

Audited Financial Statements

County of Lincoln, Maine

December 31, 2015



Proven Expertise and Integrity

COUNTY OF LINCOLN, MAINE

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DECEMBER 31, 2015

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
County of Lincoln
Wiscasset, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Lincoln, Maine, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 Lincoln, Maine, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and schedule of funding progress on pages 4 through 10 and 46 through 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Lincoln, Maine's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

RHR Smith & Company

Buxton, Maine
June 3, 2016

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2015**

(UNAUDITED)

The following management's discussion and analysis of the County of Lincoln, Maine's financial performance provides an overview of the County's financial activities for the year ended December 31, 2015. Please read it in conjunction with the County's financial statements.

Financial Statement Overview

The County of Lincoln'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, pension information and a schedule of funding progress, 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 Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

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

The type of activity presented for the County of Lincoln is:

- *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 court services, emergency management, district attorney, commissioners, treasurer, county buildings, support of prisoners, telecommunications, auditing/marketing, registry of deeds, registry of probate, sheriff department, employee benefits, planning/economic development, recycling department and unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Lincoln, 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 Lincoln can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: All 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 funds balance sheet and the governmental funds 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 Lincoln presents two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The County's only major governmental fund is the general fund. 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 Lincoln. 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 Fiduciary Net Position – Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund, a Schedule of Proportionate Share of the Net Pension Liability, a Schedule of Contributions, Notes to Required Supplementary Information and a Schedule of Funding Progress – Retiree Healthcare Plan.

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 position, and changes in net position of the County's governmental activities. The County's total net position increased by \$339,548 from \$2,161,138 to \$2,500,686.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased to a deficit balance of \$1,196,722 at the end of this year.

Table 1
County of Lincoln, Maine
Net Position
December 31,

	2015	2014 (Restated)
Assets:		
Current Assets	\$ 2,793,311	\$ 1,934,307
Capital Assets	3,309,020	3,435,540
Total Assets	6,102,331	5,369,847
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	823,747	174,452
Total Deferred Outflows of Resources	823,747	174,452
Liabilities:		
Current Liabilities	314,961	190,920
Long-term Debt Outstanding	3,226,807	3,192,241
Total Liabilities	3,541,768	3,383,161
Deferred Inflows of Resources:		
Deferred Inflows Related to Pensions	883,624	-
Total Deferred Inflows of Resources	883,624	-
Net Position:		
Net Investment in Capital Assets	3,309,020	3,435,540
Restricted	388,388	348,847
Unrestricted	(1,196,722)	(1,623,249)
Total Net Position	\$ 2,500,686	\$ 2,161,138

Revenues and Expenses

Revenues for the County's governmental activities increased by 11.23%, while total expenses increased by 3.14%. The increase in revenues was mainly due to increases in operating grants and contributions and taxes, while the increase in expenses was mostly due to telecommunications, sheriff department, special projects/reserves and unclassified.

Table 2
County of Lincoln, Maine
Change in Net Position
For The Years Ended December 31,

	<u>2015</u>	<u>2014</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 795,860	\$ 812,100
Operating grants and contributions	777,852	82,531
<i>General Revenues:</i>		
Taxes	9,133,556	8,703,382
Other grants/contracts	773,983	715,079
Interest income	6,554	5,057
Miscellaneous	17,817	26,106
Total Revenues	<u>11,505,622</u>	<u>10,344,255</u>
Expenses		
Court services	59,156	33,214
Emergency management	175,597	162,306
District attorney	222,250	154,447
Commissioners	331,007	229,094
Treasurer	89,925	72,287
County buildings	305,864	247,109
Support of prisoners	2,815,337	2,785,151
Telecommunications	1,273,942	945,979
Auditing/marketing	7,440	13,165
Registry of deeds	184,563	156,725
Registry of probate	185,899	120,059
Extension association	57,042	57,042
Sheriff department	2,793,295	2,270,699
Employee benefits	275,230	1,457,967
Planning/economic development	242,699	190,500
Recycling department	422,016	384,467
Program grants	38,423	36,647
Insurances	161,875	176,349
Unclassified	303,137	176,203
Special projects/reserved	217,236	84,025
Debt services:		
TBRJ debt contribution	871,750	915,527
TAN interest	16,967	22,491
Unallocated depreciation (Note 4)	115,424	134,857
Total Expenses	<u>11,166,074</u>	<u>10,826,310</u>
Change in Net Position	339,548	(482,055)
Net Position - January 1, Restated	<u>2,161,138</u>	<u>2,643,193</u>
Net Position - December 31	<u>\$ 2,500,686</u>	<u>\$ 2,161,138</u>

Financial Analysis of the County's Fund Statements

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

Table 3
County of Lincoln, Maine
Fund Balances - Governmental Funds
December 31,

	2015	2014
General Fund:		
Nonspendable	\$ -	\$ 26,717
Restricted	70,000	70,000
Unassigned	614,272	370,180
Total General Fund	\$ 684,272	\$ 466,897
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 318,388	\$ 282,437
Assigned	763,878	241,077
Unassigned	(82,432)	(70,323)
Capital Projects Funds:		
Committed	910,978	833,301
Unassigned	-	(5,918)
Total Nonmajor Funds	\$ 1,910,812	\$ 1,280,574

The general fund total fund balance increased by \$217,375 from the prior fiscal year. The nonmajor fund balances increased by \$630,238 from the prior fiscal year.

Budgetary Highlights

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

The general fund actual revenues were over budget by \$61,353, primarily due to the receipt of greater than anticipated intergovernmental revenues. Refer to Schedule 1, page 46 for more detailed information.

The general fund actual expenditures were under budget by \$296,022. Most expenditure categories were under budget with the exception of telecommunications, employee benefits and planning/economic development. Refer to Schedule 1, page 46 for more detailed information.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2015, the net book value of capital assets recorded by the County decreased by \$126,520 over the prior year. The decrease was due to capital additions of \$334,759, less net disposals of \$14,375 and current year depreciation expense of \$446,904.

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

	<u>2015</u>	<u>2014</u> <u>(Restated)</u>
Land	\$ 112,405	\$ 112,405
Buildings and improvements	1,655,633	1,538,959
Vehicles	381,974	399,679
Machinery and equipment	796,896	999,473
Infrastructure	<u>362,112</u>	<u>385,024</u>
Total	<u>\$ 3,309,020</u>	<u>\$ 3,435,540</u>

Debt

At December 31, 2015, the County had no bonds outstanding. Other long-term obligations included accrued compensated absences, pension benefit obligations and net pension liability. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The County's unassigned fund balance has fallen below a level sufficient to sustain government operations for a period of approximately two months, yet continue to maintain significant reserves for future capital and program needs. The County is working to rebuild this balance to a sufficient level.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Treasurer's Office at 32 High Street, Wiscasset, Maine 04578.

COUNTY OF LINCOLN, MAINE

STATEMENT OF NET POSITION
DECEMBER 31, 2015

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,658,241
Accounts receivable (net of allowance for uncollectibles)	<u>135,070</u>
Total current assets	<u>2,793,311</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	112,405
Depreciable assets, net of accumulated depreciation	<u>3,196,615</u>
Total noncurrent assets	<u>3,309,020</u>
TOTAL ASSETS	<u>6,102,331</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>823,747</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>823,747</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 6,926,078</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 103,192
Due to other governments	95,035
Current portion of long-term obligations	<u>116,734</u>
Total current liabilities	<u>314,961</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Accrued post employment benefits	1,474,416
Accrued compensated absences	319,575
Net pension liability	<u>1,432,816</u>
Total noncurrent liabilities	<u>3,226,807</u>
TOTAL LIABILITIES	<u>3,541,768</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	<u>883,624</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>883,624</u>
NET POSITION	
Net investment in capital assets	3,309,020
Restricted	388,388
Unrestricted	<u>(1,196,722)</u>
TOTAL NET POSITION	<u>2,500,686</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 6,926,078</u>

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

COUNTY OF LINCOLN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
Court services	\$ 59,156	\$ 36,606	\$ -	\$ -	\$ (22,550)
Emergency management	175,597	-	-	-	(175,597)
District attorney	222,250	-	-	-	(222,250)
Commissioners	331,007	-	-	-	(331,007)
Treasurer	89,925	-	-	-	(89,925)
County buildings	305,864	-	-	-	(305,864)
Support of prisoners	2,815,337	-	-	-	(2,815,337)
Telecommunications	1,273,942	-	-	-	(1,273,942)
Auditing/marketing	7,440	-	-	-	(7,440)
Registry of deeds	184,563	373,314	-	-	188,751
Registry of probate	185,899	117,991	-	-	(67,908)
Extension association	57,042	-	-	-	(57,042)
Sheriff department	2,793,295	74,291	-	-	(2,719,004)
Employee benefits	275,230	-	-	-	(275,230)
Planning/economic development	242,699	-	-	-	(242,699)
Recycling department	422,016	161,946	-	-	(260,070)
Program grants	38,423	-	-	-	(38,423)
Insurances	161,875	-	-	-	(161,875)
Unclassified	303,137	31,712	-	-	(271,425)
Special projects/reserves	217,236	-	777,852	-	560,616
Debt services:					
TBRJ debt contribution	871,750	-	-	-	(871,750)
TAN interest	16,967	-	-	-	(16,967)
Unallocated depreciation (Note 4)*	115,424	-	-	-	(115,424)
Total government	<u>\$ 11,166,074</u>	<u>\$ 795,860</u>	<u>\$ 777,852</u>	<u>\$ -</u>	<u>(9,592,362)</u>

* This amount excludes the depreciation that is included in the direct expenses of the various programs

COUNTY OF LINCOLN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(9,592,362)</u>
General revenues:	
Property taxes, levied for general purposes	9,133,556
Other grants/contracts	773,983
Interest income	6,554
Miscellaneous	17,817
Total general revenues	<u>9,931,910</u>
Change in net position	339,548
NET POSITION - JANUARY 1, RESTATED	<u>2,161,138</u>
NET POSITION - DECEMBER 31	<u><u>\$ 2,500,686</u></u>

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

COUNTY OF LINCOLN, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,482,003	\$ 176,238	\$ 2,658,241
Accounts receivables (net of allowance for uncollectibles)	135,070	-	135,070
Due from other funds	82,432	1,817,006	1,899,438
TOTAL ASSETS	<u>\$ 2,699,505</u>	<u>\$ 1,993,244</u>	<u>\$ 4,692,749</u>
LIABILITIES			
Accounts payable	\$ 103,192	\$ -	\$ 103,192
Due to other governments	95,035	-	95,035
Due to other funds	1,817,006	82,432	1,899,438
TOTAL LIABILITIES	<u>2,015,233</u>	<u>82,432</u>	<u>2,097,665</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	70,000	318,388	388,388
Committed	-	910,978	910,978
Assigned	-	763,878	763,878
Unassigned	614,272	(82,432)	531,840
TOTAL FUND BALANCES	<u>684,272</u>	<u>1,910,812</u>	<u>2,595,084</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,699,505</u>	<u>\$ 1,993,244</u>	<u>\$ 4,692,749</u>

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

COUNTY OF LINCOLN, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 2,595,084
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	3,309,020
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	823,747
Long-term liabilities shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Accrued compensated absences	(350,696)
Pension benefit obligations	(1,474,416)
Net pension liability	(1,518,429)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	<u>(883,624)</u>
Net position of governmental activities	<u><u>\$ 2,500,686</u></u>

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

COUNTY OF LINCOLN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 9,133,556	\$ -	\$ 9,133,556
Intergovernmental revenues	773,983	777,852	1,551,835
Charges for services	764,148	31,712	795,860
Interest income	6,554	-	6,554
Miscellaneous revenues	3,786	14,031	17,817
TOTAL REVENUES	10,682,027	823,595	11,505,622
EXPENDITURES			
Current:			
Court services	59,156	-	59,156
Emergency management	142,998	-	142,998
District attorney	219,456	-	219,456
Commissioners	325,878	-	325,878
Treasurer	87,104	-	87,104
County buildings	306,882	-	306,882
Support of prisoners	2,808,226	-	2,808,226
Telecommunications	1,219,907	-	1,219,907
Auditing / Marketing	7,440	-	7,440
Registry of deeds	171,001	-	171,001
Registry of probate	183,781	-	183,781
Extension associations	57,042	-	57,042
Sheriff department	2,722,492	-	2,722,492
Employee benefits	67,159	-	67,159
Planning / Economic development	242,699	-	242,699
Recycling department	389,286	-	389,286
Program grants	38,423	-	38,423
Insurances	161,875	-	161,875
Unclassified	143,130	-	143,130
Program expenditures	-	217,236	217,236
Debt services:			
TBRJ debt contribution	871,750	-	871,750
TAN interest	16,967	-	16,967
Capital outlay	-	198,121	198,121
TOTAL EXPENDITURES	10,242,652	415,357	10,658,009
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	439,375	408,238	847,613
OTHER FINANCING SOURCES (USES)			
Transfers in	-	238,450	238,450
Transfers (out)	(222,000)	(16,450)	(238,450)
TOTAL OTHER FINANCING SOURCES (USES)	(222,000)	222,000	-
NET CHANGE IN FUND BALANCES	217,375	630,238	847,613
FUND BALANCES - JANUARY 1	466,897	1,280,574	1,747,471
FUND BALANCES - DECEMBER 31	\$ 684,272	\$ 1,910,812	\$ 2,595,084

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

COUNTY OF LINCOLN, 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, 2015

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 847,613</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 allocated to those expenditures over the life of the assets:</p>	
Capital asset purchases	334,759
Capital asset disposals	(14,375)
Depreciation expense	<u>(446,904)</u>
	<u>(126,520)</u>
<p>Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds</p>	
	<u>649,295</u>
<p>Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds</p>	
	<u>(883,624)</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	(13,467)
Pension benefit obligations	(160,007)
Net pension liability	<u>26,258</u>
	<u>(147,216)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 339,548</u></u>

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

COUNTY OF LINCOLN, MAINE

STATEMENT OF FIDUCIARY NET POSITION – FIDUCIARY FUNDS
DECEMBER 31, 2015

	<u>Agency Funds</u>
	<u>Restitution</u>
ASSETS	
Cash and cash equivalents	\$ 14,941
Due from other governments	-
	<u> </u>
TOTAL ASSETS	<u><u>\$ 14,941</u></u>
LIABILITIES	
Accounts payable	\$ -
Deposits held for others	14,941
	<u> </u>
TOTAL LIABILITIES	<u><u>\$ 14,941</u></u>

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

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Lincoln was incorporated under the laws of the State of Maine. The County operates under the County Manager-Commissioner form of government and provides the following services: support of prisoners, sheriff, registry of deeds, registry of probate, treasurer, telecommunications, recycling, commissioners and unclassified.

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 Statements No. 39 and No. 61.

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as governmental. All activities of the County are categorized as governmental. In the government-wide Statement of Net Position, 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (district attorney, registry of deeds, support of prisoners, 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

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

Measurement Focus - Basic Financial Statements & 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. Component units that are fiduciary in nature have been excluded from these financial statements.

The following fund types are used by the County:

1. Governmental Funds:

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

- a. The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Fiduciary Funds:

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

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

Basis of Accounting

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

1. Accrual

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

2. Modified Accrual

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

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Budget

The annual budget is the financial plan for the operation of the County of Lincoln, Maine for the ensuing annual period. The budget process provides for a professional management approach to the establishment of priorities and implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the government.

The County Commissioners submit itemized financial estimates in the form of a budget to the budget advisory committee no later than ninety days before the end of the County's fiscal year. The budget advisory committee reviews the itemized estimated budget prepared by the County Commissioners, together with any supplementary material prepared by the head of each County department or provided by an independent board or institution or another governmental agency and makes recommendations to the County Commissioners no later than 45 days before the end of the County's fiscal year.

The County Commissioners also hold one or more public hearings in the County on the proposed budget no later than 90 days before the end of the County's fiscal year and an informational meeting, in conjunction with the budget advisory committee and the Lincoln County legislative delegation no later than 30 days before the end of the County's fiscal year. After the public hearing is completed, the budget advisory committee prepares its final budget recommendations and transmits that budget to the County Commissioners. The County Commissioners then approve the budget by a 2/3 vote of its membership, in any event, not later than 15 days before the end of the county's fiscal year.

An annual budget is adopted for the general fund. No budgets are officially adopted for the special revenue funds, although budgets are generally prepared as part of the oversight procedures in regards to these 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 twelve months or less from the date of acquisition.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The County of Lincoln has no formal investment policy but instead follows the State of Maine Statutes.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2015.

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.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Estimated useful lives are as follows:

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

Long-term Obligations

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

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists of compensated absences, pension benefit obligations and net pension liability.

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. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The County's policy regarding vacation is to permit employees to accumulate earned but unused vacation 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position 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. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

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

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

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

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the County. Please refer to the budgeting process for the authority for committing items within the budget.

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

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County has only one type of item, deferred outflows related to pensions. This item is reported in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows related to pensions qualifies for reporting in this category. This item is reported only in the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Deposits:

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

At December 31, 2015, the County's cash balance of \$2,673,182 was comprised of bank deposits amounting to \$2,699,621. All of these bank deposits were either insured by federal depository insurance and consequently were not exposed to custodial credit risk, or were collateralized by securities held by the financial institution in the County's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 192,080
Savings accounts	176,238
Sweep accounts	2,256,318
Money market accounts	74,985
	<u>\$ 2,699,621</u>

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the County does not have a policy for custodial credit risk for investments.

At December 31, 2015, the County had \$0 of investments.

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

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

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2015 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 82,432	\$ 1,817,006
Nonmajor special revenue funds	906,028	82,432
Nonmajor capital projects funds	910,978	-
	<u>\$ 1,899,438</u>	<u>\$ 1,899,438</u>

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2015:

	Balance, 1/1/15 (Restated)	Additions	Disposals	Balance, 12/31/15
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 112,405	\$ -	\$ -	\$ 112,405
	<u>112,405</u>	<u>-</u>	<u>-</u>	<u>112,405</u>
Depreciated assets:				
Buildings and improvements	3,736,156	209,186	-	3,945,342
Vehicles	1,339,327	110,637	(117,867)	1,332,097
Machinery and equipment	3,768,740	14,936	(3,000)	3,780,676
Infrastructure	488,221	-	-	488,221
	<u>9,332,444</u>	<u>334,759</u>	<u>(120,867)</u>	<u>9,546,336</u>
Less accumulated depreciation	<u>(6,009,309)</u>	<u>(446,904)</u>	<u>106,492</u>	<u>(6,349,721)</u>
	<u>3,323,135</u>	<u>(112,145)</u>	<u>(14,375)</u>	<u>3,196,615</u>
Net capital assets	<u>\$ 3,435,540</u>	<u>\$ (112,145)</u>	<u>\$ (14,375)</u>	<u>\$ 3,309,020</u>
<u>Current year depreciation:</u>				
Emergency management			\$ 31,703	
County commissioners			610	
Treasurer			2,196	
Sheriff department			172,497	
Communications			49,069	
Registry of deeds			13,375	
Registry of probate			3,136	
Recycling department			53,881	
District attorney			1,614	
Jail (support of prisoners)			3,399	
County-wide			115,424	
Total depreciation expense			<u>\$ 446,904</u>	

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 5 – SHORT-TERM DEBT

On January 7, 2015, the County issued a tax anticipation note at Bath Savings Institution to provide liquidity for governmental operations financed by property taxes, which are collected in annual payments due October 1. The note, a line of credit, allowed principal draws up to \$6,000,000 at 0.78% interest with a maturity date of December 31, 2015. Short-term debt activity for the year ended December 31, 2015, was as follows:

	Balance 1/1/15	Draws	Repayments	Balance 12/31/15
Tax anticipation note	\$ -	\$ 3,900,000	\$ (3,900,000)	\$ -
Totals	<u>\$ -</u>	<u>\$ 3,900,000</u>	<u>\$ (3,900,000)</u>	<u>\$ -</u>

On November 19, 2015, the note was paid in full. Interest expense for the note was \$16,967.

NOTE 6 - LONG-TERM DEBT

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

	Balance, 1/1/15 (Restated)	Additions	Deletions	Balance, 12/31/15	Current Portion
Accrued compensated absences	\$ 337,229	\$ 13,467	\$ -	\$ 350,696	\$ 31,121
Pension benefit obligations	1,314,409	160,007	-	1,474,416	-
Net pension liability	1,544,687	857,366	(883,624)	1,518,429	85,613
Totals	<u>\$ 3,196,325</u>	<u>\$ 1,030,840</u>	<u>\$ (883,624)</u>	<u>\$ 3,343,541</u>	<u>\$ 116,734</u>

NOTE 7 - RESTRICTED FUND BALANCES

At December 31, 2015, the County had the following restricted fund balances:

General fund:	
Contingency	\$ 70,000
Nonmajor special revenue funds (See Schedule D)	318,388
	<u>\$ 388,388</u>

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 8 – COMMITTED FUND BALANCES

At December 31, 2015, the County had the following committed fund balances:

Nonmajor capital projects funds (See Schedule F)	<u>\$ 910,978</u>
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NOTE 9 – ASSIGNED FUND BALANCES

At December 31, 2015, the County had the following assigned fund balances:

Nonmajor special revenue funds (See Schedule D)	<u>\$ 763,878</u>
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NOTE 10 - OVERLAPPING DEBT

The County is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At December 31, 2015, the County's share was approximately:

	<u>Outstanding Debt</u>	<u>County's Percentage</u>	<u>Amount</u>
Lincoln and Sagadahoc Multi-County Jail Authority	\$ 13,598,609	50.00%	<u>\$ 6,799,305</u>

NOTE 11 – DEFICIT FUND BALANCES

At December 31, 2015, the County had the following funds with deficit fund balances:

Electronic Monitoring JUV/DOC	\$ 30,528
Hazmat Funds	223
Incident management assistance	13,880
Local EMA Directors	1,697
IT Infrastructure Capital	298
2014 Homeland Security	10,358
2013 Homeland Security	6,825
Search and Rescue Team	11,079
Underage Drinking Grant	598
Wellness Grant	3,288
Hazmat Team	3,658
	<u>\$ 82,432</u>

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 12 – EXPENDITURES OVER APPROPRIATIONS

At December 31, 2015, the County had the following expenditures that exceeded appropriations:

Telecommunications	\$	38,349
Employee benefits		6,247
Planning/economic development		60,506
	\$	<u>105,102</u>

NOTE 13 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

County employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (800) 451-9800.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 5.0%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. All County plan members are required to contribute 7.5% of their annual covered salary and the County is required to contribute at an actuarially determined rate. The current rate is 8.9% of covered payroll for all County employees and certain sheriff's department employees in plan "AC" (8.9% for sheriff's department employees in special plan "2C"). The contribution rates of plan members and the County are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The County's contribution to the MainePERS PLD Consolidated Plan for the year ended December 31, 2015 was \$171,290.

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

At December 31, 2015, the County reported a liability of \$1,518,429 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2015, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The County's proportion of the net pension liabilities were based on a projection of the County's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2015, the County's proportion was 0.475928%, which was a decrease of 0.027302% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the County recognized net pension revenue of \$208,071. At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 61,309	\$ 195,016
Changes of assumptions	134,189	-
Net difference between projected and actual earnings on pension plan investments	468,643	583,362
Changes in proportion and differences between contributions and proportionate share of contributions	47,508	105,246
Contributions subsequent to the measurement date	112,098	-
Total	<u>\$ 823,747</u>	<u>\$ 883,624</u>

\$112,098 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Year ended June 30:	
2016	\$ 85,613
2017	85,613
2018	117,909
2019	(117,161)
2020	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2015, using the following methods and assumptions applied to all periods included in the measurement:

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which dampens the swing in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on an open basis over a period of fifteen years.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2015 are as follows:

Investment Rate of Return - For the PLD Plan, 7.125% per annum, compounded annually.

Salary Increases, Merit and Inflation - Members of the consolidated plan for PLDs, 3.50% to 9.50% per year.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality Rates - For participating local districts, the RP2000 Tables projected forward to 2015 using Scale AA are used; for all recipients of disability benefits, the Revenue Ruling 96-7 Disabled Mortality Table for Males and Females is used.

Cost of Living Benefit Increases - 2.55% for participating local districts.

The long-term expected rate of return on pension plan assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2015 are summarized in the following table:

Asset Class	PLD Plan	
	Target Allocation	Long-term Expected Real Rate of Return
US equities	20%	5.2%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real assets:		
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.7%

Discount Rate

The discount rate used to measure the collective total pension liability was 7.125% for 2015. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2015 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 7.125% for the PLD Consolidated Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	6.125%	7.125%	8.125%
County's proportionate share of the net pension liability	\$ 3,025,161	\$ 1,518,429	\$ 89,955

Changes in Net Pension Liability

Changes in net pension liability are recognized in pension expense for the year ended June 30, 2015 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. For 2015, this was 4 years for the PLD Consolidated Plan.

Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings were recognized in pension expense using a straight-line amortization method over a closed five-year period.

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 13 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2015 Comprehensive Annual Financial Report available online at www.mainebers.org or by contacting the System at (800) 451-9800.

NOTE 14 - DEFERRED COMPENSATION PLAN

A. Plan Description

The County offers its employees deferred compensation plan created in accordance with Internal Revenue Code Section 457 through the Mass Mutual Financial Group and Voya Retirement Insurance and Annuity Company. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Minimum employee contributions also apply to participate in the plan. The deferred amount and the vested portion of the employer match are not available to the employee until retirement or death, or in case of other life events as allowed by law.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

B. Funding Policy

Under the deferred compensation plan, all employees must contribute a minimum of \$600 per year to participate in the plan. Non-law enforcement employees

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 14 - DEFERRED COMPENSATION PLAN (CONTINUED)

may contribute a maximum of 20.00% of annual gross pay. The County contributes a percentage of each participant's compensation to the plan, which may be increased or decreased depending upon County budget appropriations. For law enforcement employees that do not participate in the Maine Public Employees Retirement System, the County will match the employee's contribution to a maximum of 8.00% of compensation. For all other employees that do not participate in the Maine Public Employees Retirement System, the County will also match the employee's contribution to a maximum of 8.00% of compensation. For communications employees hired after July 1, 2004, the County will match the participant's contribution to a maximum of the County's contribution to the Maine Public Employees Retirement System. All annual contributions are tax deferred for federal and state taxes until the withdrawal date. The County's contribution vests 100% with the employee when contributed. The County's contributions for the plan, including employee contributions for the years ended December 31, 2015, 2014 and 2013 were: \$325,188, \$132,800 and \$108,411, respectively.

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS

The County, in accordance with its current health insurance company agreement, provides optional health and other benefits to eligible retirees. Benefit provisions for contractual employees are established and amended through negotiations between the County Commissioners and the respective unions. For all other employees, benefit provisions are established and amended by the County Commissioners.

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

The following is the current census of County benefit participants as of December 31, 2015:

Active members	72
Retirees	<u>13</u>
Total	<u><u>85</u></u>

Annual OPEB Cost and Net OPEB Obligations

The County of Lincoln's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of future events. Assumptions include future employment, mortality, and healthcare and other benefit cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future.

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

	<u>2015</u>
Annual required contribution (ARC)	\$ 260,205
Interest on net OPEB obligation	52,576
Adjustment to annual required contribution	<u>(76,012)</u>
Annual OPEB cost	236,769
Contributions made	<u>(76,762)</u>
Increase in net OPEB obligation	160,007
Net OPEB obligation, beginning of year	<u>1,314,409</u>
Net OPEB obligation, end of year	<u><u>\$ 1,474,416</u></u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for the fiscal years ended December 31, 2011 through 2015 is presented below:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Employer Contributions</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/2011	\$ 209,735	\$ -	0.0%	\$ 787,299
12/31/2012	\$ 205,995	\$ -	0.0%	\$ 993,294
12/31/2013*	\$ 202,323	\$ 48,411	23.9%	\$ 1,147,206
12/31/2014**	\$ 239,750	\$ 72,547	30.3%	\$ 1,314,409
12/31/2015**	\$ 236,769	\$ 76,762	32.4%	\$ 1,474,416

*2013 employer contributions are net of any participant premiums.

**Employer contributions are an estimate and subject to update and change.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

In the January 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date.

An annual healthcare cost blended trend rate of 8.9% is used initially, decreasing at a variable rate per year to an ultimate rate of 4.6% for 2029 and later. The remaining amortization period at December 31, 2015 was 30 years. As of January 1, 2014, the most recent actuarial valuation date, the plan was 0% funded. The actuarial accrued liability for benefits was approximately \$2,760,741, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of approximately \$2,760,741.

The required schedule of funding progress, presented as required supplementary information, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

These numbers are based on information that was presented on January 1, 2014 for December 31, 2015. The amortization method that was used to calculate the numbers is presented below.

	<u>2015</u>
Discount rate	4.00%
Payroll growth assumption	3.00%
Accrued liability	\$ 2,760,741
Value of assets	-
Unfunded liability	<u>\$ 2,760,741</u>
Normal cost	\$ 96,684
Amortization of unfunded	153,513
Interest	10,008
Annual required contribution	<u><u>\$ 260,205</u></u>

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 16 - 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; and natural disasters for which the County either carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Maine County Commissioners Association Self-Funded Risk Management Pool.

Based on the coverage provided by the insurance purchased, the County is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2015. The amount of settlements has not exceeded insurance coverage for each of the past three years and there were no significant reductions in insurance coverage from that of the prior year.

NOTE 17 - CONTINGENCIES

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

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

NOTE 18 – RELATED ORGANIZATIONS

The County of Lincoln participated in the following activities during 2015:

1. Knox Lincoln Extension

The Knox Lincoln Extension is an agreement between Knox and Lincoln Counties to provide shared services in policing. Total monies paid to the Knox Lincoln Extension totaled \$57,042 for the year ended December 31, 2015.

2. Wiscasset Regional Development Corporation

This Organization was established in 2002 to develop the former Maine Yankee Atomic Power Plant site. Members of the Organization include the County Commissioners, the Town of Wiscasset, the Chewonki Foundation, and Coastal Enterprises, Inc. The County of Lincoln is allotted two of the eight seats on the board of

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 18 – RELATED ORGANIZATIONS (CONTINUED)

directors for its interest in the agreement. The County of Lincoln is not responsible for funding the program at this time. Funding will be provided through grant funds from the Department of Housing and Urban Development.

NOTE 19 - JOINT VENTURES

On March 6, 2003 the Maine legislature passed LD 1199, an act to establish the Lincoln and Sagadahoc Multi-County Jail Authority (Jail Authority). The bill authorized the County of Lincoln, Maine and County of Sagadahoc, Maine to form a multi-county jail authority and to issue debt and collect assessments to operate the jail. The jail became the responsibility of the Board of Directors upon completion. The Board of Directors consists of six public members, one from each of the Commissioners Districts; four County Commissioners, two from each County; and two Sheriffs, one from each County. The Board of Directors conducts all of the affairs of the Jail Authority. Upon dissolution of the Jail Authority, by a 2/3 vote of the Board of Directors, the Jail Authority will liquidate assets and liabilities of the Jail Authority. All expenses will be paid and any residual funds will be distributed evenly by the Counties. The Jail Authority is a separate reporting entity and has not been included within the financial statements of the County.

The Jail Authority issued revenue bonds in the amount of \$24,600,000 on June 1, 2005. Although the bonds are in the name of the Jail Authority, the Lincoln County Commissioners have passed a resolution authorizing the guarantee of half of the debt service, or \$12,300,000. Lincoln County's share of principal and interest for the fiscal year ended December 31, 2015 was \$600,000, and \$271,750, respectively. The outstanding balance of these bonds at June 30, 2015 (most recent period available) was \$13,580,000. Lincoln County's portion of this balance amounts to \$6,790,000.

Lincoln and Sagadahoc Counties operate under a cost sharing agreement entered into by the commissioners on November 5, 2002, which obligates Lincoln County to share in the operating and capital costs of the jail. The share of operating costs is split 50/50 between the two counties. For the fiscal year ended December 31, 2015, Lincoln County's share was \$2,808,226. In addition to contributions from the two counties, the Jail Authority receives revenues from the boarding of prisoners from outside the two supporting jurisdictions, from various grants and other miscellaneous revenue.

The Jail Authority issues its own financial statements and copies can be obtained from the Jail Authority at 522 Bath Road, Wiscasset, Maine 04578.

COUNTY OF LINCOLN, MAINE

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2015

NOTE 20 – 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 2015 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 position (deficit) 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.

NOTE 21 – RESTATEMENTS

The net position of the governmental activities has been restated at July 1, 2014 to account for the implementation of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27 (Issued 06/12)*. As a result, the beginning balance has been reduced by \$1,370,235.

The beginning net position for the governmental activities has been restated as of January 1, 2015. This balance was restated to correct the accumulated depreciation balance. The governmental activities were restated by \$220,285.

The net restatement to the governmental activities was a reduction of \$1,149,950.

NOTE 22 – COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County’s financial position and operations. Also, certain amounts presented in the prior year’s data have been reclassified to be consistent with the current year’s presentation.

Required Supplementary Information

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

- Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions
- Notes to Required Supplementary Information
- Schedule of Funding Progress – Retiree Healthcare Plan

COUNTY OF LINCOLN, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 466,897	\$ 466,897	\$ 466,897	\$ -
Resources (Inflows):				
Taxes - municipalities	9,133,556	9,133,556	9,133,556	-
Intergovernmental revenues	690,009	690,009	773,983	83,974
Charges for services	793,609	793,609	764,148	(29,461)
Interest income	2,000	2,000	6,554	4,554
Miscellaneous	1,500	1,500	3,786	2,286
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>11,087,571</u>	<u>11,087,571</u>	<u>11,148,924</u>	<u>61,353</u>
Charges to Appropriations (Outflows):				
Court services	103,137	103,137	59,156	43,981
Emergency management	159,716	159,716	142,998	16,718
District attorney	227,224	227,224	219,456	7,768
Commissioners	332,446	332,446	325,878	6,568
Treasurer	87,851	87,851	87,104	747
County buildings	326,195	326,195	306,882	19,313
Support of prisoners	2,879,800	2,879,800	2,808,226	71,574
Telecommunications	1,181,558	1,181,558	1,219,907	(38,349)
Auditing/marketing	10,800	10,800	7,440	3,360
Registry of deeds	204,311	204,311	171,001	33,310
Registry of probate	192,839	192,839	183,781	9,058
Extension association	57,042	57,042	57,042	-
Sheriff department	2,757,526	2,757,526	2,722,492	35,034
Employee benefits	60,912	60,912	67,159	(6,247)
Planning/economic development	182,193	182,193	242,699	(60,506)
Recycling department	414,090	414,090	389,286	24,804
Program grants	46,423	46,423	38,423	8,000
Insurances	188,259	188,259	161,875	26,384
Unclassified	194,602	194,602	143,130	51,472
Debt services:				
TBRJ debt contribution	871,750	871,750	871,750	-
TAN interest	60,000	60,000	16,967	43,033
Transfers to other funds	222,000	222,000	222,000	-
Total Charges to Appropriations	<u>10,760,674</u>	<u>10,760,674</u>	<u>10,464,652</u>	<u>296,022</u>
Budgetary Fund Balance, December 31	<u>\$ 326,897</u>	<u>\$ 326,897</u>	<u>\$ 684,272</u>	<u>\$ 357,375</u>
Utilization of restricted fund balance	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)
Utilization of unassigned fund balance	70,000	70,000	-	(70,000)
	<u>\$ 140,000</u>	<u>\$ 140,000</u>	<u>\$ -</u>	<u>\$ (140,000)</u>

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

COUNTY OF LINCOLN, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Proportion of the net pension liability (asset)	0.48%	0.50%
Proportionate share of the net pension liability (asset)	\$ 1,518,429	\$ 774,377
Covered-employee payroll	2,279,942	2,536,777
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	66.60%	30.53%
Plan fiduciary net position as a percentage of the total pension liability	88.30%	94.10%

* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

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

COUNTY OF LINCOLN, MAINE

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>		
Contractually required contribution	\$ 111,717	\$ 118,851
Contributions in relation to the contractually required contribution	<u>(111,717)</u>	<u>(118,851)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,279,942	\$ 2,536,777
Contributions as a percentage of covered- employee payroll	4.90%	4.69%

* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

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

COUNTY OF LINCOLN, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED DECEMBER 31, 2015

Changes of Assumptions

There was a change in the investment rate of return assumption this year from 7.25% to 7.125%. This change was made in the other MainePERS Programs with the 2014 valuation, but is first being recognized in the PLD Consolidated Plan in 2015. In addition to this change, the cost of living benefit increase assumption was changed from 3.12% to 2.55%. Further, those PLDs who had an IUUAL Surplus account received a refund of that account. As a result, there will be no more IUUAL surplus payments reflected beginning with the 2015 valuation. Finally, the amortization methodology for the Pooled Unfunded Actuarial Liability (PUAL) was changed from a fifteen-year open level dollar method to a method where a separate twenty-year closed period is established annually for the gain or loss in that year with these amortizations being developed as a level percentage of payroll and amortizing the existing PUAL at the time of this change, July 1, 2015, over a closed fifteen-year period beginning on this date.

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

COUNTY OF LINCOLN, MAINE

SCHEDULE OF FUNDING PROGRESS – RETIREE HEALTHCARE PLAN
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule of Funding Progress

Group	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Funded Ratio (a/b)	Covered Payroll (c)	UFAL as a % of Covered Payroll ((b-a)/c)
Active	12/31/2011	\$ -	\$ 863,785	0.0%	N/A	N/A
Retirees	12/31/2011	\$ -	\$ 1,676,226	0.0%	N/A	N/A
Active	12/31/2012	\$ -	\$ 863,785	0.0%	N/A	N/A
Retirees	12/31/2012	\$ -	\$ 1,676,226	0.0%	N/A	N/A
Active	12/31/2013	\$ -	\$ 863,785	0.0%	N/A	N/A
Retirees	12/31/2013	\$ -	\$ 1,676,226	0.0%	N/A	N/A
Active	12/31/2014	\$ -	\$ 1,411,169	0.0%	N/A	N/A
Retirees	12/31/2014	\$ -	\$ 1,349,572	0.0%	N/A	N/A
Active	12/31/2015	\$ -	\$ 1,411,169	0.0%	N/A	N/A
Retirees	12/31/2015	\$ -	\$ 1,349,572	0.0%	N/A	N/A

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

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 Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

COUNTY OF LINCOLN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
COURT SERVICES					
District court	\$ 59,547	\$ -	\$ 59,547	\$ 27,667	\$ 31,880
Superior court	43,590	-	43,590	31,489	12,101
Totals	<u>103,137</u>	<u>-</u>	<u>103,137</u>	<u>59,156</u>	<u>43,981</u>
EMERGENCY MANAGEMENT					
Personnel	116,116	-	116,116	113,899	2,217
Contractual	28,700	-	28,700	20,871	7,829
Commodities	9,400	-	9,400	7,089	2,311
Capital	5,500	-	5,500	1,139	4,361
Totals	<u>159,716</u>	<u>-</u>	<u>159,716</u>	<u>142,998</u>	<u>16,718</u>
DISTRICT ATTORNEY					
Personnel	179,249	-	179,249	175,303	3,946
Contractual	39,225	-	39,225	34,719	4,506
Commodities	6,750	-	6,750	5,815	935
Capital	2,000	-	2,000	3,619	(1,619)
Totals	<u>227,224</u>	<u>-</u>	<u>227,224</u>	<u>219,456</u>	<u>7,768</u>
COMMISSIONERS					
Personnel	270,236	-	270,236	269,348	888
Contractual	56,550	-	56,550	51,580	4,970
Commodities	4,010	-	4,010	4,275	(265)
Capital	1,650	-	1,650	675	975
Totals	<u>332,446</u>	<u>-</u>	<u>332,446</u>	<u>325,878</u>	<u>6,568</u>
TREASURER					
Personnel	73,036	-	73,036	75,561	(2,525)
Contractual	13,565	-	13,565	10,876	2,689
Commodities	650	-	650	597	53
Capital	600	-	600	70	530
Totals	<u>87,851</u>	<u>-</u>	<u>87,851</u>	<u>87,104</u>	<u>747</u>

COUNTY OF LINCOLN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
COUNTY BUILDINGS					
Personnel	128,270	-	128,270	136,208	(7,938)
Contractual	129,325	-	129,325	112,722	16,603
Commodities	58,600	-	58,600	52,428	6,172
Capital	10,000	-	10,000	5,524	4,476
Totals	<u>326,195</u>	<u>-</u>	<u>326,195</u>	<u>306,882</u>	<u>19,313</u>
SUPPORT OF PRISONERS					
Regional Jail Assesment	2,420,839	-	2,420,839	2,420,885	(46)
Jail transport	458,961	-	458,961	387,341	71,620
Totals	<u>2,879,800</u>	<u>-</u>	<u>2,879,800</u>	<u>2,808,226</u>	<u>71,574</u>
TELECOMMUNICATIONS					
Personnel	1,096,973	-	1,096,973	1,143,422	(46,449)
Contractual	56,910	-	56,910	57,280	(370)
Commodities	13,575	-	13,575	13,774	(199)
Capital	14,100	-	14,100	5,431	8,669
Totals	<u>1,181,558</u>	<u>-</u>	<u>1,181,558</u>	<u>1,219,907</u>	<u>(38,349)</u>
AUDITING/MARKETING					
Audit services	10,000	-	10,000	6,800	3,200
Advertising and promotion	800	-	800	640	160
Totals	<u>10,800</u>	<u>-</u>	<u>10,800</u>	<u>7,440</u>	<u>3,360</u>
REGISTRY OF DEEDS					
Personnel	160,736	-	160,736	146,356	14,380
Contractual	8,775	-	8,775	4,235	4,540
Commodities	2,800	-	2,800	3,010	(210)
Capital	32,000	-	32,000	17,400	14,600
Totals	<u>204,311</u>	<u>-</u>	<u>204,311</u>	<u>171,001</u>	<u>33,310</u>

COUNTY OF LINCOLN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
REGISTRY OF PROBATE					
Personnel	178,239	-	178,239	159,551	18,688
Contractual	8,750	-	8,750	18,868	(10,118)
Commodities	2,150	-	2,150	2,628	(478)
Capital	3,700	-	3,700	2,734	966
Totals	192,839	-	192,839	183,781	9,058
EXTENSION ASSOCIATION					
Knox - Lincoln County Extension	57,042	-	57,042	57,042	-
Totals	57,042	-	57,042	57,042	-
SHERIFF DEPARTMENT					
Personnel	2,217,908	-	2,217,908	2,219,307	(1,399)
Contractual	326,118	-	326,118	307,758	18,360
Commodities	82,900	-	82,900	83,609	(709)
Capital	130,600	-	130,600	111,818	18,782
Totals	2,757,526	-	2,757,526	2,722,492	35,034
EMPLOYEE BENEFITS					
Medical insurance - retiree	60,912	-	60,912	67,159	(6,247)
Totals	60,912	-	60,912	67,159	(6,247)
PLANNING / ECONOMIC DEVELOPMENT					
Personnel	-	-	-	25,667	(25,667)
Contractual	182,193	-	182,193	216,981	(34,788)
Commodities	-	-	-	51	(51)
Totals	182,193	-	182,193	242,699	(60,506)
RECYCLING DEPARTMENT					
Personnel	243,840	-	243,840	239,900	3,940
Contractual	120,500	-	120,500	99,685	20,815
Commodities	17,450	-	17,450	16,202	1,248
Capital	32,300	-	32,300	33,499	(1,199)
Totals	414,090	-	414,090	389,286	24,804

COUNTY OF LINCOLN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
PROGRAM GRANTS					
Contractual	46,423	-	46,423	38,423	8,000
Totals	46,423	-	46,423	38,423	8,000
INSURANCES					
Liability	104,081	-	104,081	90,409	13,672
Workers compensation	84,178	-	84,178	71,466	12,712
Totals	188,259	-	188,259	161,875	26,384
UNCLASSIFIED					
Contingency	70,000	-	70,000	10,731	59,269
Information technology	36,945	-	36,945	66,466	(29,521)
Overlay	87,657	-	87,657	65,933	21,724
Totals	194,602	-	194,602	143,130	51,472
DEBT SERVICES					
TBRJ - principal contribution	600,000	-	600,000	600,000	-
TBRJ - interest contribution	271,750	-	271,750	271,750	-
TAN Interest	60,000	-	60,000	16,967	43,033
Totals	931,750	-	931,750	888,717	43,033
TRANSFERS TO OTHER FUNDS					
Special revenue funds	27,000	-	27,000	27,000	-
Capital projects funds	195,000	-	195,000	195,000	-
Totals	222,000	-	222,000	222,000	-
TOTAL	\$ 10,760,674	\$ -	\$ 10,760,674	\$ 10,464,652	\$ 296,022

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

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 176,238	\$ -	\$ 176,238
Due from other funds	906,028	910,978	1,817,006
TOTAL ASSETS	<u>\$ 1,082,266</u>	<u>\$ 910,978</u>	<u>1,993,244</u>
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	82,432	-	82,432
TOTAL LIABILITIES	<u>82,432</u>	<u>-</u>	<u>82,432</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	318,388	-	318,388
Committed	-	910,978	910,978
Assigned	763,878	-	763,878
Unassigned	(82,432)	-	(82,432)
TOTAL FUND BALANCES	<u>999,834</u>	<u>910,978</u>	<u>1,910,812</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,082,266</u>	<u>\$ 910,978</u>	<u>\$ 1,993,244</u>

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

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 777,352	\$ 500	\$ 777,852
Charges for services	31,712	-	31,712
Other	546	13,485	14,031
TOTAL REVENUES	<u>809,610</u>	<u>13,985</u>	<u>823,595</u>
EXPENDITURES			
Program expenses	148,049	69,187	217,236
Capital outlay	141,918	56,203	198,121
TOTAL EXPENDITURES	<u>289,967</u>	<u>125,390</u>	<u>415,357</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>519,643</u>	<u>(111,405)</u>	<u>408,238</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	43,450	195,000	238,450
Transfers (out)	(16,450)	-	(16,450)
TOTAL OTHER FINANCING SOURCES (USES)	<u>27,000</u>	<u>195,000</u>	<u>222,000</u>
NET CHANGE IN FUND BALANCES	546,643	83,595	630,238
FUND BALANCES, JANUARY 1	<u>453,191</u>	<u>827,383</u>	<u>1,280,574</u>
FUND BALANCES, DECEMBER 31	<u>\$ 999,834</u>	<u>\$ 910,978</u>	<u>\$ 1,910,812</u>

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

Special Revenue Funds

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

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	<u>Cart Team</u>	<u>Cart In Kind Team</u>	<u>Certification Training</u>	<u>Uninsured Losses</u>	<u>Dare Account</u>	<u>Deeds Preservation Account</u>	<u>Drug Task Forfeiture</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,282	\$ -
Due from other funds	-	-	979	62,479	1,455	-	568
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 979</u>	<u>\$ 62,479</u>	<u>\$ 1,455</u>	<u>\$ 172,282</u>	<u>\$ 568</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	172,282	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	979	62,479	1,455	-	568
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>979</u>	<u>62,479</u>	<u>1,455</u>	<u>172,282</u>	<u>568</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 979</u>	<u>\$ 62,479</u>	<u>\$ 1,455</u>	<u>\$ 172,282</u>	<u>\$ 568</u>

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	EMA Grants	EMA Grants In Kind	Education Instruction	Electronic Aggregation Grant	Electronic Monitoring Juv/Doc	Hazmat Funds	Hazmat Team In Kind
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	838	27,178	14,775	5,547	-	-	2,546
TOTAL ASSETS	\$ 838	\$ 27,178	\$ 14,775	\$ 5,547	\$ -	\$ -	\$ 2,546
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	30,528	223	-
TOTAL LIABILITIES	-	-	-	-	30,528	223	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	838	27,178	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	14,775	5,547	-	-	2,546
Unassigned	-	-	-	-	(30,528)	(223)	-
TOTAL FUND BALANCES	838	27,178	14,775	5,547	(30,528)	(223)	2,546
TOTAL LIABILITIES AND FUND BALANCES	\$ 838	\$ 27,178	\$ 14,775	\$ 5,547	\$ -	\$ -	\$ 2,546

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	<u>Hazmat Incident Reimbursement</u>	<u>2012 Homeland Security</u>	<u>Homeland Security Communications</u>	<u>Homeland Security Sheriff</u>	<u>Homeland Security EMA</u>	<u>Homeland Security LCRCC</u>	<u>Homeland Security LCRCC II</u>
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	10,640	-	17,152	81,931
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,640</u>	<u>\$ -</u>	<u>\$ 17,152</u>	<u>\$ 81,931</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	10,640	-	17,152	81,931
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,640</u>	<u>-</u>	<u>17,152</u>	<u>81,931</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,640</u>	<u>\$ -</u>	<u>\$ 17,152</u>	<u>\$ 81,931</u>

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Incident Management Assistance	Incident Management In Kind	Jump Start Programs	Local EMA Directors	EMA In Kind Team	LEPC In Kind Team	IT Infrastructure Capital
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	3,980	-	4,913	1,382	-
TOTAL ASSETS	\$ -	\$ -	\$ 3,980	\$ -	\$ 4,913	\$ 1,382	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	13,880	-	-	1,697	-	-	298
TOTAL LIABILITIES	13,880	-	-	1,697	-	-	298
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	3,980	-	4,913	1,382	-
Unassigned	(13,880)	-	-	(1,697)	-	-	(298)
TOTAL FUND BALANCES	(13,880)	-	3,980	(1,697)	4,913	1,382	(298)
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ 3,980	\$ -	\$ 4,913	\$ 1,382	\$ -

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Local Emergency Plan Committee	Homeland Security 2014	Homeland Security 2013	Probate Surcharge	Records Restoration	Rural Crime Analyst	Search & Rescue Team
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 3,956	\$ -	\$ -	\$ -
Due from other funds	1,067	-	-	-	27,570	12,941	-
TOTAL ASSETS	\$ 1,067	\$ -	\$ -	\$ 3,956	\$ 27,570	\$ 12,941	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	10,358	6,825	-	-	-	11,079
TOTAL LIABILITIES	-	10,358	6,825	-	-	-	11,079
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	3,956	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	1,067	-	-	-	27,570	12,941	-
Unassigned	-	(10,358)	(6,825)	-	-	-	(11,079)
TOTAL FUND BALANCES	1,067	(10,358)	(6,825)	3,956	27,570	12,941	(11,079)
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,067	\$ -	\$ -	\$ 3,956	\$ 27,570	\$ 12,941	\$ -

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	Search & Rescue Team In Kind	Severance Pay	Sheriff Seized Property	Underage Drinking Grant	Unemployment Compensation	Vending Machine	Wellness Grant
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	3,473	82,428	2,285	-	26,881	458	-
TOTAL ASSETS	\$ 3,473	\$ 82,428	\$ 2,285	\$ -	\$ 26,881	\$ 458	\$ -
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	598	-	-	3,288
TOTAL LIABILITIES	-	-	-	598	-	-	3,288
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	3,473	82,428	2,285	-	26,881	458	-
Unassigned	-	-	-	(598)	-	-	(3,288)
TOTAL FUND BALANCES	3,473	82,428	2,285	(598)	26,881	458	(3,288)
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,473	\$ 82,428	\$ 2,285	\$ -	\$ 26,881	\$ 458	\$ -

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015

	DA - Lost Victims Fund	LEPC Clerical	Boothbay Harbor Comprehensive	Sheriff Outside Detail	Hazmat Team	JAG Grant	MEPERS Reserve	Totals
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176,238
Due from other funds	4,304	-	-	88	-	4,411	503,759	906,028
TOTAL ASSETS	\$ 4,304	\$ -	\$ -	\$ 88	\$ -	\$ 4,411	\$ 503,759	\$ 1,082,266
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	3,658	-	-	82,432
TOTAL LIABILITIES	-	-	-	-	3,658	-	-	82,432
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	4,411	-	318,388
Committed	-	-	-	-	-	-	-	-
Assigned	4,304	-	-	88	-	-	503,759	763,878
Unassigned	-	-	-	-	(3,658)	-	-	(82,432)
TOTAL FUND BALANCES	4,304	-	-	88	(3,658)	4,411	503,759	999,834
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,304	\$ -	\$ -	\$ 88	\$ -	\$ 4,411	\$ 503,759	\$ 1,082,266

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

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Cart Team	Cart In Kind Team	Certification Training	Uninsured Losses	Dare Account	Deeds Preservation Account	Drug Task Forfeiture
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	22,419	-
Other	-	-	-	-	40	244	-
TOTAL REVENUES	-	-	-	-	40	22,663	-
EXPENDITURES							
Program expenses	-	-	-	-	450	1,722	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	450	1,722	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	(410)	20,941	-
OTHER FINANCING SOURCES (USES)							
Transfers in	297	28	-	5,000	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	297	28	-	5,000	-	-	-
NET CHANGE IN FUND BALANCES	297	28	-	5,000	(410)	20,941	-
FUND BALANCES, JANUARY 1	(297)	(28)	979	57,479	1,865	151,341	568
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ 979	\$ 62,479	\$ 1,455	\$ 172,282	\$ 568

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	EMA Grants	EMA Grants In Kind	Education Instruction	Electronic Aggregation Grant	Electronic Monitoring Juv/Doc	Hazmat Funds	Hazmat Team In Kind
REVENUES							
Intergovernmental	\$ 1,558	\$ 25,044	\$ -	\$ -	\$ 85	\$ 1,427	\$ 1,119
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	<u>1,558</u>	<u>25,044</u>	<u>-</u>	<u>-</u>	<u>85</u>	<u>1,427</u>	<u>1,119</u>
EXPENDITURES							
Program expenses	103	1,456	-	-	8,831	1,019	621
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>103</u>	<u>1,456</u>	<u>-</u>	<u>-</u>	<u>8,831</u>	<u>1,019</u>	<u>621</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,455</u>	<u>23,588</u>	<u>-</u>	<u>-</u>	<u>(8,746)</u>	<u>408</u>	<u>498</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 BALANCES	1,455	23,588	-	-	(8,746)	408	498
FUND BALANCES, JANUARY 1	<u>(617)</u>	<u>3,590</u>	<u>14,775</u>	<u>5,547</u>	<u>(21,782)</u>	<u>(631)</u>	<u>2,048</u>
FUND BALANCES, DECEMBER 31	<u>\$ 838</u>	<u>\$ 27,178</u>	<u>\$ 14,775</u>	<u>\$ 5,547</u>	<u>\$ (30,528)</u>	<u>\$ (223)</u>	<u>\$ 2,546</u>

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Hazmat Incident Reimbursement	2012 Homeland Security	Homeland Security Communications	Homeland Security Sheriff	Homeland Security EMA	Homeland Security LCRCC	Homeland Security LCRCC II
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Program expenses	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	2,444	8,973	-	-	2,143	-	-
Transfers (out)	-	-	(2,998)	(8,118)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,444	8,973	(2,998)	(8,118)	2,143	-	-
NET CHANGE IN FUND BALANCES	2,444	8,973	(2,998)	(8,118)	2,143	-	-
FUND BALANCES, JANUARY 1	(2,444)	(8,973)	2,998	18,758	(2,143)	17,152	81,931
FUND BALANCES, DECEMBER 31	\$ -	\$ -	\$ -	\$ 10,640	\$ -	\$ 17,152	\$ 81,931

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Incident Management Assistance	Incident Management In Kind	Jump Start Programs	Local EMA Directors	EMA In Kind Team	LEPC In Kind Team	IT Infrastructure Capital
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 666	\$ -
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	666	-
EXPENDITURES							
Program expenses	9,201	-	-	712	-	-	298
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	9,201	-	-	712	-	-	298
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(9,201)	-	-	(712)	-	666	(298)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	2,565	-	-
Transfers (out)	-	(1,041)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	(1,041)	-	-	2,565	-	-
NET CHANGE IN FUND BALANCES	(9,201)	(1,041)	-	(712)	2,565	666	(298)
FUND BALANCES, JANUARY 1	(4,679)	1,041	3,980	(985)	2,348	716	-
FUND BALANCES, DECEMBER 31	\$ (13,880)	\$ -	\$ 3,980	\$ (1,697)	\$ 4,913	\$ 1,382	\$ (298)

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Local Emergency Plan Committee	Homeland Security 2014	Homeland Security 2013	Probate Surcharge	Records Restoration	Rural Crime Analyst	Search & Rescue Team
REVENUES							
Intergovernmental	\$ 2,774	\$ 17,085	\$ 58,939	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	3,330	-	-	-
Other	-	-	-	1	-	-	-
TOTAL REVENUES	2,774	17,085	58,939	3,331	-	-	-
EXPENDITURES							
Program expenses	2,120	22,896	54,290	1,631	-	-	1,642
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	2,120	22,896	54,290	1,631	-	-	1,642
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	654	(5,811)	4,649	1,700	-	-	(1,642)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	654	(5,811)	4,649	1,700	-	-	(1,642)
FUND BALANCES, JANUARY 1	413	(4,547)	(11,474)	2,256	27,570	12,941	(9,437)
FUND BALANCES, DECEMBER 31	\$ 1,067	\$ (10,358)	\$ (6,825)	\$ 3,956	\$ 27,570	\$ 12,941	\$ (11,079)

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Search & Rescue Team In Kind	Severance Pay	Sheriff Seized Property	Underage Drinking Grant	Unemployment Compensation	Vending Machine	Wellness Grant
REVENUES							
Intergovernmental	\$ 1,209	\$ -	\$ 4,287	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	261	-	-
TOTAL REVENUES	1,209	-	4,287	-	261	-	-
EXPENDITURES							
Program expenses	-	4,398	4,510	-	3,176	-	1,600
Capital outlay	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	4,398	4,510	-	3,176	-	1,600
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,209	(4,398)	(223)	-	(2,915)	-	(1,600)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	20,000	-	-	2,000	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	20,000	-	-	2,000	-	-
NET CHANGE IN FUND BALANCES	1,209	15,602	(223)	-	(915)	-	(1,600)
FUND BALANCES, JANUARY 1	2,264	66,826	2,508	(598)	27,796	458	(1,688)
FUND BALANCES, DECEMBER 31	\$ 3,473	\$ 82,428	\$ 2,285	\$ (598)	\$ 26,881	\$ 458	\$ (3,288)

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	DA - Lost Victims Fund	LEPC Clerical	Boothbay Harbor Comprehensive	Sheriff Outside Detail	Hazmat Team	JAG Grant	MEPERS Reserve	Totals
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 3,395	\$ -	\$ -	\$ 14,087	\$ 645,677	\$ 777,352
Charges for services	-	-	-	5,963	-	-	-	31,712
Other	-	-	-	-	-	-	-	546
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>3,395</u>	<u>5,963</u>	<u>-</u>	<u>14,087</u>	<u>645,677</u>	<u>809,610</u>
EXPENDITURES								
Program expenses	-	-	3,395	6,233	3,658	14,087	-	148,049
Capital outlay	-	-	-	-	-	-	141,918	141,918
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,395</u>	<u>6,233</u>	<u>3,658</u>	<u>14,087</u>	<u>141,918</u>	<u>289,967</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(270)</u>	<u>(3,658)</u>	<u>-</u>	<u>503,759</u>	<u>519,643</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	43,450
Transfers (out)	-	(4,293)	-	-	-	-	-	(16,450)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(4,293)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,000</u>
NET CHANGE IN FUND BALANCES	-	(4,293)	-	(270)	(3,658)	-	503,759	546,643
FUND BALANCES, JANUARY 1	<u>4,304</u>	<u>4,293</u>	<u>-</u>	<u>358</u>	<u>-</u>	<u>4,411</u>	<u>-</u>	<u>453,191</u>
FUND BALANCES, DECEMBER 31	<u>\$ 4,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88</u>	<u>\$ (3,658)</u>	<u>\$ 4,411</u>	<u>\$ 503,759</u>	<u>\$ 999,834</u>

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

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, vehicles, and equipment, other than those financed by proprietary or trust funds. Projects are generally segregated by the related County department managing the project.

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	Buildings & Grounds Reserve	Capital Equipment Reserve	Capital Improvements Reserve	County Map Reserve	EMA Communications Reserve
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	90,031	113,357	102,053	3,226	323,655
TOTAL ASSETS	<u>\$ 90,031</u>	<u>\$ 113,357</u>	<u>\$ 102,053</u>	<u>\$ 3,226</u>	<u>\$ 323,655</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	90,031	113,357	102,053	3,226	323,655
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>90,031</u>	<u>113,357</u>	<u>102,053</u>	<u>3,226</u>	<u>323,655</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 90,031</u>	<u>\$ 113,357</u>	<u>\$ 102,053</u>	<u>\$ 3,226</u>	<u>\$ 323,655</u>

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	Heidi K-9 Memorial Reserve	Hibberts Gore Road Reserve	Roads & Bridges Reserve	Sheriff IT Reserve	Recycling Program Reserve
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	9,299	3,007	942	9,544	245,546
TOTAL ASSETS	<u>\$ 9,299</u>	<u>\$ 3,007</u>	<u>\$ 942</u>	<u>\$ 9,544</u>	<u>\$ 245,546</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	9,299	3,007	942	9,544	245,546
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>9,299</u>	<u>3,007</u>	<u>942</u>	<u>9,544</u>	<u>245,546</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 9,299</u>	<u>\$ 3,007</u>	<u>\$ 942</u>	<u>\$ 9,544</u>	<u>\$ 245,546</u>

COUNTY OF LINCOLN, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015

	Superior Court Reserve	Parking Lot Reserve	TBRJ Capital Reserve	Deeds Software Reserve	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	2,097	103	118	8,000	910,978
TOTAL ASSETS	<u>\$ 2,097</u>	<u>\$ 103</u>	<u>\$ 118</u>	<u>\$ 8,000</u>	<u>\$ 910,978</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	2,097	103	118	8,000	910,978
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>2,097</u>	<u>103</u>	<u>118</u>	<u>8,000</u>	<u>910,978</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,097</u>	<u>\$ 103</u>	<u>\$ 118</u>	<u>\$ 8,000</u>	<u>\$ 910,978</u>

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

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Buildings & Grounds Reserve	Capital Equipment Reserve	Capital Improvements Reserve	County Map Reserve	EMA Communications Reserve
REVENUES					
Intergovernmental	\$ 500	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	11,685
TOTAL REVENUES	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,685</u>
EXPENDITURES					
Program expenses	8,002	-	1,743	3,472	5,124
Capital outlay	41,267	-	-	-	14,936
TOTAL EXPENDITURES	<u>49,269</u>	<u>-</u>	<u>1,743</u>	<u>3,472</u>	<u>20,060</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(48,769)</u>	<u>-</u>	<u>(1,743)</u>	<u>(3,472)</u>	<u>(8,375)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	20,000	15,000	8,000	-	50,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,000</u>	<u>15,000</u>	<u>8,000</u>	<u>-</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCES	(28,769)	15,000	6,257	(3,472)	41,625
FUND BALANCES, JANUARY 1	<u>118,800</u>	<u>98,357</u>	<u>95,796</u>	<u>6,698</u>	<u>282,030</u>
FUND BALANCES, DECEMBER 31	<u>\$ 90,031</u>	<u>\$ 113,357</u>	<u>\$ 102,053</u>	<u>\$ 3,226</u>	<u>\$ 323,655</u>

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Heidi K-9 Memorial Reserve	Hibberts Gore Road Reserve	Roads & Bridges Reserve	Sheriff IT Reserve	Recycling Program Reserve
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Other	650	884	-	-	266
TOTAL REVENUES	<u>650</u>	<u>884</u>	<u>-</u>	<u>-</u>	<u>266</u>
EXPENDITURES					
Program expenses	-	-	140	35,160	3,200
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>140</u>	<u>35,160</u>	<u>3,200</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>650</u>	<u>884</u>	<u>(140)</u>	<u>(35,160)</u>	<u>(2,934)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	7,000	10,000	65,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>10,000</u>	<u>65,000</u>
NET CHANGE IN FUND BALANCES	650	884	6,860	(25,160)	62,066
FUND BALANCES, JANUARY 1	<u>8,649</u>	<u>2,123</u>	<u>(5,918)</u>	<u>34,704</u>	<u>183,480</u>
FUND BALANCES, DECEMBER 31	<u>\$ 9,299</u>	<u>\$ 3,007</u>	<u>\$ 942</u>	<u>\$ 9,544</u>	<u>\$ 245,546</u>

COUNTY OF LINCOLN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

	Superior Court Reserve	Parking Lot Reserve	TBRJ Capital Reserve	Deeds Software Reserve	Totals
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 500
Other	-	-	-	-	13,485
TOTAL REVENUES	-	-	-	-	13,985
EXPENDITURES					
Program expenses	346	-	-	12,000	69,187
Capital outlay	-	-	-	-	56,203
TOTAL EXPENDITURES	346	-	-	12,000	125,390
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(346)	-	-	(12,000)	(111,405)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	20,000	195,000
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	20,000	195,000
NET CHANGE IN FUND BALANCES	(346)	-	-	8,000	83,595
FUND BALANCES, JANUARY 1	2,443	103	118	-	827,383
FUND BALANCES, DECEMBER 31	\$ 2,097	\$ 103	\$ 118	\$ 8,000	\$ 910,978

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

General Capital Assets

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

COUNTY OF LINCOLN, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
DECEMBER 31, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures Equipment & Vehicles	Infrastructure	Totals
Court Services	\$ -	\$ -	\$ 4,250	\$ -	\$ 4,250
Emergency Management	-	-	316,761	-	316,761
County Commissioners	-	-	25,274	-	25,274
Treasurer	-	-	25,710	-	25,710
Sheriff Department	-	-	2,020,526	-	2,020,526
Communications	-	-	950,190	-	950,190
Registry of Deeds	-	-	379,436	-	379,436
Registry of Probate	-	-	55,804	-	55,804
Recycling Department	-	26,001	1,287,100	-	1,313,101
District Attorney	-	-	30,727	-	30,727
Jail (Support of Prisoners)	-	-	16,995	-	16,995
County-wide	112,405	3,919,341	-	488,221	4,519,967
Total General Capital Assets	112,405	3,945,342	5,112,773	488,221	9,658,741
Less: Accumulated Depreciation	-	(2,289,709)	(3,933,903)	(126,109)	(6,349,721)
Net General Capital Assets	\$ 112,405	\$ 1,655,633	\$ 1,178,870	\$ 362,112	\$ 3,309,020

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

COUNTY OF LINCOLN, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2015

	General Capital Assets 1/1/15 (Restated)	Additions	Disposals	General Capital Assets 12/31/15
Court Services	\$ 4,250	\$ -	\$ -	\$ 4,250
Emergency Management	301,825	14,936	-	316,761
County Commissioners	25,274	-	-	25,274
Treasurer	25,710	-	-	25,710
Sheriff Department	2,027,756	110,637	(117,867)	2,020,526
Communications	950,190	-	-	950,190
Registry of Deeds	379,436	-	-	379,436
Registry of Probate	55,804	-	-	55,804
Recycling Department	1,290,100	26,001	(3,000)	1,313,101
District Attorney	30,727	-	-	30,727
Jail (Support of Prisoners)	16,995	-	-	16,995
County-wide	<u>4,336,782</u>	<u>183,185</u>	<u>-</u>	<u>4,519,967</u>
Total General Capital Assets	9,444,849	334,759	(120,867)	9,658,741
Less: Accumulated Depreciation	<u>(6,009,309)</u>	<u>(446,904)</u>	<u>106,492</u>	<u>(6,349,721)</u>
Net General Capital Assets	<u>\$ 3,435,540</u>	<u>\$ (112,145)</u>	<u>\$ (14,375)</u>	<u>\$ 3,309,020</u>

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