

Audited Financial Statements and  
Other Supplemental Information

**County of York, Maine**

June 30, 2019



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COUNTY OF YORK, MAINE

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JUNE 30, 2019

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## INDEPENDENT AUDITORS' REPORT

County Commissioners  
County of York  
Alfred, 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 York, Maine, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the County of York, Maine'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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

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

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

### Opinion

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 York, Maine as of June 30, 2019 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 and OPEB information on pages 4 through 12 and 58 through 65 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 County of York, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund and 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 Schedule of Departmental Operations - General Fund and 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 Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of County of York, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of York, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
November 25, 2019

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

**(UNAUDITED)**

The following management's discussion and analysis of the County of York, Maine's financial performance provides an overview of the County's financial activities for the year ended June 30, 2019. Please read this discussion and analysis in conjunction with the County's financial statements.

**Financial Statement Overview**

The County of York'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 and OPEB information 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.

Both of the above-mentioned financial statements have one column for the County's type of activity. The type of activity presented for the County of York 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 commissioners, management/administration, facilities maintenance and repair, treasurer, district attorney, deeds, probate, sheriff's/police services, communications/dispatch, emergency management, juvenile fire prevention, retirement, health and dental insurance, public agencies, jail and special projects and reserves.

### **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 York, 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 York are categorized as one fund type: governmental 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 York presents five columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The County's major governmental funds are the general fund, jail fund,



deeds preservation fund and the Layman's Way fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and the jail fund are the only funds 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 for the general fund and the actual expenditures for the current year.

### **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 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 - Pension, a Schedule of Changes in Net OPEB Liability, a Schedule of Changes in Net OPEB Liability and Related Ratios, a Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds 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 \$2,424,688 from \$16,917,938 to \$19,342,626.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased to a balance of \$3,828,263 at the end of this year.

**Table 1**  
**County of York, Maine**  
**Net Position**  
**June 30,**

	<b>2019</b>	<b>2018</b> <b>(Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 9,737,208	\$ 9,220,952
Noncurrent Assets	17,422,352	18,284,643
Total Assets	<u>27,159,560</u>	<u>27,505,595</u>
<b>Deferred Outflows of Resources:</b>		
Deferred Amount on OPEB	410,144	-
Deferred Amount on Pensions	1,306,667	2,531,384
Total Deferred Outflows of Resources	<u>1,716,811</u>	<u>2,531,384</u>
<b>Liabilities:</b>		
Current Liabilities	2,627,247	2,909,691
Noncurrent Liabilities	6,022,941	8,253,364
Total Liabilities	<u>8,650,188</u>	<u>11,163,055</u>
<b>Deferred Inflows of Resources:</b>		
Deferred Amount on OPEB	50,177	-
Deferred Amount on Pensions	833,380	1,955,986
Total Deferred Inflows of Resources	<u>883,557</u>	<u>1,955,986</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	14,522,352	14,384,643
Restricted	992,011	711,008
Unrestricted	3,828,263	1,822,287
Total Net Position	<u>\$ 19,342,626</u>	<u>\$ 16,917,938</u>

**Table 2**  
**County of York, Maine**  
**Change in Net Position**  
**For the Years Ended June 30,**

	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
<i>Program revenues:</i>		
Charges for services	\$ 3,404,472	\$ 4,098,950
Operating grants and contributions	3,399,325	2,826,357
<i>General revenues:</i>		
Taxes	16,920,010	16,721,815
Investment income	142,137	33,747
Miscellaneous revenues	258,266	98,408
Total Revenues	<u>24,124,210</u>	<u>23,779,277</u>
<b>Expenses</b>		
Commissioners/governing body	60,990	57,529
Management/administration	1,120,773	1,149,602
Facilities repair and maintenance	560,375	651,698
Treasurer	4,514	7,697
District attorney	1,238,360	1,207,657
Deeds	668,585	694,713
Probate	560,334	620,904
Sheriff's/Police services	2,980,619	2,856,567
Communications/Dispatch	632,919	620,316
EMA	562,006	571,697
Juvenile fire prevention	31,086	30,218
Retirement benefits	(693,727)	449,636
Medical and dental insurance	508,684	758,934
Public agencies	119,300	122,496
Jail	10,927,582	10,116,002
Special projects and reserves	2,355,303	2,172,252
Unclassified	-	180,000
Interest on long-term debt	61,819	84,645
Total Expenses	<u>21,699,522</u>	<u>22,352,563</u>
Change in Net Position	2,424,688	1,426,714
Net Position - July 1, Restated	<u>16,917,938</u>	<u>15,491,224</u>
Net Position - June 30	<u>\$ 19,342,626</u>	<u>\$ 16,917,938</u>

## **Revenues and Expenses**

Revenues for the year ending June 30, 2019 increased over the previous year by 1.45%. All revenue items with the exception of charges for services increased over the prior year. Expenses decreased from the prior year by 2.92%. Several expense categories had decreases from the previous year including management/administration, facilities repair and maintenance, Treasurer, Deeds, Probate, EMA, retirement benefits, medical and dental insurance, public agencies, unclassified and interest on long-term debt which were offset by categories with increases including commissioners, District attorney, Sheriff's/police services, communications/dispatch, juvenile fire prevention, jail and special projects and reserves.

### **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 York, Maine**  
**Fund Balances - Governmental Funds**  
**June 30,**

	<u>2019</u>	<u>2018</u>
General Fund:		
Nonspendable	\$ 144,627	\$ 60,814
Committed	1,224,998	1,258,296
Assigned	1,458,208	1,223,526
Unassigned	2,588,664	2,518,603
Total General Fund	<u>\$ 5,416,497</u>	<u>\$ 5,061,239</u>
Jail Fund:		
Committed	\$ 290,164	\$ -
Assigned	781,200	812,715
Unassigned	517,284	333,367
Deeds Preservation:		
Restricted	495,954	375,716
Layman's Way:		
Assigned	259,439	513,079
Total Other Major Funds	<u>\$ 2,344,041</u>	<u>\$ 2,034,877</u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 496,057	\$ 335,292
Unassigned	(43,787)	(23,991)
Total Nonmajor Funds	<u>\$ 452,270</u>	<u>\$ 311,301</u>

The general fund total fund balance increased by \$355,258 from the prior fiscal year. This increase was due to revenues and transfers from other funds exceeding expenditures and transfers to other funds. Fund balances for the jail fund increased over the prior year by \$442,566. This increase was due to net transfers from the general fund which exceeded an operating deficit. The Deeds Preservation fund total fund balance increased by \$120,238 and was primarily due to charges for services revenue. The Layman's Way fund total fund balance decreased to a balance of \$259,439 due to expenditures exceeding a transfer from the general fund. The nonmajor funds total fund balances increased by \$140,969 from the prior fiscal year. This increase was the result of an operating surplus and net transfers from the general fund.

**Budgetary Highlights**

The difference between the original and final budget for the general fund was amounts utilized from assigned and/or committed fund balance.

Actual revenues were over the general fund budget by \$356,611. This was the result of all revenue categories being received in excess of budgeted amounts with the exception of intergovernmental revenues.

General fund actual expenditures were under budget by \$274,746 for the fiscal year. All expenditure categories were within or under budget with the exception of Treasurer, York County Juvenile Fire Prevention and health and dental insurance. The overspent items are disclosed in the notes to financial statements.

## **Capital Asset and Debt Administration**

### **Capital Assets**

As of June 30, 2019, the net book value of capital assets recorded by the County decreased by \$862,291 from the prior fiscal year. This was due to capital additions of \$455,629 exceeded by current year depreciation expense of \$1,317,920. Refer to Note 4 of Notes to Financial Statements for additional information.

**Table 4**  
**County of York, Maine**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	<b>2019</b>	<b>2018</b>
Land	\$ 741,856	\$ 741,856
Art work and historical treasures	501,425	501,425
Construction in progress	7,110	-
Buildings and building improvements	14,427,176	15,317,414
Land improvements	4,878	5,165
Furniture and fixtures	7,673	9,201
Machinery and equipment	741,264	856,474
Organization costs	5,580	-
Vehicles	985,390	853,108
<b>Total</b>	<b>\$ 17,422,352</b>	<b>\$ 18,284,643</b>

### **Debt**

At June 30, 2019, the County had \$2,900,000 in bonds outstanding versus \$3,900,000 last year. This was a decrease of \$1,000,000. Refer to Note 5 of Notes to Financial Statements for additional information.

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

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

Currently, the County's unassigned fund balance is within the criteria of their fund balance policy. It has increased to \$2,588,664 for the year ended June 30, 2019 from \$2,518,603 for the same period in 2018. The County continues to maintain reserve accounts for future capital and program needs.

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Finance Department at 45 Kennebunk Road, Alfred, Maine 04002.

COUNTY OF YORK, MAINE  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 9,119,696
Accounts receivable (net of allowance for uncollectibles)	472,885
Inventory	2,699
Prepaid items	141,928
Total current assets	<u>9,737,208</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	1,250,391
Buildings and equipment, net of accumulated depreciation	16,171,961
Total noncurrent assets	<u>17,422,352</u>
<b>TOTAL ASSETS</b>	<u>27,159,560</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	410,144
Deferred outflows related to pensions	1,306,667
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,716,811</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 28,876,371</u>



STATEMENT A (CONTINUED)  
COUNTY OF YORK, MAINE  
STATEMENT OF NET POSITION  
JUNE 30, 2019

LIABILITIES	
Current liabilities:	
Accounts payable	\$ 1,118,487
Accrued payroll	239,851
Accrued payroll liabilities	166,062
Current portion of long-term obligations	1,102,847
Total current liabilities	<u>2,627,247</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	1,900,000
Accrued compensated absences	582,799
Net OPEB liability	533,492
Net pension liability	3,006,650
Total noncurrent liabilities	<u>6,022,941</u>
TOTAL LIABILITIES	<u>8,650,188</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to OPEB	50,177
Deferred inflows related to pensions	833,380
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>883,557</u>
NET POSITION	
Net Investment in capital assets	14,522,352
Restricted	992,011
Unrestricted	3,828,263
TOTAL NET POSITION	<u>19,342,626</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 28,876,371</u>

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

COUNTY OF YORK, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Commissioners/governing Body	\$ 60,990	\$ -	\$ -	\$ -	\$ (60,990)
Management/administration	1,120,773	104,917	-	-	(1,015,856)
Facilities repair and maintenance	560,375	-	-	-	(560,375)
Treasurer	4,514	-	-	-	(4,514)
District attorney	1,238,360	-	-	-	(1,238,360)
Deeds	668,585	2,433,576	-	-	1,764,991
Probate	560,334	458,109	-	-	(102,225)
Sheriff's/Police services	2,980,619	9,879	-	-	(2,970,740)
Communications/Dispatch	632,919	-	-	-	(632,919)
EMA	562,006	-	-	-	(562,006)
York County juvenile fire prevention	31,086	-	-	-	(31,086)
Retirement benefits*	(693,727)	-	-	-	693,727
Medical and dental insurance*	508,684	-	-	-	(508,684)
Public agencies	119,300	-	-	-	(119,300)
Jail	10,927,582	-	1,928,858	-	(8,998,724)
Special projects and reserves	2,355,303	397,991	1,231,060	-	(726,252)
Interest on long-term debt and tax anticipation note	61,819	-	-	-	(61,819)
Total governmental activities	<u>\$ 21,699,522</u>	<u>\$ 3,404,472</u>	<u>\$ 3,159,918</u>	<u>\$ -</u>	<u>(15,135,132)</u>

\* Refer to Note 6 in Notes to Financial Statements for more detail.

STATEMENT B (CONTINUED)  
COUNTY OF YORK, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(15,135,132)
General revenues:	
Property taxes, levied for general purposes	16,920,010
Intergovernmental revenue	239,407
Investment income	142,137
Other	258,266
Total general revenues	17,559,820
Change in net position	2,424,688
NET POSITION - JULY 1, RESTATED	16,917,938
NET POSITION - JUNE 30	\$ 19,342,626

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

## COUNTY OF YORK, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2019

	General Fund	Jail Fund	Deeds Preservation Fund	Layman's Way	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 8,430,278	\$ -	\$ 590,682	\$ -	\$ 98,736	\$ 9,119,696
Accounts receivable (net of allowance for uncollectibles)	150,583	17,159	-	-	305,143	472,885
Inventory	2,699	-	-	-	-	2,699
Prepaid items	141,928	-	-	-	-	141,928
Due from other funds	437,347	1,889,154	-	264,715	399,241	2,990,457
<b>TOTAL ASSETS</b>	<b>\$ 9,162,835</b>	<b>\$ 1,906,313</b>	<b>\$ 590,682</b>	<b>\$ 264,715</b>	<b>\$ 803,120</b>	<b>\$ 12,727,665</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 896,446	\$ 208,534	\$ -	\$ 5,276	\$ 8,231	\$ 1,118,487
Accrued payroll	130,720	109,131	-	-	-	239,851
Payroll related liabilities	166,062	-	-	-	-	166,062
Due to other funds	2,553,110	-	94,728	-	342,619	2,990,457
<b>TOTAL LIABILITIES</b>	<b>3,746,338</b>	<b>317,665</b>	<b>94,728</b>	<b>5,276</b>	<b>350,850</b>	<b>4,514,857</b>
<b>FUND BALANCES</b>						
Nonspendable - inventory and prepaid items	144,627	-	-	-	-	144,627
Restricted	-	-	495,954	-	496,057	992,011
Committed	1,224,998	290,164	-	-	-	1,515,162
Assigned	1,458,208	781,200	-	259,439	-	2,498,847
Unassigned	2,588,664	517,284	-	-	(43,787)	3,062,161
<b>TOTAL FUND BALANCES</b>	<b>5,416,497</b>	<b>1,588,648</b>	<b>495,954</b>	<b>259,439</b>	<b>452,270</b>	<b>8,212,808</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,162,835</b>	<b>\$ 1,906,313</b>	<b>\$ 590,682</b>	<b>\$ 264,715</b>	<b>\$ 803,120</b>	<b>\$ 12,727,665</b>

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

## COUNTY OF YORK, MAINE

RECONCILIATION OF THE GENERAL FUND BALANCE SHEET TO THE  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Total Governmental Funds
Total Fund Balances	\$ 8,212,808
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	17,422,352
Deferred outflows of resources are not financial resources and therefore are not reported in the funds	
OPEB	410,144
Pension	1,306,667
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bonds payable	(2,900,000)
Accrued compensated absences	(685,646)
Net OPEB liability	(533,492)
Net pension liability	(3,006,650)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds	
OPEB	(50,177)
Pension	(833,380)
Net position of governmental activities	\$ 19,342,626

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

## STATEMENT E

## COUNTY OF YORK, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Jail Fund	Deeds Preservation Fund	Layman's Way	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 16,920,010	\$ -	\$ -	\$ -	\$ -	\$ 16,920,010
Charges for services	2,878,783	-	127,698	-	397,991	3,404,472
Intergovernmental revenues	239,407	1,928,858	-	-	1,231,060	3,399,325
Miscellaneous revenues	256,421	133,894	5,633	-	4,455	400,403
<b>TOTAL REVENUES</b>	<b>20,294,621</b>	<b>2,062,752</b>	<b>133,331</b>	<b>-</b>	<b>1,633,506</b>	<b>24,124,210</b>
<b>EXPENDITURES</b>						
Current:						
Commissioners/Governing Body	60,990	-	-	-	-	60,990
Management/Administration	1,025,173	-	-	-	-	1,025,173
Facilities repair and maintenance	525,854	-	-	-	-	525,854
Treasurer	4,514	-	-	-	-	4,514
District attorney	1,230,824	-	-	-	-	1,230,824
Deeds	635,727	-	-	-	-	635,727
Probate	559,315	-	-	-	-	559,315
Sheriff's/Police services	2,801,673	-	-	-	-	2,801,673
Communications/Dispatch	632,919	-	-	-	-	632,919
EMA	484,203	-	-	-	-	484,203
York County Juvenile Fire Prevention	31,086	-	-	-	-	31,086
Retirement benefits	463,711	-	-	-	-	463,711
Medical and dental insurance	877,441	-	-	-	-	877,441
Public agencies	119,300	-	-	-	-	119,300
Program expenditures	-	10,078,035	13,093	853,640	1,523,142	12,467,910
Debt service:						
Principal	1,000,000	-	-	-	-	1,000,000
Interest	61,819	-	-	-	-	61,819
Capital outlay	136,099	200,261	-	-	-	336,360
<b>TOTAL EXPENDITURES</b>	<b>10,650,648</b>	<b>10,278,296</b>	<b>13,093</b>	<b>853,640</b>	<b>1,523,142</b>	<b>23,318,819</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>9,643,973</b>	<b>(8,215,544)</b>	<b>120,238</b>	<b>(853,640)</b>	<b>110,364</b>	<b>805,391</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	24,200	8,662,310	-	600,000	63,919	9,350,429
Transfers (out)	(9,312,915)	(4,200)	-	-	(33,314)	(9,350,429)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(9,288,715)</b>	<b>8,658,110</b>	<b>-</b>	<b>600,000</b>	<b>30,605</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>355,258</b>	<b>442,566</b>	<b>120,238</b>	<b>(253,640)</b>	<b>140,969</b>	<b>805,391</b>
<b>FUND BALANCES - JULY 1</b>	<b>5,061,239</b>	<b>1,146,082</b>	<b>375,716</b>	<b>513,079</b>	<b>311,301</b>	<b>7,407,417</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 5,416,497</b>	<b>\$ 1,588,648</b>	<b>\$ 495,954</b>	<b>\$ 259,439</b>	<b>\$ 452,270</b>	<b>\$ 8,212,808</b>

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

## COUNTY OF YORK, 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 JUNE 30, 2019

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 805,391</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 acquisitions	455,629
Depreciation expense	<u>(1,317,920)</u>
	<u>(862,291)</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>	
OPEB	410,144
Pension	<u>(1,224,717)</u>
	<u>(814,573)</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental          funds, but the repayment reduces long-term obligations in the Statement of          Net Position</p>	
	<u>1,000,000</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	(44,607)
Net OPEB liability	8,790
Net pension liability	<u>1,259,549</u>
	<u>1,223,732</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>	
OPEB	(50,177)
Pension	<u>1,122,606</u>
	<u>1,072,429</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 2,424,688</u></u>

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

## COUNTY OF YORK, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2019

	Agency Funds				Total
	Inmate Benefit Fund	Inmate Cash	Work Release	District Attorney	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 205,473	\$ 30,537	\$ 5,045	\$ 28,337	\$ 269,392
Investments	297,592	-	-	-	297,592
<b>TOTAL ASSETS</b>	<u>\$ 503,065</u>	<u>\$ 30,537</u>	<u>\$ 5,045</u>	<u>\$ 28,337</u>	<u>\$ 566,984</u>
<b>LIABILITIES</b>					
Deposits held for others	\$ 503,065	\$ 30,537	\$ 5,045	\$ 28,337	\$ 566,984
<b>TOTAL LIABILITIES</b>	<u>\$ 503,065</u>	<u>\$ 30,537</u>	<u>\$ 5,045</u>	<u>\$ 28,337</u>	<u>\$ 566,984</u>

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



COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The County of York was incorporated under the laws of the State of Maine. The County provides the following services: commissioners, management/administration, facilities maintenance and repair, treasurer, district attorney, deeds, probate, sheriff's/police services, communications/dispatch, emergency management, juvenile fire prevention, retirement, health and dental insurance, public agencies, jail and special projects and reserves.

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.

**Implementation of New Accounting Standards**

During the year ended June 30, 2019, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 83 "Certain Asset Retirement Obligations". This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities and the estimated remaining useful life of the associated

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. Management has determined the impact of this Statement is not material to the financial statements.

**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. The County categorizes all activities as governmental.

In the government-wide Statement of Net Position, the governmental activities 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 (general government services, courts, jail, sheriff, etc.) excluding fiduciary activities. 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

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

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

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

1. Governmental Funds:

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

**Major Funds**

- 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. The Jail Fund is used to account for the operations of the York County Jail.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- c. The Deeds Preservation Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- d. The Layman's Way Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Nonmajor Fund

- e. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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 is 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 governmental activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 York, 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 committee no later than sixty days before the end of the County's fiscal year. The budget 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.

The budget committee reviews the proposed budget and may increase, decrease or alter the estimated budget based on certain guidelines or restrictions. Statutes require the budget committee to hold a public hearing in the County on the proposed budget before the end of the County's fiscal year and before the final adoption of the budget.

After the public hearing is completed, the budget committee adopts a final budget and transmits that budget to the County Commissioners. The County Commissioners may not further increase, decrease, alter or revise the budget adopted by the budget committee, except by unanimous vote of the County Commissioners. If the adopted

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

budget is changed by the County Commissioners; the budget committee may reject that change by a 2/3 vote of its membership. Those actions are final and are not subject to further action by either the County Commissioners or the budget committee.

An annual budget is adopted for the general fund and jail 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 three months or less from the date of acquisition.

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

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

The County of York's investment policy does not conflict with the State of Maine Statutes. The policy is comprehensive and is applicable to all County funds.

**Receivables**

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$472,885 for the year ended June 30, 2019. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2019.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Inventories and Prepaid Items**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet, with the exception of certain products bought in bulk. Inventories are valued and recorded at cost which approximates market, using the first-in/first-out (FIFO) method.

Certain insurance and other payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**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".

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds (if applicable).

**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 YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

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. The County has no 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 obligations 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 obligations to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, accrued compensated absences, net OPEB liability 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.

**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 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.



COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**OPEB**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the County's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investments 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 is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**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.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the County Commissioners. 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.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that can report 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 two types of this item, deferred outflows related to OPEB and deferred outflows related to pensions, which arises only under an accrual basis of accounting that qualifies for reporting in this category. These items are 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 OPEB and deferred inflows related to pensions qualify for reporting in this category. These items are 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.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The County's property tax for the current period was voted on the assessed value for all real and personal property located in the County. Property taxes for the current year budget was and will be carried as receivables for any unpaid balances. The full amount of the current year assessment will be recognized in the current financial statements.

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services, or privileges provided, operating or capital grants and contributions, including special assessments).

**Encumbrance Accounting**

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

**Use of Estimates**

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**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 June 30, 2019, the County's cash and cash equivalents amounting to \$9,389,088 were comprised of deposits of \$9,480,750 and cash equivalents of \$51. Of these deposits, \$9,348,531 was fully insured by federal depository insurance and consequently not exposed to custodial credit risk. The remaining deposits of \$132,219 was collateralized with securities held by the financial institution in the County's name. The cash equivalents of \$51 were covered by the Securities Investor Protection Corporation (SIPC).

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 553,536
Savings accounts	36,579
Money market accounts	177,907
Repurchase agreements	8,712,728
Cash equivalents	51
	<u>\$ 9,480,801</u>

**Investments:**

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

At June 30, 2019, the County had \$297,592 of investments. These investments were in mutual funds. The maturity of these is not applicable. These investments were covered by the Securities Investor Protection Corporation (SIPC).

**Fair Value Hierarchy**

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has the following recurring fair value measurements as June 30, 2019:

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

	June 30, 2019 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Equity securities:				
Mutual funds and exchange traded funds	\$ 297,592	\$ 297,592	\$ -	\$ -
Total equity securities	297,592	297,592	-	-
Total investments by fair value level	297,592	\$ 297,592	\$ -	\$ -
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	51			
Total cash equivalents measured at the NAV	51			
Total investments and cash equivalents measured at fair value	\$ 297,643			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no Level 2 or 3 investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2019 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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.

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.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2019 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General fund	\$ 437,347	\$ 2,553,110
Jail fund	1,889,154	-
Deeds Preservation Fund	-	94,728
Layman's Way fund	264,715	-
Nonmajor special revenue funds	399,241	342,619
	<u>\$ 2,990,457</u>	<u>\$ 2,990,457</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2019:

	Balance, 7/1/18	Additions	Disposals	Balance, 6/30/19
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 741,856	\$ -	\$ -	\$ 741,856
Art work and historical treasures	501,425	-	-	501,425
Construction in progress	-	7,110	-	7,110
Totals	<u>1,243,281</u>	<u>7,110</u>	<u>-</u>	<u>1,250,391</u>
Depreciated assets:				
Buildings and building improvements	29,998,067	61,516	-	30,059,583
Land improvements	138,149	-	-	138,149
Furniture and fixtures	24,806	-	(14,109)	10,697
Machinery and equipment	2,414,435	33,823	(119,408)	2,328,850
Organization costs	-	5,580	-	5,580
Vehicles	1,830,620	347,600	-	2,178,220
	<u>34,406,077</u>	<u>448,519</u>	<u>(133,517)</u>	<u>34,721,079</u>
Less accumulated depreciation	<u>(17,364,715)</u>	<u>(1,317,920)</u>	<u>133,517</u>	<u>(18,549,118)</u>
	<u>17,041,362</u>	<u>(869,401)</u>	<u>-</u>	<u>16,171,961</u>
Net capital assets	<u>\$ 18,284,643</u>	<u>\$ (862,291)</u>	<u>\$ -</u>	<u>\$ 17,422,352</u>

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current period depreciation:

EMA	\$ 77,803
Management/Administration	50,993
Courthouse repair and maintenance	115,871
Jail	849,547
Probate	1,019
District attorney	7,536
Deeds	32,858
Sheriff's/Police services	182,293
	<u>\$ 1,317,920</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2019:

	<u>Balance, 7/1/18</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 6/30/19</u>	<u>Current Year Portion</u>
Bonds payable	<u>\$ 3,900,000</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>	<u>\$ 2,900,000</u>	<u>\$ 1,000,000</u>

The following is a summary of the outstanding bonds payable:

\$6,000,000 2003 Capital Improvement Bond payable to TD Bank. Annual principal payments of \$300,000. Interest rate varies from 2.0% - 3.8% per annum. Maturity in December of 2022.	\$ 1,200,000
\$3,600,000 2011 Bond payable to Maine Municipal Bond Bank. Annual principal payments of \$400,000. Interest rate varies from 0.5% - 5.39% per annum. Maturity in November of 2020.	800,000
\$3,000,000 2011 Bond payable to Maine Municipal Bond Bank. Annual principal payments of \$300,000. Interest rate varies from 0.5% - 5.5% per annum. Maturity in November of 2021.	<u>900,000</u>
Total Bonds Payable	<u>\$ 2,900,000</u>

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the outstanding bond principal and interest requirements for the following fiscal years ending June 30:

Year Ending June 30,	Principal	Interest	Total
2020	\$ 1,000,000	\$ 50,825	\$ 1,050,825
2021	1,000,000	38,525	1,038,525
2022	600,000	24,150	624,150
2023	300,000	11,400	311,400
	<u>\$ 2,900,000</u>	<u>\$ 124,900</u>	<u>\$ 3,024,900</u>

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2019 is as follows:

	Balance, 7/1/18 (Restated)	Additions	Deletions	Balance, 6/30/19	Current Year Portion
Accrued compensated absences	\$ 641,039	\$ 44,607	\$ -	\$ 685,646	\$ 102,847
Net OPEB liability	542,282	51,987	(60,777)	533,492	-
Net pension liability	4,266,199	-	(1,259,549)	3,006,650	-
Totals	<u>\$ 5,449,520</u>	<u>\$ 96,594</u>	<u>\$ (1,320,326)</u>	<u>\$ 4,225,788</u>	<u>\$ 102,847</u>

Please see Notes 7, 12 and 14 for detailed information on each of the other long-term obligations.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

In accordance with GASB Statement No. 16 Accounting for Compensated Absences, vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the County will compensate the employees for the benefits through paid time off or some other means. Sick leave benefits are accrued as a liability using the vesting method. The liability is based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and by those employees for whom it is probable they will become eligible to receive termination benefits in the foreseeable future.



COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 7 - ACCRUED COMPENSATED ABSENCES (CONTINUED)

The total liability for vacation and sick leave payments has been calculated using pay rates in effect at the balance sheet date and reduced to the maximum payment allowed by contract and/or statute, plus any applicable additional salary related payments.

As of June 30, 2019, the liability for any unpaid compensated absences was \$685,646.

NOTE 8 - NONSPENDABLE FUND BALANCES

At June 30, 2019, the County had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 141,928
Inventory	2,699
	<u>\$ 144,627</u>

NOTE 9 - RESTRICTED FUND BALANCES

At June 30, 2019, the County had the following restricted fund balances:

Deeds preservation fund	\$ 495,954
Nonmajor special revenue funds (Schedule B)	496,057
	<u>\$ 992,011</u>

NOTE 10 - COMMITTED FUND BALANCES

At June 30, 2019, the County had the following committed fund balances:

General fund:	
EMA vehicle	\$ 97,016
SO vehicle	79,052
Major capital projects	264,202
Insurance fund	784,728
Jail fund	290,164
	<u>\$ 1,515,162</u>

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 11 - ASSIGNED FUND BALANCES

At June 30, 2019, the County had the following assigned fund balances:

General fund:	
Capital improvement	\$ 193,260
New government building	79,347
Wellness equipment and programs	42,248
Ergonomics	550
Tech upgrade	102,714
Personnel record storage	455
Employee training and development	7,810
Special projects	13,716
Special projects/grant match	50,000
EMA/facilities garage	467,890
Payroll liabilities	335,309
Maine200 committee	15,000
Use of UAAL reserve in FY20	9,909
Use of payroll liabilities reserve in FY20	140,000
Jail fund	781,200
Layman's Way fund	259,439
	<u>\$ 2,498,847</u>

NOTE 12 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

PARTICIPATING LOCAL DISTRICT CONSOLIDATED PLAN

**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](http://www.maineopers.org) or by contacting the System at (207) 512-3100.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**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. As of June 30, 2018, there were 304 employees in the plan.

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 2.4%.

**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 8.0% of their annual covered salary and the County is required to contribute at an actuarially determined rate. The current rate is 10.0% of covered payroll for all County employees in plan "AC", 16.3% for law enforcement employees in special plan "1C" (future only from January 1, 2009) and 10.5% for corrections officers and certain law enforcement 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 June 30, 2019 was \$620,116.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At June 30, 2019, the County reported a liability of \$3,006,650 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2018 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, 2018, the County's proportion was 1.098610%, which was an increase of 0.05664% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension revenue of \$1,157,438. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,414	\$ 33,023
Changes of assumptions	479,882	-
Net difference between projected and actual earnings on pension plan investments	-	725,987
Changes in proportion and differences between contributions and proportionate share of contributions	197,255	74,370
Contributions subsequent to the measurement date	620,116	-
Total	<u>\$ 1,306,667</u>	<u>\$ 833,380</u>

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

\$620,116 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 June 30, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>PLD Plan</u>
Plan year ended June 30:	
2019	\$ 440,812
2020	93,882
2021	(493,885)
2022	(187,635)
2023	-
Thereafter	-

**Actuarial Methods and Assumptions**

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2018, using the following methods and assumptions applied to all periods included in the measurement:

*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.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

*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 a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2018 are as follows:

*Investment Rate of Return* - 6.75% per annum for the year ended June 30, 2018; the rate was 6.875% in 2017, compounded annually.

*Salary Increases, Merit and Inflation* - 2.75% to 9.00% per year

*Mortality Rates* - For active members and non-disabled retirees of the PLD Consolidated and State Employee and Teacher Plans, the RP2014 Total Dataset Healthy Annuitant Mortality Table, for males and females, is used. For all recipients of disability benefits, the RP2014 Total Dataset Disabled Annuitant Mortality Table, for males and females, is used.

*Cost of Living Benefit Increases* - 1.91%; in 2017 the rate was 2.20%

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, 2018 are summarized in the following table. Assets for each of the defined benefit plans are commingled for investment purposes.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	6.0%
US Government	7.5%	2.3%
Private equity	15.0%	7.6%
Real assets:		
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional Credit	7.5%	3.0%
Alternative Credit	5.0%	4.2%
Diversifiers	10.0%	5.9%

*Discount Rate*

The discount rate used to measure the collective total pension liability was 6.75% for 2018 for the Plan. 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 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, 2018 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.75% for each of the Plans.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.75%	6.75%	7.75%
County's proportionate share of the net pension liability	\$ 7,086,274	\$ 3,006,650	\$ (806,680)

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

**Changes in Net Pension Liability**

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2018 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2018 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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resource. For 2018, this was three years; prior to 2018, this was four years for the PLD Consolidated Plan.

*Differences between Expected 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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*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. The actuarial assumptions used for the year ended June 30, 2018 valuation were based on the results of an actuarial experience study for the period of June 30, 2012 through June 30, 2015. Please refer to the *Actuarial Methods and Assumptions* section for information relating to changes of assumptions. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.



COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 12 - 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. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. 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' 2018 Comprehensive Annual Financial Report available online at [www.mainebers.org](http://www.mainebers.org) or by contacting the System at (207) 512-3100.

NOTE 13 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan is available to County employees as part of a collective bargaining agreement and/or County policy. The deferred compensation is not available to employees until termination, retirement, death, financial hardship, or unforeseen emergency.

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

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

The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan has provisions for employees to borrow or take plan assets. The plan is being maintained by The Equitable Life Assurance Society of the United States.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 13 - DEFERRED COMPENSATION PLAN (CONTINUED)

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.

Under the plan the County is required to contribute on behalf of each participant a pre-determined percentage determined by contract of the participants' earnings for the plan year or up to 10%. For the twelve months ended June 30, 2019, the County's contributions to the plan totaled \$225,868.

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

**Plan Description**

The County and County retirees contribute to the County's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the County and/or the County retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the County concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

**Employees Covered by Benefit Terms**

At January 1, 2019, the following employees were covered by the benefit terms:

Active members	77
Retirees and spouses	-
Total	<u>77</u>

**Contributions**

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

**Retiree Premium Amounts:**

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
PPO 2500	\$734.38	\$1,647.35
<u>Medicare</u>		
Medicare-Eligible Retirees	\$527.65	\$1,055.29

**Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2019, the County reported a liability of \$533,492 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date. The County's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2019, the County recognized OPEB revenue of \$365,325. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 374,238	\$ -
Changes of assumptions	32,474	50,177
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	3,432	-
<b>Total</b>	<b>\$ 410,144</b>	<b>\$ 50,177</b>

\$3,432 were reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2020	\$ 60,617
2021	60,617
2022	60,617
2023	60,617
2024	60,617
Thereafter	53,450

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2018. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 4.10% per annum for June 30, 2019 was based upon a measurement date of December 27, 2018. The sensitivity of net OPEB liability to changes in discount rate are as follows:

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	3.10%	4.10%	5.10%
Total OPEB liability	\$ 623,631	\$ 533,492	\$ 460,170
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 623,631</u>	<u>\$ 533,492</u>	<u>\$ 460,170</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 451,294	\$ 533,492	\$ 637,631
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 451,294</u>	<u>\$ 533,492</u>	<u>\$ 637,631</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2018, using the following methods and assumptions applied to all periods included in the measurement:

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

*Actuarial Cost Method*

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2017. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

*Amortization*

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

*Assumptions*

The actuarial assumptions used in the January 1, 2018 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2018, they are as follows:

Discount Rate - 4.10% per annum.

Trend Assumptions:

Pre-Medicare Medical - Initial trend of 8.20% applied in 2018 grading over 14 years to 4.00% per annum.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Pre-Medicare Drug - Initial trend of 9.60% applied in 2018 grading over 14 years to 4.00% per annum.

Medicare Medical - Initial trend of 4.93% applied in 2018 grading over 14 years to 4.00% per annum.

Medicare Drug - Initial trend of 9.60% applied in 2017 grading over 14 years to 4.00% per annum.

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2018, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC 2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2019 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB 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. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2019 was \$374,238.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected



COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 14 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the County office at 45 Kennebunk Road, Alfred, Maine 04002.

NOTE 15 - EXPENDITURES OVER APPROPRIATIONS

The following expenditures were over appropriations at June 30, 2019:

Treasurer	\$	358
York County Juvenile Fire Prevention		450
Medical and dental insurance		122,441
	\$	<u>123,249</u>

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 16 - DEFICIT FUND BALANCES

The following funds have a deficit fund balance as of June 30, 2019:

Nonmajor special revenue funds:	
Reimbursable Sheriff services	\$ 4,270
YCSO state forfeiture	3,232
Homeland security grants	<u>36,285</u>
	<u>\$ 43,787</u>

NOTE 17 - 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 self-insured risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations, and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2019.

The County's participation in the public entity risk pool is limited to the Maine Municipal Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The County pays an annual premium to the fund for its worker's compensation coverage. The County's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies' reinsurance contracts, coverage for claims in excess of \$1,000,000.

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 as of June 30, 2019. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

COUNTY OF YORK, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2019

NOTE 18 - CONTINGENCIES

With regard to 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 19 - 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.

NOTE 20 - 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.

NOTE 21 - RESTATEMENT

The net position of the governmental activities has been restated at July 1, 2018 to account for the implementation of GASB Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions - an amendment of GASB Statement No. 45, as amended (issued 06/04), and GASB Statement No. 57 (issued 12/09). The beginning net position was restated by \$542,282. The resulting restatement decreased net position from \$17,460,220 TO \$16,917,938.

## 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 - Pension
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

## COUNTY OF YORK, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,061,239	\$ 5,061,239	\$ 5,061,239	\$ -
Resources (Inflows):				
Taxes - municipalities	16,920,010	16,920,010	16,920,010	-
Intergovernmental:				
EMPG 50% EMA reimbursement	238,000	238,000	224,526	(13,474)
Other intergovernmental revenues	25,000	25,000	14,881	(10,119)
	<u>263,000</u>	<u>263,000</u>	<u>239,407</u>	<u>(23,593)</u>
Charges for services:				
Administration	100,000	100,000	104,917	4,917
Register of Deeds	2,245,000	2,245,000	2,305,878	60,878
Register of Probate	350,000	350,000	458,109	108,109
Sheriff	6,000	6,000	9,879	3,879
	<u>2,701,000</u>	<u>2,701,000</u>	<u>2,878,783</u>	<u>177,783</u>
Miscellaneous:				
Interest on investments	12,000	12,000	142,137	130,137
Rent income	30,000	30,000	30,000	-
Other revenues	12,000	12,000	84,284	72,284
	<u>54,000</u>	<u>54,000</u>	<u>256,421</u>	<u>202,421</u>
Transfers in from other funds	24,200	24,200	24,200	-
Amounts Available for Appropriation	<u>25,023,449</u>	<u>25,023,449</u>	<u>25,380,060</u>	<u>356,611</u>

SCHEDULE 1 (CONTINUED)  
COUNTY OF YORK, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Charges to Appropriations (Outflows):				
Commissioners/Governing Body	63,924	63,924	60,990	2,934
Management/Administration	1,038,123	1,038,123	1,025,173	12,950
Facilities repair and maintenance	537,385	537,385	525,854	11,531
Treasurer	4,156	4,156	4,514	(358)
District attorney	1,304,506	1,304,506	1,230,824	73,682
Deeds	710,006	710,006	635,727	74,279
Probate	638,558	638,558	559,315	79,243
Sheriff's/Police services	2,892,761	2,892,761	2,801,673	91,088
Communications/Dispatch	643,137	643,137	632,919	10,218
EMA	517,970	517,970	484,203	33,767
York County Juvenile Fire Prevention	30,636	30,636	31,086	(450)
Retirement benefits	491,894	491,894	463,711	28,183
Medical and dental insurance	755,000	755,000	877,441	(122,441)
Public agencies	124,700	124,700	119,300	5,400
Contingency	50,000	50,000	-	50,000
Debt service:				
Principal	1,000,000	1,000,000	1,000,000	-
Interest	67,144	67,144	61,819	5,325
Capital outlay	-	136,099	136,099	-
Transfers to Other funds	9,232,310	9,232,310	9,312,915	(80,605)
Total Charges to Appropriations	<u>20,102,210</u>	<u>20,238,309</u>	<u>19,963,563</u>	<u>274,746</u>
 Budgetary Fund Balance, June 30	 <u>\$ 4,921,239</u>	 <u>\$ 4,785,140</u>	 <u>\$ 5,416,497</u>	 <u>\$ 631,357</u>
 Paid from assigned/committed fund balance	 <u>\$ 140,000</u>	 <u>\$ 276,099</u>	 <u>\$ -</u>	 <u>\$ (276,099)</u>
 Fund Balance, June 30			 <u>\$ 5,416,497</u>	

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

## COUNTY OF YORK, MAINE

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

	2019	2018	2017	2016	2015	2014
<u>PLD Plan:</u>						
Proportion of the net pension liability	1.10%	1.04%	1.10%	1.05%	1.07%	1.11%
Proportionate share of the net pension liability	\$ 3,006,650	\$ 4,266,199	\$ 5,834,824	\$ 3,339,494	\$ 1,641,101	\$ 3,431,160
Covered-employee payroll	\$ 5,440,470	\$ 4,996,958	\$ 4,895,906	\$ 4,437,860	\$ 3,747,793	\$ -
Proportionate share of the net pension liability as a percentage of its covered-employee payroll	55.26%	85.38%	119.18%	75.25%	43.79%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	91.14%	86.40%	81.61%	88.27%	94.10%	87.50%

\* 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 YORK, MAINE

SCHEDULE OF CONTRIBUTIONS  
LAST 10 FISCAL YEARS\*

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>PLD Plan:</u>						
Contractually required contribution	\$ 620,116	\$ 609,865	\$ 534,054	\$ 515,304	\$ 427,858	\$ 371,853
Contributions in relation to the contractually required contribution	<u>(620,116)</u>	<u>(609,865)</u>	<u>(534,054)</u>	<u>(515,304)</u>	<u>(427,858)</u>	<u>(371,853)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 5,319,825	\$ 5,440,470	\$ 4,996,958	\$ 4,895,906	\$ 4,437,860	\$ 3,747,793
Contributions as a percentage of covered-employee payroll	11.66%	11.21%	10.69%	10.53%	9.64%	9.92%

\* The amounts presented for each fiscal year are for those years for which information is available.

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



## COUNTY OF YORK, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2019

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/18 (Reporting December 31, 2018)	\$ 542,282	\$ -	\$ 542,282
Changes for the year:			
Service cost	32,281	-	32,281
Interest	19,706	-	19,706
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(57,345)	-	(57,345)
Contributions - employer	-	3,432	(3,432)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(3,432)	-	(3,432)
Administrative expense	-	-	-
Net changes	<u>(8,790)</u>	<u>-</u>	<u>(8,790)</u>
Balances at 1/1/19 (Reporting December 31, 2019)	<u>\$ 533,492</u>	<u>\$ -</u>	<u>\$ 533,492</u>

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

## COUNTY OF YORK, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
AND RELATED RATIOS  
LAST 10 FISCAL YEARS\*

	<u>2019</u>	<u>2018</u>
<u>Total OPEB liability</u>		
Service cost (BOY)	32,281	-
Interest (includes interest on service cost)	19,706	-
Changes of benefit terms	-	-
Differences between expected and actual experience	-	498,984
Changes of assumptions	(57,345)	43,298
Benefit payments, including refunds of member contributions	(3,432)	-
Net change in total OPEB liability	<u>\$ (8,790)</u>	<u>\$ 542,282</u>
Total OPEB liability - beginning	\$ 542,282	\$ -
Total OPEB liability - ending	\$ 533,492	\$ 542,282
<u>Plan fiduciary net position</u>		
Contributions - employer	3,432	-
Contributions - member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(3,432)	-
Administrative expense	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 533,492</u>	<u>\$ 542,282</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-
Covered payroll	\$ 4,262,906	\$ 4,262,906
Net OPEB liability as a percentage of covered payroll	12.5%	12.7%

\* The amounts presented for each fiscal year are for those years for which information is available.

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

## COUNTY OF YORK, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST 10 FISCAL YEARS\*

	<u>2019</u>
<u>MMEHT:</u>	
Employer contributions	\$ 3,432
Benefit payments	<u>(3,432)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 4,262,906
Contributions as a percentage of covered- employee payroll	0.00%

\* The amounts presented for each fiscal year are for those years for which information is available.

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

COUNTY OF YORK, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2019

**Changes of Assumptions**

For the PLD Consolidated Plan, the discount rate was reduced from 6.875% to 6.75%. In addition, the cost of living benefit increases for the PLD Plan decreased from 2.20% to 1.91%.

For the MMEHT Plan, there was a change in the discount rate from 3.44% to 4.10% per GASB 75 discount rate selection.

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 Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds

COUNTY OF YORK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive/(Negative)
<b>Commissioners/Governing Body</b>					
Wages	\$ 53,176	\$ -	\$ 53,176	\$ 53,604	\$ (428)
Taxes/benefits	4,348	-	4,348	3,837	511
Travel	5,700	-	5,700	3,549	2,151
Other	700	-	700	-	700
	<u>63,924</u>	<u>-</u>	<u>63,924</u>	<u>60,990</u>	<u>2,934</u>
<b>Management/Administration</b>					
Wages	756,278	-	756,278	728,291	27,987
Taxes/benefits	80,145	-	80,145	77,206	2,939
Legal	75,000	-	75,000	93,978	(18,978)
Contracted services	20,000	-	20,000	19,571	429
Dues and memberships	18,000	-	18,000	14,670	3,330
Equipment	52,000	-	52,000	52,597	(597)
Postage/office supplies	9,800	-	9,800	10,923	(1,123)
Telephone	10,000	-	10,000	9,031	969
Insurance	3,600	-	3,600	3,545	55
Other	13,300	-	13,300	15,361	(2,061)
	<u>1,038,123</u>	<u>-</u>	<u>1,038,123</u>	<u>1,025,173</u>	<u>12,950</u>
<b>Facilities repair and maintenance</b>					
Wages	218,313	-	218,313	205,751	12,562
Taxes/benefits	30,172	-	30,172	25,777	4,395
Electricity	85,000	-	85,000	85,619	(619)
Property and casualty	23,800	-	23,800	22,761	1,039
Electrical repairs	20,000	-	20,000	11,981	8,019
Heating repairs	23,000	-	23,000	34,001	(11,001)
Plowing/sanding/mowing	30,000	-	30,000	31,311	(1,311)
Contracted services	25,000	-	25,000	26,860	(1,860)
Cleaning supplies	9,000	-	9,000	8,647	353
Propane/heating fuel	13,000	-	13,000	12,948	52
General repairs	15,000	-	15,000	13,756	1,244
Major and minor equipment	25,000	-	25,000	25,106	(106)
Other	20,100	-	20,100	21,336	(1,236)
	<u>537,385</u>	<u>-</u>	<u>537,385</u>	<u>525,854</u>	<u>11,531</u>

COUNTY OF YORK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive/(Negative)
<b>Treasurer</b>					
Wages	3,842	-	3,842	4,174	(332)
Taxes/benefits	314	-	314	340	(26)
	<u>4,156</u>	<u>-</u>	<u>4,156</u>	<u>4,514</u>	<u>(358)</u>
<b>District Attorney</b>					
Wages	942,366	-	942,366	894,792	47,574
Taxes/benefits	88,190	-	88,190	79,084	9,106
General repairs/maintenance	85,000	-	85,000	86,657	(1,657)
Telephone	31,000	-	31,000	28,480	2,520
Travel	30,000	-	30,000	31,850	(1,850)
Contracted services	18,000	-	18,000	16,391	1,609
Office supplies	25,650	-	25,650	30,014	(4,364)
Equipment	23,700	-	23,700	12,110	11,590
Witness fees	9,500	-	9,500	4,439	5,061
Postage	12,500	-	12,500	10,761	1,739
Other	38,600	-	38,600	36,246	2,354
	<u>1,304,506</u>	<u>-</u>	<u>1,304,506</u>	<u>1,230,824</u>	<u>73,682</u>
<b>Deeds</b>					
Wages	532,124	-	532,124	466,350	65,774
Taxes/benefits	50,982	-	50,982	42,414	8,568
Records management	83,000	-	83,000	103,746	(20,746)
Postage	13,000	-	13,000	8,275	4,725
Office supplies	7,300	-	7,300	4,338	2,962
Equipment	13,000	-	13,000	1,925	11,075
Telephone	4,000	-	4,000	4,629	(629)
Insurance	2,800	-	2,800	2,801	(1)
Travel	3,200	-	3,200	449	2,751
Other	600	-	600	800	(200)
	<u>710,006</u>	<u>-</u>	<u>710,006</u>	<u>635,727</u>	<u>74,279</u>

COUNTY OF YORK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive/(Negative)
Probate					
Wages	440,056	-	440,056	383,826	56,230
Taxes/benefits	41,403	-	41,403	36,636	4,767
Professional fees	68,649	-	68,649	62,738	5,911
Advertising	40,000	-	40,000	39,885	115
Postage	20,000	-	20,000	17,785	2,215
Equipment	10,500	-	10,500	2,351	8,149
Telephone	4,000	-	4,000	3,628	372
Other	13,950	-	13,950	12,466	1,484
	<u>638,558</u>	<u>-</u>	<u>638,558</u>	<u>559,315</u>	<u>79,243</u>
 Sheriff's/Police services					
Wages	2,019,013	-	2,019,013	1,925,766	93,247
Taxes/benefits	287,300	-	287,300	259,410	27,890
Gas and oil	81,500	-	81,500	78,754	2,746
Insurances	50,748	-	50,748	44,588	6,160
Telephone	26,000	-	26,000	20,854	5,146
Vehicle repair	40,000	-	40,000	44,394	(4,394)
Uniforms/safety equipment	25,000	-	25,000	28,967	(3,967)
Equipment	16,000	-	16,000	8,193	7,807
Professional services	20,000	-	20,000	9,756	10,244
Software	15,000	-	15,000	13,408	1,592
Training	16,000	-	16,000	14,918	1,082
Minor equipment	249,000	-	249,000	295,960	(46,960)
Other	47,200	-	47,200	56,705	(9,505)
	<u>2,892,761</u>	<u>-</u>	<u>2,892,761</u>	<u>2,801,673</u>	<u>91,088</u>
 Communications/Dispatch					
Sanford contract	608,237	-	608,237	604,452	3,785
Contracted services	27,500	-	27,500	28,467	(967)
Other	7,400	-	7,400	-	7,400
	<u>643,137</u>	<u>-</u>	<u>643,137</u>	<u>632,919</u>	<u>10,218</u>



COUNTY OF YORK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive/(Negative)
EMA Department					
Wages	308,689	-	308,689	255,752	52,937
Taxes/benefits	28,556	-	28,556	30,207	(1,651)
Rental of land	35,000	-	35,000	38,100	(3,100)
Contracted services	20,000	-	20,000	2,494	17,506
Insurances	12,000	-	12,000	9,437	2,563
Rental of other equipment	7,500	-	7,500	6,000	1,500
Telephone	16,000	-	16,000	22,744	(6,744)
Office/other supplies	10,700	-	10,700	17,259	(6,559)
Internet services	10,000	-	10,000	8,259	1,741
Meals and lodging	7,500	-	7,500	8,108	(608)
Travel	11,000	-	11,000	8,045	2,955
Vehicle repair	7,000	-	7,000	12,352	(5,352)
Equipment	15,875	-	15,875	24,674	(8,799)
Repairs and maintenance	6,500	-	6,500	13,018	(6,518)
Other	21,650	-	21,650	27,754	(6,104)
	<u>517,970</u>	<u>-</u>	<u>517,970</u>	<u>484,203</u>	<u>33,767</u>
York County Juvenile Fire					
Wages	27,209	-	27,209	27,414	(205)
Taxes/benefits/other	3,427	-	3,427	3,672	(245)
	<u>30,636</u>	<u>-</u>	<u>30,636</u>	<u>31,086</u>	<u>(450)</u>
Retirement benefits					
ICMA 457 deferred comp	139,499	-	139,499	126,480	13,019
Maine State retirement	352,395	-	352,395	337,231	15,164
	<u>491,894</u>	<u>-</u>	<u>491,894</u>	<u>463,711</u>	<u>28,183</u>
Medical/dental insurance					
Health insurance	700,000	-	700,000	717,975	(17,975)
Dental insurance	55,000	-	55,000	49,884	5,116
HRA costs	-	-	-	109,582	(109,582)
	<u>755,000</u>	<u>-</u>	<u>755,000</u>	<u>877,441</u>	<u>(122,441)</u>

COUNTY OF YORK, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive/(Negative)
Public agencies					
Southern Maine Planning	33,000	-	33,000	33,000	-
York County Soil	7,200	-	7,200	1,800	5,400
York County Extension	84,500	-	84,500	84,500	-
	<u>124,700</u>	<u>-</u>	<u>124,700</u>	<u>119,300</u>	<u>5,400</u>
Debt service					
Principal	1,000,000	-	1,000,000	1,000,000	-
Interest	67,144	-	67,144	61,819	5,325
	<u>1,067,144</u>	<u>-</u>	<u>1,067,144</u>	<u>1,061,819</u>	<u>5,325</u>
Capital outlay					
Major capital projects	-	65,605	65,605	65,605	-
Technology upgrades	-	4,573	4,573	4,573	-
Other reserve activity	-	65,921	65,921	65,921	-
	<u>-</u>	<u>136,099</u>	<u>136,099</u>	<u>136,099</u>	<u>-</u>
Contingency	50,000	-	50,000	-	50,000
	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Transfers					
Jail	8,662,310	-	8,662,310	8,662,310	-
Recovery center	500,000	-	500,000	600,000	(100,000)
Special revenues	70,000	-	70,000	50,605	19,395
	<u>9,232,310</u>	<u>-</u>	<u>9,232,310</u>	<u>9,312,915</u>	<u>(80,605)</u>
Total Departmental Operations	<u>\$ 20,102,210</u>	<u>\$ 136,099</u>	<u>\$ 20,238,309</u>	<u>\$ 19,963,563</u>	<u>\$ 274,746</u>

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

COUNTY OF YORK, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2019

	Fund	7/1/18 Fund Balance	Revenues			Expenditures	Transfers	6/30/19 Fund Balance
			Charges for Services	Intergovernmental	Other			
District Attorney:								
Victim of crimes act	2110	\$ -	-	55,010	-	83,022	28,012	\$ -
VWA Advocate - Biddeford	2112	-	-	5,999	-	17,355	11,356	-
Admin/supervision	2120	156,043	-	148,292	-	57,726	(20,000)	226,609
Probate:								
Probate preservation	2310	23,117	14,040	-	147	7,952	-	29,352
Sheriff:								
Civil process	2500	27,859	383,951	-	-	335,883	-	75,927
RSU 57 resource officer	2510	-	-	99,237	-	99,237	-	-
Parsonsfield contract officer	2512	(8,686)	-	116,517	-	94,517	(13,314)	-
Arundel contract officer	2514	-	-	153,889	-	153,889	-	-
Waterboro contract officer	2516	-	-	184,029	-	184,029	-	-
Limington contract officer	2517	-	-	102,689	-	102,689	-	-
Reimbursable Sheriff services	2520	-	-	23,725	-	27,995	-	(4,270)
Jag Byrne grant LLBEG	2525	-	-	10,545	-	7,711	-	2,834
MDEA Task Force support	2535	-	-	66,625	-	75,025	8,400	-
Acton/Shapleigh contract officer	2539	-	-	90,876	-	90,876	-	-
Ride team program	2543	-	-	1,492	-	1,492	-	-
US Gov't Agency Assist.	2546	-	-	10,261	-	21,545	11,284	-
Impaired driving grant	2552	-	-	2,986	-	4,713	1,727	-
Speed enforcement program	2554	-	-	11,330	-	14,470	3,140	-
YCSO state forfeiture	2593	3,957	-	4,326	1	11,516	-	(3,232)
YCSO federal forfeiture	2596	67,806	-	-	118	17,834	-	50,090
Jail:								
State criminal alien assist	2630	20,915	-	28,805	-	6,337	-	43,383
EMA:								
York county operations	2710	12,042	-	20,742	1,714	-	-	34,498
Hazmat professional development	2715	15,729	-	-	-	865	-	14,864
Homeland security grants	2723	(10,239)	-	50,107	-	76,153	-	(36,285)
Local emergency planning com	2750	7,824	-	27,472	2,475	30,311	-	7,460
Seabrook stipend	2780	(5,066)	-	15,987	-	-	-	10,921
Cart donation	2790	-	-	119	-	-	-	119
Total Special Revenue General Reserves		<u>\$ 311,301</u>	<u>\$ 397,991</u>	<u>\$ 1,231,060</u>	<u>\$ 4,455</u>	<u>\$ 1,523,142</u>	<u>\$ 30,605</u>	<u>\$ 452,270</u>

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



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

County Commissioners  
County of York  
Alfred, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of York, Maine, as of and for the year ended June 30, 2019 and the related notes to the financial statements, which collectively comprise the County of York, Maine's basic financial statements, and have issued our report thereon dated November 25, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these

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limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### Compliance and Other Matters

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

### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
November 25, 2019