

Federal Compliance Audit

County of Cumberland, Maine

December 31, 2010



Proven Expertise and Integrity

COUNTY OF CUMBERLAND, MAINE

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DECEMBER 31, 2010

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INDEPENDENT AUDITORS' REPORT

February 24, 2011

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, 2010, 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, 2010, 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 24, 2011 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, Maine's basic financial statements. The schedule of departmental operations, 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 schedule of departmental operations, 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, 2010**

(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, 2010. 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 \$2,166,905 from \$31.24 million to \$33.41 million or a 6.94% 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 \$1,510,568 from \$3,983,216 to a balance of \$5,493,784 at the end of this year.

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

Assets:	2010	2009
Current and other assets	\$ 10,926,899	\$ 12,073,749
Capital Assets	29,747,427	28,592,506
Total Assets	\$ 40,674,326	\$ 40,666,255
Liabilities:		
Current Liabilities	\$ 3,986,523	\$ 3,989,924
Long-term Debt Outstanding	3,278,731	5,434,164
Total Liabilities	\$ 7,265,254	\$ 9,424,088
Net Assets:		
Invested in Capital Assets, Net of related Debt	\$ 26,112,427	\$ 22,872,506
Restricted for: Special revenues	910,210	3,460,100
Capital projects	892,651	926,345
Unrestricted Net Assets	5,493,784	3,983,216
Total Net Assets	\$ 33,409,072	\$ 31,242,167

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

	<u>2010</u>	<u>2009</u>
Revenues		
Program revenues:		
Charges for services	\$ 6,707,827	\$ 7,786,535
Operating grants and contributions	6,044,577	5,756,866
General revenues:		
Taxes	22,186,885	22,186,887
Grants and contributions not restricted to specific programs	165,608	296,681
Miscellaneous	2,249,307	2,359,544
Total Revenues	<u>37,354,204</u>	<u>38,386,513</u>
Expenses		
Executive Department	639,695	698,015
Treasurer	35,122	34,488
Finance	356,876	347,722
Register of Deeds	723,723	978,258
Register of Probate	470,239	467,657
Emergency Management	3,259,861	2,582,318
Sheriff - County Services	7,251,705	7,120,831
Sheriff - Reimbursable Services	-	478,307
Jail	15,769,050	17,605,778
District Attorney	1,299,068	1,290,481
Human Resources	247,373	239,347
Facilities	1,516,985	1,474,854
Management System	552,811	517,430
Agency Grants	148,413	101,931
Parking Garage	165,847	164,598
Communications	1,180,955	1,069,399
Civic Center Debt Allocation	206,616	206,616
Other	831,440	361,897
Interest on Long-Term Debt	265,616	459,938
Capital Expenditures	-	553,816
Depreciation Expense	265,904	268,926
Total Expenses	<u>35,187,299</u>	<u>37,022,607</u>
Change in Net Assets	2,166,905	1,363,906
Net Assets - January 1	<u>31,242,167</u>	<u>29,878,261</u>
Net Assets - December 31	<u>\$ 33,409,072</u>	<u>\$ 31,242,167</u>

Revenues and Expenses

Revenues for the County's governmental activities decreased by 2.69%, while total expenses decreased by 4.96%. Property tax revenue remained the same as the prior 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,

	2010	2009
Major Funds:		
General Fund:		
Unreserved		
Designated	\$ 350,000	\$ 350,000
Undesignated	3,137,557	4,052,852
Total General Fund	3,487,557	4,402,852
Capital Improvements	892,651	926,345
Radio Upgrade	-	749,997
Jail Fund	1,154,689	1,304,435
Accrued Compensated Absences Fund	1,056,736	958,347
Total Other Major Funds	3,104,076	3,939,124
 Total Major Funds	 \$ 6,591,633	 \$ 8,341,976
 Nonmajor Funds:		
Special Revenue funds		
Designated	\$ 2,556,300	\$ 2,246,485
Undesignated	(17,557)	(419,636)
Total Nonmajor Funds	\$ 2,538,743	\$ 1,826,849

The general fund total fund balance decreased by \$915,295 over the prior fiscal year. Major funds total fund balances decreased by \$835,048 over the prior fiscal year mainly due to the completion of the radio upgrade project. The non-major fund balances increased by \$711,894 over the prior fiscal year due to transfers from the general fund. Most of the decrease in the general fund came as a result of transfers to other funds.

Budgetary Highlights

There were no significant differences between the original and final budget for the general fund.

The general fund actual revenues were over the budget by \$186,425. This was in large part due to unbudgeted other revenues.

The general fund actual expenditures were over budget by \$751,720. The County's major budget variances for the year ended December 31, 2010 were as follows:

Register of deeds had a favorable variance of \$78,830
District Attorney had a favorable variance of \$124,136
The Sheriff's Department had a favorable variance of \$85,600
Transfers to other funds had an unfavorable variance of \$1,175,349

Capital Asset and Long-Term Debt Activity

Capital Assets

As of December 31, 2010, the net book value of capital assets recorded by the County increased by \$1,154,921 over the prior year. The increase was due to capital additions of \$2,479,012 less current year depreciation of \$1,324,091.

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

	<u>2010</u>	<u>2009</u>
Land and buildings	\$ 26,823,697	\$ 27,495,498
Equipment and vehicles	<u>2,923,730</u>	<u>1,097,008</u>
Total	<u>\$ 29,747,427</u>	<u>\$ 28,592,506</u>

Debt

At December 31, 2010, the County had \$3.635 million in bonds outstanding versus \$5.72 million last year, a decrease of 36.45%, 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 2010 County of Cumberland budget was adopted on December 21, 2009 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 2010 budget totals \$31,939,344. This represents a 0% tax increase, with 0.63% from the departmental expenditure decreases, and a -2.1% reduction in the estimated revenues. This does not include enterprise funds and grants, which account for another \$8.2 million for a total of \$40,208,498.

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 399 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 FY2010 requests, with a summary of the major changes to the 2010 budget. In addition, there is an explanation of the county's financial plan and 2010 flat tax proposal.

County Departments – Functions and 2010 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 fourth year of the Cumberland County Community Development Office and its programs. Now after three 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 2011, 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 2011, 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 2011 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 2011, 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 2011, 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.

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 2010 budget.

- 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 2010 budget the Board of Commissioners continued this fiscal management by maintaining the TSF for another year at the same level as the last budget (\$350,000).
- 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.
- Decreased Funding for Human Service Agencies and Organizations: With the adoption of the 2010 budget the Commissioners approved decreased funding for the human service agencies. It has been difficult to maintain this level of funding, in light of these challenging fiscal times.

Financial Plan

The County’s financial plan for 2011 is based on two objectives: (1) a zero 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 2010 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 were flat funded, with an overall tax increase of 0% 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 2010-Actual Amounts

The County's General Fund revenues were higher than expenditures in FY 2010 by \$168,854. The Special Revenue Fund and Fiduciary Fund and Capital Projects Fund ended 2010 with balances that reflected a nominal increase. The following table presents a summary of the County's changes in general fund balances for FY 2010, and a more detailed summary follows in the body of the budget document.

Beginning and Ending General Fund Balance Summary for 2010

Fund Balances	Amount
Beginning Fund Balance 1/1/10	\$ 4,402,852
Revenues:	
Taxes	10,611,285
Intergovernmental	343,895
Charges for Services	3,963,655
Miscellaneous Revenues	258,840
Expenditures:	
Departmental	12,349,666
Debt Service	2,305,847
Benefits/Termination Pay	
Other	353,308
Transfers	<u>1,084,149</u>
Ending Fund Balance 12/31/10	<u><u>\$ 3,487,557</u></u>

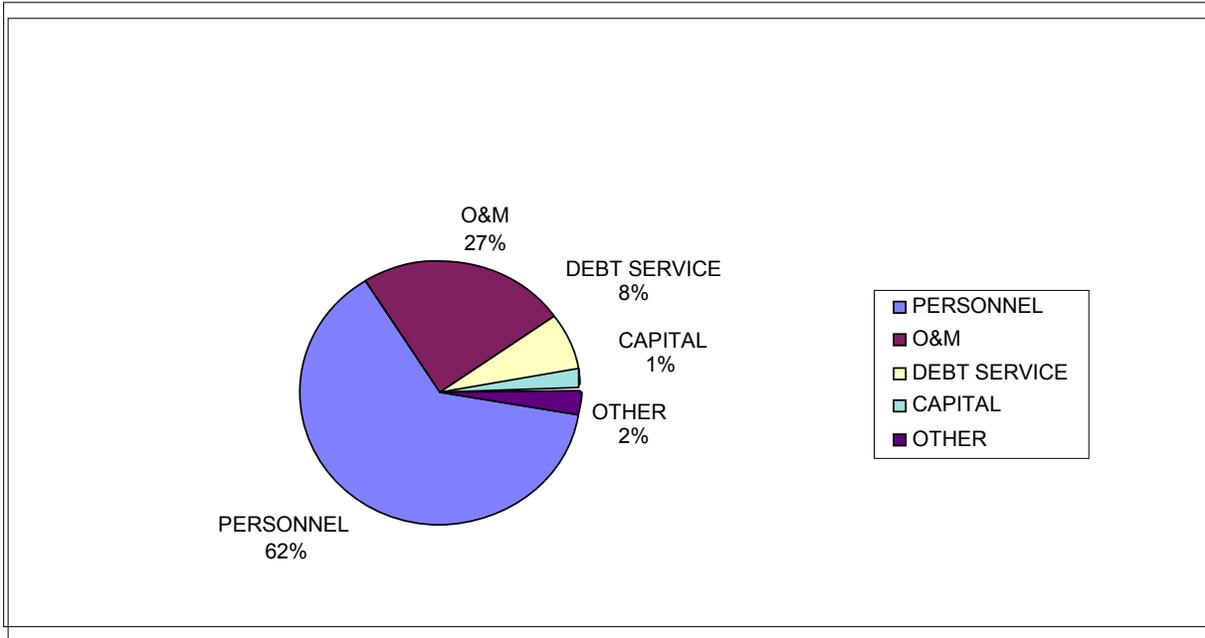
The Beginning and Ending Balance Summary reflects the County's financial position at the beginning and end of 2010. The County's reserves have decreased as revenues from refinancing and the purchasing of new homes have reduced Deeds revenue.

Budget Expenditures by Object

General Fund Budget expenditures totaled \$30,567,379 for 2010, which represents a 4.90% expenditure decrease over 2009 budgeted levels. Dividing the General Fund expenditures by object shows an allocation of 62% to Personnel, 27% to Operations and Maintenance, 8% to Debt Service, 1% to Capital and 2% 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 five bargaining units. The "Operations & Maintenance" expenses also increased, with a slight decrease in the "Capital Expenditures" reflecting a very conservative use of county resources. 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 an increase in 2010.

The chart below graphically depicts budget expenditures by object:



Comparison of Object Changes for the Last Two Fiscal Periods:

<u>Objects</u>	<u>FY 2010</u>	<u>Percent</u>	<u>FY 2009</u>	<u>Percent</u>
Personnel	\$ 19,118,292	62.54%	\$ 19,338,596	61.98%
Operations & Maintenance	8,350,419	27.32%	8,432,897	27.03%
Debt Service	2,326,463	7.61%	2,741,554	8.79%
Capital	270,486	0.88%	283,995	0.91%
Other	501,719	1.64%	402,762	1.29%
Totals	\$ 30,567,379	100.00%	\$ 31,199,804	100.00%

Carry Forward Accounts

There are no authorized carry forward accounts into FY 2010.

Projected Revenues 2010

The budget adopted by the County Commissioners for 2010 shows an estimated amount of \$9,402,459 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:

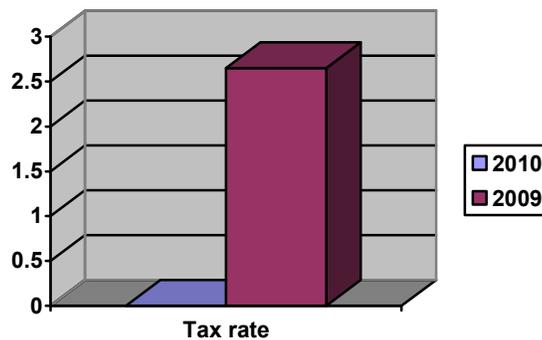
Sheriff	52.4'	\$ 4,931,294
Registry of Deeds	28.6'	\$ 2,691,920
Treasurer	.7'	\$ 70,551
Registry of Probate	5.3'	\$ 498,630
Executive (Garage)	4.8'	\$ 455,300
Other	8.2'	\$ 754,764
Total 2010 Revenue	100.0'	\$ 9,402,459

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 2009 was 0.0005292875 per dollar of valuation and the 2010 tax rate has been set at 0.0005311361 per dollar of valuation, based on the State Certified Valuation. Therefore, a person with property in Cumberland County valued at \$200,000 paid \$106.22 in taxes in the year 2009 to the County and will pay the same amount \$106.22 in 2010.

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.

Zero Percent Tax Increase in 2010



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, 2010

	Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 7,070,331
Investments	2,076,708
Accounts receivable (net of allowance for uncollectibles)	469,862
Due from other governments	1,305,727
Prepaid expenses	4,271
Total current assets	<u>10,926,899</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	4,651,690
Buildings and equipment, net of accumulated depreciation	<u>25,095,737</u>
Total noncurrent assets	<u>29,747,427</u>
TOTAL ASSETS	<u><u>\$ 40,674,326</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,126,079
Accrued payroll	38,264
Unearned revenue	498,695
Other liabilities	133,485
Current portion of long-term obligations	<u>2,190,000</u>
Total current liabilities	<u>3,986,523</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations:	
Bonds payable	1,445,000
Accrued compensated absences	<u>1,833,731</u>
Total noncurrent liabilities	<u>3,278,731</u>
TOTAL LIABILITIES	<u>7,265,254</u>
NET ASSETS	
Invested in capital assets, net of related debt	26,112,427
Restricted for: Special revenues	910,210
Capital projects	892,651
Unrestricted	<u>5,493,784</u>
TOTAL NET ASSETS	<u>33,409,072</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 40,674,326</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities					
Executive Department	\$ 639,695	\$ -	\$ -	\$ -	\$ (639,695)
Treasurer	35,122	-	-	-	(35,122)
Finance	356,876	-	-	-	(356,876)
Register of Deeds	723,723	2,609,194	-	-	1,885,471
Register of Probate	470,239	507,618	-	-	37,379
Emergency Management	3,259,861	-	717,086	-	(2,542,775)
Sheriff - County Services	7,251,705	398,785	3,541,326	-	(3,311,594)
Jail	15,769,050	2,744,172	1,786,165	-	(11,238,713)
District Attorney	1,299,068	-	-	-	(1,299,068)
Human Resources	247,373	-	-	-	(247,373)
Facilities	1,516,985	-	-	-	(1,516,985)
Management System	552,811	-	-	-	(552,811)
Agency Grants	148,413	-	-	-	(148,413)
Parking Garage	165,847	448,058	-	-	282,211
Communications	1,180,955	-	-	-	(1,180,955)
Civic Center Debt Allocation	206,616	-	-	-	(206,616)
Other	831,440	-	-	-	(831,440)
Unallocated Depreciation Expense	265,904	-	-	-	(265,904)
Interest on Long-Term Debt	265,616	-	-	-	(265,616)
	<u>35,187,299</u>	<u>6,707,827</u>	<u>6,044,577</u>	<u>-</u>	<u>(22,434,895)</u>

STATEMENT B (CONTINUED)
COUNTY OF CUMBERLAND, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(22,434,895)</u>
General revenue:	
Taxes:	
Property taxes, levied for general purposes	22,186,885
Grants and contributions not restricted to specific programs	165,608
Miscellaneous	<u>2,249,307</u>
Total general revenue	<u>24,601,800</u>
Change in net assets	2,166,905
NET ASSETS - JANUARY 1, 2010	<u>31,242,167</u>
NET ASSETS - DECEMBER 31, 2010	<u>\$ 33,409,072</u>

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

STATEMENT C

COUNTY OF CUMBERLAND, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	General Fund	Capital Improvements	Radio Upgrade	Jail Fund	Accrued Compensated Absences	Other Governmental Funds	Totals Governmental Funds
ASSETS							
Cash	\$ 7,069,831	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ 7,070,331
Investments	-	626,973	-	-	-	1,449,735	2,076,708
Accounts receivables (net of allowance for uncollectibles)	41,279	-	-	-	-	428,583	469,862
Due from other governments	105,590	-	-	1,200,137	-	-	1,305,727
Due from other funds	434,590	283,988	-	25,462	1,056,736	1,105,742	2,906,518
Prepaid expenses	4,271	-	-	-	-	-	4,271
TOTAL ASSETS	\$ 7,655,561	\$ 910,961	\$ -	\$ 1,226,099	\$ 1,056,736	\$ 2,984,060	\$ 13,833,417
LIABILITIES AND FUND EQUITY							
Liabilities							
Accounts payable	\$ 1,025,632	\$ 18,310	\$ -	\$ 71,410	\$ -	\$ 10,727	\$ 1,126,079
Accrued payroll	38,264	-	-	-	-	-	38,264
Due to other funds	2,471,928	-	-	-	-	434,590	2,906,518
Unearned revenue	498,695	-	-	-	-	-	498,695
Other liabilities	133,485	-	-	-	-	-	133,485
TOTAL LIABILITIES	4,168,004	18,310	-	71,410	-	445,317	4,703,041
Fund Equity							
Reserved, reported in:							
Special revenue funds :	-	-	-	377,694	-	532,516	910,210
Capital project funds	-	892,651	-	-	-	-	892,651
Unreserved, reported in:							
General fund:							
Designated	350,000	-	-	-	-	-	350,000
Undesignated	3,137,557	-	-	-	-	-	3,137,557
Special revenue funds :							
Designated	-	-	-	776,995	1,056,736	2,023,784	3,857,515
Undesignated	-	-	-	-	-	(17,557)	(17,557)
TOTAL FUND EQUITY	3,487,557	892,651	-	1,154,689	1,056,736	2,538,743	9,130,376
TOTAL LIABILITIES AND FUND EQUITY	\$ 7,655,561	\$ 910,961	\$ -	\$ 1,226,099	\$ 1,056,736	\$ 2,984,060	\$ 13,833,417

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, 2010

	Total Governmental Funds
Total Fund Equity	\$ 9,130,376
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	29,747,427
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	(3,635,000)
Accrued compensated absences	(1,833,731)
Net assets of governmental activities	\$ 33,409,072

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

COUNTY OF CUMBERLAND, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Fund	Capital Improvements	Radio Upgrade	Jail Fund	Accrued Compensated Absences	Other Governmental Funds	Totals Governmental Funds
REVENUES							
Taxes	\$ 10,611,283	\$ -	\$ -	\$ 11,575,602	\$ -	\$ -	\$ 22,186,885
Intergovernmental revenues	343,895	-	-	1,786,165	-	4,080,125	6,210,185
Charges for services	3,963,655	-	-	2,744,172	-	-	6,707,827
Miscellaneous revenues	258,840	2,579	-	-	-	1,987,888	2,249,307
TOTAL REVENUES	15,177,673	2,579	-	16,105,939	-	6,068,013	37,354,204
EXPENDITURES							
Executive Department	638,222	-	-	-	-	-	638,222
Treasurer	35,122	-	-	-	-	-	35,122
Finance	355,408	-	-	-	-	-	355,408
Register of Deeds	714,736	-	-	-	-	8,397	723,133
Register of Probate	468,017	-	-	-	-	-	468,017
Emergency Management	284,736	-	-	-	-	2,970,499	3,255,235
Sheriff - County Services	4,697,576	-	-	-	-	2,997,715	7,695,291
Jail	-	-	-	15,146,289	-	-	15,146,289
District Attorney	1,282,252	-	-	-	-	-	1,282,252
Human Resources	247,373	-	-	-	-	-	247,373
Facilities	1,506,939	-	-	-	-	-	1,506,939
Management System	543,427	-	-	-	-	-	543,427
Agency Grants	148,413	-	-	-	-	-	148,413
Parking Garage	84,597	-	-	-	-	-	84,597
Communications	1,136,232	-	-	-	-	-	1,136,232
Civic Center Debt Allocation	206,616	-	-	-	-	-	206,616
Debt service:							
Principal	2,085,000	-	-	-	-	-	2,085,000
Interest	220,847	-	-	44,769	-	-	265,616
Capital Expenditures	-	512,695	749,997	367,502	-	149,938	1,780,132
Other	353,306	228,820	-	-	207,213	-	789,339
TOTAL EXPENDITURES	15,008,819	741,515	749,997	15,558,560	207,213	6,126,549	38,392,653
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	168,854	(738,936)	(749,997)	547,379	(207,213)	(58,536)	(1,038,449)
OTHER FINANCING SOURCES (USES)							
Transfers in	91,200	705,242	-	-	305,602	861,630	1,963,674
Transfers out	(1,175,349)	-	-	(697,125)	-	(91,200)	(1,963,674)
TOTAL OTHER FINANCING SOURCES (USES)	(1,084,149)	705,242	-	(697,125)	305,602	770,430	-
NET CHANGE IN FUND BALANCES	(915,295)	(33,694)	(749,997)	(149,746)	98,389	711,894	(1,038,449)
FUND BALANCES - JANUARY 1	4,402,852	926,345	749,997	1,304,435	958,347	1,826,849	10,168,825
FUND BALANCES - DECEMBER 31	\$ 3,487,557	\$ 892,651	\$ -	\$ 1,154,689	\$ 1,056,736	\$ 2,538,743	\$ 9,130,376

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, 2010

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (1,038,449)</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:</p>	
Capital asset purchases capitalized	2,479,012
Capital asset deletions	-
Depreciation expense	<u>(1,324,091)</u>
	<u>1,154,921</u>
<p>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</p>	
	<u>2,085,000</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing long-term liabilities in the Statement of Net Assets.</p>	
	<u>-</u>
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:</p>	
Accrued compensated absences	<u>(34,567)</u>
Change in net assets of governmental activities (Statement B)	<u>\$ 2,166,905</u>

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

COUNTY OF CUMBERLAND, MAINE

STATEMENT OF FIDUCIARY NET ASSETS – FIDUCIARY FUNDS
DECEMBER 31, 2010

	Private- Purpose Trusts	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Current assets:		
Cash	\$ -	\$ 94,683
Investments	3,162,140	-
Due from other funds	-	-
	<u>3,162,140</u>	<u>94,683</u>
 TOTAL ASSETS	 <u>\$ 3,162,140</u>	 <u>\$ 94,683</u>
 LIABILITIES		
Current liabilities:		
Accounts payable	\$ -	\$ -
Due to other funds	-	-
Deposits held for others	-	94,683
TOTAL LIABILITIES	<u>-</u>	<u>94,683</u>
 NET ASSETS		
Held in trust for special purposes	<u>3,162,140</u>	<u>-</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 3,162,140</u>	 <u>\$ 94,683</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, 2010

	<u>Private- Purpose Trusts</u>
ADDITIONS	
Contributions	\$ 323,624
Net increase (decrease) in the fair value of investments	234,040
Total additions	<u>557,664</u>
DEDUCTIONS	
Investment expenses	109
Withdrawals	456,047
Total deductions	<u>456,156</u>
Change in net assets	101,508
NET ASSETS - JANUARY 1	<u>3,060,632</u>
NET ASSETS - DECEMBER 31	<u><u>\$ 3,162,140</u></u>

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

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, 2010

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. It is classified as a major 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. The Radio Upgrade Fund, the Jail Fund and Accrued Compensated Absences Fund are all major special revenue funds.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The Capital Improvements Fund is a major capital project fund.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- d. Permanent Funds are used to account for assets held by the County pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

2. Fiduciary Funds:

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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:

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

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, 2010.

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.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

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

Long-term Obligations

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

All long-term debt to be repaid from governmental 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.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The County's property tax for the current year was voted on December 21, 2009 on the assessed value listed as of April 1, 2009, 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, 2009. 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, 2010.

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, 2010

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, 2010, the County's had deposits amounting to \$7,703,590 of which all were insured by federal depository insurance or collateralized with securities held by the financial institution in the County's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 189,172
Savings accounts	7,470,372
Money Market	<u>44,046</u>
	<u><u>\$ 7,703,590</u></u>

At December 31, 2010, the County's investments were comprised of \$5,238,848 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	\$ 3,162,140
Banking Investments	<u>2,076,708</u>
	<u><u>\$ 5,238,848</u></u>

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

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The County manages its exposure to interest rate risk by purchasing a combination of shorter and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The County does not have a formal policy relating to interest rate risk.

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, 2010 consisted of the following individual fund receivables and payables:

	<u>Receivables</u> (Due from)	<u>Payables</u> (Due to)
Major funds:		
General fund	\$ 434,590	\$ 2,471,928
Capital Improvements	283,988	-
Jail fund	25,462	-
Accrued Compensated Absences	1,056,736	-
Nonmajor funds:		
Special revenue funds	<u>1,105,742</u>	<u>434,590</u>
	<u>\$ 2,906,518</u>	<u>\$ 2,906,518</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - CAPITAL ASSETS

	Balance, 1/1/10	Additions	Disposals	Balance, 12/31/10
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	40,192,804	302,148	-	40,494,952
Land improvements	53,000	10,646	-	63,646
Machinery & equipment	1,407,622	1,935,573	(103,684)	3,239,511
Vehicles	2,489,655	230,645	-	2,720,300
	<u>44,143,081</u>	<u>2,479,012</u>	<u>(103,684)</u>	<u>46,518,409</u>
Less accumulated depreciation:				
Buildings	(17,370,196)	(981,062)	-	(18,351,258)
Land improvements	(31,800)	(3,533)	-	(35,333)
Machinery & equipment	(1,096,565)	(116,895)	103,684	(1,109,776)
Vehicles	(1,703,704)	(222,601)	-	(1,926,305)
	<u>(20,202,265)</u>	<u>(1,324,091)</u>	<u>103,684</u>	<u>(21,422,672)</u>
Sub-total	<u>23,940,816</u>	<u>1,154,921</u>	<u>-</u>	<u>25,095,737</u>
Net capital assets	<u>\$ 28,592,506</u>	<u>\$ 1,154,921</u>	<u>\$ -</u>	<u>\$ 29,747,427</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:

Communications	\$ 44,723
EMA	4,626
Administration	1,744
General Courthouse	212,540
DA	16,816
Executive	1,473
Facilities	10,046
Probate	2,222
Education - Jail	764
Food service - Jail	14,451
Inmate education - Jail	2,900
Intake - Jail	630
General - Jail	604,016
CID	2,257
Civil	3,533
Finance	1,468
MIS	9,384
Sheriff	254,912
Sub-Station	382
Deeds	590
Parking Garage	81,250
County-Wide	53,364
Total depreciation expense	<u>\$ 1,324,091</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:

	<u>Balance, 1/1/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 12/31/10</u>	<u>Current Year</u>
Bonds payable	\$ 5,720,000	\$ -	\$ (2,085,000)	\$ 3,635,000	\$ 2,190,000
Accrued compensated absences	1,799,164	34,567	-	1,833,731	-
Totals	<u>\$ 7,519,164</u>	<u>\$ 34,567</u>	<u>\$ (2,085,000)</u>	<u>\$ 5,468,731</u>	<u>\$ 2,190,000</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of bond transactions of the County for the year ended December 31, 2010:

	<u>Balance, 12/31/2010</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.	\$ 2,105,000	\$ 2,105,000
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>1,530,000</u>	<u>85,000</u>
	<u>\$ 3,635,000</u>	<u>\$ 2,190,000</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>
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	85,000	56,844	141,844
2016-2020	425,000	228,331	653,331
2021-2025	425,000	127,500	552,500
2026-2030	<u>255,000</u>	<u>25,500</u>	<u>280,500</u>
	<u>\$ 3,635,000</u>	<u>\$ 754,300</u>	<u>\$ 4,389,300</u>

NOTE 6 – DESIGNATED FOR SUBSEQUENT YEARS’ EXPENDITURES

At December 31, 2010, the General Fund balances designated for subsequent years’ expenditures consisted of:

2011 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, 2010

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 2010, the County's annual pension cost was \$436,916. The annual pension cost was determined as part of the December 31, 2010 actuarial valuations using the entry age actuarial cost method. 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, 2010, 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 contributions and is being amortized over a closed period of

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 7 - PENSION PLAN (CONTINUED)

18 years from July 1, 1999. The County's actual contribution was \$373,946 after the unfunded actuarial accrued liability credit of \$62,970 was deducted from the annual pension cost.

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.

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.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 9 - RISK MANAGEMENT (CONTINUED)

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 \$37,175, \$16,984, and \$42,018 in 2010, 2009, and 2008, 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.

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, 2010, 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.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 11 - DEFICIT FUND BALANCES

One of the individual Special Revenue Funds had a deficit fund balance as of December 31, 2010. It is as follows:

Courthouse Addition	<u>\$ 17,557</u>
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NOTE 12 - RESTRICTED NET ASSETS

The following net assets have been reserved at December 31, 2010 for the following purposes:

Reserved for grant programs	\$ 532,516
Reserved for the jail	377,694
Reserved for capital projects	892,651
	<u>\$ 1,802,861</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 2010 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, 2010 is of the position that these benefits will be funded through jail operations budgets approved by the Board of Corrections.

COUNTY OF CUMBERLAND, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010

NOTE 14 – OTHER POSTEMPLOYMENT BENEFITS

Based on contracts that are currently in place at the County of Cumberland, there is no obligation at the County level to provide current employees or retired employees with any other postemployment benefits other than immaterial life insurance amounts. Due to the insignificant nature of these amounts they have not been accrued in the financial statements.

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, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 4,402,852	\$ 4,402,852	\$ 4,402,852	\$ -
Resources (Inflows):				
Taxes - municipalities	10,611,283	10,611,283	10,611,283	-
Intergovernmental revenues:				
Emergency management	160,000	160,000	178,287	18,287
Surcharge on fines	100,000	100,000	9,303	(90,697)
Rent	12,384	12,384	17,643	5,259
State Court System (Note 10)	22,380	22,380	22,376	(4)
District attorney	85,000	85,000	116,286	31,286
	<u>379,764</u>	<u>379,764</u>	<u>343,895</u>	<u>(35,869)</u>
Charges for services:				
Register of Deeds	2,691,920	2,691,920	2,609,194	(82,726)
Register of Probate	498,630	498,630	507,618	8,988
Civil Department	300,000	300,000	349,584	49,584
Sheriff's Department	75,000	75,000	49,201	(25,799)
Parking Garage	455,300	455,300	448,058	(7,242)
	<u>4,020,850</u>	<u>4,020,850</u>	<u>3,963,655</u>	<u>(57,195)</u>
Miscellaneous:				
Interest on investments	70,551	70,551	14,727	(55,824)
Other revenues	-	-	244,113	244,113
	<u>70,551</u>	<u>70,551</u>	<u>258,840</u>	<u>188,289</u>
Transfers from other funds	-	-	91,200	91,200
Amounts Available for Appropriation	<u>19,485,300</u>	<u>19,485,300</u>	<u>19,671,725</u>	<u>186,425</u>
EXPENDITURES				
Executive Department	601,732	601,732	638,222	(36,490)
Treasurer	34,075	34,075	35,122	(1,047)
Finance	361,030	361,030	355,408	5,622
Register of Deeds	793,566	793,566	714,736	78,830
Register of Probate	493,871	493,871	468,017	25,854
Emergency Management	362,735	362,735	284,736	77,999
Sheriff - County Services	4,783,176	4,783,176	4,697,576	85,600
District Attorney	1,406,388	1,406,388	1,282,252	124,136
Human Resources	259,707	259,707	247,373	12,334
Facilities	1,568,270	1,568,270	1,506,939	61,331
Management Information Systems	554,767	554,767	543,427	11,340
Agency Grants	148,413	148,413	148,413	-
Parking Garage	81,748	81,748	84,597	(2,849)
Communications	1,071,500	1,071,500	1,136,232	(64,732)
Civic Center Debt Allocation	206,616	206,616	206,616	-
Debt Service:				
Principal	2,085,000	2,085,000	2,085,000	-
Interest	317,157	317,157	220,847	96,310
Other	302,697	302,697	353,306	(50,609)
Transfers to Other funds	-	-	1,175,349	(1,175,349)
Total Charges to Appropriations	<u>15,432,448</u>	<u>15,432,448</u>	<u>16,184,168</u>	<u>(751,720)</u>
Budgetary Fund Balance, December 31	<u>\$ 4,052,852</u>	<u>\$ 4,052,852</u>	<u>\$ 3,487,557</u>	<u>\$ (565,295)</u>
Utilization of Designated Fund Balance	\$ -	\$ -	\$ -	\$ -
Utilization of Undesignated Fund Balance	350,000	350,000	-	(350,000)
	<u>\$ 350,000</u>	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ (350,000)</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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Combining Schedule of Fiduciary Net Assets – Agency Funds
- Combining Schedule of Changes in Assets and Liabilities – Agency Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>	<u>Carry Forward</u>	<u>Receipts</u>	<u>Expended</u>	<u>Balance 12/31/10</u>
Executive					
Administration					
Personnel	\$ 435,939	\$ -	\$ -	\$ 418,541	\$ 17,398
Operations and maintenance	165,793	-	-	219,681	(53,888)
Subtotal Executive	<u>601,732</u>	<u>-</u>	<u>-</u>	<u>638,222</u>	<u>(36,490)</u>
Management Information Systems					
Personnel	320,476	-	-	310,546	9,930
Operations and maintenance	184,291	-	-	178,035	6,256
Capital outlay	50,000	-	-	54,846	(4,846)
Subtotal Management Information Systems	<u>554,767</u>	<u>-</u>	<u>-</u>	<u>543,427</u>	<u>11,340</u>
Emergency Management Agency					
Personnel	244,448	-	-	239,734	4,714
Operations and maintenance	61,787	-	-	44,362	17,425
Capital outlay	56,500	-	-	640	55,860
Subtotal Emergency Management Agency	<u>362,735</u>	<u>-</u>	<u>-</u>	<u>284,736</u>	<u>77,999</u>
District Attorney					
Personnel	1,118,533	-	-	1,056,774	61,759
Operations and maintenance	285,855	-	-	223,567	62,288
Capital outlay	2,000	-	-	1,911	89
Subtotal District Attorney	<u>1,406,388</u>	<u>-</u>	<u>-</u>	<u>1,282,252</u>	<u>124,136</u>
Garage					
Personnel	77,948	-	-	80,579	(2,631)
Operations and maintenance	3,800	-	-	4,018	(218)
Subtotal Garage	<u>81,748</u>	<u>-</u>	<u>-</u>	<u>84,597</u>	<u>(2,849)</u>

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>	<u>Carry Forward</u>	<u>Receipts</u>	<u>Expended</u>	<u>Balance 12/31/10</u>
Human Resources					
Personnel	221,472	-	-	225,505	(4,033)
Operations and maintenance	33,235	-	-	18,159	15,076
Capital outlay	5,000	-	-	3,709	1,291
	<u>259,707</u>	<u>-</u>	<u>-</u>	<u>247,373</u>	<u>12,334</u>
Treasurer					
Personnel	29,002	-	-	28,581	421
Operations and maintenance	5,073	-	-	6,541	(1,468)
Subtotal Treasurer	<u>34,075</u>	<u>-</u>	<u>-</u>	<u>35,122</u>	<u>(1,047)</u>
Facilities					
Personnel	885,489	-	-	828,685	56,804
Operations and maintenance	677,281	-	-	670,918	6,363
Capital outlay	5,500	-	-	7,336	(1,836)
Subtotal Facilities	<u>1,568,270</u>	<u>-</u>	<u>-</u>	<u>1,506,939</u>	<u>61,331</u>
Sheriff - County Services					
Administration/Support service					
Personnel	570,465	-	-	578,463	(7,998)
Operations and maintenance	272,061	-	-	214,613	57,448
Capital outlay	2,500	-	-	2,325	175
Law Enforcement					
Personnel	2,927,741	-	-	3,018,118	(90,377)
Operations and maintenance	572,477	-	-	444,793	127,684
Capital outlay	157,722	-	-	182,783	(25,061)
Civil					
Personnel	219,437	-	-	222,696	(3,259)
Operations and maintenance	59,873	-	-	33,726	26,147
Capital outlay	900	-	-	59	841
Subtotal Sheriff - County Services	<u>4,783,176</u>	<u>-</u>	<u>-</u>	<u>4,697,576</u>	<u>85,600</u>

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>	<u>Carry Forward</u>	<u>Receipts</u>	<u>Expended</u>	<u>Balance 12/31/10</u>
Register of Deeds					
Personnel	582,206	-	-	540,457	41,749
Operations and maintenance	203,360	-	-	168,287	35,073
Capital outlay	8,000	-	-	5,992	2,008
Subtotal Register of Deeds	<u>793,566</u>	<u>-</u>	<u>-</u>	<u>714,736</u>	<u>78,830</u>
Register of Probate					
Personnel	357,347	-	-	359,116	(1,769)
Operations and maintenance	133,024	-	-	108,721	24,303
Capital outlay	3,500	-	-	180	3,320
Subtotal Register of Probate	<u>493,871</u>	<u>-</u>	<u>-</u>	<u>468,017</u>	<u>25,854</u>
Finance					
Personnel	313,340	-	-	311,438	1,902
Operations and maintenance	47,590	-	-	43,970	3,620
Capital outlay	100	-	-	-	100
Subtotal Finance	<u>361,030</u>	<u>-</u>	<u>-</u>	<u>355,408</u>	<u>5,622</u>
Debt service					
Principal	2,085,000	-	-	2,085,000	-
Interest	317,157	-	-	220,847	96,310
Subtotal Debt service	<u>2,402,157</u>	<u>-</u>	<u>-</u>	<u>2,305,847</u>	<u>96,310</u>

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2010

	<u>Appropriated</u>	<u>Carry Forward</u>	<u>Receipts</u>	<u>Expended</u>	<u>Balance 12/31/10</u>
Communications					
Personnel	898,608	-	-	970,268	(71,660)
Operations and maintenance	160,892	-	-	155,259	5,633
Capital outlay	12,000	-	-	10,705	1,295
Subtotal Communication	<u>1,071,500</u>	<u>-</u>	<u>-</u>	<u>1,136,232</u>	<u>(64,732)</u>
Civic Center bond allocation					
Principal	170,301	-	-	150,000	20,301
Interest	36,315	-	-	56,616	(20,301)
Subtotal Civic Center bond allocation	<u>206,616</u>	<u>-</u>	<u>-</u>	<u>206,616</u>	<u>-</u>
Agency grants					
Cumberland County Extension	118,045	-	-	118,045	-
Cumberland County Soil and Water	16,000	-	-	16,000	-
Portland Public Library	10,036	-	-	10,036	-
So. Maine Emergency Medical Services	3,694	-	-	3,694	-
Threshold to Maine	638	-	-	638	-
Subtotal Agency grants	<u>148,413</u>	<u>-</u>	<u>-</u>	<u>148,413</u>	<u>-</u>
Other					
Employee benefits	52,800	-	-	40,237	12,563
Termination pay	3,300	-	-	4,365	(1,065)
Contingency	30,000	-	-	85,771	(55,771)
Human services	166,597	-	-	170,125	(3,528)
Referendum & public information	50,000	-	-	52,302	(2,302)
Miscellaneous	-	-	-	506	-
Subtotal Other	<u>302,697</u>	<u>-</u>	<u>-</u>	<u>353,306</u>	<u>(50,103)</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 15,432,448</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,008,819</u>	<u>\$ 424,135</u>

See accompanying independent auditors' report.

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2010

	Special Revenue Funds	Total Nonmajor Governmental Funds
ASSETS		
Investments	\$ 1,449,735	\$ 1,449,735
Accounts receivable	428,583	428,583
Due from other funds	1,105,742	1,105,742
TOTAL ASSETS	<u>\$ 2,984,060</u>	<u>\$ 2,984,060</u>
LIABILITIES		
Accounts payable	\$ 10,727	\$ 10,727
Due to other funds	434,590	434,590
TOTAL LIABILITIES	<u>445,317</u>	<u>445,317</u>
FUND EQUITY		
Fund balance:		
Designated for subsequent years' expenditures	2,556,300	2,556,300
Undesignated	<u>(17,557)</u>	<u>(17,557)</u>
TOTAL FUND EQUITY	<u>2,538,743</u>	<u>2,538,743</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 2,984,060</u>	<u>\$ 2,984,060</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, 2010

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
REVENUES		
Grants and contracts	\$ 3,907,159	\$ 3,907,159
MDEA	172,966	172,966
Community Corrections	-	-
Other	1,987,888	1,987,888
TOTAL REVENUES	<u>6,068,013</u>	<u>6,068,013</u>
EXPENDITURES		
Program expenditures	6,126,549	6,126,549
TOTAL EXPENDITURES	<u>6,126,549</u>	<u>6,126,549</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(58,536)</u>	<u>(58,536)</u>
OTHER FINANCING SOURCES (USES)		
Transfer In	861,630	861,630
Transfers Out	<u>(91,200)</u>	<u>(91,200)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>770,430</u>	<u>770,430</u>
NET CHANGE IN FUND BALANCE	711,894	711,894
FUND BALANCES, JANUARY 1	<u>1,826,849</u>	<u>1,826,849</u>
FUND BALANCES, DECEMBER 31	<u>\$ 2,538,743</u>	<u>\$ 2,538,743</u>

See accompanying independent auditors' report.

Special Revenue Funds

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

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. 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.
9. MMA Fund (31277) - A credit received from the Maine Municipal Association.
10. 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.
11. 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.
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. Cops Fast Grant (51264) - Funding to the Sheriff's Department for community policing issues.
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. WMD Grant (51276) - Funds received to assist the County to provide training against weapons of mass destruction.
19. Citizens Emergency Response Team (51280) – Funds received to set up neighborhood watch programs.
20. State Projects (51281) – Capital improvement projects being reimbursed by the State of Maine.
21. 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.
22. Domestic Violence Grant (51284) - Ongoing funding from the Office of Justice to promote domestic violence prosecution and education programs.
23. Buffer Zone Grant (51286) – Traffic detour, and evacuation plan grant.
24. Critical Infrastructure (51287) – Review of dams and shelters under a grant.
25. LETPP HLSG 05 (51291) – Grant for law Enforcement equipment.
26. JAG Portland (51292) – Joint equipment grant with City of Portland.
27. HLSG City Watch (51293) – Pass through account set up to funnel monies from the State Homeland Security monies to the county to the municipalities.
28. Pandemic Flu Planning (51295) – Grant for Regional planning for pandemic.

29. Domestic Violence 06-08 (51296)(51343) – Grant for Domestic Violence Intervention.
30. Lead Hazard Control (51299) – Executive department received a small grant to evaluate the hazards of lead in Cumberland County.
31. Hazard Assessing Study (51300) – Planning grant to evaluate a plan to regionalize assessing activity in Cumberland County.
32. GPCOG Phase II (51301) – Homeland security grant to plan for emergency evacuation of the Maine Mall area.
33. York Cumberland Planning (51303) – Homeland security grant for emergency operation planning between York and Cumberland County.
34. Alpha One Resilience (51304) – Planning grant to evacuate and handle the disabled in an emergency event
35. GPCOG EMA Planning (51306) – Grant to provide additional FTE to do planning functions.
36. GPCOG EVAC (51307) – Grant to plan evacuation route for Greater Portland.
37. Homeland Security Grant 2006 (51313) – Pass through account set up to funnel monies from the State Homeland Security monies to the County to the municipalities in 2006.
38. Fire Pagers Grant (51314) – Maine Emergency Management Agency grant for the purchase of pagers to be used by fire departments.
39. Project Connect (51344) – DOJ grant to provide collaborative assistance to individuals with mental illness who come into contact with the criminal justice system.
40. Crimes Data (51345) – Grant to convert DA crimes data to State compatibility.
41. 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.
42. Program manager (51347) – A MEMA grant to allow hiring of a program manager for EMA disasters planning.
43. CC Regional Community Center (51348) – Grant to link local municipalities to new tower link communication system, funds from MEMA.
44. EECSBG Grant (51349) – Federal Grant for energy savings capital changes.

45. DV Part 8 Grant (51351) – Most recent Domestic Violence grant award, (continuation).
46. Drug Free Communities (51352) - OJP Grant to focus on alcohol abuse among young people.
47. CDBG (52800) – Community Development Block Grant.
48. Sheriff Contracted Services – Sheriff's Department outside detail contracts.
49. Jail/BOC Capital Improvements – Dedicated funds for capital repairs & purchase in the Jail complex
50. 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.
51. Sunshine Fund - Funds received from vending machine commissions etc for utilization for employee events on the Sheriff's Office campus.
52. EAC Fund - Employee Advisory Committee funds used to sponsor employee activities and events and recognition programs.

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Courthouse Addition 21220	MDEA Reimbursement 21225	Domestic Violence Investigator 21254	Outside Civil Deputies 21255	Emergency Communications 21256	DEA Property Forfeiture 31231	Probate Surcharge 31238
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,359
Accounts receivable	-	-	-	12,976	-	-	-
Due from other funds	-	107,094	10,441	6,718	-	4,740	-
Total assets	\$ -	\$ 107,094	\$ 10,441	\$ 19,694	\$ -	\$ 4,740	\$ 87,359
LIABILITIES							
Accounts payable	\$ 1,376	\$ -	\$ -	\$ 163	\$ -	\$ -	\$ -
Due to other funds	16,181	-	-	-	-	-	121
Total liabilities	17,557	-	-	163	-	-	121
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	-	107,094	10,441	19,531	-	4,740	87,238
Undesignated	(17,557)	-	-	-	-	-	-
Total fund equity	(17,557)	107,094	10,441	19,531	-	4,740	87,238
Total liabilities and fund equity	\$ -	\$ 107,094	\$ 10,441	\$ 19,694	\$ -	\$ 4,740	\$ 87,359

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Deeds Surcharge 31239	MMA Fund 31277	State Reimbursement DOC Program 31290	Public Health 31298	Local Emergency Planning 51240	Wellness Incentive Grant 51247	Terrorism Training Grant 51261
ASSETS							
Investments	\$ 1,362,376	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	47,584	377,449	3,307	16,791	7,702	-
Total assets	\$ 1,362,376	\$ 47,584	\$ 377,449	\$ 3,307	\$ 16,791	\$ 7,702	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 84	\$ -
Due to other funds	7,771	-	-	-	-	-	-
Total liabilities	7,771	-	-	-	-	84	-
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	1,354,605	47,584	377,449	3,307	16,791	7,618	-
Undesignated	-	-	-	-	-	-	-
Total fund equity	1,354,605	47,584	377,449	3,307	16,791	7,618	-
Total liabilities and fund equity	\$ 1,362,376	\$ 47,584	\$ 377,449	\$ 3,307	\$ 16,791	\$ 7,702	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Cops Fast Grant 51264	Brunswick Hazmat 51271	Underage Drinking Grant 51274	WMD Grant 51276	Citizens Emergency Response Team 51280	State Projects 51281	Homeland Security Grant 04 51283
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	55,059	-
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,059	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	55,059	-
Total liabilities	-	-	-	-	-	55,059	-
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
Total fund equity	-	-	-	-	-	-	-
Total liabilities and fund equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,059	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Domestic Violence Grant 51284	Buffer Zone Grant 51286	Critical Infrastructure 51287	LETPP HLSG 05 51291	JAG Portland 51292	HLSG City Watch 51293	Pandemic Flu Planning 51295
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	5,076	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ 5,076	\$ -	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	-	-	-	-	5,076	-	-
Undesignated	-	-	-	-	-	-	-
Total fund equity	-	-	-	-	5,076	-	-
Total liabilities and fund equity	\$ -	\$ -	\$ -	\$ -	\$ 5,076	\$ -	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Domestic Violence 06-08 51296	Lead Hazard Control 51299	Hazard Assessing Study 51300	GPCOG Phase II 51301	York Cumberland Planning 51303	Alpha One Resilience 51304	GPCOG EMA Planning 51306
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-
Total fund equity	-	-	-	-	-	-	-
Total liabilities and fund equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	GPCOG EVAC 51307	2006 Homeland Security 51313	Fire Paggers Grant 51314	Domestic Violence 08 - 11 51343	Project Connect 51344	Crimes Data 51345	CC Contract 51346
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	71,160	-	-	-
Due from other funds	-	-	-	-	-	-	941
Total assets	\$ -	\$ -	\$ -	\$ 71,160	\$ -	\$ -	\$ 941
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	71,160	-	-	-
Total liabilities	-	-	-	71,160	-	-	-
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	941
Undesignated	-	-	-	-	-	-	-
Total fund equity	-	-	-	-	-	-	941
Total liabilities and fund equity	\$ -	\$ -	\$ -	\$ 71,160	\$ -	\$ -	\$ 941

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Program Manager 51347	CC Regional Comm Ctr 51348	EECBG Grant 51349	DV Part 8 Grant 51351	Drug Free Comm 51352	CDBG 52800	Sheriff Contracted Services
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	30,991	-	155,933	24,377	13,794	64,293	-
Due from other funds	-	-	-	-	1,277	-	170,353
Total assets	<u>\$ 30,991</u>	<u>\$ -</u>	<u>\$ 155,933</u>	<u>\$ 24,377</u>	<u>\$ 15,071</u>	<u>\$ 64,293</u>	<u>\$ 170,353</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ 5,090	\$ 1,277	\$ -	\$ 2,737
Due to other funds	30,991	-	155,933	19,287	13,794	64,293	-
Total liabilities	<u>30,991</u>	<u>-</u>	<u>155,933</u>	<u>24,377</u>	<u>15,071</u>	<u>64,293</u>	<u>2,737</u>
FUND EQUITY							
Fund balance:							
Designated for subsequent years' expenditures	-	-	-	-	-	-	167,616
Undesignated	-	-	-	-	-	-	-
Total fund equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,616</u>
Total liabilities and fund equity	<u>\$ 30,991</u>	<u>\$ -</u>	<u>\$ 155,933</u>	<u>\$ 24,377</u>	<u>\$ 15,071</u>	<u>\$ 64,293</u>	<u>\$ 170,353</u>

COUNTY OF CUMBERLAND, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2010

	Jail/BOC Capital Improvement	D.A.R.E./ Officer Friendly	Sunshine Fund	EAC Fund	Totals
ASSETS					
Investments	\$ -	\$ -	\$ -	\$ -	\$ 1,449,735
Accounts receivable	-	-	-	-	428,583
Due from other funds	336,728	-	2,164	7,377	1,105,742
Total assets	<u>\$ 336,728</u>	<u>\$ -</u>	<u>\$ 2,164</u>	<u>\$ 7,377</u>	<u>\$ 2,984,060</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 10,727
Due to other funds	-	-	-	-	434,590
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,317</u>
FUND EQUITY					
Fund balance:					
Designated for subsequent years' expenditures	336,728	-	2,164	7,377	2,556,300
Undesignated	-	-	-	-	(17,557)
Total fund equity	<u>336,728</u>	<u>-</u>	<u>2,164</u>	<u>7,377</u>	<u>2,538,743</u>
Total liabilities and fund equity	<u>\$ 336,728</u>	<u>\$ -</u>	<u>\$ 2,164</u>	<u>\$ 7,377</u>	<u>\$ 2,984,060</u>

See accompanying independent auditors' report.

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2010

	Courthouse Addition 21220	MDEA Reimbursement 21225	Domestic Violence Investigator 21254	Outside Civil Deputies 21255	Emergency Communications 21256	DEA Property Forfeiture 31231	Probate Surcharge 31238
REVENUES							
Grants and contracts	\$ -	\$ -	\$ 74,938	\$ 254,511	\$ 538,799	\$ -	\$ -
MDEA	-	172,966	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	166,967	-	-	-	-	3,330	15,714
TOTAL REVENUES	<u>166,967</u>	<u>172,966</u>	<u>74,938</u>	<u>254,511</u>	<u>538,799</u>	<u>3,330</u>	<u>15,714</u>
EXPENDITURES							
Program Expenses	149,938	155,191	72,655	256,451	616,676	21,083	-
TOTAL EXPENDITURES	<u>149,938</u>	<u>155,191</u>	<u>72,655</u>	<u>256,451</u>	<u>616,676</u>	<u>21,083</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>17,029</u>	<u>17,775</u>	<u>2,283</u>	<u>(1,940)</u>	<u>(77,877)</u>	<u>(17,753)</u>	<u>15,714</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	67,203	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,203</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	17,029	17,775	2,283	(1,940)	(10,674)	(17,753)	15,714
FUND BALANCES, JANUARY 1	<u>(34,586)</u>	<u>89,319</u>	<u>8,158</u>	<u>21,471</u>	<u>10,674</u>	<u>22,493</u>	<u>71,524</u>
FUND BALANCES, DECEMBER 31	<u>\$ (17,557)</u>	<u>\$ 107,094</u>	<u>\$ 10,441</u>	<u>\$ 19,531</u>	<u>\$ -</u>	<u>\$ 4,740</u>	<u>\$ 87,238</u>

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Deeds Surcharge 31239	MMA Fund 31277	State Reimbursement DOC Program 31290	Public Health 31298	Local Emergency Planning 51240	Wellness Incentive Grant 51247	Terrorism Training Grant 51261
REVENUES							
Grants and contracts	\$ -	\$ -	\$ -	\$ 15,000	\$ -	\$ 9,680	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	180,099	2,000	-	-	33,184	-	-
TOTAL REVENUES	180,099	2,000	-	15,000	33,184	9,680	-
EXPENDITURES							
Program Expenses	8,397	1,551	108,502	20,100	35,279	8,635	-
TOTAL EXPENDITURES	8,397	1,551	108,502	20,100	35,279	8,635	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	171,702	449	(108,502)	(5,100)	(2,095)	1,045	-
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	(8,892)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	(8,892)
NET CHANGE IN FUND BALANCE	171,702	449	(108,502)	(5,100)	(2,095)	1,045	(8,892)
FUND BALANCES, JANUARY 1	1,182,903	47,135	485,951	8,407	18,886	6,573	8,892
FUND BALANCES, DECEMBER 31	\$ 1,354,605	\$ 47,584	\$ 377,449	\$ 3,307	\$ 16,791	\$ 7,618	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Cops Fast Grant 51264	Brunswick Hazmat 51271	Underage Drinking Grant 51274	WMD Grant 51276	Citizens Emergency Response Team 51280	State Projects 51281	Homeland Security Grant 04 51283
REVENUES							
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,059	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	-	-	-	-	-	196,637	-
TOTAL REVENUES	-	-	-	-	-	251,696	-
EXPENDITURES							
Program Expenses	1,044	-	-	-	-	206,322	-
TOTAL EXPENDITURES	1,044	-	-	-	-	206,322	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,044)	-	-	-	-	45,374	-
OTHER FINANCING SOURCES (USES)							
Transfers In	1,044	-	-	-	-	-	44,649
Transfers Out	-	(7,744)	(1,779)	(10,000)	(2,575)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,044	(7,744)	(1,779)	(10,000)	(2,575)	-	44,649
NET CHANGE IN FUND BALANCE	-	(7,744)	(1,779)	(10,000)	(2,575)	45,374	44,649
FUND BALANCES, JANUARY 1	-	7,744	1,779	10,000	2,575	(45,374)	(44,649)
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Domestic Violence Grant 51284	Buffer Zone Grant 51286	Critical Infrastructure 51287	LETPP HLSG 05 51291	JAG Portland 51292	HLSG City Watch 51293	Pandemic Flu Planning 51295
REVENUES							
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ 39,732	\$ -	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	39,732	-	-
EXPENDITURES							
Program Expenses	-	-	-	-	19,540	35,020	-
TOTAL EXPENDITURES	-	-	-	-	19,540	35,020	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	20,192	(35,020)	-
OTHER FINANCING SOURCES (USES)							
Transfers In	14,597	-	-	-	-	-	25,624
Transfers Out	-	(4,886)	(20,378)	(6,354)	-	(4,643)	-
TOTAL OTHER FINANCING SOURCES (USES)	14,597	(4,886)	(20,378)	(6,354)	-	(4,643)	25,624
NET CHANGE IN FUND BALANCE	14,597	(4,886)	(20,378)	(6,354)	20,192	(39,663)	25,624
FUND BALANCES, JANUARY 1	(14,597)	4,886	20,378	6,354	(15,116)	39,663	(25,624)
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ 5,076	\$ -	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Domestic Violence 06-08 51296	Lead Hazard Control 51299	Hazard Assessing Study 51300	GPCOG Phase II 51301	York Cumberland Planning 51303	Alpha One Resilience 51304	GPCOG EMA Planning 51306
REVENUES							
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,575	\$ 14,828
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	12,575	14,828
EXPENDITURES							
Program Expenses	-	-	-	-	-	16,127	18,646
TOTAL EXPENDITURES	-	-	-	-	-	16,127	18,646
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	(3,552)	(3,818)
OTHER FINANCING SOURCES (USES)							
Transfers In	6,507	58	-	-	-	-	4,750
Transfers Out	-	-	(1,653)	(2,225)	(9,822)	(318)	-
TOTAL OTHER FINANCING SOURCES (USES)	6,507	58	(1,653)	(2,225)	(9,822)	(318)	4,750
NET CHANGE IN FUND BALANCE	6,507	58	(1,653)	(2,225)	(9,822)	(3,870)	932
FUND BALANCES, JANUARY 1	(6,507)	(58)	1,653	2,225	9,822	3,870	(932)
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	GPCOG EVAC 51307	2006 Homeland Security 51313	Fire Paggers Grant 51314	Domestic Violence 08 - 11 51343	Project Connect 51344	Crimes Data 51345	CC Contract 51346
REVENUES							
Grants and contracts	\$ 17,942	\$ -	\$ 32,085	\$ 221,276	\$ 10,246	\$ -	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	-	-	-	-	-	19,610	5,650
TOTAL REVENUES	<u>17,942</u>	<u>-</u>	<u>32,085</u>	<u>221,276</u>	<u>10,246</u>	<u>19,610</u>	<u>5,650</u>
EXPENDITURES							
Program Expenses	<u>9,767</u>	<u>8,940</u>	<u>32,157</u>	<u>172,737</u>	<u>-</u>	<u>-</u>	<u>6,155</u>
TOTAL EXPENDITURES	<u>9,767</u>	<u>8,940</u>	<u>32,157</u>	<u>172,737</u>	<u>-</u>	<u>-</u>	<u>6,155</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8,175</u>	<u>(8,940)</u>	<u>(72)</u>	<u>48,539</u>	<u>10,246</u>	<u>19,610</u>	<u>(505)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	72	-	-	1	-
Transfers Out	<u>(9,586)</u>	<u>(344)</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(9,586)</u>	<u>(344)</u>	<u>72</u>	<u>-</u>	<u>(1)</u>	<u>1</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(1,411)	(9,284)	-	48,539	10,245	19,611	(505)
FUND BALANCES, JANUARY 1	<u>1,411</u>	<u>9,284</u>	<u>-</u>	<u>(48,539)</u>	<u>(10,245)</u>	<u>(19,611)</u>	<u>1,446</u>
FUND BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 941</u>

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Program Manager 51347	CC Regional Comm Ctr 51348	EECBG Grant 51349	DV Part 8 Grant 51351	Drug Free Comm 51352	CDBG 52800	Sheriff Contracted Services
REVENUES							
Grants and contracts	\$ -	\$ -	\$ 155,933	\$ 24,377	\$ 13,794	\$ 2,416,384	\$ -
MDEA	-	-	-	-	-	-	-
Community Corrections	-	-	-	-	-	-	-
Other	56,769	94,250	107,864	-	-	-	1,095,452
TOTAL REVENUES	<u>56,769</u>	<u>94,250</u>	<u>263,797</u>	<u>24,377</u>	<u>13,794</u>	<u>2,416,384</u>	<u>1,095,452</u>
EXPENDITURES							
Program Expenses	50,217	94,250	263,797	24,377	13,794	2,353,823	1,056,622
TOTAL EXPENDITURES	<u>50,217</u>	<u>94,250</u>	<u>263,797</u>	<u>24,377</u>	<u>13,794</u>	<u>2,353,823</u>	<u>1,056,622</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>62,561</u>	<u>38,830</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	6,552	-	-	-	-	62,561	38,830
FUND BALANCES, JANUARY 1	<u>(6,552)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(62,561)</u>	<u>128,786</u>
FUND BALANCES, DECEMBER 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,616</u>

COUNTY OF CUMBERLAND, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2010

	Jail/BOC Capital Improvement	D.A.R.E./ Officer Friendly	Sunshine Fund	EAC Fund	Totals
REVENUES					
Grants and contracts	\$ -	\$ -	\$ -	\$ -	\$ 3,907,159
MDEA	-	-	-	-	172,966
Community Corrections	-	-	-	-	-
Other	-	-	3,662	6,700	1,987,888
TOTAL REVENUES	-	-	3,662	6,700	6,068,013
EXPENDITURES					
Program Expenses	275,712	2,353	2,142	8,549	6,126,549
TOTAL EXPENDITURES	275,712	2,353	2,142	8,549	6,126,549
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(275,712)	(2,353)	1,520	(1,849)	(58,536)
OTHER FINANCING SOURCES (USES)					
Transfers In	697,125	-	-	-	861,630
Transfers Out	-	-	-	-	(91,200)
TOTAL OTHER FINANCING SOURCES (USES)	697,125	-	-	-	770,430
NET CHANGE IN FUND BALANCE	421,413	(2,353)	1,520	(1,849)	711,894
FUND BALANCES, JANUARY 1	(84,685)	2,353	644	9,226	1,826,849
FUND BALANCES, DECEMBER 31	\$ 336,728	\$ -	\$ 2,164	\$ 7,377	\$ 2,538,743

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, 2010

	Jail Commissary Account	Jail Inmate Account	Total
ASSETS			
Cash	\$ 26,024	\$ 68,659	\$ 94,683
Investments	-	-	-
Due from other funds	-	-	-
TOTAL ASSETS	<u>\$ 26,024</u>	<u>\$ 68,659</u>	<u>\$ 94,683</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Deposits held for others	26,024	68,659	94,683
TOTAL LIABILITIES	<u>26,024</u>	<u>68,659</u>	<u>94,683</u>
NET ASSETS			
Held in trust for special purposes	-	-	-
TOTAL NET ASSETS	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 26,024</u>	<u>\$ 68,659</u>	<u>\$ 94,683</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, 2010

	Balances, 1/1/2010	Debits	Credits	Balances, 12/31/2010
ASSETS				
Cash	\$ 70,254	\$ 91,249	\$ 66,820	\$ 94,683
Investments	186,415	-	186,415	-
Due from general fund	-	-	-	-
TOTAL ASSETS	<u>\$ 256,669</u>	<u>\$ 91,249</u>	<u>\$ 253,235</u>	<u>\$ 94,683</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 4,419	\$ 4,419	\$ -	\$ -
Due to general fund	-	-	-	-
Deposits held for others	252,250	248,816	91,249	94,683
TOTAL LIABILITIES	<u>256,669</u>	<u>253,235</u>	<u>91,249</u>	<u>94,683</u>
NET ASSETS				
Held in trust for special purposes	-	-	-	-
TOTAL NET ASSETS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 256,669</u>	<u>\$ 253,235</u>	<u>\$ 91,249</u>	<u>\$ 94,683</u>

See accompanying independent auditors' report.

General Capital Assets

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

COUNTY OF CUMBERLAND, MAINE

STATEMENT OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2010

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures Equipment & Vehicles	Total
Communication	\$ -	\$ 1,553,318	\$ 1,801,421	\$ 3,354,739
EMA	-	-	61,621	61,621
Administration	-	-	22,367	22,367
General Courthouse	1,413,200	9,500,000	39,677	10,952,877
DA	-	-	131,644	131,644
Executive	-	-	11,636	11,636
Facilities	-	-	153,072	153,072
Probate	-	-	22,475	22,475
Treasury	-	-	9,209	9,209
Education - Jail	-	-	3,540	3,540
Food service - Jail	-	-	343,014	343,014
Inmate education - Jail	-	-	20,448	20,448
Intake - Jail	-	-	14,275	14,275
General - Jail	2,036,840	23,785,886	223,683	26,046,409
CID	-	-	41,027	41,027
Civil	-	53,000	2,785	55,785
Finance	-	-	15,896	15,896
MIS	-	-	57,224	57,224
Sheriff	-	-	2,954,392	2,954,392
Sub-station	-	-	1,528	1,528
Deeds	-	-	4,257	4,257
Parking Garage	834,750	3,562,794	2,333	4,399,877
County-wide	366,900	2,103,600	22,287	2,492,787
Total General Capital	4,651,690	40,558,598	5,959,811	51,170,099
Less: Accumulated Depreciation	-	(18,386,591)	(3,036,081)	(21,422,672)
Net General Capital Assets	\$ 4,651,690	\$ 22,172,007	\$ 2,923,730	\$ 29,747,427

See accompanying independent auditors report.

COUNTY OF CUMBERLAND, MAINE

STATEMENT OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2010

	General Capital Assets 1/1/10	Additions	Deletions	General Capital Assets 12/31/10
Communication	\$ 1,655,164	\$ 1,701,091	\$ (1,516)	\$ 3,354,739
EMA	66,127	-	(4,506)	61,621
Administration	28,535	-	(6,168)	22,367
General Courthouse	10,953,275	-	(398)	10,952,877
DA	182,735	-	(51,091)	131,644
Executive	14,562	-	(2,926)	11,636
Facilities	153,072	-	-	153,072
Probate	22,475	-	-	22,475
Treasury	9,209	-	-	9,209
Education - Jail	5,068	-	(1,528)	3,540
Food service - Jail	343,014	-	-	343,014
Inmate education - Jail	27,130	-	(6,682)	20,448
Intake - Jail	14,275	-	-	14,275
General - Jail	26,060,712	-	(14,303)	26,046,409
CID	43,427	-	(2,400)	41,027
Civil	55,785	-	-	55,785
Finance	15,896	-	-	15,896
MIS	58,752	-	(1,528)	57,224
Sheriff	2,498,503	465,127	(9,238)	2,954,392
Sub-station	1,528	-	-	1,528
Deeds	5,657	-	(1,400)	4,257
Parking Garage	4,087,083	312,794	-	4,399,877
County-wide	2,492,787	-	-	2,492,787
Total General Capital	<u>48,794,771</u>	<u>2,479,012</u>	<u>(103,684)</u>	<u>51,170,099</u>
Less: Accumulated Depreciation	<u>(20,202,265)</u>	<u>(1,324,091)</u>	<u>103,684</u>	<u>(21,422,672)</u>
Net General Capital Assets	<u>\$ 28,592,506</u>	<u>\$ 1,154,921</u>	<u>\$ -</u>	<u>\$ 29,747,427</u>

See accompanying independent auditors' report.

COUNTY OF CUMBERLAND, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010

Federal Grantor Pass-Through Grantor Program Title	CFDA Number	Federal Expenditures
U.S. DEPARTMENT OF COMMERCE		
Passed through Maine Emergency Management Agency in the Department of Defense and Veterans Services Public Safety Interoperability Communications Program	11.555	\$ 126,407
Total U.S. Department of Commerce		<u>126,407</u>
U.S. DEPARTMENT OF JUSTICE		
Direct Programs -		
Bulletproof Vest Partnership Program	16.579	3,150
Violence Against Women Formula Grant	16.588	245,392
State Criminal Alien Assistance Program	16.606	178,057
Passed through City of Portland, Maine		
Edward Byrne Memorial Justice Assistance Program Recovery Act	16.804	19,540
Passed through State of Maine Department of Public Safety Drug Enforcement		
Edward Byrne Memorial Justice Assistance Program Recovery Act	16.804	146,675
Total U.S. Department of Justice		<u>592,814</u>
U.S. DEPARTMENT OF ENERGY		
Direct Program		
Energy Efficiency Block Grant	81.128	263,797
Total U.S. Department of Energy		<u>263,797</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES		
Passed through State of Maine Department of Health and Human Services		
Block Grants for the Prevention and Treatment of Substance Abuse	93.959	13,794
Total U.S. Department of Health and Human Services		<u>13,794</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY		
Passed Through Maine Emergency Management Agency in the Department of Defense and Veteran's Services Homeland Security Grant	97.067	144,872
		<u>144,872</u>
U.S DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT		
Direct Program		
Community Development Block Grant	14.228	2,353,823
		<u>2,353,823</u>
Total Federal Assistance		<u>\$ 3,495,507</u>

COUNTY OF CUMBERLAND, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2010

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# 14.228



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 24, 2011

Board of Commissioners
County of Cumberland
Portland, Maine

We have audited the financial statements of the County of Cumberland, Maine, as of and for the year ended December 31, 2010, and have issued our report thereon dated February 24, 2011. 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 opinion 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's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not necessarily designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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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 24, 2011

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, 2010. The County of Cumberland, Maine's major federal programs are identified in the summary of auditor's 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 on the County of Cumberland, Maine's compliance with those requirements.

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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, 2010.

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 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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material with a type of compliance requirement of a federal program will not be prevented or detected and correct, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, 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, 2010

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unqualified

Internal control over financial reporting:

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

• *Federal Awards*

Internal control over major programs:

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

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

Any audit findings disclosed that are required to be reported
In accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None