

Federal Compliance Audit

County of Cumberland, Maine

December 31, 2009



*Proven Expertise and Integrity*

COUNTY OF CUMBERLAND, MAINE

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DECEMBER 31, 2009

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## INDEPENDENT AUDITORS' REPORT

February 19, 2010

Board of Commissioners  
County of Cumberland  
Portland, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Cumberland, Maine, as of and for the year ended December 31, 2009, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Cumberland, Maine as of December 31, 2009, and the respective changes in financial position for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2010 on our consideration of County of Cumberland, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering our audit.

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

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

*RHR Smith & Company*

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2009**

**(UNAUDITED)**

The following management's discussion and analysis of the County of Cumberland, Maine's financial performance provides an overview of the County's financial activities for the fiscal year ended December 31, 2009. Please read it in conjunction with the County's financial statements.

**Financial Statement Overview**

The County of Cumberland'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, and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above mentioned financial statements include a column for the governmental activities.

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the County's basic services are reported in governmental activities, which include superior court, emergency management agency, district attorney, register of deeds, register of probate, the jail and sheriff's department.

### **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 Cumberland, 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 Cumberland are either governmental or 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 needs of the County.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 Cumberland presents six columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The County has five major governmental funds: the general fund, capital improvements, radio upgrade, jail fund and accrued compensated absences. All other funds are shown as nonmajor and are combined in the "Other Governmental 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 Cumberland. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

### **Notes to the Financial Statements**

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

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a schedule of Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

### **Other Supplementary Information**

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

## Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the County's governmental activities. The County's total net assets increased by \$1,363,906 from \$29.9 million to \$31.2 million or a 4.56% increase.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by \$5,988 from \$3,977,228 to a balance of \$3,983,216 at the end of this year.

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

Assets:	2009	2008
Current and other assets	\$ 12,073,749	\$ 12,044,439
Capital Assets	28,592,506	29,375,937
Total Assets	\$ 40,666,255	\$ 41,420,376
Liabilities:		
Current Liabilities	\$ 3,989,924	\$ 4,087,271
Long-term Debt Outstanding	5,434,164	7,454,844
Total Liabilities	\$ 9,424,088	\$ 11,542,115
Net Assets:		
Invested in Capital Assets, Net of related Debt	\$ 22,872,506	\$ 21,580,937
Restricted for: Special revenues	3,447,877	3,612,431
Capital projects	926,345	695,664
Expendable trust funds	12,223	12,001
Unrestricted Net Assets	3,983,216	3,977,228
Total Net Assets	\$ 31,242,167	\$ 29,878,261

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

	<u>2009</u>	<u>2008</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 7,786,535	\$ 9,024,872
Operating grants and contributions	5,756,866	3,373,044
General revenues:		
Taxes	22,186,887	21,613,749
Grants and contributions not restricted to specific programs	296,681	505,201
Miscellaneous	2,359,544	883,779
<b>Total Revenues</b>	<u>38,386,513</u>	<u>35,400,645</u>
<b>Expenses</b>		
Executive Department	698,015	581,491
Treasurer	34,488	33,974
Finance	347,722	311,394
Register of Deeds	978,258	1,493,808
Register of Probate	467,657	502,726
Emergency Management	2,582,318	1,553,306
Sheriff - County Services	6,634,154	5,510,550
Sheriff - Reimbursable Services	478,307	1,236,470
Jail	17,605,778	16,451,193
District Attorney	1,290,481	1,311,023
Human Resources	239,347	243,813
Facilities	1,474,854	2,186,045
Management System	517,430	386,392
Agency Grants	101,931	330,565
Parking Garage	164,598	160,319
Communications	1,069,399	935,109
Civic Center Debt Allocation	206,616	161,975
Contingency	-	-
Other	361,897	403,243
Interest on Long-Term Debt	459,938	481,405
Capital Expenditures	1,040,493	712,773
Depreciation Expense	268,926	264,960
<b>Total Expenses</b>	<u>37,022,607</u>	<u>35,252,534</u>
<b>Change in Net Assets</b>	1,363,906	148,111
<b>Net Assets - January 1</b>	<u>29,878,261</u>	<u>29,730,150</u>
<b>Net Assets - December 31</b>	<u>\$ 31,242,167</u>	<u>\$ 29,878,261</u>

### Revenues and Expenses

Revenues for the County's governmental activities increased by 8.43%, while total expenses increased by over 5.02%. To cover the anticipated rise in the level of expenditures, the County raised the property tax revenue by 2.65% which accounted for \$573,138 in additional revenues over the past fiscal year.

## 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, unreserved 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 Cumberland, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	<b>2009</b>	<b>2008</b>
Major Funds:		
General Fund:		
Unreserved		
Designated	\$ 350,000	\$ 400,000
Undesignated	4,052,852	3,893,805
Total General Fund	4,402,852	4,293,805
Capital Improvements	926,345	695,664
Radio Upgrade	749,997	1,560,212
Jail Fund	463,618	(20,458)
Total Other Major Funds	2,139,960	2,235,418
 Total Major Funds	\$ 6,542,812	\$ 6,529,223
 Nonmajor Funds:		
Special Revenue funds		
Designated	\$ 2,234,262	\$ 2,052,219
Undesignated	(419,636)	(295,035)
Permanent funds		
Designated	12,223	12,001
Undesignated	-	(1,084)
Total Nonmajor Funds	\$ 1,826,849	\$ 1,768,101

The general fund total fund balance increased by \$109,047 over the prior fiscal year. Major funds total fund balance decreased by 95,458 over the prior fiscal year. The non-major fund balances increased by \$58,748 over the prior fiscal year. Most of the increase in the general fund came as a result of increased grant and operating contributions.

## Budgetary Highlights

The was no significant differences between the original and final budget for the general fund.

The general fund actual revenues we under the budget by \$16,796,796. This was in large part due to the jail revenues and taxes being appropriated to the jail fund.

The general fund actual expenditures were under budget by \$16,905,843. The County's major budget variances for the year ended December 31, 2009 were as follows:

Facilities had a favorable variance of \$116,059

District Attorney had a favorable variance of \$101,697

The Sheriff's Department had a favorable variance of \$394,553

Jail expenses had a favorable variance of \$16,506,896, due to all expenses being appropriated to the jail fund.

### Capital Asset and Long-Term Debt Activity

#### Capital Assets

As of December 31, 2009, the gross book value of capital assets recorded by the County increased by \$205,598 over the prior year. The increase was due to the net change in additions and deletions to vehicles, machinery and equipment.

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

	<u>2009</u>	<u>2008</u>
Land and buildings	\$ 27,495,498	\$ 28,341,426
Equipment and vehicles	<u>1,097,008</u>	<u>1,034,511</u>
Total	<u>\$ 28,592,506</u>	<u>\$ 29,375,937</u>

## **Debt**

At December 31, 2009, the County had \$5.72 million in bonds outstanding versus \$7.80 million last year, a decrease of 26.62%, as shown in Note 5 of the financial statements.

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

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

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

The adopted FY 2009 budget totals \$32,141,848. This represents a 2.65% tax increase, with 2.46% from the departmental expenditure increases, -12.5% from reducing the tax stabilization fund, and a -3.05% reduction in the estimated revenues. This does not include enterprise funds and grants, which account for another \$3.9 million for a total of \$36,095,180.

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

The executive summary consists of an introduction to the Cumberland County departments and their FY2009 requests, with a summary of the major changes to the 2008 budget. In addition, there is an explanation of the county's financial plan and 2009 tax increase.

#### **County Departments – Functions and 2009 Requests**

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

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

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

Emergency Communications – In recent years two milestone events have occurred that have positioned the Cumberland County Regional Communications Center as an increasingly successful provider of emergency communications services to the county's municipalities. First, in 2004 a nationally respected firm called Kimball & Associates was hired by the County with municipal involvement to conduct an independent analysis to review and determine the fee that the County should be charging to municipalities for emergency communications services. Secondly, in 2007 an expanded center was constructed utilizing capital reserve funds which were derived from non-tax revenues generated by the Registry of Deeds. There is no outstanding debt on the expanded facility, which can house up to over twenty work stations when it is fully built out. The CCRCC provides both emergency and non-emergency dispatching service for many public safety agencies within Cumberland County and serves as the Public Safety Answering Point (PSAP) for 18 of the 28 communities within the County. **Key Budget Issue:** Going forward the number one budget issue facing the County is how to fit up the remainder of the facility for future utilization should some of the larger communities want to join the Center.

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

Executive Department - The Executive Department is headed by the county manager. As prescribed under Title 30-A of the State Statutes, the county manager works under the direction of the Commissioners to oversee the implementation of county policy and the day-to-day administration of county operations, including development of the annual county budget. This department works closely with the commissioners and department heads, as well as the state, municipalities and other outside organizations. **Key Budget Issues:** In 2009, the Executive Department will work with the county's strategic plan consultant to continue implementation of the 2006-2010 Cumberland County Strategic Plan. In addition, the department will continue to ensure that the County has a presence at the State House on legislative matters that are important to the region and to Cumberland County Government.

Facilities - The Facilities Department is responsible for the physical operations of the County's seven buildings, including the jail. **Key Budget Issues:** The budget will complete the upgrade of master control sub panels, as well as the ongoing maintenance necessary to maintain over 1000 electronic doors, 657 toilets and sinks. In addition, there are a number of capital projects, which the facilities director will be overseeing in 2009, ranging from the development of a new primary access road for the Cumberland County Correctional Facility to a renovation project involving the Cumberland County Courthouse Building.

Finance -The Department of Finance is responsible for managing the fiscal affairs of the county including preparation of the budget, managing payroll, and providing fiscal analysis of revenue and expenditure trends. **Key Budget Issues:** Among the issues that will be worked on by the Finance Office in 2009 will be continued improvements to the County's purchasing procedures, financial analysis of contracts with communities for services like dispatch/911 and police.

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

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

Registry of Deeds - The Deeds office serves the public by recording documents such as mortgages, deeds, liens, and mapping plans. **Key Budget Issues:** In keeping with the Five Year Strategic Plan adopted in 2001 the registry has completed the process of using scanning to store documents for research. In 2009, access through the internet will be evaluated and re-assessed for its effectiveness.

Registry of Probate - This department operates the Probate Court, which includes proceedings such as adoptions, guardian petitions, wills, and name changes. **Key Budget Issues:** In 2009, the Register of Probate will continue to implement new efficiencies to increase the effectiveness of the probate activities. The Cumberland County Registry files about 25% of the wills, trusts, adoptions, and name changes in the State of Maine.

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

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

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

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

- Ø Tax Stabilization Fund: For the past few years the county has been drawing down the annual amount of its tax stabilization fund to assure an adequate fund balance. In the 2009 budget the Board of Commissioners continued this prudent fiscal management by reducing the TSF another \$50,000 resulting in an increased expenditure of \$350,000.
- Ø Jail Expenditures: As of late 2008, the State of Maine passed LD 2080 which took over the financial responsibility of the Jails in the State of Maine. The Cumberland County expenses for the jail were "Capped" and any future increases in operational expense is the responsibility of the State of Maine.
- Ø Decreased Funding for Human Service Agencies and Organizations: With the adoption of the 2009 budget the Commissioners approved flat funding for the human service agencies. It has been difficult to maintain this level of funding, but the commissioners feel it is an important facet of Cumberland County Government.

### **Financial Plan**

The County's financial plan for 2009 is based on two objectives: (1) an increase in taxes, and (2) maintaining a balanced budget. The County Manager has established policies to assist departments in constructing their budgets to accomplish these financial goals. Each aspect of the County's financial plan is detailed below.

### **Tax increase**

The County Commissioners entered the FY 2009 budget process committed to presenting a budget to the citizens of Cumberland County that will accomplish the above mentioned objectives by maintaining efficient, effective services and meeting the mandates of the state. The total adopted expenditures increased by 2.46%, with an overall tax increase of 2.65% due to anticipated nontax revenues, and a tax subsidy from the general fund.

## **Fund balance**

The county's financial department, in collaboration with the county manager, deputy county manager, and County Commissioners, continues to monitor all issues that are pertinent to the financial health of Cumberland County Government. A very important goal of the County is to have a fund balance, which provides an adequate buffer against economic downturns. The Maine statutes give the County Commissioners the authority to commit 20% (as a % of the tax assessment) to the undesignated fund balance. The exact amount of the reserve will be determined after the year-end audit to allow all county commitments to be met before funds are allocated to the reserves.

## **Balanced budget**

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

## **Policy and Guidance**

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

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

## **Estimated Fund Changes for 2009-Actual Amounts**

The County's General Fund revenues were higher than expenditures in FY 2009 by \$109,047. The Special Revenue Fund and Fiduciary Fund and Capital Projects Fund ended 2009 with balances that reflected a nominal increase. The following table presents a summary of the county's changes in general fund balances for FY 2009, and a more detailed summary follows in the body of the budget document.

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

Fund Balances	Amount
Beginning Fund Balance 1/1/09	\$ 4,293,805
Revenues:	
Taxes	10,611,285
Intergovernmental	439,349
Charges for Services	3,923,321
Miscellaneous Revenues	371,097
Expenditures:	
Departmental	11,713,262
Debt Service	2,534,938
Benefits/Termination Pay	-
Other	496,211
Transfers	<u>491,594</u>
Ending Fund Balance 12/31/09	<u><u>\$ 4,402,852</u></u>

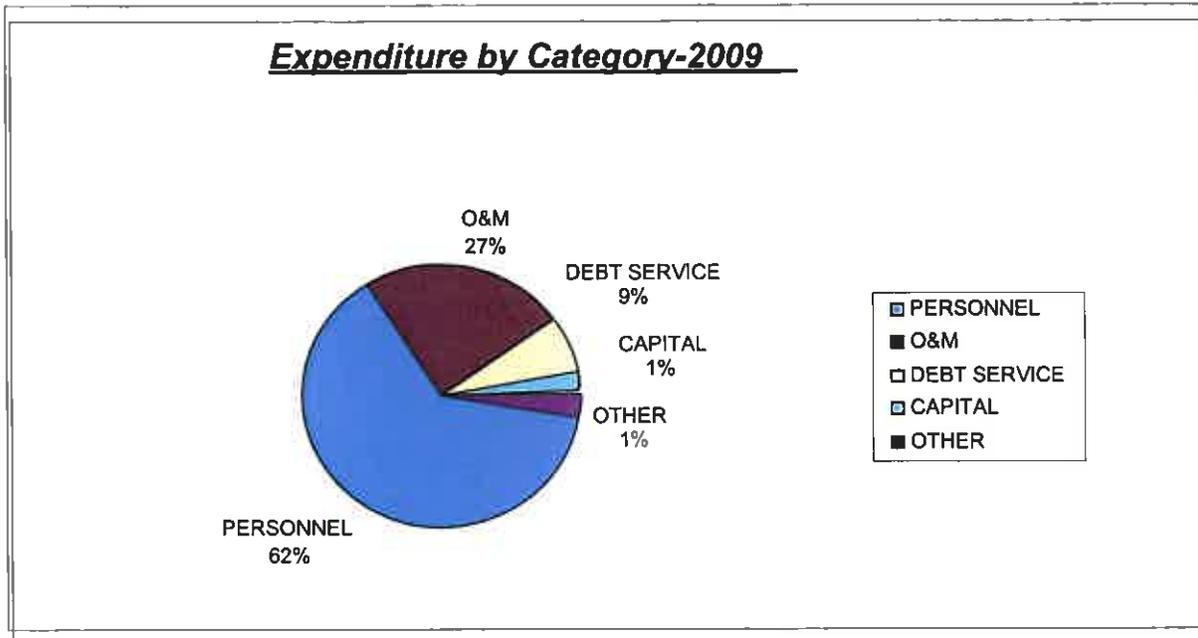
The Beginning and Ending Balance Summary reflects the county's financial position at the beginning and end of 2009. The county's reserves have decreased as revenues from refinancing and the purchasing of new homes have reduced Deeds revenue.

**Budget Expenditures by Object**

General Fund Budget expenditures totaled \$32,141,848 for 2009, which represent an 1.18% expenditure increase over 2008 budgeted levels. Dividing the General Fund expenditures by object shows an allocation of 63% to Personnel, 24% to Operations and Maintenance, 9% to Debt Service, 1% to Capital and 3% to Other miscellaneous expenses.

The increase in "Personnel" costs is attributable to a combination of employee benefit costs, and the inclusion of figures for the cost of the collective bargaining agreements with the County's Four bargaining units. The "Operations & Maintenance" expenses also increased, with a slight decrease in the "Capital Expenditures" reflecting a very conservative use of county resources. Human Services was flat lined after much debate, and Grant funds were also adjusted. "Debt Service" decreased based on bond rate structures, and this trend is expected to continue as Cumberland County retires debt each year. The Jail Bond was refinanced in 2003, saving over \$1 million dollars during the balance of the term. Appropriations in the "Other" accounts experienced a decrease in 2009.

The chart below graphically depicts budget expenditures by object:



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

<u>Objects</u>	<u>FY 2009</u>	<u>Percent</u>	<u>FY 2008</u>	<u>Percent</u>
Personnel	\$ 19,338,596	61.98%	\$ 19,740,073	63.27%
Operations & Maintenance	8,432,897	27.03%	7,588,708	24.32%
Debt Service	2,741,554	8.79%	2,719,359	8.72%
Capital	283,995	0.91%	324,051	1.04%
Other	402,762	1.29%	825,792	2.65%
Totals	\$ 31,199,804	100.00%	\$ 31,197,983	100.00%

**Carry Forward Accounts**

There are no authorized carry forward accounts into FY 2009.

**Projected revenues 2009**

The budget adopted by the County Commissioners for 2009 shows an estimated amount of \$9,604,963 in non-tax revenues. All revenues are accurately, but conservatively estimated based on performance over the past 12 months and input from the various departments. The following table lists non-tax revenues by department, percent, and total:

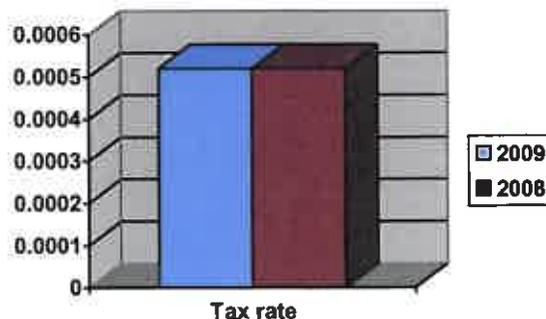
Sheriff	44.1 \$	4,237,500
Registry of Deeds	29.8 \$	2,866,920
Treasurer	1.2 \$	100,000
Registry of Probate	4.9 \$	473,900
Executive (Garage)	3.9 \$	375,300
Other	16.1 \$	1,551,343
<b>Total 2009 Revenue</b>	<b>100.0 \$</b>	<b>9,604,963</b>

### Tax rate

The County has no role in assessing citizens for taxes directly. County taxes are levied by each municipality. The county tax rate is based on the Certified State Valuation of each municipality. The County proportions necessary taxes to municipalities based on their assessed value. The tax rate for 2008 was 0.0005200882 per dollar of valuation and the 2009 tax rate has been set at 0.0005292875 per dollar of valuation, based on the State Certified Valuation. Therefore, a person with property in Cumberland County valued at \$200,000 paid \$104.01 in taxes in the year 2008 to the County compared to the \$105.85 they will pay in 2009

For example, the owner of a \$200,000 house in 2008 paid \$104.01 in county tax. In 2008, the valuation of the same property would increase approximately .87%, resulting in a new valuation of \$201,740 for a tax of \$105.85, or a net county tax increase of \$1.84 dollars in 2009.

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



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

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Finance Department at 36 County Way, Portland, Maine 04102.

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 8,835,823
Investments	1,886,715
Accounts receivable (net of allowance for uncollectibles)	15,349
Due from other governments	1,333,162
Prepaid expenses	2,700
Total current assets	<u>12,073,749</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	4,651,690
Buildings and equipment, net of accumulated depreciation	23,940,816
Total noncurrent assets	<u>28,592,506</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 40,666,255</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 1,343,987
Accrued payroll	24,000
Unearned revenue	397,518
Other liabilities	139,419
Current portion of long-term obligations	2,085,000
Total current liabilities	<u>3,989,924</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	3,635,000
Accrued compensated absences	1,799,164
Total noncurrent liabilities	<u>5,434,164</u>
<b>TOTAL LIABILITIES</b>	<u>9,424,088</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	22,872,506
Restricted for:	
Special revenues	3,447,877
Capital projects	926,345
Expendable trust funds	12,223
Unrestricted	3,983,216
<b>TOTAL NET ASSETS</b>	<u>31,242,167</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 40,666,255</u></u>

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

STATEMENT B

COUNTY OF CUMBERLAND, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2009

Functions/Programs	Program Revenues			Capital Grants & Contributions		Net (Expense) Revenue & Changes in Net Assets
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total	
Governmental activities						
Executive Department	\$ 698,015	\$ -	\$ -	\$ -	\$ (698,015)	
Treasurer	34,488	-	-	-	(34,488)	
Finance	347,722	-	-	-	(347,722)	
Register of Deeds	978,258	2,709,426	-	-	1,731,168	
Register of Probate	467,657	465,637	-	-	(2,020)	
Emergency Management	2,582,318	-	674,476	-	(1,907,842)	
Sheriff - County Services	6,634,154	296,661	2,983,748	-	(3,353,745)	
Sheriff - Reimbursable Services	478,307	-	-	-	(478,307)	
Jail	17,605,778	3,863,214	2,098,642	-	(11,643,922)	
District Attorney	1,290,481	-	-	-	(1,290,481)	
Human Resources	239,347	-	-	-	(239,347)	
Facilities	1,474,854	-	-	-	(1,474,854)	
Management System	517,430	-	-	-	(517,430)	
Agency Grants	101,931	-	-	-	(101,931)	
Parking Garage	164,598	451,597	-	-	286,999	
Communications	1,069,399	-	-	-	(1,069,399)	
Civic Center Debt Allocation	206,616	-	-	-	(206,616)	
Contingency	-	-	-	-	-	
Other	361,897	-	-	-	(361,897)	
Capital Expenditures	1,040,493	-	-	-	(1,040,493)	
Unallocated Depreciation Expense	268,926	-	-	-	(268,926)	
Interest on Long-Term Debt	459,938	-	-	-	(459,938)	
	<u>37,022,607</u>	<u>7,786,535</u>	<u>5,756,866</u>	<u>-</u>	<u>(23,479,206)</u>	

STATEMENT B (CONTINUED)  
COUNTY OF CUMBERLAND, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(23,479,206)</u>
General revenue:	
Taxes:	
Property taxes, levied for general purposes	22,186,887
Grants and contributions not restricted to specific programs	296,681
Miscellaneous	<u>2,359,544</u>
Total general revenue	<u>24,843,112</u>
Change in net assets	1,363,906
NET ASSETS - JANUARY 1, 2009	<u>29,878,261</u>
NET ASSETS - DECEMBER 31, 2009	<u><u>\$ 31,242,167</u></u>

See accompanying independent auditors' report and notes to financial statements

STATEMENT C

COUNTY OF CUMBERLAND, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	General Fund	Capital Improvements	Radio Upgrade	Jail Fund	Accrued Compensated Absences	Other Governmental Funds	Totals Governmental Funds
<b>ASSETS</b>							
Cash	\$ 8,835,323	\$ -	\$ -	500	\$ -	\$ -	\$ 8,835,823
Investments	-	624,394	-	-	-	1,262,321	1,886,715
Accounts receivables (net of allowance for uncollectibles)	-	-	-	-	-	15,349	15,349
Due from other governments	130,086	-	-	1,203,076	-	-	1,333,162
Due from other funds	408,163	323,896	754,800	216,664	958,347	983,365	3,645,235
Prepaid expenses	2,700	-	-	-	-	-	2,700
<b>TOTAL ASSETS</b>	<b>\$ 9,376,272</b>	<b>\$ 948,290</b>	<b>\$ 754,800</b>	<b>\$ 1,420,240</b>	<b>\$ 958,347</b>	<b>\$ 2,261,035</b>	<b>\$ 15,718,984</b>
<b>LIABILITIES AND FUND EQUITY</b>							
Liabilities							
Accounts payable	\$ 1,175,411	\$ 21,945	\$ 4,803	\$ 115,805	\$ -	\$ 26,023	\$ 1,343,987
Accrued payroll	24,000	-	-	-	-	-	24,000
Due to other funds	3,237,072	-	-	-	-	408,163	3,645,235
Unearned revenue	397,518	-	-	-	-	-	397,518
Accrued compensated absences	-	-	-	840,817	958,347	-	1,799,164
Other liabilities	139,419	-	-	-	-	-	139,419
<b>TOTAL LIABILITIES</b>	<b>4,973,420</b>	<b>21,945</b>	<b>4,803</b>	<b>956,622</b>	<b>958,347</b>	<b>434,186</b>	<b>7,349,323</b>
Fund Equity							
Reserved, reported in:							
Special revenue funds:							
Capital project funds	-	-	749,997	463,618	-	2,234,262	3,447,877
Permanent funds	-	926,345	-	-	-	-	926,345
Unreserved, reported in:							
General fund:							
Designated	350,000	-	-	-	-	-	350,000
Undesignated	4,052,852	-	-	-	-	-	4,052,852
Special revenue funds:							
Undesignated	-	-	-	-	-	(419,636)	(419,636)
<b>TOTAL FUND EQUITY</b>	<b>4,402,852</b>	<b>926,345</b>	<b>749,997</b>	<b>463,618</b>	<b>-</b>	<b>1,826,849</b>	<b>8,369,661</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 9,376,272</b>	<b>\$ 948,290</b>	<b>\$ 754,800</b>	<b>\$ 1,420,240</b>	<b>\$ 958,347</b>	<b>\$ 2,261,035</b>	<b>\$ 15,718,984</b>

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

## COUNTY OF CUMBERLAND, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2009

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 8,369,661
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	28,592,506
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	<u>(5,720,000)</u>
 Net assets of governmental activities	 <u><u>\$ 31,242,167</u></u>

See accompanying independent auditors' report and notes to financial statements

STATEMENT E

COUNTY OF CUMBERLAND, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Fund	Capital Improvements	Radio Upgrade	Jail Fund	Accrued Compensated Absences	Other Governmental Funds	Totals Governmental Funds
<b>REVENUES</b>							
Taxes	\$ 10,611,285	\$ -	\$ -	\$ 11,575,602	\$ -	\$ -	\$ 22,186,887
Intergovernmental revenues	439,349	-	-	1,500,653	-	4,113,545	6,053,547
Charges for services	3,923,321	-	-	3,863,214	-	-	7,786,535
Miscellaneous revenues	371,097	2,726	-	-	-	1,985,721	2,359,544
<b>TOTAL REVENUES</b>	<b>15,345,052</b>	<b>2,726</b>	<b>-</b>	<b>16,939,469</b>	<b>-</b>	<b>6,099,266</b>	<b>38,386,513</b>
<b>EXPENDITURES</b>							
Executive Department	693,394	-	-	-	-	-	693,394
Treasurer	34,488	-	-	-	-	-	34,488
Finance	339,595	-	-	-	-	-	339,595
Register of Deeds	784,412	-	-	-	-	194,924	979,336
Register of Probate	465,435	-	-	-	-	-	465,435
Emergency Management	338,476	-	-	-	-	2,240,079	2,578,555
Sheriff - County Services	4,396,557	-	-	-	-	2,942,832	7,339,389
Jail	-	-	-	16,455,393	-	521,811	16,977,204
District Attorney	1,283,653	-	-	-	-	-	1,283,653
Human Resources	239,347	-	-	-	-	-	239,347
Facilities	1,464,808	-	-	-	-	-	1,464,808
Management System	520,350	-	-	-	-	-	520,350
Agency Grants	101,931	-	-	-	-	-	101,931
Parking Garage	83,348	-	-	-	-	-	83,348
Communications	1,069,399	-	-	-	-	-	1,069,399
Civic Center Debt Allocation	206,616	-	-	-	-	-	206,616
Debt service:							
Principal	2,075,000	-	-	-	-	-	2,075,000
Interest	459,938	-	-	-	-	-	459,938
Capital Expenditures	-	97,045	810,215	-	-	133,233	1,040,493
Other	187,664	-	-	-	166,594	7,639	361,897
<b>TOTAL EXPENDITURES</b>	<b>14,744,411</b>	<b>97,045</b>	<b>810,215</b>	<b>16,455,393</b>	<b>166,594</b>	<b>6,040,518</b>	<b>38,314,176</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>600,641</b>	<b>(94,319)</b>	<b>(810,215)</b>	<b>484,076</b>	<b>(166,594)</b>	<b>58,748</b>	<b>72,337</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	325,000	-	-	166,594	-	491,594
Transfers out	(491,594)	-	-	-	-	-	(491,594)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(491,594)</b>	<b>325,000</b>	<b>-</b>	<b>-</b>	<b>166,594</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>109,047</b>	<b>230,681</b>	<b>(810,215)</b>	<b>484,076</b>	<b>-</b>	<b>58,748</b>	<b>72,337</b>
<b>FUND BALANCES - JANUARY 1</b>	<b>4,293,805</b>	<b>695,664</b>	<b>1,560,212</b>	<b>(20,458)</b>	<b>-</b>	<b>1,768,101</b>	<b>8,297,324</b>
<b>FUND BALANCES - DECEMBER 31</b>	<b>\$ 4,402,852</b>	<b>\$ 926,345</b>	<b>\$ 749,997</b>	<b>\$ 463,618</b>	<b>\$ -</b>	<b>\$ 1,826,849</b>	<b>\$ 8,369,661</b>

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

## COUNTY OF CUMBERLAND, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED DECEMBER 31, 2009

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 72,337</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset purchases capitalized	486,677
Capital asset deletions	-
Depreciation expense	<u>(1,270,108)</u>
	<u>(783,431)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	
	<u>2,075,000</u>
Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Assets.	
	<u>-</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 1,363,906</u></u>

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

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS  
DECEMBER 31, 2009

	Private- Purpose Trusts	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Current assets:		
Cash	\$ -	\$ 70,254
Investments	3,060,632	186,415
Due from other funds	-	-
	<u>3,060,632</u>	<u>256,669</u>
<b>TOTAL ASSETS</b>	<u>\$ 3,060,632</u>	<u>\$ 256,669</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ -	\$ 4,419
Due to other funds	-	-
Deposits held for others	-	252,250
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>256,669</u>
<b>NET ASSETS</b>		
Held in trust for special purposes	<u>3,060,632</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 3,060,632</u>	<u>\$ 256,669</u>

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

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS – FIDUCIARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	<u>Private- Purpose Trusts</u>
ADDITIONS	
Contributions	\$    425,933
Net increase (decrease) in the fair value of investments	508,851
Total additions	<u>934,784</u>
DEDUCTIONS	
Investment expenses	-
Withdrawals	241,784
Total deductions	<u>241,784</u>
Change in net assets	693,000
NET ASSETS - JANUARY 1	<u>2,367,632</u>
NET ASSETS - DECEMBER 31	<u>\$    3,060,632</u>

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The County of Cumberland was incorporated under the laws of the State of Maine. The County operates under the Board of Commissioners – County manager form of government and provides the following services: law enforcement, corrections, registers of deeds and probate, emergency management, airport maintenance and administration.

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

The County's combined financial statements include all accounts and all operations of the County. We have determined that the County has no component units as described in GASB Statement No. 14 and amended by GASB 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 either governmental or business-type. All activities of the County are categorized as governmental.

In the government-wide Statement of Net Assets, the governmental activity column is (a) presented on a consolidated basis by column, and (b) is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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 (district attorney, register of deeds, jail, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

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

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

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

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

The following fund types are used by the County:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the County:

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support County programs. The reporting focus is on net assets and changes in net assets and the funds are 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 agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements. The fiduciary funds are for the Registers of Probate and Deeds, the Jail Trustee account and Inmate Personal account.

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

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

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

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

1. Early in the second half of the year the County prepares a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the County was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the County.
4. The County does not adopt budgets for Special Revenue 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.

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 Cumberland has no formal investment policy but instead follows the State of Maine Statutes.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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**

Interfund balances and transactions have been eliminated in the government-wide financial statements.

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts for the receivables is estimated to be \$0 as of December 31, 2009.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. 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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or 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 reported as expenditures.

**Compensated Absences**

The County's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as 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.

**Reserves**

The County records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserves listed in the balance sheet and statement of net assets. It is the County's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets 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 assets are 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.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The County's property tax for the current year was voted on December 18, 2008 on the assessed value listed as of April 1, 2008, for all real and personal property located in the County. Property taxes were to be paid in one installment with tax due date of September 1, 2008. Interest will begin accruing at rate of 8.00% after 60 days from the due date.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. All property taxes were collected prior to December 31, 2009.

**Program Revenues**

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

**Encumbrance Accounting**

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

**Use of Estimates**

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 2 - CASH AND INVESTMENTS

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

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The County does not have a policy covering custodial credit risk.

At December 31, 2009, the County's had deposits amounting to \$9,487,285 of which all were insured by federal depository insurance or collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 383,050
Savings accounts	6,586,262
Money Market	2,517,973
	<u>\$ 9,487,285</u>

At December 31, 2009, the County's investments were comprised of \$4,929,670 which were insured or collateralized with securities held by the financial institution in the County's name and consequently was not exposed to custodial credit risk.

<u>Investment Type</u>	<u>Fair Value</u>
Mutual Funds/Stocks	\$ 3,060,632
Banking Investments	1,869,038
	<u>\$ 4,929,670</u>

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

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

Interfund balances at December 31, 2009 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
Major funds:		
General fund	\$ 408,163	\$ 3,237,072
Capital Improvements	323,896	-
Radio upgrade	754,800	-
Jail fund	216,664	-
Accrued Compensated Absences	958,347	-
Nonmajor funds:		
Special revenue funds	971,142	408,163
Permanent funds	12,223	-
	983,365	408,163
	<u>\$ 3,645,235</u>	<u>\$ 3,645,235</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 4 - CAPITAL ASSETS

	Balance, 1/1/09	Additions	Disposals	Balance, 12/31/09
Governmental activities				
Non-depreciated assets:				
Land	\$ 4,651,690	\$ -	\$ -	\$ 4,651,690
Totals	<u>4,651,690</u>	<u>-</u>	<u>-</u>	<u>4,651,690</u>
Depreciated assets:				
Buildings	40,062,804	130,000	-	40,192,804
Land improvements	53,000	-	-	53,000
Machinery & equipment	1,376,248	78,513	(47,139)	1,407,622
Vehicles	2,346,591	278,164	(135,100)	2,489,655
	<u>43,838,643</u>	<u>486,677</u>	<u>(182,239)</u>	<u>44,143,081</u>
Less accumulated depreciation:				
Buildings	(16,397,802)	(972,394)	-	(17,370,196)
Land improvements	(28,266)	(3,534)	-	(31,800)
Machinery & equipment	(1,026,744)	(116,960)	47,139	(1,096,565)
Vehicles	(1,661,584)	(177,220)	135,100	(1,703,704)
	<u>(19,114,396)</u>	<u>(1,270,108)</u>	<u>182,239</u>	<u>(20,202,265)</u>
Sub-total	<u>24,724,247</u>	<u>(783,431)</u>	<u>-</u>	<u>23,940,816</u>
Net capital assets	<u>\$ 29,375,937</u>	<u>\$ (783,431)</u>	<u>\$ -</u>	<u>\$ 28,592,506</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

Communications	\$ 37,078
EMA	5,939
Administration	3,752
General Courthouse	212,540
DA	15,154
Executive	1,069
Facilities	10,046
Probate	2,222
Treasury	-
Education - Jail	764
Food service - Jail	14,451
Inmate education - Jail	2,900
Intake - Jail	630
General - Jail	608,722
Business	-
CID	2,704
Civil	3,533
Finance	2,624
MIS	7,309
Sheriff	203,293
Sub-Station	382
Deeds	446
Parking Garage	81,250
County-Wide	53,300
Total depreciation expense	<u>\$ 1,270,108</u>

NOTE 5 - LONG-TERM DEBT

The General Fund of the County is used to pay for all long-term debt. A summary of long-term debt is as follows:

	Balance, 1/1/09	Additions	Deletions	Balance, 12/31/09	Current Year
Bonds payable	\$ 7,795,000	\$ -	\$ (2,075,000)	\$ 5,720,000	\$ 2,085,000
Accrued compensated absences	1,734,844	-	64,320	1,799,164	-
Totals	<u>\$ 9,529,844</u>	<u>\$ -</u>	<u>\$ (2,010,680)</u>	<u>\$ 7,519,164</u>	<u>\$ 2,085,000</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of bond transactions of the County for the year ended December 31, 2009:

	<u>Balance, 12/31/09</u>	<u>Current Portion</u>
Cumberland County Jail Construction Bonds, bearing interest rates ranging from 2.00% to 5.00%, due in varying annual installments of \$150,000 to \$2,220,000 plus interest through February 1, 2011.	\$ 4,105,000	\$ 2,000,000
Cumberland County Capital Improvement Bonds, bearing interest rates ranging from 4.25% to 5.00%, due in annual installments of \$85,000 plus interest through November 1, 2028.	<u>1,615,000</u>	<u>85,000</u>
	<u>\$ 5,720,000</u>	<u>\$ 2,085,000</u>

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2010	\$ 2,085,000	\$ 230,156	\$ 2,315,156
2011	2,190,000	123,919	2,313,919
2012	85,000	67,681	152,681
2013	85,000	64,069	149,069
2014	85,000	60,456	145,456
2015 - 2019	425,000	205,275	630,275
2020 - 2024	425,000	189,320	614,320
2025 - 2029	340,000	42,500	382,500
	<u>\$ 5,720,000</u>	<u>\$ 983,376</u>	<u>\$ 6,703,376</u>

NOTE 6 – DESIGNATED FOR SUBSEQUENT YEARS' EXPENDITURES

At December 31, 2009, the General Fund balances designated for subsequent years' expenditures consisted of:

2010 Budget Reconciliation	<u>\$ 350,000</u>
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The amounts reported as designated for the special revenue funds are designated for the individual funds to which they correspond.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 7 - PENSION PLAN

A. Plan Description

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

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

B. Funding Policy

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

C. Annual Pension Cost

For 2009, the County's annual pension cost was \$335,697. The annual pension cost was determined as part of the December 31, 2009 actuarial valuations using the entry age actuarial cost method. The actuarial assumptions included (a) an 8% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 5.5% to 6.0% per year, and (c) 3% cost-of-living adjustments. For determining plan cost, assets are valued at "actuarial value". The actuarial value recognized the assumed rate of investment return, plus one-third of the difference between the actual rate and the assumed rate. The amortization method used is the level of percentage of payroll. As of December 31, 2009, the County had an unfunded actuarial accrued liability credit, computed using the actuarial method used for funding purposes of approximately \$347,055. This credit is being used to reduce future

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 7 - PENSION PLAN (CONTINUED)

contributions and is being amortized over a closed period of 18 years from July 1, 1999. The County's actual contribution was \$272,727 after the unfunded actuarial accrued liability credit of \$62,970 was deducted from the annual pension cost.

D. Three-Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 280,118	100.00%	\$ -
12/31/08	250,712	100.00%	-
12/31/09	335,697	100.00%	-

E. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
06/30/06	\$ 1,846,304,483	\$ 1,511,362,184	\$ 334,942,299	1.22	\$ 323,834,104	103.43%
06/30/07	2,001,713,785	1,620,483,839	381,229,946	1.24	342,528,740	111.30%
06/30/08	-	-	-	1.24	-	-

NOTE 8 - DEFERRED COMPENSATION PLAN

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

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

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 9 - RISK MANAGEMENT

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

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

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

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

The County is self-funded regarding unemployment compensation. The County reimburses the State of Maine, who pays the former County employees while unemployed, for all valid unemployment claims. While an amount cannot be determined in advance, the County has paid claims of \$16,984, \$42,018 and \$23,100 in 2009, 2008, and 2007, respectively.

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 10 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended December 31, 2009, have not yet been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The expenditure amounts, if any, which may be disallowed by granting agencies cannot be determined.

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

NOTE 11 - DEFICIT FUND BALANCES

Fifteen of the individual Special Revenue Funds had deficit fund balances as of December 31, 2009. They are as follows:

Courthouse Addition	\$ 34,586
State Projects	45,374
Homeland Security	44,649
Domestic Violence Grant	14,597
Crimes data	19,611
JAG Portland	15,116
Pandemic Flu Planning	25,624
Domestic Violence 06-08	6,507
Hazard Control	58
Program Manager	6,552
CDBG	62,561
GPCOG EMA Planning	932
Domestic Violence 08-11	48,539
Project Connect	10,245
Jail/BOC Capital Improvements	84,685
Totals	<u>\$ 419,636</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 12 - RESTRICTED NET ASSETS

The following net assets have been reserved at December 31, 2009 for the following purposes:

Reserved for grant programs	3,447,877
Reserved for capital projects	926,345
Reserved for expendable trust funds	12,223
	<u>\$ 4,386,445</u>

NOTE 13 – JAIL OPERATIONS

During its 2007 Fiscal Year, the State of Maine enacted legislation known as LD 2080 "An Act to Better Coordinate and Reduce the Cost of the delivery of State and County Correctional Services", located in Public Laws 2007, Chapter 653. This Act has in essence capped what Counties can assess their municipalities for taxes to fund their corrections budgets, and will also establish the annual growth limitations for future corrections expenditures. A Board of Overseers at the State of Maine has been appointed to supervise county correction operations. The Act has raised many accounting and auditing issues regarding both financial and budgetary reporting. It is the position of the County that it has addressed, to the best of its ability, these issues in its 2009 annual audit report. At the present time issues such as the funding of accrued benefits; ownership and maintenance of correction assets; external funding of certain corrections operations; corrections capital / reserve funding and ownership; and the treatment of net asset balances (deficits) have not been specifically addressed in this Act. Any financial and/or other impact on the County cannot be determined at the time of the issuance of this report. Subsequent to July 1, future budgets for jail operations will now fund benefit time for jail employees. Prior to July 1, the County had funded this through jail operations. The County as of June 30, 2009 is of the position that these benefits will be funded through jail operations budgets approved by the Board of Corrections.

NOTE 15 – OTHER POSTEMPLOYMENT 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.

Funding policy – The County currently funds claims and administrative costs for postemployment benefits through its health insurance company or through current year expenditures.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The following is the current census of County benefit participants as of December 31, 2009:

Active members	286
Retirees and spouses	8
Total	<u>294</u>

**Annual OPEB Cost and Net OPEB Obligations**

The County of Cumberland annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement #45. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the County's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation (asset):

Annual required contribution (ARC)	\$ 396,782
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	<u>396,782</u>
Contributions made	-
Increase in net OPEB obligation	<u>396,782</u>
Net OPEB obligation, beginning of year	<u>-</u>
Net OPEB obligation, end of year	<u>\$ 396,782</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal year ended December 31, 2009 is presented below. Data is only presented for the fiscal year ended December 31, 2009, due to this being the year of implementation.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/09	\$ 396,782	\$ -	0.0%	\$ 396,782

Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include an 4% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date.

An annual healthcare cost blended trend rate of 7.5% is used initially, decreasing at a variable rate per year to an ultimate rate of 4.0% for 2029 and later. The remaining amortization period at June 30, 2009 was 20 years. As of June 30, 2009, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$463,005, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$463,005.

The schedule of funding progress, presented below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Data is only presented for June 30, 2009 due to this being the first certified valuation.

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UFAL as a % of Covered Payroll ((b-a)/c)</u>
12/31/09	\$ -	\$ 2,586,104	0.0%	N/A	N/A

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2009

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

These numbers are based on information that was presented on January 1, 2009 for December 31, 2009. The amortization method that was used to calculate the numbers is presented below.

Discount rate	4.00%
Payroll growth assumption	N/A
Accrued liability	\$ 2,586,104
Value of assets	-
Unfunded liability	<u>\$ 2,586,104</u>
Normal cost	\$ 237,718
Amortization of unfunded	143,803
Interest	15,261
Annual required contribution	<u>\$ 396,782</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

## COUNTY OF CUMBERLAND, MAINE

**BUDGETARY COMPARISON SCHEDULE – BUDGETARY (GAAP) BASIS  
BUDGET AND ACTUAL – GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 4,293,805	\$ 4,293,805	\$ 4,293,805	\$ -
Resources (Inflows):				
Taxes - municipalities	22,186,885	22,186,885	10,611,285	(11,575,600)
Intergovernmental revenues:				
Emergency management	160,000	160,000	142,668	(17,332)
Surcharge on fines	100,000	100,000	62,719	(37,281)
Rent	24,384	24,384	24,986	602
State Court System (Note 10)	102,855	102,855	102,851	(4)
Department of Corrections	993,794	993,794	-	(993,794)
District attorney	75,000	75,000	97,319	22,319
Federal Gas Tax Refund	20,000	20,000	8,806	(11,194)
	<u>1,476,033</u>	<u>1,476,033</u>	<u>439,349</u>	<u>(1,036,684)</u>
Charges for services:				
Register of Deeds	2,866,920	2,866,920	2,709,426	(157,494)
Register of Probate	473,960	473,960	465,637	(8,323)
Civil Department	300,000	300,000	296,661	(3,339)
Jail - Board of Prisoners	3,937,500	3,937,500	-	(3,937,500)
Parking Garage	375,300	375,300	451,597	76,297
	<u>7,953,680</u>	<u>7,953,680</u>	<u>3,923,321</u>	<u>(4,030,359)</u>
Miscellaneous:				
Interest on investments	100,000	100,000	40,594	(59,406)
Other revenues	75,250	75,250	330,503	255,253
	<u>175,250</u>	<u>175,250</u>	<u>371,097</u>	<u>195,847</u>
Transfers from other funds	<u>350,000</u>	<u>350,000</u>	<u>-</u>	<u>(350,000)</u>
Amounts Available for Appropriation	<u>36,435,653</u>	<u>36,435,653</u>	<u>19,638,857</u>	<u>(16,796,796)</u>
<b>EXPENDITURES</b>				
Executive Department	687,812	687,812	693,394	(5,582)
Treasurer	35,704	35,704	34,488	1,216
Finance	343,230	343,230	339,595	3,635
Register of Deeds	810,659	810,659	784,412	26,247
Register of Probate	488,300	488,300	465,435	22,865
Emergency Management	362,089	362,089	338,476	23,613
Sheriff - County Services	4,791,110	4,791,110	4,396,557	394,553
Jail	16,506,896	16,506,896	-	16,506,896
District Attorney	1,385,350	1,385,350	1,283,653	101,697
Human Resources	262,762	262,762	239,347	23,415
Facilities	1,580,867	1,580,867	1,464,808	116,059
Management Information Systems	576,280	576,280	520,350	55,930
Agency Grants	135,904	135,904	101,931	33,973
Parking Garage	81,301	81,301	83,348	(2,047)
Communications	1,049,390	1,049,390	1,069,399	(20,009)
Civic Center Debt Allocation	206,616	206,616	206,616	-
Debt Service:				
Principal	2,075,000	2,075,000	2,075,000	-
Interest	517,919	517,919	459,938	57,981
Other	244,659	244,659	187,664	56,995
Transfers to Other funds	-	-	491,594	(491,594)
Total Charges to Appropriations	<u>32,141,848</u>	<u>32,141,848</u>	<u>15,236,005</u>	<u>16,905,843</u>
Budgetary Fund Balance, December 31	\$ 4,293,805	\$ 4,293,805	\$ 4,402,852	\$ 109,047
Utilization of Designated Fund Balance	\$ -	\$ -	\$ -	\$ -
Utilization of Undesignated Fund Balance	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

## Other Supplementary Information

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

- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Statement of Fiduciary Net Assets – Agency Funds
- Combining Statement of Changes in Assets and Liabilities – Agency Funds
- Statement of General Capital Assets by Function
- Statement of Changes in General Capital Assets by Function

SCHEDULE 2

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Appropriated	Carry Forward	Receipts	Expended	Balance 12/31/09
<b>Executive</b>					
Administration					
Personnel	\$ 443,219	\$ -	\$ -	\$ 421,906	\$ 21,313
Operations and maintenance	174,793	-	-	166,357	8,436
Employee benefits	26,500	-	-	78,070	(51,570)
Termination pay	3,300	-	-	1,486	1,814
Contingency	40,000	-	-	25,575	14,425
Subtotal Executive	<u>687,812</u>	<u>-</u>	<u>-</u>	<u>693,394</u>	<u>(5,582)</u>
<b>Management Information Systems</b>					
Personnel	323,380	-	-	300,686	22,694
Operations and maintenance	252,900	-	-	219,664	33,236
Subtotal Management Information Systems	<u>576,280</u>	<u>-</u>	<u>-</u>	<u>520,350</u>	<u>55,930</u>
<b>Emergency Management Agency</b>					
Personnel	242,702	-	-	236,822	5,880
Operations and maintenance	69,387	-	-	51,654	17,733
Capital outlay	50,000	-	-	50,000	-
Subtotal Emergency Management Agency	<u>362,089</u>	<u>-</u>	<u>-</u>	<u>338,476</u>	<u>23,613</u>
<b>District Attorney</b>					
Personnel	1,101,347	-	-	1,079,586	21,761
Operations and maintenance	282,003	-	-	202,996	79,007
Capital outlay	2,000	-	-	1,071	929
Subtotal District Attorney	<u>1,385,350</u>	<u>-</u>	<u>-</u>	<u>1,283,653</u>	<u>101,697</u>
<b>Garage</b>					
Personnel	77,501	-	-	80,249	(2,748)
Operations and maintenance	3,800	-	-	3,099	701
Subtotal Garage	<u>81,301</u>	<u>-</u>	<u>-</u>	<u>83,348</u>	<u>(2,047)</u>

SCHEDULE 2 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Appropriated	Carry Forward	Receipts	Expended	Balance 12/31/09
Human Resources					
Personnel	220,327	-	-	218,945	1,382
Operations and maintenance	37,435	-	-	20,402	17,033
Capital outlay	5,000	-	-	-	5,000
	<u>262,762</u>	<u>-</u>	<u>-</u>	<u>239,347</u>	<u>23,415</u>
Treasurer					
Personnel	28,931	-	-	27,971	960
Operations and maintenance	6,773	-	-	6,517	256
Subtotal Treasurer	<u>35,704</u>	<u>-</u>	<u>-</u>	<u>34,488</u>	<u>1,216</u>
Facilities					
Personnel	871,352	-	-	810,250	61,102
Operations and maintenance	692,015	-	-	649,586	42,429
Capital outlay	17,500	-	-	4,972	12,528
Subtotal Facilities	<u>1,580,867</u>	<u>-</u>	<u>-</u>	<u>1,464,808</u>	<u>116,059</u>
Sheriff - County Services					
Administration/Support service					
Personnel	616,633	-	-	573,417	43,216
Operations and maintenance	277,261	-	-	234,177	43,084
Capital outlay	2,500	-	-	1,793	707
Law Enforcement					
Personnel	2,856,231	-	-	2,742,885	113,346
Operations and maintenance	572,427	-	-	410,719	161,708
Capital outlay	191,750	-	-	187,984	3,766
Civil					
Personnel	213,535	-	-	215,099	(1,564)
Operations and maintenance	59,873	-	-	30,263	29,610
Capital outlay	900	-	-	220	680
Subtotal Sheriff - County Services	<u>4,791,110</u>	<u>-</u>	<u>-</u>	<u>4,396,557</u>	<u>394,553</u>

SCHEDULE 2 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Appropriated	Carry Forward	Receipts	Expended	Balance 12/31/09
<b>Jail</b>					
Personnel	10,668,638	-	-	-	10,668,638
Operations and maintenance	5,790,358	-	-	-	5,790,358
Capital outlay	47,900	-	-	-	47,900
Subtotal Jail	<u>16,506,896</u>	-	-	-	<u>16,506,896</u>
<b>Register of Deeds</b>					
Personnel	578,799	-	-	568,542	10,257
Operations and maintenance	223,860	-	-	210,565	13,295
Capital outlay	8,000	-	-	5,305	2,695
Subtotal Register of Deeds	<u>810,659</u>	-	-	<u>784,412</u>	<u>26,247</u>
<b>Register of Probate</b>					
Personnel	349,276	-	-	351,500	(2,224)
Operations and maintenance	133,524	-	-	113,146	20,378
Capital outlay	5,500	-	-	789	4,711
Subtotal Register of Probate	<u>488,300</u>	-	-	<u>465,435</u>	<u>22,865</u>
<b>Finance</b>					
Personnel	302,010	-	-	301,083	927
Operations and maintenance	41,120	-	-	38,512	2,608
Capital outlay	100	-	-	-	100
Subtotal Finance	<u>343,230</u>	-	-	<u>339,595</u>	<u>3,635</u>
<b>Debt service</b>					
Principal	2,075,000	-	-	2,075,000	-
Interest	517,919	-	-	459,938	57,981
Subtotal Debt service	<u>2,592,919</u>	-	-	<u>2,534,938</u>	<u>57,981</u>

SCHEDULE 2 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Appropriated	Carry Forward	Receipts	Expended	Balance 12/31/09
Communications					
Personnel	876,498	-	-	912,290	(35,792)
Operations and maintenance	160,892	-	-	155,039	5,853
Capital outlay	12,000	-	-	2,070	9,930
Subtotal Communication	<u>1,049,390</u>	-	-	<u>1,069,399</u>	<u>(20,009)</u>
Civic Center bond allocation					
Principal	170,301	-	-	170,301	-
Interest	36,315	-	-	36,315	-
Subtotal Civic Center bond allocation	<u>206,616</u>	-	-	<u>206,616</u>	-
Agency grants					
Cumberland County Extension	105,000	-	-	78,750	26,250
Cumberland County Soil and Water	14,000	-	-	10,500	3,500
Portland Public Library	11,808	-	-	8,856	2,952
So. Maine Emergency Medical Services	4,346	-	-	3,261	1,085
YMCA programs	-	-	-	-	-
Threshold to Maine	750	-	-	564	186
Subtotal Agency grants	<u>135,904</u>	-	-	<u>101,931</u>	<u>33,973</u>
Other					
Misc	50,000	-	-	49,943	57
Federal grants contract	194,659	-	-	137,721	56,938
Subtotal Other	<u>244,659</u>	-	-	<u>187,664</u>	<u>56,995</u>
<b>TOTAL DEPARTMENTAL OPERATIONS</b>	<b>\$ 32,141,848</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,744,411</b>	<b>\$ 17,397,437</b>

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2009

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Investments	\$ 1,262,321	\$ -	\$ 1,262,321
Accounts receivable	15,349	-	15,349
Due from other funds	971,142	12,223	983,365
<b>TOTAL ASSETS</b>	<u>\$ 2,248,812</u>	<u>\$ 12,223</u>	<u>\$ 2,261,035</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 26,023	\$ -	\$ 26,023
Due to other funds	408,163	-	408,163
<b>TOTAL LIABILITIES</b>	<u>434,186</u>	<u>-</u>	<u>434,186</u>
<b>FUND EQUITY</b>			
Fund balance:			
Designated for subsequent years' expenditures	2,234,262	12,223	2,246,485
Undesignated	(419,636)	-	(419,636)
<b>TOTAL FUND EQUITY</b>	<u>1,814,626</u>	<u>12,223</u>	<u>1,826,849</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 2,248,812</u>	<u>\$ 12,223</u>	<u>\$ 2,261,035</u>

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES			
Grants and contracts	\$ 2,977,800	\$ -	\$ 2,977,800
MDEA	144,134	-	144,134
Community Corrections	991,611	-	991,611
Other	1,976,776	8,945	1,985,721
TOTAL REVENUES	<u>6,090,321</u>	<u>8,945</u>	<u>6,099,266</u>
EXPENDITURES			
Program expenditures	6,032,879	7,639	6,040,518
TOTAL EXPENDITURES	<u>6,032,879</u>	<u>7,639</u>	<u>6,040,518</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>57,442</u>	<u>1,306</u>	<u>58,748</u>
OTHER FINANCING SOURCES (USES)			
Transfer In	-	-	-
Transfers Out	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	57,442	1,306	58,748
FUND BALANCES, JANUARY 1	<u>1,757,184</u>	<u>10,917</u>	<u>1,768,101</u>
FUND BALANCES, DECEMBER 31	<u>\$ 1,814,626</u>	<u>\$ 12,223</u>	<u>\$ 1,826,849</u>

See accompanying independent auditors' report.

## Special Revenue Funds Description

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

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

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

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

42. Project Connect (51344) – DOJ grant to provide collaborative assistance to individuals with mental illness who come into contact with the criminal justice system.
43. Crimes Data (51345) – Grant to convert DA crimes data to State compatibility.
44. Domestic Violence (51343) – Grant to provide domestic violence intervention to residents.
45. Jail/BOC Capital Improvements – Dedicated funds for capital repairs & purchase in the Jail complex
46. CC Program (51346) – Grant for the Cumberland County Cart Program which was a plan to house domestic pets in emergency shelters in the event of a disaster.
47. Program manager (51347) – A MEMA grant to allow hiring of a program manager for EMA disasters planning.
48. Deeds Surcharge (31239) – a surcharge added to every deed filing in the Deeds Office dedicated for the storage and preservation of the official deeds records.

STATEMENT 3

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009

	Courthouse Addition 21220	MDEA Reimbursement 21225	Domestic Violence Investigator 21254	Outside Civil Deputies 21255	Emergency Communications 21256	DEA Property Forfeiture 31231	Probate Surcharge 31238
<b>ASSETS</b>							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,646
Accounts receivable	-	-	-	15,349	-	-	-
Due from other funds	-	89,319	8,301	6,374	10,674	22,493	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 89,319</b>	<b>\$ 8,301</b>	<b>\$ 21,723</b>	<b>\$ 10,674</b>	<b>\$ 22,493</b>	<b>\$ 71,646</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 570	\$ -	\$ 143	\$ 252	\$ -	\$ -	\$ -
Due to other funds	34,016	-	-	-	-	-	122
<b>Total liabilities</b>	<b>\$ 34,586</b>	<b>\$ -</b>	<b>\$ 143</b>	<b>\$ 252</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 122</b>
<b>FUND EQUITY</b>							
Fund balance:							
Designated for subsequent years' expenditures	-	89,319	8,158	21,471	10,674	22,493	71,524
Undesignated	(34,586)	-	-	-	-	-	-
<b>Total fund equity</b>	<b>(34,586)</b>	<b>89,319</b>	<b>8,158</b>	<b>21,471</b>	<b>10,674</b>	<b>22,493</b>	<b>71,524</b>
<b>Total liabilities and fund equity</b>	<b>\$ -</b>	<b>\$ 89,319</b>	<b>\$ 8,301</b>	<b>\$ 21,723</b>	<b>\$ 10,674</b>	<b>\$ 22,493</b>	<b>\$ 71,646</b>

STATEMENT 3 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009

	MMA Fund	State Reimbursement DOC Program	Public Health	ABE Grant	Local Emergency Planning	Wellness Incentive Grant	Terrorism Training Grant
	31277	31290	31298	51237	51240	51247	51261
<b>ASSETS</b>							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	47,135	485,951	8,407	-	18,886	7,136	8,892
Total assets	<u>\$ 47,135</u>	<u>\$ 485,951</u>	<u>\$ 8,407</u>	<u>\$ -</u>	<u>\$ 18,886</u>	<u>\$ 7,136</u>	<u>\$ 8,892</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 563	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	563	-
<b>FUND EQUITY</b>							
Fund balance:							
Designated for subsequent years' expenditures	47,135	485,951	8,407	-	18,886	6,573	8,892
Undesignated	-	-	-	-	-	-	-
Total fund equity	<u>47,135</u>	<u>485,951</u>	<u>8,407</u>	<u>-</u>	<u>18,886</u>	<u>6,573</u>	<u>8,892</u>
Total liabilities and fund equity	<u>\$ 47,135</u>	<u>\$ 485,951</u>	<u>\$ 8,407</u>	<u>\$ -</u>	<u>\$ 18,886</u>	<u>\$ 7,136</u>	<u>\$ 8,892</u>

STATEMENT 3 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009

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

## STATEMENT 3 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009

	State Projects 51281	Alpha One Resilience 51304	Homeland Security Grant 04 51283	Domestic Violence Grant 51284	Buffer Zone Grant 51286	Crimes Data 51345	Critical Infrastructure 51287
<b>ASSETS</b>							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	3,870	-	-	4,886	-	20,378
Total assets	\$ -	\$ 3,870	\$ -	\$ -	\$ 4,886	\$ -	\$ 20,378
<b>LIABILITIES</b>							
Accounts payable	\$ 4,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	40,974	-	44,649	14,597	-	19,611	-
Total liabilities	45,374	-	44,649	14,597	-	19,611	-
<b>FUND EQUITY</b>							
Fund balance:							
Designated for subsequent years' expenditures	-	3,870	-	-	4,886	-	20,378
Undesignated	(45,374)	-	(44,649)	(14,597)	-	(19,611)	-
Total fund equity	(45,374)	3,870	(44,649)	(14,597)	4,886	(19,611)	20,378
Total liabilities and fund equity	\$ -	\$ 3,870	\$ -	\$ -	\$ 4,886	\$ -	\$ 20,378

STATEMENT 3 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009

	LETPP HLSG 05 51291	JAG Portland 51292	HLSG City Watch 51293	Pandemic Flu Planning 51295	Domestic Violence 06-08 51296	CCEMA USPS Exercise 51305	Lead Hazard Control 51299
<b>ASSETS</b>							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	6,354	-	39,663	-	-	-	-
Total assets	<u>\$ 6,354</u>	<u>\$ -</u>	<u>\$ 39,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 9,490	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	5,626	-	25,624	6,507	-	58
Total liabilities	-	<u>15,116</u>	-	<u>25,624</u>	<u>6,507</u>	-	<u>58</u>
<b>FUND EQUITY</b>							
Fund balance:							
Designated for subsequent years' expenditures	6,354	-	39,663	-	-	-	-
Undesignated	-	(15,116)	-	(25,624)	(6,507)	-	(58)
Total fund equity	<u>6,354</u>	<u>(15,116)</u>	<u>39,663</u>	<u>(25,624)</u>	<u>(6,507)</u>	-	<u>(58)</u>
Total liabilities and fund equity	<u>\$ 6,354</u>	<u>\$ -</u>	<u>\$ 39,663</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATEMENT 3 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009

	Hazard Assessing Study 51300	GPCOG Phase II 51301	2006 Homeland Security 51313	York Cumberland Planning 51303	CC Contract 51346	Program Manager 51347	CDBG 52800	GPCOG EMA Planning 51306
ASSETS								
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-	-
Due from other funds	1,653	2,225	12,501	9,822	1,492	-	-	-
Total assets	\$ 1,653	\$ 2,225	\$ 12,501	\$ 9,822	\$ 1,492	\$ -	\$ -	\$ -
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ 3,217	\$ -	\$ 46	\$ -	\$ 7	\$ -
Due to other funds	-	-	-	-	-	6,552	62,554	932
Total liabilities	-	-	3,217	-	46	6,552	62,561	932
FUND EQUITY								
Fund balance:								
Designated for subsequent years' expenditures	1,653	2,225	9,284	9,822	1,446	-	-	-
Undesignated	-	-	-	-	-	(6,552)	(62,561)	(932)
Total fund equity	1,653	2,225	9,284	9,822	1,446	(6,552)	(62,561)	(932)
Total liabilities and fund equity	\$ 1,653	\$ 2,225	\$ 12,501	\$ 9,822	\$ 1,492	\$ -	\$ -	\$ -

## STATEMENT 3 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2009

	GPCOG EVAC 51307	Domestic Violence 08 - 11 51343	Project Connect 51344	Deeds Surcharge 31239	Sheriff Contracted Services	Jail/BOC Capital Improvement	Totals
<b>ASSETS</b>							
Investments	\$ -	\$ -	\$ -	\$ 1,190,675	\$ -	\$ -	\$ 1,262,321
Accounts receivable	-	-	-	-	-	-	15,349
Due from other funds	1,411	-	-	-	131,221	-	971,142
Total assets	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,190,675</u>	<u>\$ 131,221</u>	<u>\$ -</u>	<u>\$ 2,248,812</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 4,900	\$ -	\$ -	\$ 2,435	\$ -	\$ 26,023
Due to other funds	-	43,639	10,245	7,772	-	84,685	408,163
Total liabilities	<u>-</u>	<u>48,539</u>	<u>10,245</u>	<u>7,772</u>	<u>2,435</u>	<u>84,685</u>	<u>434,186</u>
<b>FUND EQUITY</b>							
Fund balance:							
Designated for subsequent years' expenditures	1,411	-	-	1,182,903	128,786	-	2,234,262
Undesignated	-	(48,539)	(10,245)	-	-	(84,685)	(419,636)
Total fund equity	<u>1,411</u>	<u>(48,539)</u>	<u>(10,245)</u>	<u>1,182,903</u>	<u>128,786</u>	<u>(84,685)</u>	<u>1,814,626</u>
Total liabilities and fund equity	<u>\$ 1,411</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,190,675</u>	<u>\$ 131,221</u>	<u>\$ -</u>	<u>\$ 2,248,812</u>

See accompanying independent auditors' report.

## STATEMENT 4

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	Courthouse Addition 21220	MDEA Reimbursement 21225	Domestic Violence Investigator 21254	Outside Civil Deputies 21255	Emergency Communications 21256	DEA Property Forfeiture 31231	Probate Surcharge 31238
REVENUES							
Grants and contracts	\$ -	\$ -	\$ 53,143	\$ 304,104	\$ 531,808	\$ -	\$ -
MDEA	-	144,134	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	166,967	-	-	-	-	37,693	16,053
<b>TOTAL REVENUES</b>	<b>166,967</b>	<b>144,134</b>	<b>53,143</b>	<b>304,104</b>	<b>531,808</b>	<b>37,693</b>	<b>16,053</b>
EXPENDITURES							
Program Expenses	133,233	141,375	67,120	293,460	516,896	20,641	-
<b>TOTAL EXPENDITURES</b>	<b>133,233</b>	<b>141,375</b>	<b>67,120</b>	<b>293,460</b>	<b>516,896</b>	<b>20,641</b>	<b>-</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	33,734	2,759	(13,977)	10,644	14,912	17,052	16,053
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCE	33,734	2,759	(13,977)	10,644	14,912	17,052	16,053
FUND BALANCES, JANUARY 1	(68,320)	86,560	22,135	10,827	(4,238)	5,441	55,471
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ (34,586)</b>	<b>\$ 89,319</b>	<b>\$ 8,158</b>	<b>\$ 21,471</b>	<b>\$ 10,674</b>	<b>\$ 22,493</b>	<b>\$ 71,524</b>

## STATEMENT 4 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	State						
	MMA Fund	Reimbursement DOC Program	Public Health	ABE Grant	Local Emergency Planning	Wellness Incentive Grant	Terrorism Training Grant
REVENUES							
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,440	\$ 13,601
MDEA	-	-	-	-	-	-	-
Community Corrections	-	597,989	-	-	-	-	-
Other	31,222	-	-	-	90,399	-	-
<b>TOTAL REVENUES</b>	<b>31,222</b>	<b>597,989</b>	<b>-</b>	<b>-</b>	<b>90,399</b>	<b>11,440</b>	<b>13,601</b>
EXPENDITURES							
Program Expenses	12,498	485,590	25,396	10,825	115,795	11,025	10,601
<b>TOTAL EXPENDITURES</b>	<b>12,498</b>	<b>485,590</b>	<b>25,396</b>	<b>10,825</b>	<b>115,795</b>	<b>11,025</b>	<b>10,601</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>18,724</b>	<b>112,399</b>	<b>(25,396)</b>	<b>(10,825)</b>	<b>(25,396)</b>	<b>415</b>	<b>3,000</b>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
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 BALANCE</b>	<b>18,724</b>	<b>112,399</b>	<b>(25,396)</b>	<b>(10,825)</b>	<b>(25,396)</b>	<b>415</b>	<b>3,000</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>28,411</b>	<b>373,552</b>	<b>33,803</b>	<b>10,825</b>	<b>44,282</b>	<b>6,158</b>	<b>5,892</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 47,135</b>	<b>\$ 485,951</b>	<b>\$ 8,407</b>	<b>\$ -</b>	<b>\$ 18,886</b>	<b>\$ 6,573</b>	<b>\$ 8,892</b>

STATEMENT 4 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	State						
	MMA Fund	Reimbursement DOC Program	Public Health	ABE Grant	Local Emergency Planning	Wellness Incentive Grant	Terrorism Training Grant
REVENUES							
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,440	\$ 13,601
MDEA	-	-	-	-	-	-	-
Community Corrections	-	597,989	-	-	-	-	-
Other	31,222	-	-	-	90,399	-	-
<b>TOTAL REVENUES</b>	<b>31,222</b>	<b>597,989</b>	<b>-</b>	<b>-</b>	<b>90,399</b>	<b>11,440</b>	<b>13,601</b>
EXPENDITURES							
Program Expenses	12,498	485,590	25,396	10,825	115,795	11,025	10,601
<b>TOTAL EXPENDITURES</b>	<b>12,498</b>	<b>485,590</b>	<b>25,396</b>	<b>10,825</b>	<b>115,795</b>	<b>11,025</b>	<b>10,601</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>18,724</b>	<b>112,399</b>	<b>(25,396)</b>	<b>(10,825)</b>	<b>(25,396)</b>	<b>415</b>	<b>3,000</b>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
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 BALANCE</b>	<b>18,724</b>	<b>112,399</b>	<b>(25,396)</b>	<b>(10,825)</b>	<b>(25,396)</b>	<b>415</b>	<b>3,000</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>28,411</b>	<b>373,552</b>	<b>33,803</b>	<b>10,825</b>	<b>44,282</b>	<b>6,158</b>	<b>5,892</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 47,135</b>	<b>\$ 485,951</b>	<b>\$ 8,407</b>	<b>\$ -</b>	<b>\$ 18,886</b>	<b>\$ 6,573</b>	<b>\$ 8,892</b>

## STATEMENT 4 (CONTINUED)

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	State Projects 51281	Alpha One Resilience 51304	Homeland Security Grant 04 51283	Domestic Violence Grant 51284	Buffer Zone Grant 51286	Crimes Data 51345	Critical Infrastructure 51287
REVENUES							
Grants and contracts	\$ -	\$ 4,781	\$ 78,118	\$ -	\$ -	\$ -	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	85,090	-	-	-	-	21,715	-
TOTAL REVENUES	85,090	4,781	78,118	-	-	21,715	-
EXPENDITURES							
Program Expenses	106,320	1,234	68,943	-	-	41,326	-
TOTAL EXPENDITURES	106,320	1,234	68,943	-	-	41,326	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(21,230)	3,547	9,175	-	-	(19,611)	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(21,230)	3,547	9,175	-	-	(19,611)	-
FUND BALANCES, JANUARY 1	(24,144)	323	(53,824)	(14,597)	4,886	-	20,378
FUND BALANCES, DECEMBER 31	\$ (45,374)	\$ 3,870	\$ (44,649)	\$ (14,597)	\$ 4,886	\$ (19,611)	\$ 20,378

STATEMENT 4 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	LETPP HLSG 05 51291	JAG Portland 51292	HLSG City Watch 51293	Pandemic Flu Planning 51295	Domestic Violence 06-08 51296	CCEMA USPS Exercise 51305	Lead Hazard Control 51299
REVENUES							
Grants and contracts	\$ -	\$ -	\$ 27,866	\$ -	\$ -	\$ 17,727	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	-	67,855	-	-	-	-	-
TOTAL REVENUES	-	67,855	27,866	-	-	17,727	-
EXPENDITURES							
Program Expenses	-	85,434	1,000	27,866	-	17,727	-
TOTAL EXPENDITURES	-	85,434	1,000	27,866	-	17,727	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(17,579)	26,866	(27,866)	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	-	(17,579)	26,866	(27,866)	-	-	-
FUND BALANCES, JANUARY 1	6,354	2,463	12,797	2,242	(6,507)	-	(58)
FUND BALANCES, DECEMBER 31	\$ 6,354	\$ (15,116)	\$ 39,663	\$ (25,624)	\$ (6,507)	\$ -	\$ (58)

STATEMENT 4 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Hazard Assessing Study 51300	GPCOG Phase II 51301	2006 Homeland Security 51313	York Cumberland Planning 51303	CC Contract 51346	Program Manager 51347	CDBG 52800	GPCOG EMA Planning 51306
REVENUES								
Grants and contracts	\$ -	\$ -	\$ 14,841	\$ -	\$ -	\$ -	\$ 1,735,925	\$ 10,673
MDEA	-	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-	-
Other	-	-	-	-	5,423	34,029	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>14,841</b>	<b>-</b>	<b>5,423</b>	<b>34,029</b>	<b>1,735,925</b>	<b>10,673</b>
EXPENDITURES								
Program Expenses	55	-	5,557	-	3,977	40,581	1,723,183	12,885
<b>TOTAL EXPENDITURES</b>	<b>55</b>	<b>-</b>	<b>5,557</b>	<b>-</b>	<b>3,977</b>	<b>40,581</b>	<b>1,723,183</b>	<b>12,885</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(55)	-	9,284	-	1,446	(6,552)	12,742	(2,212)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCE	(55)	-	9,284	-	1,446	(6,552)	12,742	(2,212)
FUND BALANCES, JANUARY 1	1,708	2,225	-	9,822	-	-	(75,303)	1,280
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 1,653</b>	<b>\$ 2,225</b>	<b>\$ 9,284</b>	<b>\$ 9,822</b>	<b>\$ 1,446</b>	<b>\$ (6,552)</b>	<b>\$ (62,561)</b>	<b>\$ (932)</b>

STATEMENT 4 (CONTINUED)

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	GPCOG EVAC 51307	Domestic Violence 08 - 11 51343	Project Connect 51344	Deeds Surcharge 31239	Sheriff Contracted Services	Jail/BOC Capital Improvement	Totals
REVENUES							
Grants and contracts	\$ 5,683	\$ 168,090	\$ -	\$ -	\$ -	\$ -	\$ 2,977,800
MDEA	-	-	-	-	-	-	144,134
Community Corrections	-	-	-	-	-	393,622	991,611
Other	-	-	32,864	193,569	1,191,510	-	1,976,776
<b>TOTAL REVENUES</b>	<b>5,683</b>	<b>168,090</b>	<b>32,864</b>	<b>193,569</b>	<b>1,191,510</b>	<b>393,622</b>	<b>6,090,321</b>
EXPENDITURES							
Program Expenses	5,683	172,404	41,677	194,924	1,150,165	478,307	6,032,879
<b>TOTAL EXPENDITURES</b>	<b>5,683</b>	<b>172,404</b>	<b>41,677</b>	<b>194,924</b>	<b>1,150,165</b>	<b>478,307</b>	<b>6,032,879</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(4,314)	(8,813)	(1,355)	41,345	(84,685)	57,442
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
NET CHANGE IN FUND BALANCE	-	(4,314)	(8,813)	(1,355)	41,345	(84,685)	57,442
FUND BALANCES, JANUARY 1	1,411	(44,225)	(1,432)	1,184,258	87,441	-	1,757,184
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 1,411</b>	<b>\$ (48,539)</b>	<b>\$ (10,245)</b>	<b>\$ 1,182,903</b>	<b>\$ 128,786</b>	<b>\$ (84,685)</b>	<b>\$ 1,814,626</b>

See accompanying independent auditors' report.

## Permanent Funds Description

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

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

## COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2009

	D.A.R.E./ Officer Friendly	Sunshine Fund	EAC Fund	Employee Fund	Total
<b>ASSETS</b>					
Due from other funds	\$ 2,353	\$ 644	\$ 9,226	\$ -	\$ 12,223
Total assets	<u>\$ 2,353</u>	<u>\$ 644</u>	<u>\$ 9,226</u>	<u>\$ -</u>	<u>\$ 12,223</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND EQUITY</b>					
Fund balance:					
Designated for subsequent years' expenditures	2,353	644	9,226	-	12,223
Undesignated	-	-	-	-	-
Total fund equity	<u>2,353</u>	<u>644</u>	<u>9,226</u>	<u>-</u>	<u>12,223</u>
Total liabilities and fund equity	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2009

	D.A.R.E./ Officer Friendly	Sunshine Fund	EAC Fund	Employee Fund	Total
REVENUE	\$ -	\$ 1,261	\$ 6,600	\$ 1,084	\$ 8,945
EXPENDITURES	1,415	1,964	4,260	-	7,639
NET CHANGE IN FUND BALANCE	(1,415)	(703)	2,340	1,084	1,306
FUND BALANCES, JANUARY 1	3,768	1,347	6,886	(1,084)	10,917
FUND BALANCES, DECEMBER 31	\$ 2,353	\$ 644	\$ 9,226	\$ -	\$ 12,223

See accompanying independent auditors' report.

## Agency Funds

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

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF FIDUCIARY NET ASSETS – AGENCY FUNDS  
DECEMBER 31, 2009

	Jail Commissary Account	Total
ASSETS		
Cash	\$ 70,254	\$ 70,254
Investments	186,415	186,415
Due from other funds	-	-
TOTAL ASSETS	<u>\$ 256,669</u>	<u>\$ 256,669</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 4,419	\$ 4,419
Deposits held for others	252,250	252,250
TOTAL LIABILITIES	<u>256,669</u>	<u>256,669</u>
NET ASSETS		
Held in trust for special purposes	-	-
TOTAL NET ASSETS	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 256,669</u>	<u>\$ 256,669</u>

See accompanying independent auditors' report.

## COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES – AGENCY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

	Balances, 01/01/09	Debits	Credits	Balances, 12/31/09
<b>ASSETS</b>				
Cash	\$ 59,671	\$ 10,583	\$ -	\$ 70,254
Investments	372,008	1,345	186,938	186,415
Due from general fund	990	525,943	526,933	-
<b>TOTAL ASSETS</b>	<b>\$ 432,669</b>	<b>\$ 537,871</b>	<b>\$ 713,871</b>	<b>\$ 256,669</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 7,084	\$ 157,898	\$ 155,233	\$ 4,419
Due to general fund	-	-	-	-
Deposits held for others	425,585	488,271	314,936	252,250
<b>TOTAL LIABILITIES</b>	<b>432,669</b>	<b>646,169</b>	<b>470,169</b>	<b>256,669</b>
<b>NET ASSETS</b>				
Held in trust for special purposes	-	-	-	-
<b>TOTAL NET ASSETS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 432,669</b>	<b>\$ 646,169</b>	<b>\$ 470,169</b>	<b>\$ 256,669</b>

See accompanying independent auditors' report.

## General Capital Assets

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

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2009

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures Equipment & Vehicles	Total
Communication	\$ -	\$ 1,553,318	\$ 101,846	\$ 1,655,164
EMA	-	-	66,127	66,127
Administration	-	-	28,535	28,535
General Courthouse	1,413,200	9,500,000	40,075	10,953,275
DA	-	-	182,735	182,735
Executive	-	-	14,562	14,562
Facilities	-	-	153,072	153,072
Probate	-	-	22,475	22,475
Treasury	-	-	9,209	9,209
Education - Jail	-	-	5,068	5,068
Food service - Jail	-	-	343,014	343,014
Inmate education - Jail	-	-	27,130	27,130
Intake - Jail	-	-	14,275	14,275
General - Jail	2,036,840	23,785,886	237,986	26,060,712
CID	-	-	43,427	43,427
Civil	-	53,000	2,785	55,785
Finance	-	-	15,896	15,896
MIS	-	-	58,752	58,752
Sheriff	-	-	2,498,503	2,498,503
Sub-station	-	-	1,528	1,528
Deeds	-	-	5,657	5,657
Parking Garage	834,750	3,250,000	2,333	4,087,083
County-wide	366,900	2,103,600	22,287	2,492,787
Total General Capital	4,651,690	40,245,804	3,897,277	48,794,771
Less: Accumulated Depreciation	-	(17,401,996)	(2,800,269)	(20,202,265)
Net General Capital Assets	\$ 4,651,690	\$ 22,843,808	\$ 1,097,008	\$ 28,592,506

See accompanying independent auditors report.

## COUNTY OF CUMBERLAND, MAINE

STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2009

	General Capital Assets 1/1/09	Additions	Deletions	General Capital Assets 12/31/09
Communication	\$ 1,528,170	\$ 130,000	\$ (3,006)	\$ 1,655,164
EMA	63,951	2,176	-	66,127
Administration	30,353	-	(1,818)	28,535
General Courthouse	10,953,275	-	-	10,953,275
DA	174,409	9,878	(1,552)	182,735
Executive	12,544	2,018	-	14,562
Facilities	153,072	-	-	153,072
Probate	22,475	-	-	22,475
Treasury	9,209	-	-	9,209
Education - Jail	5,068	-	-	5,068
Food service - Jail	343,014	-	-	343,014
Inmate education - Jail	30,186	-	(3,056)	27,130
Intake - Jail	21,255	-	(6,980)	14,275
General - Jail	26,051,783	17,809	(8,880)	26,060,712
CID	43,427	-	-	43,427
Civil	55,785	-	-	55,785
Finance	21,399	1,083	(6,586)	15,896
MIS	48,523	12,352	(2,123)	58,752
Sheriff	2,336,904	309,837	(148,238)	2,498,503
Sub-station	1,528	-	-	1,528
Deeds	4,133	1,524	-	5,657
Parking Garage	4,087,083	-	-	4,087,083
County-wide	2,492,787	-	-	2,492,787
Total General Capital	48,490,333	486,677	(182,239)	48,794,771
Less: Accumulated Depreciation	(19,114,396)	(1,270,108)	182,239	(20,202,265)
Net General Capital Assets	\$ 29,375,937	\$ (783,431)	\$ -	\$ 28,592,506

See accompanying independent auditors' report.

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2009

Federal Grantor Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
<b>U.S. DEPARTMENT OF JUSTICE</b>		
Direct Programs -		
Violence Against Women Formula Grant	16.588	\$ 172,404
Total U.S. Department of Justice		<u>172,404</u>
<b>FEDERAL EMERGENCY MANAGEMENT AGENCY</b>		
Passed Through Maine Emergency Management Agency in the Department of Defense and Veteran's Services		
Homeland Security Grant	97.004	83,675
Hazard Mitigation Grant	83.548	<u>1</u>
		<u>83,676</u>
<b>U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Direct Programs -		
Community Development Block Grant	14.228	<u>1,723,183</u>
		<u>1,723,183</u>
Total Federal Assistance		<u>\$ 1,979,263</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
DECEMBER 31, 2009

1. General

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

2. Basis of Accounting

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

3. Major Programs:

Community Development Block Grant                      CFDA# 14.218



*Proven Expertise and Integrity*

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

February 19, 2010

Board of Commissioners  
County of Cumberland  
Portland, Maine

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the County of Cumberland, Maine, as of and for the year ended December 31, 2009, which collectively comprise the County of Cumberland, Maine's basic financial statements and have issued our report thereon dated February 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County of Cumberland, Maine's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County of Cumberland, Maine's financial statements that is more than inconsequential will not be prevented or detected by the County of Cumberland, Maine's internal control.

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

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

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Cumberland, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

*RHR Smith & Company*

Certified Public Accountants



*Proven Expertise and Integrity*

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

February 19, 2010

Board of Commissioners  
County of Cumberland  
Portland, Maine

Compliance

We have audited the compliance of the County of Cumberland, Maine, with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2009. The County of Cumberland, Maine's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County of Cumberland, Maine's management. Our responsibility is to express an opinion on the County of Cumberland, Maine's compliance based on our audit.

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

In our opinion, the County of Cumberland, Maine complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

### Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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

*RHR Smith & Company*

Certified Public Accountants

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
DECEMBER 31, 2009

**Summary of Auditor's Results:**

- 1) We have issued an unqualified report dated February 19, 2010 on the financial statements of the County which can be found on pages one and two.
- 2) Our statement of significant deficiencies and material weaknesses can be found on pages 86 - 87 as they pertain to our audit of the financial statements for the County. Our audit disclosed no significant deficiencies or material weaknesses in regards to the federal programs tested for December 31, 2009.
- 3) Our statement of non-compliance can be found on pages 86 - 87 as they pertain to our audit of the financial statements of the County. Our audit disclosed no instances of non-compliance in regards to the federal programs tested for December 31, 2009.
- 4) Our statement of significant deficiencies on internal control over major programs can be found on pages 88 - 89 as they pertain to our audit of the financial statements for the County. Our audit disclosed no significant deficiencies or material weaknesses in regards to the federal programs tested for December 31, 2009.
- 5) We have issued an unqualified report dated February 19, 2010 on compliance for major programs for the County on pages 88 - 89.
- 6) Our statements disclosed no audit findings.
- 7) The following major program was audited as of December 31, 2009:
  - 1) Community Development Block Grant      CFDA# 14.218
- 8) The dollar threshold used to determine Type A and Type B programs as defined by OMB Circular A-133 is \$300,000.
- 9) The auditee qualified as low risk as defined by OMB Circular A-133.
- 10) There were no findings related to the financial statements of the County in accordance with GAGAS.
- 11) There were no findings and questioned costs for federal awards to report for the County for the year ended December 31, 2009.