of the right of use assets are determined on the same basis as those for property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or if that rate cannot be readily determined, the County's incremental borrowing rate. Generally, the County will use the incremental borrowing rate as the discount rate. The County has elected not to separate non-lease components of the contract and account for the lease and non-lease components as a single lease component.

When the County acts as a lessor, it determines at lease inception whether each lease is classified as a short-term lease, a contract that transfers ownership, or all other leases. Under GASB #87 a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. If the underlying asset transfers ownership to the lessee by the end of the contract, the transaction should be reported as a financed purchase of the underlying asset by the lessee, or sale of the asset by the lessor. GASB #87 requires the recognition of lease payments received under short-term financing leases as income on a straight-line basis over the lease term. For long-term leases whereby the lessee has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use and has the right to direct the use of the asset the County recognizes a lease receivable and deferred revenue for the remaining lease term discounted at 6.5% to net present value.

A short-term lease is defined as a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to extend that the lessee is reasonably certain to exercise. Under GASB #87 lease transactions of buildings and equipment that have a lease term of 12 months or less are recognized in the statement of activities as an expense on a straight-line basis over the lease term in the period in which the obligation for those payments has occurred.

(20) LEASING (cont'd.)

Lessor:

The County leases building/office space to the United States Postal Service and the Northeastern Workforce Development Board. As of December 31, 2022, the future minimum lease payments, discounted at a rate of 6.5%, for the next 5 years and thereafter are as follows:

Year ending December 31:	
2023	89,948
2024	90,435
2025	90,925
2026	89,345
2027	89,828
Thereafter	181,119
	$631,600

The discounted lease receivable amount has also been recorded as a deferred inflow of resources as of December 31, 2022.

Lessee:

The County leases its computer equipment and servers. As of December 31, 2022, the future minimum lease payments, discounted at a rate of 6.5%, for the next 5 years and thereafter are as follows:

Year ending December 31:	
2023	68,766
2024	69,139
2025	30,754
	$168,659

Required Supplementary Information

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

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund
- Schedule of Employer's Pension Contributions
- Schedule of Employer's Share of Net Pension Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Notes to Required Supplementary Information

COUNTY OF PENOBSCOT, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Budgetary Fund Balance, January 1	$ 465,000	$ 465,000	$ 6,803,730	$ 6,338,730
Resources (Inflows)				
Tax Commitment	19,536,296	19,536,296	19,536,296	-
PILT	175,000	175,000	175,000	-
Intergovernmental:				
EMA	121,988	121,988	128,477	6,489
Charges for services/other fees:				
County treasurer	-	-	50,393	50,393
County commissioners	121,529	121,529	230,799	109,270
PRCC	203,088	203,088	203,363	275
District attorney	6,000	6,000	7,725	1,725
Registry of deeds	1,175,000	1,175,000	1,440,742	265,742
Registry of probate	215,000	215,000	334,461	119,461
Civil process	170,000	170,000	197,846	27,846
Civil services - sheriff	1,629,993	1,629,993	1,639,630	9,637
Information technology	10,000	10,000	7,359	(2,641)
UT administration	70,000	70,000	71,907	1,907
Office space rental	150,000	150,000	160,081	10,081
Miscellaneous revenue	28,500	28,500	42,867	14,367
Interest on taxes	-	-	-	-
Amounts Available for Appropriation	24,077,394	24,077,394	31,030,676	6,953,282
Charges to Appropriations (Outflows):				
Human relations	188,954	188,954	195,068	(6,114)
Emergency management	330,490	330,490	314,535	15,955
Telecommunications	3,715,459	3,715,459	3,218,547	496,912
District Attorney	1,223,628	1,223,628	1,122,009	101,619
County commissioners	362,594	362,594	355,993	6,601
County treasurer	322,196	322,196	314,010	8,186
County buildings	1,030,194	1,030,194	1,174,662	(144,468)
Registry of deeds	412,770	412,770	350,443	62,327
Registry of probate	555,894	555,894	479,604	76,290
Sheriff	5,577,405	5,577,405	5,922,543	(345,138)
Civil process	381,051	381,051	337,865	43,186
UT administration	192,421	192,421	170,939	21,482
IT department	830,942	830,942	769,374	61,568

COUNTY OF PENOBSCOT, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS (cont'd.)

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2022

	Budgeted Amounts			Variance Positive
	Original	Final	Actual	(Negative)
Workplace safety	6,000	6,000	3,017	2,983
Employee related expenses	5,350	5,350	6,676	(1,326)
County insurance	65,000	65,000	97,623	(32,623)
Development corporations	82,710	82,710	82,710	-
Building improvement	225,000	225,000	43,401	181,599
Programs/donations	238,707	238,707	208,983	29,724
Labor relations	4,000	4,000	-	4,000
Wage adjustment	30,000	30,000	172	29,828
Interest on short term debt	656,542	656,542	19,552	636,990
Unclassified	-	-	-	-
Transfers to other funds	7,640,087	7,640,087	8,077,446	(437,359)
Total Charges to Appropriations	24,077,394	24,077,394	23,265,172	812,222
Budgetary Fund Balance - December 31	$ -	$ -	$ 7,765,504	$ 7,765,504
Utilization of unassigned fund balance	$ 465,000	$ 465,000	$ -	$ 465,000

RECONCILIATION OF BUDGETARY TO GAAP BASIS

Budgetary Fund Balance December 31, 2022	$ 7,765,504
Budgetary Fund Balance January 1, 2022	6,803,730
Net increase in budgetary fund balance	961,774
Change in accrued compensated absences not reported on the budgetary basis	(338)
Change in Fund Balance - General Fund	961,436

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF EMPLOYER'S PENSION CONTRIBUTIONS

FOR THE YEAR ENDED DECEMBER 31, 2022

Date	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Employee Payroll	Contributions as a % of Covered Employee Payroll
2015	265,223	265,223	-	3,168,115	8.37%
2016	311,835	311,835	-	3,381,654	9.22%
2017	359,506	359,506	-	3,733,371	9.63%
2018	408,830	408,830	-	4,104,880	9.96%
2019	495,869	495,869	-	4,878,452	10.16%
2020	606,241	606,241	-	5,903,857	10.27%
2021	713,972	713,972	-	6,793,156	10.51%
2022	881,464	881,464	-	8,181,020	10.77%

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF EMPLOYER'S SHARE OF NET PENSION LIABILITY

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021	2020	2019	2018	2017	2016
Employer's proportion of the Net Pension Liability	1.061328%	0.926871%	0.836818%	0.736395%	0.677027%	0.682500%	0.610000%
Employer's proportionate share of the Net Pension Liability (Asset)	$ 2,821,385	$ (297,861)	$ 3,324,787	$ 2,250,891	$ 1,852,870	$ 2,794,555	$ 3,241,659
Employer's covered payroll	$ 8,181,020	$ 6,793,156	$ 5,903,857	$ 4,878,452	$ 4,104,880	$ 3,733,371	$ 3,381,654
Employer's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	34.49%	-4.38%	56.32%	46.14%	45.14%	74.85%	95.86%
Plan fiduciary net position as a percentage of the total pension liability	93.3%	100.9%	88.4%	90.6%	91.1%	86.4%	81.6%

Amounts presented have a measurement date of June 30, 2022

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED DECEMBER 31, 2022

	2022	2021	2020	2019	2018
Plan fiduciary net position as a percentage of the total OPEB liability	55.88%	67.26%	55.40%	43.18%	43.92%
Covered employee payroll	8,181,020	6,793,156	5,903,857	4,878,452	4,104,880
Net OPEB liability as a percentage of covered employee payroll	1.56%	1.46%	2.26%	4.61%	5.45%

Amounts presented have a measurement date of June 30, 2022

Schedule is intended to show information for 10 years.
Additional years will be displayed as they become available.

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

GASB #68 -

Valuation Date: June 30, 2022

Only fiscal years 2014 - 2022 are reported. The County will continue to present information until a full ten-year trend is compiled. Valuation is as of June 30 of each fiscal year.

Changes of Benefit Terms include:

There were no benefit changes for the County employees in the employees' retirement plan.

Changes of Assumptions include:

The discount rate remained unchanged at 6.50% and the COLA increase remained at 1.91%.
The rate of inflation was 2.75%. 2.75% was also used by MainePers in its years ended June 30, 2016 through June 30, 2021

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	A level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.
Asset valuation method	One-third of the investment return that is different from the actuarial assumption for investment return
Retirement age	60 or 65, depending on years of creditable service at certain dates
Mortality	RPEC2020 Total Dataset Health Annuitant Mortality Table for males and females is used

GASB #75 -

Valuation Date:

Only fiscal years 2018 - 2022 are reported. The County will continue to present information until a full ten-year trend is compiled. Valuation is as of June 30 of each fiscal year.

Changes of Benefit Terms include:

There were no benefit changes for the County employees in the employees' plan.

Changes of Assumptions include:

The discount rate reamined unchanged at 6.50%.

Methods and assumptions used to determine contribution rates

Investment rate of return	6.50% per annum, compounded annually
Inflation rate	2.75%
Annual Salary Increases	2.75% - 11.48%
Actuarial cost method	Entry age normal
Amortization method	A level percentage of payroll over a 30 year period on a closed basis. As of June 30, 2021 there were 9 years remaining.
Participation rate	100% of those currently enrolled
Form of benefit payment	Lump Sum
Mortality	RPEC2020 Total Dataset Health Annuitant Mortality Table

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, not a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet – Non-major Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-major Governmental Funds
- Combining Balance Sheet – Non-major Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-major Special Revenue Funds
- Combining Balance Sheet – Non-major Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Non-major Capital Projects Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
HUMAN RELATIONS					
Payroll	$ 167,314	$ -	$ 167,314	$ 172,203	$ (4,889)
Services/utilities	19,140	-	19,140	18,591	549
Supplies/materials	500	-	500	4,274	(3,774)
Building/equipment	2,000	-	2,000	-	2,000
Totals	188,954	-	188,954	195,068	(6,114)
EMERGENCY MANAGEMENT					
Payroll	292,865	-	292,865	254,585	38,280
Services/utilities	34,200	-	34,200	47,344	(13,144)
Supplies/materials	1,925	-	1,925	13,376	(11,451)
Buildings/equipment	1,500	-	1,500	(770)	2,270
Totals	330,490	-	330,490	314,535	15,955
TELECOMMUNICATIONS					
Payroll	3,361,759	-	3,361,759	2,852,018	509,741
Services/utilities	239,500	-	239,500	282,989	(43,489)
Supplies/materials	24,200	-	24,200	26,163	(1,963)
Buildings/equipment	90,000	-	90,000	57,377	32,623
Totals	3,715,459	-	3,715,459	3,218,547	496,912

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
DISTRICT ATTORNEY					
Payroll	$ 1,051,353	$ -	$ 1,051,353	$ 1,000,577	$ 50,776
Services/utilities	134,025	-	134,025	96,367	37,658
Supplies/materials	23,750	-	23,750	21,181	2,569
Buildings/equipment	14,500	-	14,500	3,884	10,616
Totals	1,223,628	-	1,223,628	1,122,009	101,619
COUNTY COMMISSIONERS					
Payroll	307,644	-	307,644	311,934	(4,290)
Services/utilities	47,800	-	47,800	37,918	9,882
Supplies/materials	4,950	-	4,950	4,952	(2)
Buildings/equipment	2,200	-	2,200	1,189	1,011
Totals	362,594	-	362,594	355,993	6,601
COUNTY TREASURER					
Payroll	296,846	-	296,846	298,503	(1,657)
Services/utilities	17,350	-	17,350	10,395	6,955
Supplies/materials	6,000	-	6,000	4,990	1,010
Buildings/equipment	2,000	-	2,000	122	1,878
Totals	322,196	-	322,196	314,010	8,186
COUNTY BUILDINGS					
Payroll	479,344	-	479,344	488,951	(9,607)
Services/utilities	404,100	-	404,100	503,076	(98,976)
Supplies/materials	146,750	-	146,750	182,635	(35,885)
Totals	$ 1,030,194	-	$ 1,030,194	$ 1,174,662	$ (144,468)

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
REGISTRY OF DEEDS					
Payroll	$ 335,045	-	$ 335,045	$ 312,149	$ 22,896
Services/utilities	44,950	-	44,950	35,442	9,508
Supplies/materials	10,775	-	10,775	2,852	7,923
Buildings/equipment	22,000	-	22,000	-	22,000
Totals	412,770	-	412,770	350,443	62,327
REGISTRY OF PROBATE					
Payroll	415,069	-	415,069	363,779	51,290
Services/utilities	133,100	-	133,100	109,001	24,099
Supplies/materials	6,225	-	6,225	6,143	82
Buildings/equipment	1,500	-	1,500	681	819
Totals	555,894	-	555,894	479,604	76,290
SHERIFF					
Payroll	4,673,180	-	4,673,180	4,938,334	(265,154)
Services/utilities	373,825	-	373,825	455,960	(82,135)
Supplies/materials	77,900	-	77,900	66,579	11,321
Buildings/equipment	452,500	-	452,500	461,670	(9,170)
Totals	$ 5,577,405	-	$ 5,577,405	$ 5,922,543	$ (345,138)

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
CIVIL PROCESS					
Payroll	$ 344,176	-	$ 344,176	$ 305,623	$ 38,553
Services/utilities	23,525	-	23,525	24,678	(1,153)
Supplies/materials	8,350	-	8,350	5,407	2,943
Buildings/equipment	5,000	-	5,000	2,157	2,843
Totals	381,051	-	381,051	337,865	43,186
UT ADMINISTRATION					
Payroll	183,521	-	183,521	163,760	19,761
Services/utilities	6,950	-	6,950	5,522	1,428
Supplies/materials	1,950	-	1,950	1,657	293
Totals	192,421	-	192,421	170,939	21,482
IT DEPARTMENT					
Payroll	344,580	-	344,580	265,186	79,394
Services/utilities	394,062	-	394,062	423,909	(29,847)
Supplies/materials	11,300	-	11,300	7,839	3,461
Buildings/equipment	81,000	-	81,000	72,440	8,560
Totals	830,942	-	830,942	769,374	61,568
WORKPLACE SAFETY					
Services/utilities	6,000	-	6,000	3,001	2,999
Supplies/materials	-	-	-	16	(16)
Totals	$ 6,000	-	$ 6,000	$ 3,017	$ 2,983

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
EMPLOYEE RELATED					
Maine retirement	$ 2,350	-	$ 2,350	$ 3,369	$ (1,019)
Employee benefit	3,000	-	3,000	3,307	(307)
Totals	5,350	-	5,350	6,676	(1,326)
COUNTY INSURANCE					
Services/utilities	65,000	-	65,000	97,623	(32,623)
Totals	65,000	-	65,000	97,623	(32,623)
DEVELOPMENT CORPORATIONS					
Program donations	82,710	-	82,710	82,710	-
Totals	82,710	-	82,710	82,710	-
CAPITAL OUTLAY					
Building Improvement	225,000	-	225,000	43,401	181,599
	225,000	-	225,000	43,401	181,599
PROGRAMS / DONATIONS					
Penobscot County Extension	81,870	-	81,870	82,230	(360)
Penquis Cap	18,500	-	18,500	-	18,500
Soil/Conservation District	75,237	-	75,237	78,003	(2,766)
Agency costs	63,000	-	63,000	48,750	14,250
Bridge account	100	-	100	-	100
Totals	$ 238,707	-	$ 238,707	$ 208,983	$ 29,724

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
LABOR RELATIONS					
Labor negotiations	$ 4,000	-	$ 4,000	$ -	$ 4,000
Totals	4,000	-	4,000	-	4,000
WAGE ADJUSTMENT					
Agency costs	30,000	-	30,000	172	29,828
Totals	30,000	-	30,000	172	29,828
INTEREST ON SHORT-TERM DEBT					
Principal	605,042	-	605,042	-	605,042
Interest	48,500	-	48,500	19,552	28,948
Services	3,000	-	3,000	-	3,000
Totals	656,542	-	656,542	19,552	636,990
TRANSFERS					
Special revenue fund	-	-	-	16,956	(16,956)
Capital projects fund	-	-	-	420,403	(420,403)
Jail fund	7,640,087	-	7,640,087	7,640,087	-
Totals	7,640,087	-	7,640,087	8,077,446	(437,359)
TOTALS	$ 24,077,394	$ -	$ 24,077,394	$ 23,265,172	$ 812,222

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	$ 2,408	$ -	$ 2,408
Accounts receivable (net of allowance for uncollectibles)	162,413	-	162,413
Due from other funds	1,582,188	3,342,574	4,924,762
TOTAL ASSETS	1,747,009	3,342,574	5,089,583
LIABILITIES			
Accounts payable	-	-	-
Due to other funds	335,573	-	335,573
TOTAL LIABILITIES	335,573	-	335,573
FUND BALANCES			
Nonspendable	-	-	-
Restricted	50	-	50
Committed	-	3,342,574	3,342,574
Assigned	1,593,291	-	1,593,291
Unassigned	(181,905)	-	(181,905)
TOTAL FUND BALANCES	1,411,436	3,342,574	4,754,010
TOTAL LIABILITIES AND FUND BALANCES	$ 1,747,009	$ 3,342,574	$ 5,089,583

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCES - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	$ 351,496	$ -	$ 351,496
Interest income	-	3,324	3,324
Other income	1,390,207	86,568	1,476,775
TOTAL REVENUES	1,741,703	89,892	1,831,595
EXPENDITURES			
Capital outlay	34,561	4,806	39,367
Other	872,504	73,403	945,907
TOTAL EXPENDITURES	907,065	78,209	985,274
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	834,638	11,683	846,321
OTHER FINANCING SOURCES			
Operating transfers in	17,858	428,275	446,133
Operating transfers (out)	(902)	(7,872)	(8,774)
TOTAL OTHER FINANCING SOURCES	16,956	420,403	437,359
NET CHANGE IN FUND BALANCE	851,594	432,086	1,283,680
FUND BALANCES - JANUARY 1	559,842	2,910,488	3,470,330
FUND BALANCES - DECEMBER 31	$ 1,411,436	$ 3,342,574	$ 4,754,010

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

Special Revenue Funds

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Southern Penobscot Training	LEPC	FY 18 Homeland Security	FY 19 Homeland Security	FY 20 Homeland Security	Cigna Rebate	Awareness Training LEPC
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	6,300	-	-	-	-	-	-
Due from other funds	2,930	-	-	14,187	-	152,673	50
TOTAL ASSETS	9,230	-	-	14,187	-	152,673	50
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	8,189	500	-	46,392	-	-
TOTAL LIABILITIES	-	8,189	500	-	46,392	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	50
Committed	-	-	-	-	-	-	-
Assigned	9,230	-	-	14,187	-	152,673	-
Unassigned	-	(8,189)	(500)	-	(46,392)	-	-
TOTAL FUND BALANCES	9,230	(8,189)	(500)	14,187	(46,392)	152,673	50
TOTAL LIABILITIES AND FUND BALANCES	$ 9,230	$ -	$ -	$ 14,187	$ -	$ 152,673	$ 50

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	PSIC Grant Funds - PRCC	Security Services	ARPA Interest	State Drug Forfeiture	PACE	Katahdin PILT	Enfield Supplemental
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	2,445	-	-	-	-	-
Due from other funds	-	625	283,398	7,289	3,265	114,297	-
TOTAL ASSETS	-	3,070	283,398	7,289	3,265	114,297	-
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	6,430	-	-	-	-	-	-
TOTAL LIABILITIES	6,430	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	3,070	283,398	7,289	3,265	114,297	-
Unassigned	(6,430)	-	-	-	-	-	-
TOTAL FUND BALANCES	(6,430)	3,070	283,398	7,289	3,265	114,297	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 3,070	$ 283,398	$ 7,289	$ 3,265	$ 114,297	$ -

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	ACO Services	District Attorney	Sheriff	Training Account	DA Forfeiture	Stetson Supplemental	County PILT
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	6,410	5,112	1,469	-	-	-	-
Due from other funds	-	-	-	-	9,558	-	430,019
TOTAL ASSETS	6,410	5,112	1,469	-	9,558	-	430,019
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	19,326	5,112	1,469	-	-	-	-
TOTAL LIABILITIES	19,326	5,112	1,469	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	(12,916)	-	-	-	9,558	-	430,019
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	(12,916)	-	-	-	9,558	-	430,019
TOTAL LIABILITIES AND FUND BALANCES	$ 6,410	$ 5,112	$ 1,469	$ -	$ 9,558	$ -	$ 430,019

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	FY 21 Homeland Security	Opioid Funds	JAG Grant Old Town	Howland Supplemental	Bradley Supplemental	Greenbush Supplemental	Tri-County Workforce
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	174	383	3,459	-
Due from other funds	-	544,392	-	-	-	-	-
TOTAL ASSETS	-	544,392	-	174	383	3,459	-
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	91,488	-	-	174	383	3,459	168
TOTAL LIABILITIES	91,488	-	-	174	383	3,459	168
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	(168)
Committed	-	-	-	-	-	-	-
Assigned	-	544,392	-	-	-	-	-
Unassigned	(91,488)	-	-	-	-	-	-
TOTAL FUND BALANCES	(91,488)	544,392	-	-	-	-	(168)
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 544,392	$ -	$ 174	$ 383	$ 3,459	$ -

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Winn Supplemental	Domestic Violence	Levant Supplemental	Health Advisory Fund	Sunshine Fund	MDEA Full-Time Officer	Domestic Abuse
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ 2,408	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	9,452	920	-	-	8,800	-
Due from other funds	-	-	-	-	-	-	14,109
TOTAL ASSETS	-	9,452	920	-	2,408	8,800	14,109
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	12,415	920	4,671	-	14,045	-
TOTAL LIABILITIES	-	12,415	920	4,671	-	14,045	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	2,408	-	14,109
Unassigned	-	(2,963)	-	(4,671)	-	(5,245)	-
TOTAL FUND BALANCES	-	(2,963)	-	(4,671)	2,408	(5,245)	14,109
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 9,452	$ 920	$ -	$ 2,408	$ 8,800	$ 14,109

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	MDEA Position	Substance Abuse Prevention	Northeast Workforce Development	VWA Development	Commissioners	Totals
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 2,408
Accounts receivable (net of allowance for uncollectibles)	9,473	-	69,035	38,885	96	162,413
Due from other funds	-	5,396	-	-	-	1,582,188
TOTAL ASSETS	9,473	5,396	69,035	38,885	96	1,747,009
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Due to other funds	12,416	-	69,035	38,885	96	335,573
TOTAL LIABILITIES	12,416	-	69,035	38,885	96	335,573
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	50
Committed	-	-	-	-	-	-
Assigned	-	5,396	-	-	-	1,593,291
Unassigned	(2,943)	-	-	-	-	(181,905)
TOTAL FUND BALANCES	(2,943)	5,396	-	-	-	1,411,436
TOTAL LIABILITIES AND FUND BALANCES	$ 9,473	$ 5,396	$ 69,035	$ 38,885	$ 96	$ 1,747,009

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Southern Penobscot Training	LEPC	FY 18 Homeland Security	FY 19 Homeland Security	FY 20 Homeland Security	Cigna Rebate	Awareness Training LEPC
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other income	45,375	30,894	-	24,697	37,932	-	-
TOTAL REVENUES	45,375	30,894	-	24,697	37,932	-	-
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	25,645	26,632	-	26,240	45,307	-	
TOTAL EXPENDITURES	25,645	26,632	-	26,240	45,307	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	19,730	4,262	-	(1,543)	(7,375)	-	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	19,730	4,262	-	(1,543)	(7,375)	-	-
FUND BALANCES - JANUARY 1	(10,500)	(12,451)	(500)	15,730	(39,017)	152,673	50
FUND BALANCES - DECEMBER 31	$ 9,230	$ (8,189)	$ (500)	$ 14,187	$ (46,392)	$ 152,673	$ 50

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	PSIC Grant Funds - PRCC	Security Services	ARPA Interest	State Drug Forfeiture	PACE	Katahdin PILT	Enfield Supplemental
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other income	-	11,315	246,758	742	7,430	-	5,750
TOTAL REVENUES	-	11,315	246,758	742	7,430	-	5,750
EXPENDITURES							
Capital outlay	-	-	-	10,884	-	-	-
Other	6,430	8,245	-	5,793	5,259	12,316	5,750
TOTAL EXPENDITURES	6,430	8,245	-	16,677	5,259	12,316	5,750
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,430)	3,070	246,758	(15,935)	2,171	(12,316)	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	146	-	-	-
Operating transfers (out)	-		-	-	-	-	
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	146	-	-	-
NET CHANGE IN FUND BALANCES	(6,430)	3,070	246,758	(15,789)	2,171	(12,316)	-
FUND BALANCES - JANUARY 1	-	-	36,640	23,078	1,094	126,613	-
FUND BALANCES - DECEMBER 31	$ (6,430)	$ 3,070	$ 283,398	$ 7,289	$ 3,265	$ 114,297	$ -

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	ACO Services	District Attorney	Sheriff	Training Account	DA Forfeiture	Stetson Supplemental	County PILT
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Other income	15,498	-	-	-	11,920	5,000	196,894
TOTAL REVENUES	15,498	-	-	-	11,920	5,000	196,894
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	22,307
Other	28,414	-	-	-	4,692	5,000	20,180
TOTAL EXPENDITURES	28,414	-	-	-	4,692	5,000	42,487
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(12,916)	-	-	-	7,228	-	154,407
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	(282)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(282)	-	-	-
NET CHANGE IN FUND BALANCES	(12,916)	-	-	(282)	7,228	-	154,407
FUND BALANCES - JANUARY 1	-	-	-	282	2,330	-	275,612
FUND BALANCES - DECEMBER 31	$ (12,916)	$ -	$ -	$ -	$ 9,558	$ -	$ 430,019

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	FY 21 Homeland Security	Opioid Funds	JAG Grant Old Town	Howland Supplemental	Bradley Supplemental	Greenbush Supplemental	Tri-County Workforce
REVENUES							
Intergovernmental	$ -	$ -	$ 1,370	$ -	$ -	$ -	$ -
Other income	-	544,392	-	3,476	7,270	20,444	-
TOTAL REVENUES	-	544,392	1,370	3,476	7,270	20,444	-
EXPENDITURES							
Capital outlay	-	-	1,370	-	-	-	-
Other	74,103	-	-	3,476	7,270	20,444	-
TOTAL EXPENDITURES	74,103	-	1,370	3,476	7,270	20,444	-
EXCESS OF REVENUES OVER EXPENDITURES	(74,103)	544,392	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	(168)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(168)
NET CHANGE IN FUND BALANCES	(74,103)	544,392	-	-	-	-	(168)
FUND BALANCES - JANUARY 1	(17,385)	-	-	-	-	-	-
FUND BALANCES - DECEMBER 31	$ (91,488)	$ 544,392	$ -	$ -	$ -	$ -	$ (168)

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Winn Supplemental	Domestic Violence	Levant Supplemental	Health Advisory Fund	Sunshine Fund	MDEA Full-Time Officer	Domestic Abuse
REVENUES							
Intergovernmental	$ -	$ 107,229	$ -	$ -	$ -	$ 90,124	$ -
Other income	4,948	-	10,668	705	1,029	-	-
TOTAL REVENUES	4,948	107,229	10,668	705	1,029	90,124	-
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	4,948	110,192	10,668	5,376	664	95,369	1,305
TOTAL EXPENDITURES	4,948	110,192	10,668	5,376	664	95,369	1,305
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,963)	-	(4,671)	365	(5,245)	(1,305)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	17,165	-	-	547
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	17,165	-	-	547
NET CHANGE IN FUND BALANCES	-	(2,963)	-	12,494	365	(5,245)	(758)
FUND BALANCES - JANUARY 1	-	-	-	(17,165)	2,043	-	14,867
FUND BALANCES - DECEMBER 31	$ -	$ (2,963)	$ -	$ (4,671)	$ 2,408	$ (5,245)	$ 14,109

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	MDEA Position	Substance Abuse Prevention	Northeast Workforce Development	VWA Development	Commissioners	Totals
REVENUES						
Intergovernmental	$ 113,888	$ -	$ -	$ 38,885	$ -	$ 351,496
Other income	-	-	157,070	-	-	1,390,207
TOTAL REVENUES	113,888	-	157,070	38,885	-	1,741,703
EXPENDITURES						
Capital outlay	-	-	-	-	-	34,561
Other	116,831	-	157,070	38,885	-	872,504
TOTAL EXPENDITURES	116,831	-	157,070	38,885	-	907,065
EXCESS OF REVENUES OVER EXPENDITURES	(2,943)	-	-	-	-	834,638
OTHER FINANCING SOURCES (USES)						
Operating transfers in	-	-	-	-	-	17,858
Operating transfers (out)	-	(452)	-	-	-	(902)
TOTAL OTHER FINANCING SOURCES (USES)	-	(452)	-	-	-	16,956
NET CHANGE IN FUND BALANCES	(2,943)	(452)	-	-	-	851,594
FUND BALANCES - JANUARY 1	-	5,848	-	-	-	559,842
FUND BALANCES - DECEMBER 31	$ (2,943)	$ 5,396	$ -	$ -	$ -	$ 1,411,436

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

Capital Projects Funds

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	County Buildings	Motor Vehicle DA	Parking Lot Improvements	Vehicle Sheriff	PRCC Vehicle	Jail Capital Projects	Lab Equipment Sheriff
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	485,586	30,824	356,200	69,655	5,000	-	10,532
TOTAL ASSETS	485,586	30,824	356,200	69,655	5,000	-	10,532
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-		-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	485,586	30,824	356,200	69,655	5,000	-	10,532
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	485,586	30,824	356,200	69,655	5,000	-	10,532
TOTAL LIABILITIES AND FUND BALANCES	$ 485,586	$ 30,824	$ 356,200	$ 69,655	$ 5,000	$ -	$ 10,532

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Equipment Commissioners	Equipment Probate	Institutional Equipment Jail	Deeds Computer Equipment	Copier UT/Admin	DA Office Equipment	Restoration Surcharge Deeds
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	8,938	3,636	2,600	41,469	1,523	18,291	434,622
TOTAL ASSETS	8,938	3,636	2,600	41,469	1,523	18,291	434,622
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	8,938	3,636	2,600	41,469	1,523	18,291	434,622
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	8,938	3,636	2,600	41,469	1,523	18,291	434,622
TOTAL LIABILITIES AND FUND BALANCES	$ 8,938	$ 3,636	$ 2,600	$ 41,469	$ 1,523	$ 18,291	$ 434,622

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Dispatch Reserve	PRCC Console	Information Technology Equipment	Office Equipment EMA/RM	EMA Soft Match	Bridge Construction	EMA Vehicle
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	714,870	125,436	70,877	4,877	71,749	243,159	20,019
TOTAL ASSETS	714,870	125,436	70,877	4,877	71,749	243,159	20,019
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	714,870	125,436	70,877	4,877	71,749	243,159	20,019
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	714,870	125,436	70,877	4,877	71,749	243,159	20,019
TOTAL LIABILITIES AND FUND BALANCES	$ 714,870	$ 125,436	$ 70,877	$ 4,877	$ 71,749	$ 243,159	$ 20,019

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	A/C Replacement	Probate Surcharge	Property Acquisition	PRCC Office/ Computer Equipment	Civil Process Vehicle	PRCC Furniture & Fixtures	PRCC Recorder
ASSETS							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	20,000	130,621	235,984	13,374	48,720	1,900	50,000
TOTAL ASSETS	20,000	130,621	235,984	13,374	48,720	1,900	50,000
LIABILITIES							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	20,000	130,621	235,984	13,374	48,720	1,900	50,000
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	20,000	130,621	235,984	13,374	48,720	1,900	50,000
TOTAL LIABILITIES AND FUND BALANCES	$ 20,000	$ 130,621	$ 235,984	$ 13,374	$ 48,720	$ 1,900	$ 50,000

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

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	District Attorney Equipment	Equipment Sheriff	Civil Equipment	Software	Furnace Replacement	Totals
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-
Due from other funds	24,796	16,806	12,640	10,000	57,870	3,342,574
TOTAL ASSETS	24,796	16,806	12,640	10,000	57,870	3,342,574
LIABILITIES						
Accounts payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	24,796	16,806	12,640	10,000	57,870	3,342,574
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	24,796	16,806	12,640	10,000	57,870	3,342,574
TOTAL LIABILITIES AND FUND BALANCES	$ 24,796	$ 16,806	$ 12,640	$ 10,000	$ 57,870	$ 3,342,574

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	County Buildings	Motor Vehicle DA	Parking Lot Improvements	Vehicle Sheriff	PRCC Vehicle	Jail Capital Projects	Lab Equipment Sheriff
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	-
Other income	-	-	-	1,220	-	-	-
TOTAL REVENUES	-	-	-	1,220	-	-	-
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	1,220	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	132,821	5,000	49,500	-	5,000	54,839	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	132,821	5,000	49,500	-	5,000	54,839	-
NET CHANGE IN FUND BALANCES	132,821	5,000	49,500	1,220	5,000	54,839	-
FUND BALANCES - JANUARY 1	352,765	25,824	306,700	68,435	-	(54,839)	10,532
FUND BALANCES - DECEMBER 31	$ 485,586	$ 30,824	$ 356,200	$ 69,655	$ 5,000	$ -	$ 10,532

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Equipment Commissioners	Equipment Probate	Institutional Equipment Jail	Deeds Computer Equipment	Copier UT/Admin	DA Office Equipment	Restoration Surcharge Deeds
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	2,536
Other income	-	-	-	-	-	-	75,228
TOTAL REVENUES	-	-	-	-	-	-	77,764
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	4,806
Other	-	-	-	-	-	-	72,128
TOTAL EXPENDITURES	-	-	-	-	-	-	76,934
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	-	-	-	-	830
OTHER FINANCING SOURCES (USES)							
Operating transfers in	2,875	-	13,560	20,003	-	2,874	95,003
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,875	-	13,560	20,003	-	2,874	95,003
NET CHANGE IN FUND BALANCES	2,875	-	13,560	20,003	-	2,874	95,833
FUND BALANCES - JANUARY 1	6,063	3,636	(10,960)	21,466	1,523	15,417	338,789
FUND BALANCES - DECEMBER 31	$ 8,938	$ 3,636	$ 2,600	$ 41,469	$ 1,523	$ 18,291	$ 434,622

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	Dispatch Reserve	PRCC Console	Information Technology Equipment	Office Equipment EMA/RM	EMA Soft Match	Bridge Construction	EMA Vehicle
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	-	-
Other income	-	-	-	-	-		-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	-	1,275	-	-
TOTAL EXPENDITURES	-	-	-	-	1,275	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	(1,275)	-	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	30,123	-	8,550	-	-	-	730
Operating transfers (out)	-	-	-	-	-	(150)	-
TOTAL OTHER FINANCING SOURCES (USES)	30,123	-	8,550	-	-	(150)	730
NET CHANGE IN FUND BALANCES	30,123	-	8,550	-	(1,275)	(150)	730
FUND BALANCES - JANUARY 1	684,747	125,436	62,327	4,877	73,024	243,309	19,289
FUND BALANCES - DECEMBER 31	$ 714,870	$ 125,436	$ 70,877	$ 4,877	$ 71,749	$ 243,159	$ 20,019

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	A/C Replacement	Probate Surcharge	Property Acquisition	PRCC Office/ Computer Equipment	Civil Process Vehicle	PRCC Furniture & Fixtures	PRCC Recorder
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	788	-	-	-	-	-
Other income	-	10,120	-	-	-	-	-
TOTAL REVENUES	-	10,908	-	-	-	-	-
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	10,908	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	815	2,000	-	-
Operating transfers (out)	-	(7,722)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(7,722)	-	815	2,000	-	-
NET CHANGE IN FUND BALANCES	-	3,186	-	815	2,000	-	-
FUND BALANCES - JANUARY 1	20,000	127,435	235,984	12,559	46,720	1,900	50,000
FUND BALANCES - DECEMBER 31	$ 20,000	$ 130,621	$ 235,984	$ 13,374	$ 48,720	$ 1,900	$ 50,000

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

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

	District Attorney Equipment	Equipment Sheriff	Civil Equipment	Software	Furnace Replacement	Totals
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -
Interest	-	-	-	-	-	3,324
Other income	-	-	-	-	-	86,568
TOTAL REVENUES	-	-	-	-	-	89,892
EXPENDITURES						
Capital outlay	-	-	-	-	-	4,806
Other	-	-	-	-	-	73,403
TOTAL EXPENDITURES	-	-	-	-	-	78,209
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	-	-	-	11,683
OTHER FINANCING SOURCES						
Operating transfers in	3,742	-	840	-	-	428,275
Operating transfers (out)	-	-	-	-	-	(7,872)
TOTAL OTHER FINANCING SOURCES	3,742	-	840	-	-	420,403
NET CHANGE IN FUND BALANCES	3,742	-	840	-	-	432,086
FUND BALANCES - JANUARY 1	21,054	16,806	11,800	57,870	10,000	2,910,488
FUND BALANCES - DECEMBER 31	$ 24,796	$ 16,806	$ 12,640	$ 57,870	$ 10,000	$ 3,342,574

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

General Capital Assets

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2022

	Land, Non-Depreciable Infrastructure and Construction in Progress	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Totals
Sheriff department	$ -	$ 5,477,811	$ 2,612,051	$ 8,089,862
PRCC	-	-	2,425,330	2,425,330
Deeds	-	-	103,956	103,956
District Attorney	-	21,580	73,648	95,228
Jail	-	314,842	298,628	613,470
Emergency Management	-	5,803	72,352	78,155
Roads and mapping	-	-	9,100	9,100
Information technology	-	-	327,667	327,667
County-wide	900,514	7,857,273	422,562	9,180,349
Total General Capital Assets	900,514	13,677,309	6,345,294	20,923,117
Less: Accumulated Depreciation	-	(9,764,182)	(3,673,478)	(13,437,660)
Net General Capital Assets	$ 900,514	$ 3,913,127	$ 2,671,816	$ 7,485,457

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2022

	General Capital Assets 1/1/22	Additions	Disposals	General Capital Assets 12/31/22
Sheriff department	$ 7,631,337	$ 458,525	$ -	$ 8,089,862
PRCC	1,671,868	753,462	-	2,425,330
Deeds	103,956	-	-	103,956
District Attorney	95,228	-	-	95,228
Jail	560,929	52,541	-	613,470
Emergency Management	78,155	-	-	78,155
Roads and mapping	9,100	-	-	9,100
Information technology	327,667	-	-	327,667
County-wide	8,539,400	640,949	-	9,180,349
Total General Capital Assets	19,017,640	1,905,477	-	20,923,117
Less: Accumulated Depreciation	(12,667,125)	(770,535)	-	(13,437,660)
Net General Capital Assets	$ 6,350,515	$ 1,134,942	$ -	$ 7,485,457

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

THE COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTOR NUMBER	AMOUNT PASSED-THROUGH TO SUBRECIPIENTS	FEDERAL REVENUE	EXPENDITURES RECOGNIZED
U.S. Department of Labor					
Pass through from Maine Department of Labor					
WIOA Cluster					
WIOA Adult 20/21	17.258	CT-12A-20200604*3718	17,792	25,292	25,292
WIOA Adult 21/22	17.258	CT-12A-20210524*3365	357,256	418,225	418,225
WIOA Adult 22/23	17.258	CT-12A-20220921*0871	85,903	88,621	88,621
			460,951	532,138	532,138
WIOA Youth 20/21	17.259	CT-12A-20200604*3718	321,035	321,035	321,035
WIOA Youth 21/22	17.259	CT-12A-20210524*3365	397,912	402,745	402,745
WIOA Youth 22/23	17.259	CT-12A-20220921*0871	-	65,851	65,851
			718,947	789,631	789,631
WIOA Dislocated Worker 20/21	17.278	CT-12A-20200604*3718	44,468	44,468	44,468
WIOA Dislocated Worker 21/22	17.278	CT-12A-20210524*3365	239,695	261,233	261,233
WIOA Dislocated Worker 22/23	17.278	CT-12A-20220921*0871	-	28,469	28,469
			284,163	334,170	334,170
Total WIA Cluster			1,464,061	1,655,939	1,655,939
WIOA Quest	17.277	CT-12A-20221115*1363	-	1,500	1,500
WIOA Career DWG	17.277	CT-12A-20211201*1332	49,177	60,567	60,567
WIA National Emergency Grant-Opioid	17.277	CT-12A-20200318*2546	563,359	630,566	630,566
			612,536	692,633	692,633
Total U.S. Department of Labor			2,076,597	2,348,572	2,348,572
U.S. Department of Justice					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	1,370	1,370
			-	1,370	1,370
Pass through from Maine Department of Health and Human Services					
Crime Victim Assistance - Discretionary Grants	16.575	OVP-21-2305	-	38,885	38,885
			-	38,885	38,885
Pass through from Maine Department of Public Safety					
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	211,486	211,486
Total U.S. Department of Justice			-	251,741	251,741
U.S. Department of Homeland Security					
Homeland Security Grant Program	97.067	2019		26,240	26,240
Homeland Security Grant Program	97.067	2020		45,307	45,307
Homeland Security Grant Program	97.067	2021		74,103	74,103
				145,650	145,650
Total U.S. Department of Homeland Security				145,650	145,650
U.S. Department of Treasury					
COVID-19 - American Rescue Plan Act (ARPA)	21.027	N/A	1,989,825	3,929,690	3,929,690
Total U.S. Department of Treasury			-	3,929,690	3,929,690
U.S. Department of Health and Human Services					
Pass through from Maine Department of Health and Human Services					
Medication Assisted Treatment	93.279	OSA-22-3019	-	86,613	86,613
Total U.S. Department of Health and Human Services			-	86,613	86,613
TOTAL EXPENDITURES OF FEDERAL AWARDS			4,066,422	6,762,266	6,762,266

See notes to financial statements

THE COUNTY OF PENOBSCOT, MAINE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

PURPOSE OF THE SCHEDULE

The Uniform Guidance requires a Schedule of Expenditures of Federal Awards showing total expenditures for each federal award program as identified in the catalog of Federal Domestic Assistance (CFDA).

SIGNIFICANT ACCOUNTING POLICIES

1. REPORTING ENTITY

The accompanying schedule includes all federal award programs of The County of Penobscot, Maine for the fiscal year ended December 31, 2022. The reporting entity is defined in the notes to the Financial Statements of The County of Penobscot, Maine.

2. BASIS OF PRESENTATION

The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

a. Federal financial assistance is defined as assistance provided by federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance or direct appropriations.

b. The Uniform Guidance establishes the level of expenditures to be used in defining major federal financial award programs. Major programs for the Organization have been identified in the Schedule of Findings and Questioned Costs.

3. BASIS OF ACCOUNTING

The information presented in the Schedule of Expenditures of Federal Awards is presented on a basis consistent with the County's basic financial statements. The grants included are all accounted for on a modified accrual basis of accounting which is described in the notes to the financial statements.

4. INDIRECT COSTS

The Organization has not elected to use the 10% De Minimis Cost rate for the year ended December 31, 2022.

5. FILING DEADLINE

The Organization's reporting package is being filed with the federal audit clearinghouse after the normal 9-month filing deadline due to business disruptions caused by the COVID-19 pandemic and resulting shutdowns and stay at home orders.

6. LOAN BALANCES

There are no loan programs.

7. PASS-THROUGH AWARDS

The County has passed the following awards through to subrecipients:

Program	Subrecipient	Amount
WIOA Adult	Eastern Maine Development Corporation	332,951
WIOA Youth	Eastern Maine Development Corporation	596,823
WIOA Dislocated Worker	Eastern Maine Development Corporation	211,346
Career DWG	Eastern Maine Development Corporation	49,177
NDWG – Opioid	Eastern Maine Development Corporation	447,991
Subtotal		1,638,288
WIOA Adult	Aroostook County Action Program	128,000
WIOA Youth	Aroostook County Action Program	122,124
WIOA Dislocated Worker	Aroostook County Action Program	72,817
NDWG-Opioid	Aroostook County Action Program	115,368
Subtotal		438,309
Coronavirus State and Local Fiscal Recovery Funds	Various	1,989,825
Total Passed Through to Subrecipients		4,066,422

THE COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Opinion Unit	Type of Opinion
Governmental Activities	**Adverse**
Governmental Fund – General Fund	**Unmodified**
Governmental Fund – Jail Fund	**Unmodified**
Governmental Fund – Grants Fund	**Unmodified**
Governmental Fund – PRCC Bond	**Unmodified**
Aggregate Remaining Fund Information	**Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified — **Yes**
- Significant deficiency(ies) identified — **No**

Noncompliance material to financial statements noted? **No**

Federal Awards

Internal control over major programs:

- Material weakness(es) identified — **No**
- Significant deficiency(ies) identified — **No**

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

- Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance? **Yes**

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
CFDA: 21.027	Coronavirus State and Loal Fiscal Recovery Funds

Dollar threshold to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? **No**

THE COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

2022-001 Material Weakness – Bank Reconciliations

Condition: Bank reconciliations are not accurate.

Criteria and effect: Bank reconciliations are an essential control for numerous reasons, including but not limited to; To detect items not entered and errors in the cash book, ensure that the cash book entries are complete, ensure cash is adequate to meet financial obligations, discover bank errors, discover dishonored checks, monitor "stale" checks and deposits, and monitor and deter fraud and embezzlement.

Cause: Reconciliations were not completed accurately due to lack of a policy and oversight to ensure accuracy.

Recommendation: We recommended that management assign an individual responsible for reconciling the bank statements for every bank account on a monthly basis by the 15th of each month. Upon completion, the reconciliations should be reviewed and approved by the supervisor of the individual performing the reconciliations.

Repeat finding: This finding as a repeat finding from the year ended December 31, 2021.

Views of responsible officials and planned corrective actions: Management agrees and will implement the corrective action plan found on page 94 of this report.

2022-002 Material Weakness – Bookkeeping

Condition: Controls are not in place to ensure that all balance sheet accounts are properly reconciled.

Criteria and effect: It is essential to have a system in place to record all assets and liabilities as they are incurred and to clear the assets and liabilities from the general ledger as they are receipted or paid. Lack of controls may cause assets to be unreceipted and liabilities to be unpaid resulting in late fees and financial statement errors.

Cause: Controls not in place.

Recommendation: We recommended that management assign an individual responsible for inputting all assets and liabilities as they are incurred and the payment or invoice received. Management should review all balance sheet accounts on a monthly basis to ensure proper recording.

Repeat finding: This finding as a repeat finding from the year ended December 31, 2021.

Views of responsible officials and planned corrective actions: Management agrees and will implement the corrective action plan found on page 94 of this report.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2022-003 Other Matter – Other compliance requirements

Condition: Timely filing

Criteria and effect: Auditees are required to submit their audit to the federal audit clearinghouse within 9 months of year end (September 30, 2023). Late submission is non-compliance and prevents the auditee from being considered low risk for the next 2 years.

Cause: Due to covid and significant turnover in critical positions at the County of Penobscot, the audit was unable to be completed on a timely basis.

Questioned costs: N/A

Recommendation: We recommended to management that they have controls in place to prevent delays in the future years.

Repeat finding: This finding as a repeat finding from the year ended December 31, 2021.

Views of responsible officials and planned corrective actions: Management agrees and will implement the corrective action plan found on page 94 of this report.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

2021-001 Material Weakness – Bank Reconciliations

Condition: Bank reconciliations are not accurate.

Criteria and effect: Bank reconciliations are an essential control for numerous reasons, including but not limited to; To detect items not entered and errors in the cash book, ensure that the cash book entries are complete, ensure cash is adequate to meet financial obligations, discover bank errors, discover dishonored checks, monitor "stale" checks and deposits, and monitor and deter fraud and embezzlement.

Cause: Reconciliations were not completed accurately due to lack of a policy and oversight to ensure accuracy.

Recommendation: We recommended that management assign an individual responsible for reconciling the bank statements for every bank account on a monthly basis by the 15th of each month. Upon completion, the reconciliations should be reviewed and approved by the supervisor of the individual performing the reconciliations.

SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS (cont'd.)

2021-002 Material Weakness – Bookkeeping

Condition: Controls are not in place to ensure that all balance sheet accounts are properly reconciled.

Criteria and effect: It is essential to have a system in place to record all assets and liabilities as they are incurred and to clear the assets and liabilities from the general ledger as they are receipted or paid. Lack of controls may cause assets to be unreceipted and liabilities to be unpaid resulting in late fees and financial statement errors.

Cause: Controls not in place.

Recommendation: We recommended that management assign an individual responsible for inputting all assets and liabilities as they are incurred and the payment or invoice received. Management should review all balance sheet accounts on a monthly basis to ensure proper recording.

2021-003 Other Matter – Other compliance requirements

Condition: Timely filing

Criteria and effect: Auditees are required to submit their audit to the federal audit clearinghouse within 9 months of year end (September 30, 2023). Late submission is non-compliance and prevents the auditee from being considered low risk for the next 2 years.

Cause: Due to covid and significant turnover in critical positions at the County of Penobscot, the audit was unable to be completed on a timely basis.

Questioned costs: N/A

Recommendation: We recommended to management that they have controls in place to prevent delays in the future years.

THE COUNTY OF PENOBSCOT, MAINE

CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2022

FINANCIAL STATEMENT FINDINGS

2022-001 Material Weakness

Name of contact person: Scott Adkins, County Administrator

Corrective Action: The Organization is aware of the bank reconciliation deficiencies and will ensure that bank reconciliations are completed on a timely basis and reviewed by a supervisor going forward.

Proposed implementation date: The corrective actions have been implemented subsequent to December 31, 2022.

2021-002 Material Weakness

Name of contact person: Scott Adkins, County Administrator

Corrective Action: The Organization is aware of the bookkeeping deficiencies and will ensure that financial reports are reviewed on a monthly basis.

Proposed implementation date: The corrective actions have been implemented subsequent to December 31, 2022.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

2021-003 Other Matter

Name of contact person: Scott Adkins, County Administrator

Corrective Action: The Organization is aware of the filing deadline and will ensure that future audits are completed on a timely basis. Controls are being implemented to ensure that the year end reporting can be completed within a period of time that will allow timely completion of the audit and submission to the audit clearinghouse.

Proposed implementation date: The corrective actions have been implemented subsequent to December 31, 2022.

ADDITIONAL REPORTS

Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the County Commissioners of the
County of Penobscot, Maine

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, its major fund, and the aggregate remaining fund information of the County of Penobscot, Maine as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the County of Penobscot, Maine's basic financial statements, and have issued our report thereon dated June 25, 2025.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore , material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2022-001 and 2022-002 that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Penobscot, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2022-003.

County of Penobscot, Maine's Response to Findings

County of Penobscot, Maine's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. County of Penobscot, Maine's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Chester M. Kearney

Presque Isle, Maine
June 25, 2025

Chester M. Kearney
Certified Public Accountants

12 Dyer Street, Presque Isle, Maine 04769-1550
207-764-3171 Fax 207-764-6362

Barbara E. McGuire, CPA, CGMA
Timothy P. Poitras, CPA, CGMA

To the County Commissioners of the
County of Penobscot, Maine

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The County of Penobscot, Maine's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of The County of Penobscot, Maine's major federal programs for the year ended December 31, 2022. The County of Penobscot, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The County of Penobscot, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the County of Penobscot, Maine and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County of Penobscot, Maine's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Penobscot, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the County of Penobscot, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County of Penobscot, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-003. Our opinion on each major federal program is not modified with respect to these matters.

The County of Penobscot Maine's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The County of Penobscot Maine's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Chester M. Kearney

Presque Isle, Maine
June 25, 2025