

COUNTY OF PENOBSCOT, MAINE

FINANCIAL STATEMENTS

DECEMBER 31, 2023

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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, 2023, 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*

<u>Opinion Unit</u>	<u>Type of Opinion</u>
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,” 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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for 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 February 4, 2026, 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  
February 4, 2026

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

**(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, 2023. 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 decreased by \$1,410,641 from \$13,957,623 to \$12,546,982. This decrease was largely a result of a decrease to the Maine Department of Corrections jail funding in 2023 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 – decreased to a balance of \$3,418,356 at the end of this year.

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

	<u>2023</u>	<u>2022</u>
<b>Assets</b>		
Current and other assets	29,143,700	37,119,503
Capital assets	<u>9,156,192</u>	<u>7,485,457</u>
<b>Total Assets</b>	<u>38,299,892</u>	<u>44,604,960</u>
<b>Deferred outflows of resources</b>		
Deferred outflows related to pension expense	1,312,622	1,915,942
Deferred outflows related to OPEB expense	<u>42,698</u>	<u>39,047</u>
<b>Total Deferred Outflows</b>	<u>1,355,320</u>	<u>1,954,989</u>
<b>Liabilities</b>		
Current liabilities	21,534,625	26,847,787
Long-term liabilities	<u>4,404,204</u>	<u>3,867,594</u>
<b>Total Liabilities</b>	<u>25,938,829</u>	<u>30,715,381</u>
<b>Deferred inflows of resources</b>		
Deferred inflows related to pension expense	575,363	1,184,151
Deferred inflows related to OPEB expense	52,386	71,194
Unearned lease revenue	<u>541,652</u>	<u>631,600</u>
<b>Total Deferred Inflows</b>	<u>1,169,401</u>	<u>1,886,945</u>
<b>Net position</b>		
Invested in capital assets, net of related debt	9,056,299	7,485,457
Restricted	72,327	72,327
Unrestricted	<u>3,418,356</u>	<u>6,399,839</u>
<b>Total Net Position</b>	<u>12,546,982</u>	<u>13,957,623</u>

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

	<u>2023</u>	<u>2022</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	4,493,674	4,220,673
Operating grants and contributions	8,935,024	7,420,211
General revenues:		
Tax commitment	21,087,005	19,536,296
Rental of office space	154,414	160,081
Other revenues	<u>2,242,557</u>	<u>1,783,686</u>
<b>Total Revenues</b>	<u>36,912,674</u>	<u>33,120,947</u>

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

	<u>2023</u>	<u>2022</u>
<b>Expenses</b>		
Human relations	226,238	195,068
Emergency management	427,854	318,698
Telecommunications	3,797,534	2,611,537
District attorney	1,282,959	1,123,966
County commissioners	414,690	352,430
County treasurer	364,355	299,241
County buildings	1,330,214	537,415
Jail	13,899,602	11,788,358
ARPA grant	4,417,419	3,239,103
MAT grant	113,762	104,926
COVID grants	-	28,200
Registry of deeds	345,948	348,674
Registry of probate	515,744	477,171
Sheriff	7,386,980	5,883,489
Civil process	441,433	346,681
UT administration	179,420	170,939
IT department	856,816	797,704
Workplace safety	3,247	3,017
Employee benefits	7,245	6,676
County insurance	58,146	97,623
Development corporations	63,000	82,710
Programs/donations	1,506,682	1,149,422
Labor relations	1,477	-
Wage adjustments	1,612	172
Unallocated depreciation	139,030	157,657
Unclassified	-	7,211
Capital outlay	85,526	809,388
Interest on debt	80,466	23,921
OPEB expense (recovery)	(12,808)	(20,735)
Pension expense (recovery)	563,724	270,961
<b>Total Expenses</b>	<u>38,498,315</u>	<u>31,211,623</u>
Change in net position	(1,410,641)	1,509,977
Net position – January 1	<u>13,957,623</u>	<u>12,048,299</u>
Net position – December 31	<u>12,546,982</u>	<u>13,957,623</u>

## Revenues and Expenses

Revenues for the County's governmental activities increased by 11.4%, while total expenses increased by 23.3%. 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,

	<u>2023</u>	<u>2022</u>
Major funds:		
General fund:		
Nonspendable	465,415	-
Committed	100,000	100,000
Unassigned	<u>(184,327)</u>	<u>5,296,496</u>
Total General fund	<u>381,088</u>	<u>5,396,496</u>
Jail fund:		
Unassigned	<u>(245,433)</u>	<u>(62,106)</u>
Total Jail fund	<u>(245,433)</u>	<u>(62,106)</u>
Grants fund:		
Restricted	<u>72,277</u>	<u>72,277</u>
Total Grants fund	<u>72,277</u>	<u>72,277</u>
PRCC Bond fund:		
Unassigned	<u>(449,888)</u>	<u>(1,439,535)</u>
Total PRCC Bond fund	<u>(449,888)</u>	<u>(1,439,535)</u>
Total major funds	<u>(241,956)</u>	<u>3,967,132</u>
Non-major funds		
Special revenue:		
Restricted	50	50
Assigned	3,174,467	1,593,291
Unassigned	<u>(157,608)</u>	<u>(181,905)</u>
Total Special revenue	<u>3,016,909</u>	<u>1,411,436</u>

Capital projects:		
Committed	3,518,882	2,976,287
Unassigned	<u>-</u>	<u>( 65,799)</u>
Total Capital projects	<u>3,518,882</u>	<u>2,910,488</u>
Total Non-major funds	<u>6,535,791</u>	<u>3,470,330</u>
Total Governmental funds	<u>6,293,835</u>	<u>7,696,534</u>

The general fund total fund balance decreased by \$5,015,408 from the prior fiscal year. The jail fund balance decreased by \$183,327. The grants fund balance remained unchanged. The PRCC bond fund balance increased by \$989,647. The other nonmajor fund balances increased by \$1,781,781 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 \$441,325. This was a result of charges for services coming in under the budgeted amount by \$334,269 and intergovernmental revenues exceeding the budgeted amount by \$686,187.

The general fund actual expenditures exceeded budget by \$4,973,860. All expenditure categories were under budget with the exception of human relations, emergency management, county commissioners, county buildings, sheriff, employee related expenses, and transfers to other funds.

### Capital Asset and Debt Administration

#### Capital Assets

As of December 31, 2023, the net book value of capital assets recorded by the County increased by \$1,670,735 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,

	<u>2023</u>	<u>2022</u>
Land	900,514	900,514
Construction in process	844,053	-
Buildings and improvements	4,404,556	3,913,127
Machinery and equipment	<u>3,007,069</u>	<u>2,671,816</u>
Total	<u>9,156,192</u>	<u>7,485,457</u>

## **Debt**

At December 31, 2023, the County had no bonds payable. The County did have long-term liabilities related to accrued compensated absences, pension liabilities, OPEB liabilities and finance leases 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, 2023

	Governmental Activities
<b>ASSETS</b>	
Current Assets	
Cash and cash equivalents	\$ 26,889,620
Accounts receivable (net of allowance for uncollectibles)	1,250,273
Prepaid expenses	465,415
Total current assets	<u>28,605,308</u>
Noncurrent assets	
Capital assets	
Land and other assets not being depreciated	1,744,567
Depreciable assets, net of accumulated depreciation	7,411,625
Total noncurrent assets	<u>9,156,192</u>
Other assets	
Leases receivable	538,392
Total assets	<u>38,299,892</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pension expense	1,312,622
Deferred outflows related to OPEB	42,698
Total deferred outflows of resources	<u>1,355,320</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	858,113
Payroll related liabilities	69,078
Deferred revenue	20,168,543
Line of credit	369,669
Notes payable, current portion	69,222
Total current liabilities	<u>21,534,625</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	
Net pension liability	3,390,577
OPEB Liability	136,886
Accrued compensated absences	846,070
Notes payable, net of current portion	30,671
Total noncurrent liabilities	<u>4,404,204</u>
Total liabilities	<u>25,938,829</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pension expense	575,363
Deferred inflows related to OPEB	52,386
Unearned lease revenue	541,652
Total deferred inflows of resources	<u>1,169,401</u>
<b>NET POSITION</b>	
Invested in capital assets, net of related debt	9,056,299
Restricted	72,327
Unrestricted	3,418,356
Total net position	<u>\$ 12,546,982</u>

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

COUNTY OF PENOBSCOT, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services / Dept Revenues	Operating Grants & Contributions	Capital Grants & Contributions	Revenue and Changes in Net Position Total Governmental Activities
Governmental activities:					
Human relations	\$ 226,238	\$ -	\$ -	\$ -	\$ (226,238)
Emergency management	427,854	-	180,313	-	(247,541)
Telecommunications	3,797,534	209,568	-	-	(3,587,966)
District attorney	1,282,959	6,425	-	-	(1,276,534)
County commissioners	414,690	123,855	720,000	-	429,165
County treasurer	364,355	-	-	-	(364,355)
County buildings	1,330,214	-	-	-	(1,330,214)
Jail	13,899,602	78,498	1,645,207	-	(12,175,897)
ARPA Grant	4,417,419	-	5,446,884	-	1,029,465
MAT grant	113,762	-	113,762	-	-
Registry of deeds	345,948	1,161,253	-	-	815,305
Registry of probate	515,744	316,725	-	-	(199,019)
Sheriff	7,386,980	2,038,352	-	-	(5,348,628)
Civil process	441,433	478,998	-	-	37,565
UT administration	179,420	70,000	-	-	(109,420)
IT department	856,816	10,000	-	-	(846,816)
Workplace safety	3,247	-	-	-	(3,247)
Employee benefits	7,245	-	-	-	(7,245)
County insurance	58,146	-	-	-	(58,146)
Development corporations	63,000	-	-	-	(63,000)
Programs / donations	1,506,682	-	828,858	-	(677,824)
Labor relations	1,477	-	-	-	(1,477)
Wage adjustments	1,612	-	-	-	(1,612)
Unallocated depreciation (Note 4)	139,030	-	-	-	(139,030)
Capital outlay	85,526	-	-	-	(85,526)
TAN interest	80,466	-	-	-	(80,466)
OPEB expense (recovery)	(12,808)	-	-	-	12,808
Pension expense (recovery)	563,724	-	-	-	(563,724)
Total government	<u>\$ 38,498,315</u>	<u>\$ 4,493,674</u>	<u>\$ 8,935,024</u>	<u>\$ -</u>	<u>\$ (25,069,617)</u>

General revenues:

Tax Commitment	21,087,005
PILT	175,000
Rental of office space	154,414
Interest	113,897
Other revenues	2,128,660
Total general revenues	<u>23,658,976</u>
Change in net position	(1,410,641)
Net position - January 1	<u>13,957,623</u>
Net position - December 31	<u>\$ 12,546,982</u>

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

COUNTY OF PENOBSCOT, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2023

	General Fund	Jail Fund	Grants Fund	PRCC Bond Fund	Other Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,902,688	\$ -	\$ 21,983,690	\$ 268	\$ 2,974	\$ 26,889,620
Accounts receivable (net of allowance for uncollectables)	1,094,053	-	-	-	156,220	1,250,273
Prepaid expenses	465,415	-	-	-	-	465,415
Due from other governments	-	-	-	-	-	-
Due from other funds	2,039,363	-	-	-	6,691,572	8,730,935
<b>TOTAL ASSETS</b>	<b>8,501,519</b>	<b>-</b>	<b>21,983,690</b>	<b>268</b>	<b>6,850,766</b>	<b>37,336,243</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 759,144	\$ -	\$ 15,103	\$ 80,487	\$ 3,379	\$ 858,113
Payroll related liabilities	69,078	-	-	-	-	69,078
Due to other funds	6,691,572	-	1,727,767	-	311,596	8,730,935
Deferred revenue	-	-	20,168,543	-	-	20,168,543
Line of credit	-	-	-	369,669	-	369,669
Accrued compensated absences	600,637	245,433	-	-	-	846,070
<b>TOTAL LIABILITIES</b>	<b>8,120,431</b>	<b>245,433</b>	<b>21,911,413</b>	<b>450,156</b>	<b>314,975</b>	<b>31,042,408</b>
<b>FUND BALANCES</b>						
Nonspendable	465,415	-	-	-	-	465,415
Restricted	-	-	72,277	-	50	72,327
Committed	100,000	-	-	-	3,518,882	3,618,882
Assigned	-	-	-	-	3,174,467	3,174,467
Unassigned	(184,327)	(245,433)	-	(449,888)	(157,608)	(1,037,256)
<b>TOTAL FUND BALANCES</b>	<b>381,088</b>	<b>(245,433)</b>	<b>72,277</b>	<b>(449,888)</b>	<b>6,535,791</b>	<b>6,293,835</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 8,501,519</b>	<b>\$ -</b>	<b>21,983,690</b>	<b>268</b>	<b>\$ 6,850,766</b>	<b>\$ 37,336,243</b>

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, 2023

	Total Governmental Funds
Total Fund Balances	<u>\$ 6,293,835</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	<u>9,156,192</u>
Amounts reported related to net pension liability under GASB #68 are used in governmental activities and therefore are not reported in the funds	
Net pension liability	(3,390,577)
Deferred outflows of resources	1,312,622
Deferred inflows of resources	<u>(575,363)</u>
	<u>(2,653,318)</u>
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	(136,886)
Deferred outflows of resources	42,698
Deferred inflows of resources	<u>(52,386)</u>
	<u>(146,574)</u>
Amounts reported related to leases under GASB #87 are used in governmental activities and therefore are not reported in the funds	
Leases receivable	538,392
Unearned lease revenue	<u>(541,652)</u>
	<u>(3,260)</u>
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Notes payable	<u>(99,893)</u>
Net position of governmental activities	<u>\$ 12,546,982</u>

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

COUNTY OF PENOBSHOT

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

	General Fund	Jail Fund	Grants Fund	PRCC Bond Fund	Other Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 21,087,005	\$ -	\$ -	\$ -	\$ -	\$ 21,087,005
PILT	175,000	-	-	-	-	175,000
Intergovernmental	900,313	1,645,207	5,560,646	-	828,858	8,935,024
Charges for services/other fees	4,415,176	78,498	-	-	-	4,493,674
Rental of office space	154,414	-	-	-	-	154,414
Interest	89,722	-	-	4,862	19,313	113,897
Other revenues	36,271	28,288	-	104	2,063,997	2,128,660
<b>TOTAL REVENUES</b>	<b>26,857,901</b>	<b>1,751,993</b>	<b>5,560,646</b>	<b>4,966</b>	<b>2,912,168</b>	<b>37,087,674</b>
<b>EXPENDITURES</b>						
Current:						
Human relations	226,238	-	-	-	-	226,238
Emergency management	425,628	-	-	-	-	425,628
Telecommunications	3,668,941	-	-	-	-	3,668,941
District attorney	1,282,005	-	-	-	-	1,282,005
County commissioners	414,690	-	-	-	-	414,690
County treasurer	364,355	-	-	-	-	364,355
County buildings	1,326,954	-	-	-	-	1,326,954
Jail	-	13,831,987	-	-	-	13,831,987
Registry of deeds	345,948	-	-	-	-	345,948
Registry of probate	515,744	-	-	-	-	515,744
Sheriff	7,485,414	-	-	-	-	7,485,414
Civil process	468,212	-	-	-	-	468,212
UT administration	179,420	-	-	-	-	179,420
IT department	790,734	-	-	-	-	790,734
Workplace safety	3,247	-	-	-	-	3,247
MPERS	7,245	-	-	-	-	7,245
County insurance	58,146	-	-	-	-	58,146
Development corporations	63,000	-	-	-	-	63,000
Programs/donations	296,830	-	-	-	1,209,852	1,506,682
Labor relations	1,477	-	-	-	-	1,477
Wage adjustments/benefits	1,612	-	-	-	-	1,612
MAT grant	-	-	113,762	-	-	113,762
ARPA grant	-	-	5,446,884	-	-	5,446,884
Capital outlay	-	-	-	780,655	125,535	906,190
Interest on debt	72,255	-	-	8,211	-	80,466
<b>TOTAL EXPENDITURES</b>	<b>17,998,095</b>	<b>13,831,987</b>	<b>5,560,646</b>	<b>788,866</b>	<b>1,335,387</b>	<b>39,514,981</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>8,859,806</b>	<b>(12,079,994)</b>	<b>-</b>	<b>(783,900)</b>	<b>1,576,781</b>	<b>(2,427,307)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	-	11,896,667	-	1,773,547	205,000	13,875,214
Operating transfers (out)	(13,875,214)	-	-	-	-	(13,875,214)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(13,875,214)</b>	<b>11,896,667</b>	<b>-</b>	<b>1,773,547</b>	<b>205,000</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(5,015,408)</b>	<b>(183,327)</b>	<b>-</b>	<b>989,647</b>	<b>1,781,781</b>	<b>(2,427,307)</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>5,396,496</b>	<b>(62,106)</b>	<b>72,277</b>	<b>(1,439,535)</b>	<b>4,754,010</b>	<b>8,721,142</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 381,088</b>	<b>\$ (245,433)</b>	<b>\$ 72,277</b>	<b>\$ (449,888)</b>	<b>\$ 6,535,791</b>	<b>\$ 6,293,835</b>

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, 2023

Net change in fund balances - total governmental funds	<u>\$ (2,427,307)</u>
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	2,449,750
Depreciation expense	<u>(878,908)</u>
	<u>1,570,842</u>
Net change in lease assets and lease-related deferred inflows under GASB #87 is not reported in the governmental funds	<u>(3,260)</u>
OPEB expense recovery reported under GASB #75 is not reported in the governmental funds	<u>12,808</u>
Pension expense recovery reported under GASB #68 is not reported in the governmental funds	<u>(563,724)</u>
Change in net position of governmental activities	<u>\$ (1,410,641)</u>

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

COUNTY OF PENOBSCOT, MAINE  
STATEMENT OF FIDUCIARY FUNDS NET POSITION (DEFICIT)  
DECEMBER 31, 2023

	Custodial Funds											Total
	Private Purpose Trust Fund	Registry of Deeds & Probate	Extradition Account	Inmate Account	Civil Revenue Account	Officer Account	Restitution Account	TPA Account	Witness Account	SO Forfeiture	Northeastern Workforce Development Board	
<b>ASSETS</b>												
Cash and cash equivalents	\$ -	\$ 286,652	\$ 24,117	\$ 20,344	\$ 33,294	\$ 10,214	\$ 46,423	\$ 206,467	\$ 196,646	\$ 79,267	\$ 8,601	\$ 912,025
Accounts receivable	-	-	-	-	-	-	-	-	-	-	159,427	159,427
Prepaid expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
Investments, at fair value	11,466,357	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>11,466,357</u>	<u>286,652</u>	<u>24,117</u>	<u>20,344</u>	<u>33,294</u>	<u>10,214</u>	<u>46,423</u>	<u>206,467</u>	<u>196,646</u>	<u>79,267</u>	<u>168,028</u>	<u>1,071,452</u>
<b>LIABILITIES</b>												
Accounts payable and accrued expenses	-	-	-	-	-	-	-	-	-	-	218,407	218,407
Deposits held for others	-	286,652	24,117	20,344	33,294	10,214	46,423	-	196,646	79,267	-	696,957
<b>TOTAL LIABILITIES</b>	-	<u>286,652</u>	<u>24,117</u>	<u>20,344</u>	<u>33,294</u>	<u>10,214</u>	<u>46,423</u>	-	<u>196,646</u>	<u>79,267</u>	<u>218,407</u>	<u>915,364</u>
<b>NET POSITION (DEFICIT)</b>												
Unrestricted	-	-	-	-	-	-	-	206,467	-	-	(50,379)	156,088
Held in trust for employee benefits	11,466,357	-	-	-	-	-	-	-	-	-	-	-
	<u>11,466,357</u>	-	-	-	-	-	-	<u>206,467</u>	-	-	<u>(50,379)</u>	<u>156,088</u>
<b>TOTAL LIABILITIES AND NET POSITION (DEFICIT)</b>	<u>\$ 11,466,357</u>	<u>\$ 286,652</u>	<u>\$ 24,117</u>	<u>\$ 20,344</u>	<u>\$ 33,294</u>	<u>\$ 10,214</u>	<u>\$ 46,423</u>	<u>\$ 206,467</u>	<u>\$ 196,646</u>	<u>\$ 79,267</u>	<u>\$ 168,028</u>	<u>\$ 1,071,452</u>

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, 2023

	Private Purpose Trust Fund	Custodial Funds		
		TPA Account	Northeastern Workforce Development Board	Total
<b>ADDITIONS</b>				
Contributions	\$ 564,391	\$ -	\$ -	\$ -
Federal grants	-	-	2,176,743	2,176,743
Net increase in the fair value of investments	1,399,165	-	-	-
Interest income	10,143	8,038	2,617	10,655
Inmate sales	-	244,383	-	244,383
Other	94,615	-	150	150
Total additions	<u>2,068,314</u>	<u>252,421</u>	<u>2,179,510</u>	<u>2,431,931</u>
<b>DEDUCTIONS</b>				
Salaries	-	-	113,336	113,336
Benefits	-	-	18,695	18,695
Travel	-	-	6,885	6,885
Supplies	-	-	1,657	1,657
Professional fees	-	-	57,975	57,975
Other administrative expenses	2,068	12,246	41,375	53,621
Payments to sub-recipients	-	-	1,938,161	1,938,161
Program expenses	-	-	3,810	3,810
Interest expense	-	-	57	57
Inmate store	-	131,346	-	131,346
Inmate costs	-	132,784	-	132,784
Distributions	979,707	-	-	-
Total deductions	<u>981,775</u>	<u>276,376</u>	<u>2,181,951</u>	<u>2,458,327</u>
CHANGE IN NET POSITION (DEFICIT)	1,086,539	(23,955)	(2,441)	(26,396)
NET POSITION (DEFICIT) - JANUARY 1	<u>10,379,818</u>	<u>230,422</u>	<u>(47,938)</u>	<u>182,484</u>
NET POSITION (DEFICIT) - DECEMBER 31	<u>\$ 11,466,357</u>	<u>\$ 206,467</u>	<u>\$ (50,379)</u>	<u>\$ 156,088</u>

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

COUNTY OF PENOBSCOT, MAINE  
NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The County of Penobscot, Maine (the County), 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 funds).

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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 operating fund of the County that was established by state statutes.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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:

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 "interfund 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, 2023.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 when actual invoices or budgetary data is 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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 \$846,070.

**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**

At times, 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 comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

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

Restricted – This includes amounts that can be spent only for specific purposes due to constitutional provisions, enabling legislation, or 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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 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, 2023, 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.

**Leases**

The County follows 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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 Statutes.

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, 2023, the County's governmental activities' cash balance of \$26,889,620 and fiduciary funds' cash balance of \$912,025 was comprised of bank deposits amounting to \$28,706,052. 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.

<u>Account Type</u>	<u>Bank Balance</u>
Checking Accounts	\$ 6,481,750
Savings Accounts	<u>22,224,302</u>
	\$ <u>28,706,052</u>

**Investments**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At December 31, 2023, \$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 \$10,966,357 was comprised of mutual funds which were uninsured and collateralized and therefore exposed to custodial credit risk.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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, 2023, 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	<u>\$11,466,357</u>	<u>\$11,466,357</u>	<u>\$ 0</u>	<u>\$0</u>

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, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due to)
General fund	\$ 2,039,363	\$ 6,691,572
Grants fund	-	1,727,767
Special revenue funds	3,172,690	311,596
Capital projects funds	<u>3,518,882</u>	<u>-</u>
	\$ <u>8,730,935</u>	\$ <u>8,730,935</u>

(4) CAPITAL ASSETS

The following is a summary of changes in capital assets at December 31, 2023:

	Balance <u>1/1/2023</u>	<u>Additions</u>	<u>Disposals</u>	Balance <u>12/31/2023</u>
<u>Governmental activities</u>				
Non-depreciated assets				
Land	\$ 900,514			\$ 900,514
Construction in process	<u>-</u>	<u>844,053</u>		<u>844,053</u>
	\$ <u>900,514</u>	<u>844,053</u>		\$ <u>1,744,567</u>

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(4) CAPITAL ASSETS (cont'd.)

Depreciated assets			
Land improvements	\$ 62,000		\$ 62,000
Buildings	9,091,717		9,091,717
Building improvements	4,528,970	729,569	5,258,539
Machinery and equipment	4,198,532	399,789	4,598,321
Vehicles	<u>2,141,381</u>	<u>576,232</u>	<u>2,717,613</u>
	20,022,600	1,705,590	21,728,190
Less: Accumulated depreciation	<u>(13,437,657)</u>	<u>(878,908)</u>	<u>(14,316,565)</u>
	<u>6,584,943</u>	<u>826,682</u>	<u>7,411,625</u>
Net capital assets	\$ <u>7,485,457</u>	<u>1,670,735</u>	\$ <u>9,156,192</u>
Current year depreciation			
Sheriff		\$ 451,019	
PRCC		151,982	
District Attorney		954	
Jail		67,615	
IT Department		68,308	
Unallocated depreciation		<u>139,030</u>	
Total depreciation expense		\$ <u>878,908</u>	

(5) LONG-TERM LIABILITIES

The following is a summary of changes in the long-term liabilities for the year ended December 31, 2023:

	Balance 1/1/2023	Additions	Reductions	Balance 12/31/2023	Current Portion
Accrued compensated absences	819,081	26,989	-	846,070	-
Pension liability	2,821,385	569,192	-	3,390,577	-
OPEB liability	127,235	9,651	-	136,886	-
Notes payable (Finance Leases)	-	<u>99,893</u>	-	<u>99,893</u>	<u>69,222</u>
	<u>3,767,701</u>	<u>705,725</u>	<u>-</u>	<u>4,473,426</u>	<u>69,222</u>

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(6) RESTRICTED FUND BALANCES

At December 31, 2023, the County has the following restricted fund balances:

Non-major special revenue funds (Pages 59-73)	\$	50
Grants fund		<u>72,277</u>
	\$	<u>72,327</u>

(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, 2023.

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, 2023, the capital project accounts carried forward can be found on pages 74-84.

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

Contingency	\$	100,000
Non-major capital project funds (pages 74-84)		<u>3,518,882</u>
	\$	<u>3,618,882</u>

(8) ASSIGNED FUND BALANCES

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

Non-major special revenue funds (pages 59-73)	\$	<u>3,174,467</u>
	\$	<u>3,174,467</u>

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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, 2023 total \$183,430.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 7.6% of their annual salary through June 30, 2023. The rate increased to 7.7% effective July 1, 2023. Through June 30, 2023, the County was required to contribute a blended rate of 10.2% 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 remained unchanged at 10.2%, effective July 1, 2023. 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 11.4%. This rate increased to 11.6% effective July 1, 2023.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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, 2023, 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 \$3,390,577 for its proportionate share of the Net Pension Liability. The County recognized pension expense of \$563,724, 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 629,466	
Difference between projected and actual earnings		\$ 575,363
Changes of assumptions		
Contributions subsequent to the measurement date	555,691	
Changes in proportion and differences between employer contributions and proportionate share of contributions	127,465	
	<u>\$1,312,622</u>	<u>\$ 575,363</u>

\$555,691 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, 2023. 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:

2024	640,308
2025	(513,369)
2026	583,573
2027	26,747

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

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

Discount Rate

The discount rate used to measure the collective pension liability was 6.50% for 2023. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at 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, 2023 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the PLD Consolidated Plan.

1% Decrease	Current Discount Rate	1% Increase
5.50%	6.50%	7.50%
\$9,290,427	\$3,390,577	(1,476,320)

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 adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	6.0%
U.S. Government	2.6%
Private equity	7.6%
Real estate	5.2%
Infrastructure	5.3%
Natural resources	5.0%
Traditional credit	3.2%
Alternative credit	7.4%
Diversifiers	5.0%

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(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 ten 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, 2023, 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 \$136,886 for its proportionate share of the Net Pension Liability. The County recognized OPEB recovery of \$12,808 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	\$ 2,431	\$ 1,071
Difference between projected and actual earnings	4,406	
Changes of assumptions	6,690	30,247
Contributions subsequent to the measurement date	12,570	
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>16,601</u>	<u>21,068</u>
	<u>\$ 42,698</u>	<u>\$ 52,386</u>

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

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

\$12,570 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, 2023. 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:

2024	( 2,610)
2025	(15,218)
2026	7,998
2027	( 861)
2028	1,003

Discount Rate

The discount rate used to measure the total OPEB liability for the PLD Consolidated Plan was 6.50%, equal to the assumed long-term expected rate of return as of June 30, 2026. 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, 2023, would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the PLD Consolidated Plan.

1% Decrease	Current Discount Rate	1% Increase
5.50%	6.50%	7.50%
\$189,860	\$136,886	\$94,305

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 geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2023, are summarized in the following table:

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

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

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>
Public Equities	6.0%
Real Estate	5.2%
Traditional Credit	3.2%
US Government Securities	2.3%

(14) DEFICIT FUND BALANCES

At December 31, 2023, the County has the following special revenue and capital project funds with deficit fund balances:

Special revenue funds

Hazmat funds	6,300
FY 18 Homeland Security	500
FY 20 Homeland Security	3,270
FY 22 Homeland Security	20,696
FY 23 Homeland Security	89,080
ACO Services	17,662
Byrne / JAG	10,884
Tri-County Workforce	168
Health Advisory Fund	4,783
MDEA Full-Time Officer	1,486
VWA Development	2,779

Capital projects funds

None

(15) OVERSPENT APPROPRIATIONS

At December 31, 2023, the County has the following overspent appropriations:

Human relations	\$ 13,047
Emergency management	1,489
County commissioners	20,618
County buildings	115,989
Sheriff	335,325
Employee related expenses	1,895
Transfers to other funds	5,929,524

Jail fund revenue came in significantly below the budgeted total due to the Maine Department of Corrections changing the timing of the payments to the County to quarterly based on the State of Maine's fiscal year rather than one annual lump sum. As a result, the County only received around half of the expected revenue from the Maine Department of Corrections in 2023 as the quarterly payments started as of July 1, 2023.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(16) SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 4, 2026, the date the financial statements were available to be issued, and has determined that no additional disclosures are necessary.

(17) 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, 2023. No examinations have been conducted by the federal or state taxing authorities and no correspondence has been received from these authorities.

(18) 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, which 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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(19) 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; 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.

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.

COUNTY OF PENOBSCOT, MAINE

NOTES TO FINANCIAL STATEMENTS (cont'd.)

(19) LEASING (cont'd.)

A short-term lease is defined as a lease that, at the commencement date, has a lease term of twelve 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 twelve 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.

Lessor:

The County leases building/office space to the United States Postal Service and the Northeastern Workforce Development Board. As of December 31, 2023, the future minimum lease payments, discounted at a rate of 6.5%, for the next five years and thereafter are as follows:

Year ending December 31:

2024	93,696
2025	94,186
2026	86,899
2027	87,383
2028	87,869
Thereafter	<u>88,359</u>
	<u>\$538,392</u>

An unearned lease revenue balance of \$541,652 has also been recorded as a deferred inflow of resources as of December 31, 2023.

Lessee:

The County leases its computer equipment and servers. As of December 31, 2023, the future minimum lease payments, discounted at a rate of 6.5%, for the next five years and thereafter are as follows:

Year ending December 31:

2024	69,222
2025	<u>30,671</u>
	<u>\$99,893</u>

### 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, 2023

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Budgetary Fund Balance, January 1	\$ 465,000	\$ 465,000	\$ 7,765,504	\$ 7,300,504
Resources (Inflows)				
Tax Commitment	21,087,005	21,087,005	21,087,005	-
PILT	175,000	175,000	175,000	-
Intergovernmental:				
EMA	214,126	214,126	180,313	(33,813)
County commissioners	-	-	720,000	720,000
Charges for services/other fees:				
County commissioners	125,500	125,500	123,855	(1,645)
PRCC	202,800	202,800	209,568	6,768
District attorney	6,000	6,000	6,425	425
Registry of deeds	1,200,000	1,200,000	1,161,253	(38,747)
Registry of probate	245,000	245,000	316,725	71,725
Civil process	502,700	502,700	478,998	(23,702)
Civil services - sheriff	2,387,445	2,387,445	2,038,352	(349,093)
Information technology	10,000	10,000	10,000	-
UT administration	70,000	70,000	70,000	-
Office space rental	160,000	160,000	154,414	(5,586)
Interest	7,500	7,500	89,722	82,222
Miscellaneous revenue	23,500	23,500	36,271	12,771
Amounts Available for Appropriation	<u>26,881,576</u>	<u>26,881,576</u>	<u>34,623,405</u>	<u>7,741,829</u>
Charges to Appropriations (Outflows):				
Human relations	213,191	213,191	226,238	(13,047)
Emergency management	415,188	415,188	416,677	(1,489)
Telecommunications	3,881,826	3,881,826	3,651,012	230,814
District Attorney	1,409,843	1,409,843	1,280,295	129,548
County commissioners	387,255	387,255	407,873	(20,618)
County treasurer	402,786	402,786	364,355	38,431
County buildings	1,209,780	1,209,780	1,325,769	(115,989)
Registry of deeds	410,839	410,839	346,288	64,551
Registry of probate	567,778	567,778	515,750	52,028
Sheriff	7,165,847	7,165,847	7,501,172	(335,325)
Civil process	473,734	473,734	468,673	5,061
UT administration	184,318	184,318	179,420	4,898
IT department	888,045	888,045	786,707	101,338

COUNTY OF PENOBSCOT, MAINE

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

BUDGET AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED DECEMBER 31, 2023

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Workplace safety	6,000	6,000	3,247	2,753
Employee related expenses	5,350	5,350	7,245	(1,895)
County insurance	105,000	105,000	58,146	46,854
Development corporations	63,000	63,000	63,000	-
Building improvement	150,000	150,000	-	150,000
Programs/donations	296,442	296,442	291,889	4,553
Labor relations	4,000	4,000	1,477	2,523
Wage adjustment	45,000	45,000	1,612	43,388
Interest on short term debt	639,542	639,542	72,255	567,287
Transfers to other funds	7,945,690	7,945,690	13,875,214	(5,929,524)
Total Charges to Appropriations	26,870,454	26,870,454	31,844,314	(4,973,860)
Budgetary Fund Balance - December 31	\$ 11,122	\$ 11,122	\$ 2,779,091	\$ 2,767,969
Utilization of unassigned fund balance	\$ 465,000	\$ 465,000	\$ -	\$ 465,000

RECONCILIATION OF BUDGETARY TO GAAP BASIS

Budgetary Fund Balance December 31, 2023	\$ 2,779,091
Budgetary Fund Balance January 1, 2023	7,765,504
Net decrease in budgetary fund balance	(4,986,413)
Change in accrued compensated absences not reported on the budgetary basis	(28,995)
Change in Fund Balance - General Fund	(5,015,408)

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, 2023

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	9.95%
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%
2023	1,069,214	1,069,214	-	9,850,993	10.85%

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, 2023

	2023	2022	2021	2020	2019	2018	2017
Employer's proportion of the Net Pension Liability (Asset)	1.06256%	1.061328%	0.926871%	0.836818%	0.736395%	0.677027%	0.682500%
Employer's proportionate share of the Net Pension Liability (Asset)	\$ 3,390,577	\$ 2,821,385	\$ (297,861)	\$ 3,324,787	\$ 2,250,891	\$ 1,852,870	\$ 2,794,555
Employer's covered payroll	\$ 9,850,993	\$ 8,181,020	\$ 6,793,156	\$ 5,903,857	\$ 4,878,452	\$ 4,104,880	\$ 3,733,371
Employer's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered employee payroll	34.42%	34.49%	-4.38%	56.32%	46.14%	45.14%	74.85%
Plan fiduciary net position as a percentage of the total pension liability	92.3%	93.3%	100.9%	88.4%	90.6%	91.1%	86.4%

Amounts presented have a measurement date of June 30, 2023

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, 2023

	2023	2022	2021	2020	2019	2018
Plan fiduciary net position as a percentage of the total OPEB liability	59.71%	55.88%	67.26%	55.40%	43.18%	43.92%
Covered employee payroll	9,850,993	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	1.39%	1.56%	1.46%	2.26%	4.61%	5.45%

Amounts presented have a measurement date of June 30, 2023

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.

COUNTY OF PENOBSCOT, MAINE  
 NOTES TO GASB #68 AND #75 REQUIRED SCHEDULES  
 FOR THE YEAR ENDED DECEMBER 31, 2023

GASB #68 -

**Valuation Date:** June 30, 2023

Only fiscal years 2015 - 2023 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% which was also used by MainePers in its years ended June 30, 2016 through June 30, 2022

**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 - 2023 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 remained 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, 2023 there were 7 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 DEPARTMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>HUMAN RELATIONS</b>					
Payroll	\$ 185,201	\$ -	\$ 185,201	\$ 202,670	\$ (17,469)
Services/utilities	21,990	-	21,990	18,252	3,738
Supplies/materials	4,000	-	4,000	4,351	(351)
Buildings/equipment	2,000	-	2,000	965	1,035
Totals	<u>213,191</u>	<u>-</u>	<u>213,191</u>	<u>226,238</u>	<u>(13,047)</u>
<b>EMERGENCY MANAGEMENT</b>					
Payroll	330,333	-	330,333	352,793	(22,460)
Services/utilities	59,805	-	59,805	53,053	6,752
Supplies/materials	7,550	-	7,550	10,831	(3,281)
Buildings/equipment	17,500	-	17,500	-	17,500
Totals	<u>415,188</u>	<u>-</u>	<u>415,188</u>	<u>416,677</u>	<u>(1,489)</u>
<b>TELECOMMUNICATIONS</b>					
Payroll	3,515,876	-	3,515,876	3,343,129	172,747
Services/utilities	264,750	-	264,750	215,723	49,027
Supplies/materials	26,200	-	26,200	32,908	(6,708)
Buildings/equipment	75,000	-	75,000	59,252	15,748
Totals	<u>3,881,826</u>	<u>-</u>	<u>3,881,826</u>	<u>3,651,012</u>	<u>230,814</u>

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

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>DISTRICT ATTORNEY</b>					
Payroll	\$ 1,219,818	\$ -	\$ 1,219,818	\$ 1,157,129	\$ 62,689
Services/utilities	146,775	-	146,775	102,657	44,118
Supplies/materials	24,250	-	24,250	20,309	3,941
Buildings/equipment	19,000	-	19,000	200	18,800
Totals	<u>1,409,843</u>	<u>-</u>	<u>1,409,843</u>	<u>1,280,295</u>	<u>129,548</u>
<b>COUNTY COMMISSIONERS</b>					
Payroll	343,855	-	343,855	347,381	(3,526)
Services/utilities	36,000	-	36,000	52,258	(16,258)
Supplies/materials	5,200	-	5,200	7,107	(1,907)
Buildings/equipment	2,200	-	2,200	1,127	1,073
Totals	<u>387,255</u>	<u>-</u>	<u>387,255</u>	<u>407,873</u>	<u>(20,618)</u>
<b>COUNTY TREASURER</b>					
Payroll	371,458	-	371,458	321,615	49,843
Services/utilities	22,828	-	22,828	35,734	(12,906)
Supplies/materials	6,500	-	6,500	6,191	309
Buildings/equipment	2,000	-	2,000	815	1,185
Totals	<u>402,786</u>	<u>-</u>	<u>402,786</u>	<u>364,355</u>	<u>38,431</u>
<b>COUNTY BUILDINGS</b>					
Payroll	490,930	-	490,930	530,760	(39,830)
Services/utilities	496,850	-	496,850	651,942	(155,092)
Supplies/materials	222,000	-	222,000	143,067	78,933
Totals	<u>\$ 1,209,780</u>	<u>-</u>	<u>\$ 1,209,780</u>	<u>\$ 1,325,769</u>	<u>\$ (115,989)</u>

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>REGISTRY OF DEEDS</b>					
Payroll	\$ 333,114	-	\$ 333,114	\$ 307,999	\$ 25,115
Services/utilities	44,950	-	44,950	35,886	9,064
Supplies/materials	10,775	-	10,775	2,267	8,508
Buildings/equipment	22,000	-	22,000	136	21,864
Totals	410,839	-	410,839	346,288	64,551
<b>REGISTRY OF PROBATE</b>					
Payroll	440,928	-	440,928	410,924	30,004
Services/utilities	118,100	-	118,100	94,448	23,652
Supplies/materials	7,250	-	7,250	9,489	(2,239)
Buildings/equipment	1,500	-	1,500	889	611
Totals	567,778	-	567,778	515,750	52,028
<b>SHERIFF</b>					
Payroll	5,947,122	-	5,947,122	6,081,458	(134,336)
Services/utilities	461,125	-	461,125	548,686	(87,561)
Supplies/materials	87,600	-	87,600	101,653	(14,053)
Buildings/equipment	670,000	-	670,000	769,375	(99,375)
Totals	\$ 7,165,847	-	\$ 7,165,847	\$ 7,501,172	\$ (335,325)

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>CIVIL PROCESS</b>					
Payroll	\$ 416,684	-	\$ 416,684	\$ 417,447	\$ (763)
Services/utilities	29,600	-	29,600	39,821	(10,221)
Supplies/materials	12,500	-	12,500	8,153	4,347
Buildings/equipment	14,950	-	14,950	3,252	11,698
Totals	473,734	-	473,734	468,673	5,061
<b>UT ADMINISTRATION</b>					
Payroll	175,068	-	175,068	173,851	1,217
Services/utilities	7,250	-	7,250	3,662	3,588
Supplies/materials	2,000	-	2,000	1,907	93
Totals	184,318	-	184,318	179,420	4,898
<b>IT DEPARTMENT</b>					
Payroll	391,145	-	391,145	299,313	91,832
Services/utilities	404,600	-	404,600	394,553	10,047
Supplies/materials	11,300	-	11,300	10,823	477
Buildings/equipment	81,000	-	81,000	82,018	(1,018)
Totals	888,045	-	888,045	786,707	101,338
<b>WORKPLACE SAFETY</b>					
Services/utilities	6,000	-	6,000	3,039	2,961
Supplies/materials	-	-	-	208	(208)
Totals	\$ 6,000	-	\$ 6,000	\$ 3,247	\$ 2,753

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND - BUDGETARY BASIS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>LABOR RELATIONS</b>					
Labor negotiations	\$ 4,000	-	\$ 4,000	\$ 1,477	\$ 2,523
Totals	4,000	-	4,000	1,477	2,523
<b>WAGE ADJUSTMENT</b>					
Agency costs	45,000	-	45,000	1,612	43,388
Totals	45,000	-	45,000	1,612	43,388
<b>INTEREST ON SHORT-TERM DEBT</b>					
Principal	605,042	-	605,042	-	605,042
Interest	31,000	-	31,000	72,255	(41,255)
Services	3,500	-	3,500	-	3,500
Totals	639,542	-	639,542	72,255	567,287
<b>TRANSFERS</b>					
Capital projects fund	-	-	-	205,000	(205,000)
Jail fund	7,945,690	-	7,945,690	11,896,667	(3,950,977)
PRCC project fund	-	-	-	1,773,547	(1,773,547)
Totals	7,945,690	-	7,945,690	13,875,214	(5,929,524)
<b>TOTALS</b>	<b>\$ 26,870,454</b>	<b>\$ -</b>	<b>\$ 26,870,454</b>	<b>\$ 31,844,314</b>	<b>\$ (4,973,860)</b>

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,974	\$ -	\$ 2,974
Accounts receivable (net of allowance for uncollectibles)	156,220	-	156,220
Due from other funds	3,172,690	3,518,882	6,691,572
<b>TOTAL ASSETS</b>	<u>3,331,884</u>	<u>3,518,882</u>	<u>6,850,766</u>
<b>LIABILITIES</b>			
Accounts payable	3,379	-	3,379
Due to other funds	311,596	-	311,596
<b>TOTAL LIABILITIES</b>	<u>314,975</u>	<u>-</u>	<u>314,975</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	50	-	50
Committed	-	3,518,882	3,518,882
Assigned	3,174,467	-	3,174,467
Unassigned	(157,608)	-	(157,608)
<b>TOTAL FUND BALANCES</b>	<u>3,016,909</u>	<u>3,518,882</u>	<u>6,535,791</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,331,884</u>	<u>\$ 3,518,882</u>	<u>\$ 6,850,766</u>

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, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 791,358	\$ 37,500	\$ 828,858
Interest income	-	19,313	19,313
Other income	1,949,731	114,266	2,063,997
TOTAL REVENUES	<u>2,741,089</u>	<u>171,079</u>	<u>2,912,168</u>
EXPENDITURES			
Capital outlay	31,950	93,585	125,535
Other	1,103,666	106,186	1,209,852
TOTAL EXPENDITURES	<u>1,135,616</u>	<u>199,771</u>	<u>1,335,387</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,605,473</u>	<u>(28,692)</u>	<u>1,576,781</u>
OTHER FINANCING SOURCES			
Operating transfers in	-	205,000	205,000
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>205,000</u>	<u>205,000</u>
NET CHANGE IN FUND BALANCE	1,605,473	176,308	1,781,781
FUND BALANCES - JANUARY 1	<u>1,411,436</u>	<u>3,342,574</u>	<u>4,754,010</u>
FUND BALANCES - DECEMBER 31	<u>\$ 3,016,909</u>	<u>\$ 3,518,882</u>	<u>\$ 6,535,791</u>

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, 2023

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 791,358	\$ 37,500	\$ 828,858
Interest income	-	19,313	19,313
Other income	1,949,731	114,266	2,063,997
TOTAL REVENUES	<u>2,741,089</u>	<u>171,079</u>	<u>2,912,168</u>
EXPENDITURES			
Capital outlay	31,950	93,585	125,535
Other	1,103,666	106,186	1,209,852
TOTAL EXPENDITURES	<u>1,135,616</u>	<u>199,771</u>	<u>1,335,387</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,605,473</u>	<u>(28,692)</u>	<u>1,576,781</u>
OTHER FINANCING SOURCES			
Operating transfers in	-	205,000	205,000
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>205,000</u>	<u>205,000</u>
NET CHANGE IN FUND BALANCE	1,605,473	176,308	1,781,781
FUND BALANCES - JANUARY 1	<u>1,411,436</u>	<u>3,342,574</u>	<u>4,754,010</u>
FUND BALANCES - DECEMBER 31	<u>\$ 3,016,909</u>	<u>\$ 3,518,882</u>	<u>\$ 6,535,791</u>

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, 2023

	Hazmat Funds	LEPC	FY 18 Homeland Security	PY 19 Homeland Security	FY 20 Homeland Security	Cigna Rebate	Awareness Training LEPC
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	-	9,497	-	28,130	-	152,673	50
<b>TOTAL ASSETS</b>	<b>-</b>	<b>9,497</b>	<b>-</b>	<b>28,130</b>	<b>-</b>	<b>152,673</b>	<b>50</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	6,300	-	500	-	3,270	-	-
<b>TOTAL LIABILITIES</b>	<b>6,300</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>3,270</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	50
Committed	-	-	-	-	-	-	-
Assigned	-	9,497	-	28,130	-	152,673	-
Unassigned	(6,300)	-	(500)	-	(3,270)	-	-
<b>TOTAL FUND BALANCES</b>	<b>(6,300)</b>	<b>9,497</b>	<b>(500)</b>	<b>28,130</b>	<b>(3,270)</b>	<b>152,673</b>	<b>50</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 9,497</b>	<b>\$ -</b>	<b>\$ 28,130</b>	<b>\$ -</b>	<b>\$ 152,673</b>	<b>\$ 50</b>

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, 2023

	FY 22 Homeland Security	Security Services	ARPA Interest	State Drug Forfeiture	PACE	Katahdin PILT	Enfield Supplemental
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	840	-	-	-	-	223
Due from other funds	-	3,442	1,202,940	18,781	5,570	95,861	-
<b>TOTAL ASSETS</b>	<b>-</b>	<b>4,282</b>	<b>1,202,940</b>	<b>18,781</b>	<b>5,570</b>	<b>95,861</b>	<b>223</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	20,696	-	-	-	-	-	223
<b>TOTAL LIABILITIES</b>	<b>20,696</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>223</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	4,282	1,202,940	18,781	5,570	95,861	-
Unassigned	(20,696)	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>(20,696)</b>	<b>4,282</b>	<b>1,202,940</b>	<b>18,781</b>	<b>5,570</b>	<b>95,861</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 4,282</b>	<b>\$ 1,202,940</b>	<b>\$ 18,781</b>	<b>\$ 5,570</b>	<b>\$ 95,861</b>	<b>\$ 223</b>

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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, 2023

	ACO Services	Byrne / JAG	Sheriff	MDEA	DA Forfeiture	Stetson Supplemental	County PILT
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	6,910	-	3,212	23,840	-	-	-
Due from other funds	-	-	-	-	13,691	-	528,659
<b>TOTAL ASSETS</b>	<b>6,910</b>	<b>-</b>	<b>3,212</b>	<b>23,840</b>	<b>13,691</b>	<b>-</b>	<b>528,659</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	24,572	10,884	3,212	23,840	-	-	-
<b>TOTAL LIABILITIES</b>	<b>24,572</b>	<b>10,884</b>	<b>3,212</b>	<b>23,840</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	13,691	-	528,659
Unassigned	(17,662)	(10,884)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>(17,662)</b>	<b>(10,884)</b>	<b>-</b>	<b>-</b>	<b>13,691</b>	<b>-</b>	<b>528,659</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,910</b>	<b>\$ -</b>	<b>\$ 3,212</b>	<b>\$ 23,840</b>	<b>\$ 13,691</b>	<b>\$ -</b>	<b>\$ 528,659</b>

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, 2023

	FY 21 Homeland Security	Opioid Funds	JAG Grant Old Town	Howland Supplemental	Bradley Supplemental	Greenbush Supplemental	Tri-County Workforce
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	442	-	1,478	-
Due from other funds	-	630,123	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>-</b>	<b>630,123</b>	<b>-</b>	<b>442</b>	<b>-</b>	<b>1,478</b>	<b>-</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	442	-	1,478	168
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>442</b>	<b>-</b>	<b>1,478</b>	<b>168</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	630,123	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(168)
<b>TOTAL FUND BALANCES</b>	<b>-</b>	<b>630,123</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(168)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 630,123</b>	<b>\$ -</b>	<b>\$ 442</b>	<b>\$ -</b>	<b>\$ 1,478</b>	<b>\$ -</b>

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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, 2023

	Winn Supplemental	Domestic Violence	Levant Supplemental	Health Advisory Fund	Sunshine Fund	MDEA Full-Time Officer	Domestic Abuse
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 2,974	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	1,330	-	-	-	-
Due from other funds	-	-	-	-	-	-	14,109
<b>TOTAL ASSETS</b>	<u>-</u>	<u>-</u>	<u>1,330</u>	<u>-</u>	<u>2,974</u>	<u>-</u>	<u>14,109</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	1,330	4,783	-	1,486	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>1,330</u>	<u>4,783</u>	<u>-</u>	<u>1,486</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	2,974	-	14,109
Unassigned	-	-	-	(4,783)	-	(1,486)	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,783)</u>	<u>2,974</u>	<u>(1,486)</u>	<u>14,109</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,330</u>	<u>\$ -</u>	<u>\$ 2,974</u>	<u>\$ -</u>	<u>\$ 14,109</u>

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, 2023

	MDEA Position	Substance Abuse Prevention	Northeast Workforce Development	VWA Development	Commissioners	Passadumkeag Supplemental	LATCF ARPA
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	30,935	-	66,622	13,213	-	553	-
Due from other funds	-	5,396	-	-	3,379	-	460,389
<b>TOTAL ASSETS</b>	<u>30,935</u>	<u>5,396</u>	<u>66,622</u>	<u>13,213</u>	<u>3,379</u>	<u>553</u>	<u>460,389</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	3,379	-	-
Due to other funds	30,935	-	65,230	15,992	-	553	-
<b>TOTAL LIABILITIES</b>	<u>30,935</u>	<u>-</u>	<u>65,230</u>	<u>15,992</u>	<u>3,379</u>	<u>553</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	5,396	1,392	-	-	-	460,389
Unassigned	-	-	-	(2,779)	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>5,396</u>	<u>1,392</u>	<u>(2,779)</u>	<u>-</u>	<u>-</u>	<u>460,389</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 30,935</u>	<u>\$ 5,396</u>	<u>\$ 66,622</u>	<u>\$ 13,213</u>	<u>\$ 3,379</u>	<u>\$ 553</u>	<u>\$ 460,389</u>

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, 2023

	Mental Health	FY 23 Homeland Security	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ -	\$ -	\$ 2,974
Accounts receivable (net of allowance for uncollectibles)	6,622	-	156,220
Due from other funds	-	-	3,172,690
<b>TOTAL ASSETS</b>	<u>6,622</u>	<u>-</u>	<u>3,331,884</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	3,379
Due to other funds	6,622	89,080	311,596
<b>TOTAL LIABILITIES</b>	<u>6,622</u>	<u>89,080</u>	<u>314,975</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	-	50
Committed	-	-	-
Assigned	-	-	3,174,467
Unassigned	-	(89,080)	(157,608)
<b>TOTAL FUND BALANCES</b>	<u>-</u>	<u>(89,080)</u>	<u>3,016,909</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 6,622</u>	<u>\$ -</u>	<u>\$ 3,331,884</u>

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Hazmat Funds	LEPC	FY 18 Homeland Security	FY 19 Homeland Security	FY 20 Homeland Security	Cigna Rebate	Awareness Training LEPC
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 47,083	\$ -	\$ -
Other income	23,815	19,765	-	13,943	-	-	-
TOTAL REVENUES	23,815	19,765	-	13,943	47,083	-	-
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	39,345	2,079	-	-	3,961	-	-
TOTAL EXPENDITURES	39,345	2,079	-	-	3,961	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(15,530)	17,686	-	13,943	43,122	-	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(15,530)	17,686	-	13,943	43,122	-	-
FUND BALANCES - JANUARY 1	9,230	(8,189)	(500)	14,187	(46,392)	152,673	50
FUND BALANCES - DECEMBER 31	\$ (6,300)	\$ 9,497	\$ (500)	\$ 28,130	\$ (3,270)	\$ 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, 2023

	FY 22 Homeland Security	Security Services	ARPA Interest	State Drug Forfeiture	PACE	Katahdin PILT	Enfield Supplemental
REVENUES							
Intergovernmental	\$ 196,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	7,860	919,542	17,517	7,280	-	2,582
TOTAL REVENUES	<u>196,661</u>	<u>7,860</u>	<u>919,542</u>	<u>17,517</u>	<u>7,280</u>	<u>-</u>	<u>2,582</u>
EXPENDITURES							
Capital outlay	-	-	-	842	-	-	-
Other	210,927	6,648	-	5,183	4,975	18,436	2,582
TOTAL EXPENDITURES	<u>210,927</u>	<u>6,648</u>	<u>-</u>	<u>6,025</u>	<u>4,975</u>	<u>18,436</u>	<u>2,582</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(14,266)</u>	<u>1,212</u>	<u>919,542</u>	<u>11,492</u>	<u>2,305</u>	<u>(18,436)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(14,266)</u>	<u>1,212</u>	<u>919,542</u>	<u>11,492</u>	<u>2,305</u>	<u>(18,436)</u>	<u>-</u>
FUND BALANCES - JANUARY 1	<u>(6,430)</u>	<u>3,070</u>	<u>283,398</u>	<u>7,289</u>	<u>3,265</u>	<u>114,297</u>	<u>-</u>
FUND BALANCES - DECEMBER 31	<u>\$ (20,696)</u>	<u>\$ 4,282</u>	<u>\$ 1,202,940</u>	<u>\$ 18,781</u>	<u>\$ 5,570</u>	<u>\$ 95,861</u>	<u>\$ -</u>

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	ACO Services	Dyme / JAG	Sheriff	MDEA	DA Forfeiture	Stetson Supplemental	County PLI
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ 74,822	\$ 2,915	\$ -	\$ -
Other income	32,433	19,389	-	-	4,030	2,846	100,640
<b>TOTAL REVENUES</b>	<b>32,433</b>	<b>19,389</b>	<b>-</b>	<b>74,822</b>	<b>6,945</b>	<b>2,846</b>	<b>100,640</b>
<b>EXPENDITURES</b>							
Capital outlay	-	-	-	-	-	-	-
Other	37,179	30,273	-	74,822	2,812	2,846	2,000
<b>TOTAL EXPENDITURES</b>	<b>37,179</b>	<b>30,273</b>	<b>-</b>	<b>74,822</b>	<b>2,812</b>	<b>2,846</b>	<b>2,000</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,746)</b>	<b>(10,884)</b>	<b>-</b>	<b>-</b>	<b>4,133</b>	<b>-</b>	<b>98,640</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(4,746)</b>	<b>(10,884)</b>	<b>-</b>	<b>-</b>	<b>4,133</b>	<b>-</b>	<b>98,640</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>(12,916)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,558</b>	<b>-</b>	<b>430,019</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ (17,662)</b>	<b>\$ (10,884)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,691</b>	<b>\$ -</b>	<b>\$ 528,659</b>

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	FY 21 Homeland Security	Opioid Funds	JAG Grant Old Town	Howland Supplemental	Bradley Supplemental	Greenbush Supplemental	Tri-County Workforce
REVENUES							
Intergovernmental	\$ 125,989	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	110,217	1,900	6,290	5,690	15,465	-
TOTAL REVENUES	<u>125,989</u>	<u>110,217</u>	<u>1,900</u>	<u>6,290</u>	<u>5,690</u>	<u>15,465</u>	<u>-</u>
EXPENDITURES							
Capital outlay	-	24,486	-	-	-	-	-
Other	34,501	-	1,900	6,290	5,690	15,465	-
TOTAL EXPENDITURES	<u>34,501</u>	<u>24,486</u>	<u>1,900</u>	<u>6,290</u>	<u>5,690</u>	<u>15,465</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>91,488</u>	<u>85,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	91,488	85,731	-	-	-	-	-
FUND BALANCES - JANUARY 1	<u>(91,488)</u>	<u>544,392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(168)</u>
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ 630,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (168)</u>

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, 2023

	Winn Supplemental	Domestic Violence	Levant Supplemental	Health Advisory Fund	Sunshine Fund	MDEA Full-Time Officer	Domestic Abuse
REVENUES							
Intergovernmental	\$ -	\$ 65,152	\$ -	\$ -	\$ -	\$ 39,600	\$ -
Other income	2,289	-	11,912	12,301	1,241	-	-
TOTAL REVENUES	2,289	65,152	11,912	12,301	1,241	39,600	-
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	2,289	62,189	11,912	12,413	675	35,841	-
TOTAL EXPENDITURES	2,289	62,189	11,912	12,413	675	35,841	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	2,963	-	(112)	566	3,759	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	-	2,963	-	(112)	566	3,759	-
FUND BALANCES - JANUARY 1	-	(2,963)	-	(4,671)	2,408	(5,245)	14,109
FUND BALANCES - DECEMBER 31	\$ -	\$ -	\$ -	\$ (4,783)	\$ 2,974	\$ (1,486)	\$ 14,109

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	MDEA Position	Substance Abuse Prevention	Northeast Workforce Development	VWA Development	Commissioners	Passadumkeag Supplemental	LATCF ARPA
REVENUES							
Intergovernmental	\$ 122,151	\$ -	\$ -	\$ 52,137	\$ -	\$ -	\$ -
Other income	-	-	132,030	1	-	3,364	475,389
TOTAL REVENUES	<u>122,151</u>	<u>-</u>	<u>132,030</u>	<u>52,138</u>	<u>-</u>	<u>3,364</u>	<u>475,389</u>
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	119,208	-	130,638	54,917	-	3,364	15,000
TOTAL EXPENDITURES	<u>119,208</u>	<u>-</u>	<u>130,638</u>	<u>54,917</u>	<u>-</u>	<u>3,364</u>	<u>15,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,943</u>	<u>-</u>	<u>1,392</u>	<u>(2,779)</u>	<u>-</u>	<u>-</u>	<u>460,389</u>
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2,943	-	1,392	(2,779)	-	-	460,389
FUND BALANCES - JANUARY 1	(2,943)	5,396	-	-	-	-	-
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ 5,396</u>	<u>\$ 1,392</u>	<u>\$ (2,779)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 460,389</u>

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, 2023

	Mental Health	FY 23 Homeland Security	Totals
REVENUES			
Intergovernmental	\$ 64,848	\$ -	\$ 791,358
Other income	-	-	1,949,731
TOTAL REVENUES	<u>64,848</u>	<u>-</u>	<u>2,741,089</u>
EXPENDITURES			
Capital outlay	6,622	-	31,950
Other	58,226	89,080	1,103,666
TOTAL EXPENDITURES	<u>64,848</u>	<u>89,080</u>	<u>1,135,616</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(89,080)</u>	<u>1,605,473</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers in	-	-	-
Operating transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(89,080)	1,605,473
FUND BALANCES - JANUARY 1	<u>-</u>	<u>-</u>	<u>1,411,436</u>
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ (89,080)</u>	<u>\$ 3,016,909</u>

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

Chester M. Kearney, Certified Public Accountants

### 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, 2023

	County Buildings	Motor Vehicle DA	Parking Lot Improvements	Vehicle Sheriff	PRCC Vehicle	SO Public Safety	Lab Equipment Sheriff
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	623,086	35,824	406,200	69,655	10,950	12,477	10,532
<b>TOTAL ASSETS</b>	<b>623,086</b>	<b>35,824</b>	<b>406,200</b>	<b>69,655</b>	<b>10,950</b>	<b>12,477</b>	<b>10,532</b>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	623,086	35,824	406,200	69,655	10,950	12,477	10,532
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>623,086</b>	<b>35,824</b>	<b>406,200</b>	<b>69,655</b>	<b>10,950</b>	<b>12,477</b>	<b>10,532</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 623,086</b>	<b>\$ 35,824</b>	<b>\$ 406,200</b>	<b>\$ 69,655</b>	<b>\$ 10,950</b>	<b>\$ 12,477</b>	<b>\$ 10,532</b>

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, 2023

	Equipment Commissioners	Equipment Probate	Institutional Equipment Jail	Deeds Computer Equipment	Copier UT/Admin	DA Office Equipment	Restoration Surcharge Deeds
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	8,938	3,636	2,600	61,469	1,523	18,291	486,827
<b>TOTAL ASSETS</b>	<u>8,938</u>	<u>3,636</u>	<u>2,600</u>	<u>61,469</u>	<u>1,523</u>	<u>18,291</u>	<u>486,827</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	8,938	3,636	2,600	61,469	1,523	18,291	486,827
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>8,938</u>	<u>3,636</u>	<u>2,600</u>	<u>61,469</u>	<u>1,523</u>	<u>18,291</u>	<u>486,827</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 8,938</u>	<u>\$ 3,636</u>	<u>\$ 2,600</u>	<u>\$ 61,469</u>	<u>\$ 1,523</u>	<u>\$ 18,291</u>	<u>\$ 486,827</u>

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Dispatch Reserve	PRCC Console	Information Technology Equipment	Office Equipment EMA/RM	EMA Soft Match	Bridge Construction	EMA Vehicle
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	695,620	125,436	70,877	5,377	47,600	243,159	36,019
<b>TOTAL ASSETS</b>	<u>695,620</u>	<u>125,436</u>	<u>70,877</u>	<u>5,377</u>	<u>47,600</u>	<u>243,159</u>	<u>36,019</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	695,620	125,436	70,877	5,377	47,600	243,159	36,019
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>695,620</u>	<u>125,436</u>	<u>70,877</u>	<u>5,377</u>	<u>47,600</u>	<u>243,159</u>	<u>36,019</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 695,620</u>	<u>\$ 125,436</u>	<u>\$ 70,877</u>	<u>\$ 5,377</u>	<u>\$ 47,600</u>	<u>\$ 243,159</u>	<u>\$ 36,019</u>

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, 2023

	A/C Replacement	Probate Surcharge	Property Acquisition	PRCC Office/ Computer Equipment	Civil Process Vehicle	PRCC Furniture & Fixtures	PRCC Recorder
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	20,000	131,039	235,984	13,374	31,941	1,900	-
<b>TOTAL ASSETS</b>	<u>20,000</u>	<u>131,039</u>	<u>235,984</u>	<u>13,374</u>	<u>31,941</u>	<u>1,900</u>	<u>-</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	20,000	131,039	235,984	13,374	31,941	1,900	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>20,000</u>	<u>131,039</u>	<u>235,984</u>	<u>13,374</u>	<u>31,941</u>	<u>1,900</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 20,000</u>	<u>\$ 131,039</u>	<u>\$ 235,984</u>	<u>\$ 13,374</u>	<u>\$ 31,941</u>	<u>\$ 1,900</u>	<u>\$ -</u>

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, 2023

	District Attorney Equipment	Equipment Sheriff	Civil Equipment	Software	Furnace Replacement	EMA Repeater	Totals
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	27,038	-	12,640	10,000	57,870	1,000	3,518,882
<b>TOTAL ASSETS</b>	<u>27,038</u>	<u>-</u>	<u>12,640</u>	<u>10,000</u>	<u>57,870</u>	<u>1,000</u>	<u>3,518,882</u>
<b>LIABILITIES</b>							
Accounts payable	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	27,038	-	12,640	10,000	57,870	1,000	3,518,882
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>27,038</u>	<u>-</u>	<u>12,640</u>	<u>10,000</u>	<u>57,870</u>	<u>1,000</u>	<u>3,518,882</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 27,038</u>	<u>\$ -</u>	<u>\$ 12,640</u>	<u>\$ 10,000</u>	<u>\$ 57,870</u>	<u>\$ 1,000</u>	<u>\$ 3,518,882</u>

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Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	County Buildings	Motor Vehicle DA	Parking Lot Improvements	Vehicle Sheriff	PRCC Vehicle	SO Public Safety	Lab Equipment Sheriff
<b>REVENUES</b>							
Intergovernmental	\$ 37,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	-
Other income	-	-	-	-	3,450	48,185	-
<b>TOTAL REVENUES</b>	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,450</u>	<u>48,185</u>	<u>-</u>
<b>EXPENDITURES</b>							
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	-	-	35,708	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,708</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>37,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,450</u>	<u>12,477</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	100,000	5,000	50,000	-	2,500	-	-
Operating transfers (out)	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>100,000</u>	<u>5,000</u>	<u>50,000</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>137,500</u>	<u>5,000</u>	<u>50,000</u>	<u>-</u>	<u>5,950</u>	<u>12,477</u>	<u>-</u>
<b>FUND BALANCES - JANUARY 1</b>	<u>485,586</u>	<u>30,824</u>	<u>356,200</u>	<u>69,655</u>	<u>5,000</u>	<u>-</u>	<u>10,532</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u>\$ 623,086</u>	<u>\$ 35,824</u>	<u>\$ 406,200</u>	<u>\$ 69,655</u>	<u>\$ 10,950</u>	<u>\$ 12,477</u>	<u>\$ 10,532</u>

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Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR CAPITAL PROJECTS FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2023

	Equipment Commissioners	Equipment Probate	Institutional Equipment Jail	Deeds Computer Equipment	Copier UT/Admin	DA Office Equipment	Restoration Surcharge Deeds
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-	-	-	14,184
Other income	-	-	-	-	-	-	57,987
TOTAL REVENUES	-	-	-	-	-	-	72,171
EXPENDITURES							
Capital outlay	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	19,966
TOTAL EXPENDITURES	-	-	-	-	-	-	19,966
EXCESS OF REVENUES UNDER EXPENDITURES	-	-	-	-	-	-	52,205
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	20,000	-	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	20,000	-	-	-
NET CHANGE IN FUND BALANCES	-	-	-	20,000	-	-	52,205
FUND BALANCES - JANUARY 1	8,938	3,636	2,600	41,469	1,523	18,291	434,622
FUND BALANCES - DECEMBER 31	\$ 8,938	\$ 3,636	\$ 2,600	\$ 61,469	\$ 1,523	\$ 18,291	\$ 486,827

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, 2023

	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	19,250	-	-	-	24,149	-	-
TOTAL EXPENDITURES	19,250	-	-	-	24,149	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(19,250)	-	-	-	(24,149)	-	-
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	500	-	-	16,000
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	500	-	-	16,000
NET CHANGE IN FUND BALANCES	(19,250)	-	-	500	(24,149)	-	16,000
FUND BALANCES - JANUARY 1	714,870	125,436	70,877	4,877	71,749	243,159	20,019
FUND BALANCES - DECEMBER 31	\$ 695,620	\$ 125,436	\$ 70,877	\$ 5,377	\$ 47,600	\$ 243,159	\$ 36,019

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, 2023

	A/C Replacement	Probate Surcharge	Property Acquisition	PRCC Office/ Computer Equipment	Civil Process Vehicle	PRCC Furniture & Fixtures	PRCC Recorder
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	-	5,129	-	-	-	-	-
Other income	-	2,402	-	-	-	-	-
TOTAL REVENUES	-	7,531	-	-	-	-	-
EXPENDITURES							
Capital outlay	-	-	-	-	26,779	-	50,000
Other	-	7,113	-	-	-	-	-
TOTAL EXPENDITURES	-	7,113	-	-	26,779	-	50,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	418	-	-	(26,779)	-	(50,000)
OTHER FINANCING SOURCES (USES)							
Operating transfers in	-	-	-	-	10,000	-	-
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	10,000	-	-
NET CHANGE IN FUND BALANCES	-	418	-	-	(16,779)	-	(50,000)
FUND BALANCES - JANUARY 1	20,000	130,621	235,984	13,374	48,720	1,900	50,000
FUND BALANCES - DECEMBER 31	\$ 20,000	\$ 131,039	\$ 235,984	\$ 13,374	\$ 31,941	\$ 1,900	\$ -

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, 2023

	District Attorney Equipment	Equipment Sheriff	Civil Equipment	Software	Furnace Replacement	EMA Repeater	Totals
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,500
Interest	-	-	-	-	-	-	19,313
Other income	2,242	-	-	-	-	-	114,266
TOTAL REVENUES	<u>2,242</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>171,079</u>
EXPENDITURES							
Capital outlay	-	16,806	-	-	-	-	93,585
Other	-	-	-	-	-	-	106,186
TOTAL EXPENDITURES	<u>-</u>	<u>16,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>199,771</u>
EXCESS OF REVENUES UNDER EXPENDITURES	<u>2,242</u>	<u>(16,806)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,692)</u>
OTHER FINANCING SOURCES							
Operating transfers in	-	-	-	-	-	1,000	205,000
Operating transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>205,000</u>
NET CHANGE IN FUND BALANCES	<u>2,242</u>	<u>(16,806)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>176,308</u>
FUND BALANCES - JANUARY 1	<u>24,796</u>	<u>16,806</u>	<u>12,640</u>	<u>57,870</u>	<u>10,000</u>	<u>-</u>	<u>3,342,574</u>
FUND BALANCES - DECEMBER 31	<u>\$ 27,038</u>	<u>\$ -</u>	<u>\$ 12,640</u>	<u>\$ 57,870</u>	<u>\$ 10,000</u>	<u>\$ 1,000</u>	<u>\$ 3,518,882</u>

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

Chester M. Kearney, Certified Public Accountants

### 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, 2023

	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	\$ 3,214,839	\$ 8,692,650
PRCC	844,053	-	2,425,330	3,269,383
Deeds	-	-	103,956	103,956
District Attorney	-	21,580	73,648	95,228
Jail	-	869,361	464,416	1,333,777
Emergency Management	-	5,803	83,483	89,286
Roads and mapping	-	-	9,100	9,100
Information technology	-	-	486,594	486,594
County-wide	900,514	8,032,323	459,949	9,392,786
<b>Total General Capital Assets</b>	<b>1,744,567</b>	<b>14,406,878</b>	<b>7,321,315</b>	<b>23,472,760</b>
<b>Less: Accumulated Depreciation</b>	<b>-</b>	<b>(10,002,322)</b>	<b>(4,314,246)</b>	<b>(14,316,568)</b>
<b>Net General Capital Assets</b>	<b>\$ 1,744,567</b>	<b>\$ 4,404,556</b>	<b>\$ 3,007,069</b>	<b>\$ 9,156,192</b>

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

Chester M. Kearney, Certified Public Accountants

COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2023

	General Capital Assets 1/1/23	Additions	Disposals	General Capital Assets 12/31/23
Sheriff department	\$ 8,089,862	\$ 602,788	\$ -	\$ 8,692,650
PRCC	2,425,330	-	-	2,425,330
PRCC - Construction in process	-	844,053	-	844,053
Deeds	103,956	-	-	103,956
District Attorney	95,228	-	-	95,228
Jail	613,470	720,307	-	1,333,777
Emergency Management	78,155	11,131	-	89,286
Roads and mapping	9,100	-	-	9,100
Information technology	327,667	158,927	-	486,594
County-wide	9,180,349	212,437	-	9,392,786
Total General Capital Assets	20,923,117	2,549,643	-	23,472,760
Less: Accumulated Depreciation	(13,437,660)	(878,908)	-	(14,316,568)
Net General Capital Assets	\$ 7,485,457	\$ 1,670,735	\$ -	\$ 9,156,192

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

Chester M. Kearney, Certified Public Accountants

THE COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANTOR NUMBER	AMOUNT PASSED-THROUGH TO SUBRECIPIENTS	FEDERAL REVENUE	EXPENDITURES RECOGNIZED
<b>U.S. Department of Labor</b>					
Pass through from Maine Department of Labor					
WIOA Cluster					
WIOA Adult 21/22	17.258	CT-12A-20210524*3365	56,229	56,229	56,229
WIOA Adult 22/23	17.258	CT-12A-20220921*0871	326,032	389,610	389,610
WIOA Adult 23/24	17.258	CT-12A-20230830*0569	-	23,961	23,961
			<u>382,261</u>	<u>469,800</u>	<u>469,800</u>
WIDA Youth 21/22	17.259	CT-12A-20210524*3365	161,903	161,903	161,903
WIDA Youth 22/23	17.259	CT-12A-20220921*0871	443,865	450,160	450,160
WIDA Youth 24/25	17.259	CT-12A-20230830*0569	-	71,837	71,837
			<u>605,768</u>	<u>683,900</u>	<u>683,900</u>
WIOA Dislocated Worker 21/22	17.278	CT-12A-20210524*3365	42,239	42,239	42,239
WIOA Dislocated Worker 22/23	17.278	CT-12A-20220921*0871	2,124,411	227,538	227,538
WIOA Dislocated Worker 24/25	17.278	CT-12A-20230830*0569	-	-	-
			<u>254,680</u>	<u>269,777</u>	<u>269,777</u>
<b>Total WIOA Cluster</b>			<u>1,242,709</u>	<u>1,423,477</u>	<u>1,423,477</u>
WIOA Quest	17.277	CT-12A-20221115*1363	281,265	314,983	314,983
WIOA Career DWG	17.277	CT-12A-20211201*1332	198,760	215,508	215,508
WIA National Emergency Grant-Opioid	17.277	CT-12A-20200318*2546	219,237	219,237	219,237
			<u>699,262</u>	<u>749,728</u>	<u>749,728</u>
<b>Total U.S. Department of Labor</b>			<u>1,941,971</u>	<u>2,173,205</u>	<u>2,173,205</u>
<b>U.S. Department of Justice</b>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	1,900	1,900
			-	<u>1,900</u>	<u>1,900</u>
Pass through from Maine Department of Health and Human Services					
Crime Victim Assistance - Discretionary Grants	16.575	OVP-21-2305	-	32,095	32,095
			-	<u>32,095</u>	<u>32,095</u>
Pass through from Maine Department of Public Safety					
Public Safety Partnership and Community Policing Grants	16.710	N/A	-	161,751	161,751
			-	<u>161,751</u>	<u>161,751</u>
<b>Total U.S. Department of Justice</b>			-	<u>195,746</u>	<u>195,746</u>
<b>U.S. Department of Homeland Security</b>					
Homeland Security Grant Program	97.067	2019	-	13,943	13,943
Homeland Security Grant Program	97.067	2020	-	47,083	47,083
Homeland Security Grant Program	97.067	2021	-	124,345	124,345
			-	<u>185,371</u>	<u>185,371</u>
<b>Total U.S. Department of Homeland Security</b>			-	<u>185,371</u>	<u>185,371</u>
<b>U.S. Department of Treasury</b>					
COVID-19 - American Rescue Plan Act (ARPA)	21.027	N/A	3,703,333	5,560,646	5,560,646
			-	<u>5,560,646</u>	<u>5,560,646</u>
<b>Total U.S. Department of Treasury</b>			-	<u>5,560,646</u>	<u>5,560,646</u>
<b>U.S. Department of Health and Human Services</b>					
Pass through from Maine Department of Health and Human Services					
Medication Assisted Treatment	93.279	OSA-23-3019	-	113,762	113,762
			-	<u>113,762</u>	<u>113,762</u>
<b>Total U.S. Department of Health and Human Services</b>			-	<u>113,762</u>	<u>113,762</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>5,645,304</u>	<u>8,228,730</u>	<u>8,228,730</u>

See notes to financial statements

THE COUNTY OF PENOBSCOT, MAINE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2023

**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, 2023. 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 County 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 County's has not elected to use the 10% De Minimis Cost rate for the year ended December 31, 2023.

**5. FILING DEADLINE**

The County'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.

THE COUNTY OF PENOBSCOT, MAINE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (cont'd.)

YEAR ENDED DECEMBER 31, 2023

7. PASS-THROUGH AWARDS

The County has passed the following awards through to subrecipients:

<u>Program</u>	<u>Subrecipient</u>	<u>Amount</u>
WIOA Adult	Eastern Maine Development Corporation	326,032
WIOA Youth	Eastern Maine Development Corporation	533,867
WIOA Dislocated Worker	Eastern Maine Development Corporation	221,623
WIOA Quest	Eastern Maine Development Corporation	281,265
Career DWG	Eastern Maine Development Corporation	198,760
NDWG – Opioid	Eastern Maine Development Corporation	<u>98,436</u>
Subtotal		<u>1,659,983</u>
WIOA Adult	Aroostook County Action Program	56,229
WIOA Youth	Aroostook County Action Program	71,901
WIOA Dislocated Worker	Aroostook County Action Program	33,057
NDWG-Opioid	Aroostook County Action Program	<u>120,801</u>
Subtotal		<u>281,988</u>
Coronavirus State and Local Fiscal Recovery Funds	Various	<u>3,703,333</u>
Total Passed Through to Subrecipients		<u>5,645,304</u>

THE COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2023

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:

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	<b>Adverse</b>
Governmental Fund – General Fund	<b>Unmodified</b>
Governmental Fund – Jail Fund	<b>Unmodified</b>
Governmental Fund – Grants Fund	<b>Unmodified</b>
Governmental Fund – PRCC Bond	<b>Unmodified</b>
Aggregate Remaining Fund Information	<b>Unmodified</b>

Internal control over financial reporting:

- |  |            |
|--|------------|
| • Material weakness(es) identified       | <b>Yes</b> |
| • Significant deficiency(ies) identified | <b>No</b>  |

Noncompliance material to financial statements noted?	<b>No</b>
---	-----------

*Federal Awards*

Internal control over major programs:

- |  |           |
|--|-----------|
| • Material weakness(es) identified       | <b>No</b> |
| • Significant deficiency(ies) identified | <b>No</b> |

Type of auditor's report issued on compliance for major programs:	<b>Unmodified</b>
---	-------------------

- |  |            |
|--|------------|
| • Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a) of the Uniform Guidance? | <b>Yes</b> |
|--|------------|

*Identification of major programs:*

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

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

Auditee qualified as low-risk auditee?	<b>No</b>
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THE COUNTY OF PENOBSCOT, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

**2023-001** 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 15<sup>th</sup> 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 is a repeat finding from the year ended December 31, 2022.

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

**2023-002** Material Weakness – Bookkeeping

Condition: Controls are not in place to ensure that all general ledger accounts are properly reconciled.

Criteria and effect: It is essential to have a system in place to record all general ledger activity as it occurs. Lack of controls may cause assets to be unrecorded 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 general ledger activity as they occur. Management should review all financial activity on a monthly basis to ensure proper recording and financial reporting.

Repeat finding: This finding as a repeat finding from the year ended December 31, 2022.

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

THE COUNTY OF PENOBSCOT, MAINE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2023-003** 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 two 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, 2022.

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

**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 boo; 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 15<sup>th</sup> of each month. Upon completion, the reconciliations should be reviewed and approved by the supervisor of the individual performing the reconciliations.

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

THE COUNTY OF PENOBSCOT, MAINE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2023

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

**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.

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

**2022-003** Other Matter – Other compliance requirements

Condition: Timely filing

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

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

THE COUNTY OF PENOBSCOT, MAINE

CORRECTIVE ACTION PLAN

YEAR ENDED DECEMBER 31, 2023

FINANCIAL STATEMENT FINDINGS

**2023-001 Material Weakness**

Name of contact person: Blair Tinkham, 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, 2023.

**2023-002 Material Weakness**

Name of contact person: Blair Tinkham, 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, 2023.

FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

**2023-003 Other Matter**

Name of contact person: Blair Tinkham, 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 will be implemented as soon as possible.

ADDITIONAL REPORTS

1  
2  
3  
4  
5



Chester M. Kearney  
Certified Public Accountants

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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, 2023, 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 February 4, 2026.

***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 2023-001 and 2023-002 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 2023-003.

### ***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  
February 4, 2026



Chester M. Kearney

Certified Public Accountants

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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, 2023. 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, 2023.

***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 2023-003. 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***

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.

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

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

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  
February 4, 2026