

Audited Financial Statements and
Other Financial Information

County of Franklin, Maine

June 30, 2021



Proven Expertise & Integrity

COUNTY OF FRANKLIN, MAINE

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JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners
County of Franklin
Farmington, 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 Franklin, Maine, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 accounting policies used and the reasonableness of significant accounting estimates

made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the County of Franklin, Maine, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity 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 and pension information on pages 4 through 11 and 56 through 62 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Franklin, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules 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, combining and individual nonmajor fund financial statements and capital asset schedules 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, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 10, 2022, on our consideration of the County of Franklin, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Franklin, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
February 10, 2022

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

(UNAUDITED)

The following management's discussion and analysis of County of Franklin, Maine's financial performance provides an overview of the County's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the County's financial statements.

Financial Statement Overview

The County of Franklin'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 activity. The type of activity presented for the County of Franklin are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the County's basic services are reported in governmental activities, which include Superior Court, Emergency Management Agency, District Attorney, County Commissioners, County Treasurer, County Courthouse, jail (support of prisoners), register of deeds, register of probate, the Sheriff's department, communications, extension service, insurance, civil process service, technical services, program grants and program expenses.

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 Franklin, 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 Franklin are either governmental or fiduciary funds.

Governmental funds: All of the basic services provided by the County are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the County's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the County.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The County of Franklin presents three columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in

fund balances. The County has two major governmental funds: the general fund and the jail fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the County legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the County of Franklin. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the County's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in 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, 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 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, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the County's governmental activities. The County's total net position increased by \$494,763 from \$2,031,756 to \$2,526,519.

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 \$775,767 at the end of this year.

Table 1
County of Franklin, Maine
Net Position
June 30,

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets	\$ 3,944,136	\$ 3,403,022
Noncurrent Assets - Capital Assets	<u>1,316,559</u>	<u>1,301,595</u>
Total Assets	<u>5,260,695</u>	<u>4,704,617</u>
Deferred Outflows of Resources		
Deferred Amount on Pension	469,894	472,555
Deferred Amount on OPEB	<u>85,766</u>	<u>79,075</u>
Total Deferred Outflows of Resources	<u>555,660</u>	<u>551,630</u>
Liabilities		
Current Liabilities	726,074	695,601
Noncurrent Liabilities	<u>2,493,169</u>	<u>2,152,804</u>
Total Liabilities	<u>3,219,243</u>	<u>2,848,405</u>
Deferred Inflows of Resources		
Deferred Amount on Pension	29,917	328,305
Deferred Amount on OPEB	<u>40,676</u>	<u>47,781</u>
Total Deferred Inflows of Resources	<u>70,593</u>	<u>376,086</u>
Net Position		
Net Investment in Capital Assets	984,594	937,259
Restricted	766,158	669,507
Unrestricted	<u>775,767</u>	<u>424,990</u>
Total Net Position	<u>\$ 2,526,519</u>	<u>\$ 2,031,756</u>

Revenues and Expenses

Revenues for the County's governmental activities increased by 2.84%, while total expenses decreased by 2.07%. The increase in revenues was due to increases in all revenue categories with the exception of operating grants and contributions. The decrease in expenses was mainly attributable to jail (support of prisoners) and the Sheriff.

Table 2
County of Franklin, Maine
Change in Net Position
For The Years Ended June 30,

	<u>2021</u>	<u>2020</u>
Revenues		
<i>Program revenues:</i>		
Charges for Services	\$ 754,164	\$ 627,060
Operating grants and contributions	341,494	632,371
<i>General revenues:</i>		
Taxes	5,867,994	5,615,177
Miscellaneous	218,464	109,013
Total Revenues	<u>7,182,116</u>	<u>6,983,621</u>
Expenses		
Superior Court	-	2,014
Emergency Management Agency	172,688	162,121
District Attorney	264,288	262,456
County Commissioners	168,152	163,917
County Treasurer	79,324	82,740
County Courthouse	148,225	136,060
Jail (support of prisoners)	2,162,380	2,267,707
Register of Deeds	201,125	205,952
Register of Probate	181,856	194,369
Sheriff	1,548,158	1,653,448
Communications	929,422	907,307
Civil process service	35,989	36,780
Technical services	224,499	231,123
Extension service	49,400	50,000
Program grants	23,700	23,700
Insurance and retirement expenses	49,414	58,451
Program expenses	422,602	361,354
Interest on long-term debt	10,002	11,580
Unallocated depreciation expense	16,129	17,598
Total Expenses	<u>6,687,353</u>	<u>6,828,677</u>
Change in Net Position	494,763	154,944
Net Position - July 1, Restated	<u>2,031,756</u>	<u>1,876,812</u>
Net Position - June 30	<u>\$ 2,526,519</u>	<u>\$ 2,031,756</u>

Financial Analysis of the County's Fund Statements

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

Table 3
County of Franklin, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>
General Fund:			
Assigned	\$ 139,000	\$ 139,000	\$ -
Unassigned	2,214,911	1,721,497	493,414
Total General Fund	<u>\$ 2,353,911</u>	<u>\$ 1,860,497</u>	<u>\$ 493,414</u>
Major Special Revenue Funds:			
Jail Fund			
Restricted	\$ 447,953	\$ 324,430	\$ 123,523
Total Major Special Revenue Funds	<u>\$ 447,953</u>	<u>\$ 324,430</u>	<u>\$ 123,523</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 318,205	\$ 299,742	\$ 18,463
Assigned	275,502	285,857	(10,355)
Unassigned	(115,553)	(7,986)	(107,567)
Total Nonmajor Funds	<u>\$ 478,154</u>	<u>\$ 577,613</u>	<u>\$ (99,459)</u>

The changes to total fund balances for the general fund, the jail fund and the nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

The only difference between the original and final budget for the general fund was a use of restricted fund balance.

The general fund actual revenues exceeded the budget by \$331,735. This was a result of all revenues being received in excess of budgeted amounts with the exception of investment income.

The general fund actual expenditures were under budget by \$332,379. All expenditures finished below or within budget with the exception of County Commissioners and transfers to other funds. Civil process expenditures are not budgeted but neither are the corresponding revenues. The net excess for civil process activities was \$6,144.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2021, the net book value of capital assets recorded by the County increased by \$14,964 from the prior year. This decrease was comprised of capital additions of \$191,160 less net disposals of \$19,202 and current year depreciation expense of \$156,994. More detailed information on capital asset activity can be found in Note 5 of Notes to Financial Statements.

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

	2021	2020
Land	\$ 67,350	\$ 67,350
Buildings	700,829	751,641
Building improvements	82,765	95,808
Furniture & fixtures	16,399	17,909
Machinery & equipment	183,932	101,542
Vehicles	265,284	267,345
Total	\$ 1,316,559	\$ 1,301,595

Debt

At June 30, 2021, the County had \$331,965 in a bond and notes from direct borrowings payable outstanding versus \$364,336 last year, a decrease of \$32,371. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Economic Factors and Next Year's Budgets and Rates

The County has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the County. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the County.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the County Finance Department at 140 Main Street, Farmington, Maine 04938.

STATEMENT A

COUNTY OF FRANKLIN, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,864,901
Investments	2,120
Accounts receivable (net of allowance for uncollectibles)	<u>77,115</u>
Total current assets	<u>3,944,136</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	67,350
Buildings and equipment, net of accumulated depreciation	<u>1,249,209</u>
Total noncurrent assets	<u>1,316,559</u>
TOTAL ASSETS	<u>5,260,695</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts related to pensions	469,894
Deferred amounts related to OPEB	<u>85,766</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>555,660</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,816,355</u>

STATEMENT A (CONTINUED)
COUNTY OF FRANKLIN, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2021

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 171,937
Accrued expenses	168,909
Due to other governments	323,272
Current portion of long-term obligations	61,956
Total current liabilities	<u>726,074</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	270,313
Notes from direct borrowings payable	14,123
Accrued compensated absences	274,106
Net pension liability	1,605,423
Net OPEB liability	329,204
Total noncurrent liabilities	<u>2,493,169</u>
TOTAL LIABILITIES	<u>3,219,243</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred amounts related to pensions	29,917
Deferred amounts related to OPEB	40,676
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>70,593</u>
 NET POSITION	
Net investment in capital assets	984,594
Restricted	766,158
Unrestricted	775,767
TOTAL NET POSITION	<u>2,526,519</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	 <u>\$ 5,816,355</u>

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

COUNTY OF FRANKLIN, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

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:					
Emergency Management Agency	\$ 172,688	\$ 67,746	\$ -	\$ -	\$ (104,942)
District Attorney	264,288	22,004	-	-	(242,284)
County Commissioners	168,152	-	-	-	(168,152)
County Treasurer	79,324	-	-	-	(79,324)
County courthouse	148,225	-	-	-	(148,225)
Jail (support of prisoners)	2,162,380	42,500	179,103	-	(1,940,777)
Register of Deeds	201,125	483,852	-	-	282,727
Register of Probate	181,856	46,227	-	-	(135,629)
Sheriff	1,548,158	49,703	-	-	(1,498,455)
Communications	929,422	-	-	-	(929,422)
Extension service	49,400	-	-	-	(49,400)
Program grants	23,700	-	-	-	(23,700)
Insurance and retirement expenses	49,414	-	-	-	(49,414)
Technical services	224,499	-	-	-	(224,499)
Civil process service	35,989	42,132	-	-	6,143
Program expenses	422,602	-	162,391	-	(260,211)
Interest on long-term debt	10,002	-	-	-	(10,002)
Unallocated depreciation expense*	16,129	-	-	-	(16,129)
Total government	<u>\$ 6,687,353</u>	<u>\$ 754,164</u>	<u>\$ 341,494</u>	<u>\$ -</u>	<u>(5,591,695)</u>

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

STATEMENT B (CONTINUED)
COUNTY OF FRANKLIN, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(5,591,695)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	5,867,994
Miscellaneous	<u>218,464</u>
Total general revenues	<u>6,086,458</u>
Change in net position	494,763
NET POSITION - JULY 1, RESTATED	<u>2,031,756</u>
NET POSITION - JUNE 30	<u>\$ 2,526,519</u>

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

COUNTY OF FRANKLIN, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Jail Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 3,647,435	\$ 3,975	\$ 213,491	\$ 3,864,901
Investments	-	-	2,120	2,120
Accounts receivables (net of allowance for uncollectibles)	33,279	28,150	15,686	77,115
Due from other funds	172,177	463,616	424,551	1,060,344
TOTAL ASSETS	<u>\$ 3,852,891</u>	<u>\$ 495,741</u>	<u>\$ 655,848</u>	<u>\$ 5,004,480</u>
LIABILITIES				
Accounts payable	\$ 171,937	\$ -	\$ -	\$ 171,937
Accrued expenses	115,604	47,788	5,517	168,909
Due to other governments	323,272	-	-	323,272
Due to other funds	888,167	-	172,177	1,060,344
TOTAL LIABILITIES	<u>1,498,980</u>	<u>47,788</u>	<u>177,694</u>	<u>1,724,462</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	447,953	318,205	766,158
Committed	-	-	-	-
Assigned	139,000	-	275,502	414,502
Unassigned	2,214,911	-	(115,553)	2,099,358
TOTAL FUND BALANCES	<u>2,353,911</u>	<u>447,953</u>	<u>478,154</u>	<u>3,280,018</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,852,891</u>	<u>\$ 495,741</u>	<u>\$ 655,848</u>	<u>\$ 5,004,480</u>

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

COUNTY OF FRANKLIN, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

	Total Governmental Funds
Total Fund Balances	\$ 3,280,018
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	1,316,559
Deferred outflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	469,894
OPEB	85,766
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Bond payable	(311,064)
Notes from direct borrowings payable	(20,901)
Accrued compensated absences	(288,533)
Net pension liability	(1,605,423)
Net OPEB liability	(329,204)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds:	
Pension	(29,917)
OPEB	(40,676)
	(40,676)
Net position of governmental activities	\$ 2,526,519

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

COUNTY OF FRANKLIN, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Jail Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 3,933,304	\$ 1,934,690	\$ -	\$ 5,867,994
Intergovernmental revenues	-	179,103	162,391	341,494
Charges for services	711,664	42,500	-	754,164
Miscellaneous revenues	94,054	77,758	46,652	218,464
TOTAL REVENUES	4,739,022	2,234,051	209,043	7,182,116
EXPENDITURES				
Current:				
Superior Court	-	-	-	-
Emergency Management Agency	172,426	-	-	172,426
District Attorney	263,690	-	-	263,690
County Commissioners	168,152	-	-	168,152
County Treasurer	78,642	-	-	78,642
County Courthouse	148,225	-	-	148,225
Jail (Support of Prisoners)	-	2,100,528	-	2,100,528
Register of Deeds	207,389	-	-	207,389
Register of Probate	181,856	-	-	181,856
Sheriff	1,558,696	-	-	1,558,696
Communications	929,422	-	-	929,422
Extension Service	49,400	-	-	49,400
Program Grants	23,700	-	-	23,700
Insurance	49,414	-	-	49,414
Civil Process Service	35,989	-	-	35,989
Technical Services	224,499	-	-	224,499
Debt Service	50,008	-	-	50,008
Program expenditures	-	-	422,602	422,602
TOTAL EXPENDITURES	4,141,508	2,100,528	422,602	6,664,638
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	597,514	133,523	(213,559)	517,478
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	133,100	133,100
Transfers (out)	(104,100)	(10,000)	(19,000)	(133,100)
TOTAL OTHER FINANCING SOURCES (USES)	(104,100)	(10,000)	114,100	-
NET CHANGE IN FUND BALANCES	493,414	123,523	(99,459)	517,478
FUND BALANCES - JULY 1	1,860,497	324,430	577,613	2,762,540
FUND BALANCES - JUNE 30	\$ 2,353,911	\$ 447,953	\$ 478,154	\$ 3,280,018

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

COUNTY OF FRANKLIN, 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, 2021

Net change in fund balances - total governmental funds (Statement E) \$ 517,478

Amounts reported for governmental activities in the Statement of Activities
(Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:

Capital asset acquisitions	191,160
Capital asset deletions	(19,202)
Depreciation expense	<u>(156,994)</u>
	<u>14,964</u>

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:

Pension	(2,661)
OPEB	6,691
	<u>4,030</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position

(15,833)

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

48,204

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:

Accrued compensated absences	22,622
Net pension liability	(354,015)
Net OPEB liability	<u>(48,180)</u>
	<u>(379,573)</u>

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:

Pension	298,388
OPEB	7,105
	<u>305,493</u>

Change in net position of governmental activities (Statement B) \$ 494,763

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

COUNTY OF FRANKLIN, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Agency Funds</u>
ASSETS	
Cash and cash equivalents	\$ 7
TOTAL ASSETS	<u>\$ 7</u>
LIABILITIES	
Accounts payable	\$ -
TOTAL LIABILITIES	<u>-</u>
NET POSITION	
Restricted	7
TOTAL NET POSITION	<u>\$ 7</u>

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

COUNTY OF FRANKLIN, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Agency Funds</u>
ADDITIONS	
Interest income	\$ -
Total additions	<u>-</u>
DEDUCTIONS	
Distributions	-
Total deductions	<u>-</u>
NET POSITION - JULY 1	<u>7</u>
NET POSITION - JUNE 30	<u>\$ 7</u>

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

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Franklin was incorporated under the laws of the State of Maine. The County operates under the Board of Commissioners form of government and provides the following services: Superior Court, Emergency Management Agency, District Attorney, County Commissioners, County Treasurer, County Courthouse, jail (support of prisoners), register of deeds, register of probate, the Sheriff's department, communications, extension service, insurance, civil process service, technical services, program grants and program expenses.

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.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. The state of emergency expired on June 30, 2021.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

On March 17, 2020 Maine LD 2167 was issued and executed by the Governor of Maine. In accordance with Executive Order 8, issued by the Governor of Maine on August 26, 2020, the County took required measures to further reduce the risk of exposure to voters, poll workers and election officials participating in municipal elections.

Impact on Finances

The County does not currently anticipate any additional FY 2021 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act, American Rescue Plan Act ("ARPA") funding and applicable Federal and/or State programs.

Expected Federal/State Support

The County may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the County expects that if those actions are necessary, that the County would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the County and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the County. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the County.

Implementation of New Accounting Standards

During the year ended June 30, 2021, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 84 “Fiduciary Activities”. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 90 “Majority Equity Interests”. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government’s holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

Statement No 93 “Replacement of Interbank Offered Rates (paragraphs 4-11a).” The primary objectives of paragraphs 4-11a concern hedging derivative instruments (specifically exceptions to termination of hedge accounting, modifications to hedged items, probability of expected transactions and appropriate benchmark interest rates). The objective of this Statement is to address the accounting and financial reporting effects that result from the replacement of IBORs with other reference rates in order to preserve the reliability, relevance, consistency and comparability of reported information. Management has determined the impact of this Statement is not material to the financial statements.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the County are categorized as governmental.

In the government-wide Statement of Net 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 (district attorney, register of deeds, jail, 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 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,

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Franklin County Jail and is financed through tax, intergovernmental and miscellaneous revenues.

Nonmajor Funds

- c. 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 the funds are reported using accounting principles similar to proprietary funds.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (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 inmate and working program are not incorporated into the government-wide financial statements.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis in fund financial statements is on the major funds in the governmental activities' category. 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.

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

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Early in the second half of the year the County Commissioners prepare a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Budget Committee was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by Budget Committee.

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 deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements

The County of Franklin does not have a formal investment policy but follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies. 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. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2021. Accounts receivable netted with allowances for uncollectible accounts were \$77,115 for the year ended June 30, 2021.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Governmental Funds.

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. Additions, improvements and other capital outlays that significantly extend the useful life of an asset 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 capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Furniture and fixtures	3 - 50 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.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All long-term obligations to be repaid from governmental resources are reported as liabilities in government-wide statements. The long-term obligations consist primarily of a bond payable, notes from direct borrowings payable, compensated absences, net pension liability and net OPEB 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.

Pension

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.

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 investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through 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

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Balance

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

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

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

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

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

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

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

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 amount on pension and deferred amount on OPEB, which arise only under an accrual basis of accounting that qualify for reporting in this category.

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. The County has two types of this item, deferred amount on pension and deferred amount on OPEB that qualify for reporting in this category. These items are reported in only 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.

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. The full amount of the current year assessment has been recognized in the financial statements. Property taxes were to be paid in two installments due on September 1, 2020 and February 1, 2021. All property taxes were collected prior to June 30, 2021.

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.

COUNTY OF FRANKLIN, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

State statutes require that all investments made by the County consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all County funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County will not be able to recover its deposits. The County does not have a policy covering custodial credit risk for deposits. However, the County maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2021, the County’s cash balances amounting to \$3,864,908 were comprised of bank deposits of \$4,206,595. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the County’s cash balance. Of these bank deposits, \$2,703,531 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk and the remaining \$1,503,064 was insured or collateralized with securities held by the financial institution in the County’s name and consequently was not exposed to custodial credit risk.

Account Type	Bank Balance
Checking accounts	\$ 642,178
Savings	30,436
ICS	2,025,484
Repurchase agreements	1,508,497
	\$ 4,206,595

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Investments:

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

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.

At June 30, 2021, the County's investments of \$2,120 were comprised of certificates of deposit that were fully insured by federal depository insurance and consequently not exposed to custodial credit risk. Certificates of deposit held with local financial institutions for \$2,120 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

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.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2021 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 172,177	\$ 888,167
Jail Fund	463,616	-
Nonmajor Special Revenue Funds	424,551	172,177
	\$ 1,060,344	\$ 1,060,344

COUNTY OF FRANKLIN, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES (CONTINUED)

The result of amounts owed between funds are considered to be in the course of normal operations by the County. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2021 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ -	\$ 104,100
Nonmajor Special Revenue Funds	133,100	19,000
	\$ 133,100	\$ 133,100

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Balance, 7/1/20	Additions	Disposals	Balance, 6/30/21
Governmental activities				
Non-depreciated assets:				
Land	\$ 67,350	\$ -	\$ -	\$ 67,350
Totals	<u>67,350</u>	<u>-</u>	<u>-</u>	<u>67,350</u>
Depreciated assets:				
Buildings	2,058,612	-	-	2,058,612
Building improvements	385,318	-	-	385,318
Furniture and fixtures	61,243	-	-	61,243
Machinery and equipment	870,350	106,161	-	976,511
Vehicles	549,635	84,999	(96,010)	538,624
	<u>3,925,158</u>	<u>191,160</u>	<u>(96,010)</u>	<u>4,020,308</u>
Less accumulated depreciation	<u>(2,690,913)</u>	<u>(156,994)</u>	<u>76,808</u>	<u>(2,771,099)</u>
	<u>1,234,245</u>	<u>34,166</u>	<u>(19,202)</u>	<u>1,249,209</u>
Net capital assets	<u>\$ 1,301,595</u>	<u>\$ 34,166</u>	<u>\$ (19,202)</u>	<u>\$ 1,316,559</u>
Current year depreciation:				
County-wide			\$ 16,129	
Emergency Management Agency			262	
County Treasurer			682	
District Attorney			598	
Register of Deeds			136	
Sheriff			<u>139,187</u>	
Total depreciation expense			<u>\$ 156,994</u>	

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM DEBT

The General Fund of the County is used to pay for all long-term debt. A summary of long-term debt for the year ended June 30, 2021 is as follows:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Portion
Bond payable	\$ 351,070	\$ -	\$ (40,006)	\$ 311,064	\$ 40,751
Notes from direct borrowings payable	13,266	15,833	(8,198)	20,901	6,778
	<u>\$ 364,336</u>	<u>\$ 15,833</u>	<u>\$ (48,204)</u>	<u>\$ 331,965</u>	<u>\$ 47,529</u>

A summary of the outstanding bond payable is as follows:

\$598,300 General Obligation bond dated September 18, 2012. Annual payments are \$50,008. Interest is charged at rate of 2.97% due in equal annual installments. Maturity in September of 2028. \$ 311,064

A summary of the outstanding notes from direct borrowings payable are as follows:

The County leases photocopiers under a non-cancelable lease agreement. The term of the lease is for a five-year period expiring in April of 2022. Monthly payments are \$202. Interest is charged at a fixed rate of 4.515% per annum.

The County leases two photocopiers under non-cancelable lease agreements. The term of the leases is for a five-year period expiring in November of 2022. Monthly payments are \$94. Interest is charged at a fixed rate of 4.843% per annum.

The County leases four photocopiers under non-cancelable lease agreements. The term of the leases is for a five-year period expiring in July of 2026. Monthly payments are \$296. Interest is charged at a fixed rate of 4.579% per annum.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The annual bond principal and interest requirements to amortize the bond and notes from direct borrowing payable are as follows:

	Bond payable		Notes from direct bonds payable	
	Principal	Interest	Principal	Interest
2022	\$ 40,751	\$ 9,257	\$ 6,778	\$ 751
2023	41,954	8,054	3,937	552
2024	43,200	6,808	3,148	401
2025	44,479	5,529	3,295	254
2026	45,808	4,200	3,449	100
2027-2031	94,872	4,285	294	1
	<u>\$ 311,064</u>	<u>\$ 38,133</u>	<u>\$ 20,901</u>	<u>\$ 2,059</u>

All bonds payable and notes from direct borrowings payable are direct obligations of the County, for which its full faith and credit are pledged. The County is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the County.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2021 is as follows:

	Balance, 7/1/20	Additions	Deletions	Balance, 6/30/21	Current Portion
Accrued compensated absences	\$ 311,155	\$ -	\$ (22,622)	\$ 288,533	\$ 14,427
Net pension liability	1,251,408	625,765	(271,750)	1,605,423	-
Net OPEB liability	281,024	49,552	(1,372)	329,204	-
Totals	<u>\$ 1,843,587</u>	<u>\$ 675,317</u>	<u>\$ (295,744)</u>	<u>\$ 2,223,160</u>	<u>\$ 14,427</u>

Please see Notes 8, 9 and 10 for detailed information on each of the other long-term obligations.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The County's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences are recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. At June 30, 2021, the County's balance was \$288,533.

NOTE 9 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

County employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineopers.org or by contacting the System at (207) 512-3100.

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. 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, 2020, there were 301 employers in the plan.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 1.92%.

Contributions

The contribution requirements of plan members and the County are established and may be amended by the Maine State Legislature. The County's law enforcement are part of special plan "3C" with cost-of-living adjustment and are required to contribute 9.5% of their annual salary and the corrections officer employees are part of special plan "2C" with cost-of-living adjustment and are required to contribute 8.1%. All other employees are part of regular plan "AC" and are required to contribute 8.1% of their annual salary. The County is required to contribute 12.9% of special plan "3C" members' covered payroll 10.8% of special plan "2C" members' covered payroll and 10.1% of regular plan "AC" members' covered payroll annually to the system. The County's contributions to the plan for the fiscal year ended June 30, 2021 was \$269,089.

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

At June 30, 2021, the County reported a liability of \$1,605,423 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2020 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, 2020, the County's proportion was 0.40407%, which was a decrease of 0.00534% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized total pension expense of \$58,288. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 96,338	\$ 17,652
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	104,467	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	12,265
Contributions subsequent to the measurement date	269,089	-
Total	\$ 469,894	\$ 29,917

\$269,089 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Plan year ended June 30:	
2021	\$ (59,707)
2022	52,933
2023	88,734
2024	88,930
2025	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2020, using the following methods and assumptions applied to all periods included in the measurement:

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method

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

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

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

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility 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, 2020 are as follows:

Investment Rate of Return - 6.75% per annum for the year ended June 30, 2020, compounded annually.

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

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality Rates - For active members and non-disabled retirees, 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%

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, 2020 are summarized in the following table:

Asset Class	PLD Plan	
	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%	7.2%
Diversifiers	10.0%	5.9%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.75% for 2020. 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

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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/(asset) as of June 30, 2020 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 the PLD Consolidated Plan.

	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	\$ 3,373,950	\$ 1,605,423	\$ 157,753

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, 2020 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, 2020 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 resources. For 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan.

Differences between Projected and Actual Investment Earnings on Pension Plan Investments

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.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 9 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

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, 2020 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.

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' 2020 Comprehensive Annual Financial Report available online at www.maineper.org or by contacting the System at (207) 512-3100.

NOTE 10 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The plan, available to County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights 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.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - 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 criteria 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.

Employees Covered by Benefit Terms

At January 1, 2021, the following employees were covered by the benefit terms:

Active members	36
Retirees and spouses	-
Total	<u>36</u>

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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>
POS 200	\$1,064.91	\$2,388.71
POS C	\$1,118.55	\$2,509.07
PPO 500	\$1,029.68	\$2,309.71
PPO1500	\$ 920.63	\$2,065.10
<u>Medicare</u>		
Medicare-Eligible Retirees	\$ 589.25	\$1,178.50

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

At June 30, 2021, the County reported a liability of \$329,204 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2021 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, 2021, the County recognized OPEB expense of \$34,384. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 24,654
Changes of assumptions	84,394	16,022
Contributions subsequent to the measurement date	1,372	-
Total	\$ 85,766	\$ 40,676

\$1,372 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, 2022. 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:	
2022	\$ 7,063
2023	7,063
2024	7,063
2025	7,063
2026	7,069
Thereafter	8,397

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, 2021. 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 2.12% per annum for June 30, 2021 was based upon a measurement date of December 31, 2020. The sensitivity of net OPEB liability to changes in discount rate are as follows:

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.12%	2.12%	3.12%
Total OPEB liability	\$ 386,816	\$ 329,204	\$ 282,454
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 386,816</u>	<u>\$ 329,204</u>	<u>\$ 282,454</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	\$ 277,355	\$ 329,204	\$ 395,267
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021, using the following methods and assumptions applied to all periods included in the measurement:

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

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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, 2019. 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, 2021 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, 2021, they are as follows:

Discount Rate - 2.12% per annum for year end 2021 reporting. 2.74% per annum for 2020 year end reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2020_b was used for this valuation. The following assumptions were input into this model:

COUNTY OF FRANKLIN, MAINE
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capital 2029+	1.25%
Extra Trend due to Taste/Technology 2029+	1.10%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. The rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

The trends selected from 2020 to 2023 were based on plan design, population weighting, renewal projections and market analysis. For years 2024 to 2028, these are interpolated from 2023 to 2029 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains 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, 2021, 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.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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.

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 RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP-2014 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, 2021 with the following exceptions:

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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, 2020 was \$24,654.

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 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.

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 140 Main Street, Farmington, Maine 04938.

NOTE 12 - CONTINGENT LIABILITIES

The County participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2021, have not been conducted. Accordingly, the County's compliance with applicable grant requirements will be established at some future date. The expenditure amounts, if any, which may be disallowed by granting agencies cannot be determined.

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 13 - RISK MANAGEMENT

The County faces a full realm of risks typical of a thriving entity. Liabilities associated with torts and protections against damage of loss of assets are the general categories of risk for which the County carries commercial insurance. Specific insurance related to these categories includes general, police and public officials' liability coverage, workers compensation and automobile insurance. The County is liable for deductibles ranging up to \$10,000 for settlements exceeding the limits of coverage, which range from \$400,000 to \$3,000,000. The amount of settlements has not exceeded insurance coverage for each of the past three years.

NOTE 14 - RESTRICTED NET POSITION/FUND BALANCES

The following restricted net position and fund balances have been restricted at June 30, 2021 for the following purposes:

Jail fund	\$ 447,953
Nonmajor special revenue funds (Schedule D)	<u>318,205</u>
Total restricted net position and fund balances	<u><u>\$ 766,158</u></u>

NOTE 15 - ASSIGNED FUND BALANCES

The following fund balances have been assigned at June 30, 2021 for the following purposes:

General fund:	
FY 2022 Budget reduction	\$ 139,000
Nonmajor special revenue funds (Schedule D)	<u>275,502</u>
	<u><u>\$ 414,502</u></u>

COUNTY OF FRANKLIN, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 16 - DEFICIT FUND BALANCES

At June 30, 2021, the County had the following funds with deficit fund balances:

Benefit Liability	\$	7,914
COVID Grant		13,424
Stone Garden		33,248
Unemployment Reserve		10,071
Buckle Up Grant		1,367
Homeland Security		1,779
Insurance		47,750
	\$	115,553

NOTE 17 - OVERSPENT APPROPRIATIONS

The following appropriations were exceeded by actual expenditures for the year ended June 30, 2021:

County Commissioners	\$	3,681
Civil process service		35,989
Transfers to other funds		104,100
	\$	143,770

Please note that the Civil process service overdraft was covered by offsetting revenues.

NOTE 18 - RESTATEMENT

A restatement was made as of July 1, 2020 to record accrued payroll of \$146,558. The fund balance for the general fund decreased by \$101,223 to \$1,860,497, the jail fund decreased by \$43,575 to \$324,430 and the special revenue fund decreased by \$1,760 to \$577,613.

The resulting restatements decreased net position from \$2,178,314 to \$2,031,756.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental 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 the Net OPEB Liability
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

COUNTY OF FRANKLIN, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,860,497	\$ 1,860,497	\$ 1,860,497	\$ -
Resources (Inflows):				
Taxes - municipalities	3,895,287	3,895,287	3,933,304	38,017
Charges for services	440,000	440,000	711,664	271,664
Investment income	15,000	15,000	8,579	(6,421)
Unorganized Territory Admin. Fee	55,000	55,000	65,920	10,920
Miscellaneous	2,000	2,000	19,555	17,555
Amounts Available for Appropriation	<u>6,267,784</u>	<u>6,267,784</u>	<u>6,599,519</u>	<u>331,735</u>
Charges to Appropriations (Outflows):				
Current:				
Superior Court	3,000	3,000	-	3,000
Emergency Management Agency	193,304	193,304	172,426	20,878
District Attorney	304,637	304,637	263,690	40,947
County Commissioners	164,471	164,471	168,152	(3,681)
County Treasurer	79,212	79,712	78,642	1,070
County Courthouse	151,759	151,759	148,225	3,534
Register of Deeds	213,511	213,511	207,389	6,122
Register of Probate	208,906	210,906	181,856	29,050
Sheriff	1,824,095	1,845,095	1,558,696	286,399
Communications	979,098	982,098	929,422	52,676
Extension service	49,400	49,400	49,400	-
Program grants	23,700	23,700	23,700	-
Insurance	58,700	58,700	49,414	9,286
Technical services	242,486	247,686	224,499	23,187
Civil process service	-	-	35,989	(35,989)
Debt service	50,008	50,008	50,008	-
Transfers to Other funds	-	-	104,100	(104,100)
Total Charges to Appropriations	<u>4,546,287</u>	<u>4,577,987</u>	<u>4,245,608</u>	<u>332,379</u>
Budgetary Fund Balance, June 30	<u>\$ 1,721,497</u>	<u>\$ 1,689,797</u>	<u>\$ 2,353,911</u>	<u>\$ 664,114</u>
Utilization of Restricted Fund Balance	\$ -	\$ 31,700	\$ -	\$ (31,700)
Utilization of Unassigned Fund Balance	139,000	139,000	-	(139,000)
	<u>\$ 139,000</u>	<u>\$ 170,700</u>	<u>\$ -</u>	<u>\$ (170,700)</u>

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

COUNTY OF FRANKLIN, MAINE

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

	2021	2020	2019	2018	2017	2016	2015	2014
<u>PLD Plan:</u>								
Proportion of the net pension liability (asset)	0.40%	0.41%	0.41%	0.42%	0.39%	0.39%	0.21%	0.22%
Proportionate share of the net pension liability (asset)	\$ 1,605,423	\$ 1,251,408	\$ 1,121,379	\$ 1,720,365	\$ 2,083,040	\$ 1,237,716	\$ 515,727	\$ 929,796
Covered payroll	2,338,726	2,271,121	2,156,792	2,110,210	1,908,761	1,809,109	1,366,859	1,026,397
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	68.65%	55.10%	51.99%	81.53%	109.13%	68.42%	37.73%	90.59%
Plan fiduciary net position as a percentage of the total pension liability	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%	88.30%	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 FRANKLIN, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
<u>PLD Plan:</u>								
Contractually required contribution	\$ 269,089	\$ 261,008	\$ 252,232	\$ 227,459	\$ 215,140	\$ 183,969	\$ 158,602	\$ 116,183
Contributions in relation to the contractually required contribution	<u>(269,089)</u>	<u>(261,008)</u>	<u>(252,232)</u>	<u>(227,459)</u>	<u>(215,140)</u>	<u>(183,969)</u>	<u>(158,602)</u>	<u>(116,183)</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Covered payroll	\$ 2,395,505	\$ 2,338,726	\$ 2,271,121	\$ 2,156,792	\$ 2,110,210	\$ 1,908,761	\$ 1,809,109	\$ 1,366,859
Contributions as a percentage of covered payroll	11.23%	11.16%	11.11%	10.55%	10.20%	9.64%	8.77%	8.50%

* 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 FRANKLIN, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
LAST 10 FISCAL YEARS*

	Increase (Decrease)		
	Net OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at 1/1/20 (Reporting December 31, 2020)	\$ 281,024	\$ -	\$ 281,024
Changes for the year:			
Service cost	20,471	-	20,471
Interest	8,242	-	8,242
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	20,839	-	20,839
Contributions - employer	-	1,372	(1,372)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,372)	(1,372)	-
Administrative expense	-	-	-
Net changes	<u>48,180</u>	<u>-</u>	<u>48,180</u>
Balances at 1/1/21 (Reporting December 31, 2021)	<u>\$ 329,204</u>	<u>\$ -</u>	<u>\$ 329,204</u>

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

COUNTY OF FRANKLIN, MAINE

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

	2021	2020	2019	2018
<u>Total OPEB liability</u>				
Service cost (BOY)	\$ 20,471	\$ 15,395	\$ 17,250	\$ 14,412
Interest (includes interest on service cost)	8,242	9,458	8,000	7,464
Changes of benefit terms	-	(5,357)	-	-
Differences between expected and actual experience	-	(19,884)	-	(17,538)
Changes of assumptions	20,839	66,757	(24,032)	28,965
Benefit payments, including refunds of member contributions	(1,372)	(1,262)	(1,213)	(863)
Net change in total OPEB liability	<u>\$ 48,180</u>	<u>\$ 65,107</u>	<u>\$ 5</u>	<u>\$ 32,440</u>
Total OPEB liability - beginning	\$ 281,024	\$ 215,917	\$ 215,912	\$ 183,472
Total OPEB liability - ending	<u>\$ 329,204</u>	<u>\$ 281,024</u>	<u>\$ 215,917</u>	<u>\$ 215,912</u>
<u>Plan fiduciary net position</u>				
Contributions - employer	1,372	1,262	1,213	863
Contributions - member	-	-	-	-
Net investment income	-	-	-	-
Benefit payments, including refunds of member contributions	(1,372)	(1,262)	(1,213)	(863)
Administrative expense	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 329,204</u>	<u>\$ 281,024</u>	<u>\$ 215,917</u>	<u>\$ 215,912</u>
Plan fiduciary net position as a percentage of the total OPEB liability	-	-	-	-
Covered payroll	\$ 1,645,500	\$ 1,645,500	\$ 1,619,125	\$ 1,619,125
Net OPEB liability as a percentage of covered payroll	20.0%	17.1%	13.3%	13.3%

* 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 FRANKLIN, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2021	2020	2019	2018
<u>MMEHT:</u>				
Employer contributions	\$ 1,372	\$ 1,262	\$ 1,213	\$ 863
Benefit payments	(1,372)	(1,262)	(1,213)	(863)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,645,500	\$ 1,645,500	\$ 1,619,125	\$ 1,619,125
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	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 FRANKLIN, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

Changes of Assumptions

MEPERS PLD Plan:

There have been no changes in actuarial assumptions since the last measurement date.

MMEHT OPEB Plan:

There was a change in the discount rate from 2.74% to 2.12% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays were updated.

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 Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

COUNTY OF FRANKLIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Superior Court	\$ 3,000	\$ -	\$ 3,000	\$ -	\$ 3,000
Emergency Management Agency -					
Personnel services	154,254	-	154,254	143,690	10,564
Contractual	30,850	-	30,850	26,666	4,184
Supplies	500	-	500	490	10
Capital outlay	7,700	-	7,700	1,580	6,120
	<u>193,304</u>	<u>-</u>	<u>193,304</u>	<u>172,426</u>	<u>20,878</u>
District Attorney -					
Personnel services	234,963	-	234,963	202,311	32,652
Contractual	55,930	-	55,930	45,962	9,968
Supplies	7,696	-	7,696	9,794	(2,098)
Capital outlay	6,048	-	6,048	5,623	425
	<u>304,637</u>	<u>-</u>	<u>304,637</u>	<u>263,690</u>	<u>40,947</u>
County Commissioners -					
Personnel services	130,171	-	130,171	132,167	(1,996)
Contractual	31,200	-	31,200	31,863	(663)
Supplies	2,700	-	2,700	2,738	(38)
Capital outlay	400	-	400	1,384	(984)
	<u>164,471</u>	<u>-</u>	<u>164,471</u>	<u>168,152</u>	<u>(3,681)</u>
County Treasurer -					
Personnel services	53,793	-	53,793	58,623	(4,830)
Contractual	20,019	500	20,519	15,357	5,162
Supplies	1,900	-	1,900	1,392	508
Capital outlay	3,500	-	3,500	3,270	230
	<u>79,212</u>	<u>500</u>	<u>79,712</u>	<u>78,642</u>	<u>1,070</u>

COUNTY OF FRANKLIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Technical Service -					
Personnel services	76,611	-	76,611	73,542	3,069
Contractual	148,875	5,200	154,075	146,262	7,813
Capital outlay	17,000	-	17,000	4,695	12,305
	<u>242,486</u>	<u>5,200</u>	<u>247,686</u>	<u>224,499</u>	<u>23,187</u>
County Courthouse -					
Personnel services	83,709	-	83,709	86,001	(2,292)
Contractual	30,900	-	30,900	28,993	1,907
Supplies	18,300	-	18,300	14,036	4,264
Capital outlay	18,850	-	18,850	19,195	(345)
	<u>151,759</u>	<u>-</u>	<u>151,759</u>	<u>148,225</u>	<u>3,534</u>
Communications -					
Personnel services	901,643	-	901,643	881,934	19,709
Contractual	34,055	3,000	37,055	29,218	7,837
Supplies	3,900	-	3,900	3,337	563
Capital outlay	39,500	-	39,500	14,933	24,567
	<u>979,098</u>	<u>3,000</u>	<u>982,098</u>	<u>929,422</u>	<u>52,676</u>
Extension Service -					
Contractual services	49,400	-	49,400	49,400	-
Register of Deeds -					
Personnel services	183,261	-	183,261	181,627	1,634
Contractual	29,650	-	29,650	25,249	4,401
Supplies	600	-	600	513	87
	<u>213,511</u>	<u>-</u>	<u>213,511</u>	<u>207,389</u>	<u>6,122</u>
Insurance	58,700	-	58,700	49,414	9,286
Civil Process Service					
Personnel services	-	-	-	19,697	(19,697)
Contractual	-	-	-	15,921	(15,921)
Supplies	-	-	-	371	(371)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,989</u>	<u>(35,989)</u>
Debt Service -					
Principal	39,561	-	39,561	39,561	-
Interest	10,447	-	10,447	10,447	-
	<u>50,008</u>	<u>-</u>	<u>50,008</u>	<u>50,008</u>	<u>-</u>

COUNTY OF FRANKLIN, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Register of Probate -					
Personnel services	187,821	-	187,821	168,388	19,433
Contractual	14,410	2,000	16,410	6,513	9,897
Supplies	6,325	-	6,325	5,282	1,043
Capital outlay	350	-	350	1,673	(1,323)
	<u>208,906</u>	<u>2,000</u>	<u>210,906</u>	<u>181,856</u>	<u>29,050</u>
Sheriff's Department -					
Personnel services	1,479,265	21,000	1,500,265	1,327,783	172,482
Contractual	168,780	-	168,780	145,393	23,387
Supplies	31,950	-	31,950	27,328	4,622
Capital outlay	144,100	-	144,100	58,192	85,908
	<u>1,824,095</u>	<u>21,000</u>	<u>1,845,095</u>	<u>1,558,696</u>	<u>286,399</u>
Program Grants -					
Soil & Water	20,000	-	20,000	20,000	-
Franklin County Firemens	3,700	-	3,700	3,700	-
	<u>23,700</u>	<u>-</u>	<u>23,700</u>	<u>23,700</u>	<u>-</u>
Transfers to other funds	-	-	-	104,100	(104,100)
TOTAL DEPARTMENTAL OPERATIONS	\$ 4,546,287	\$ 31,700	\$ 4,577,987	\$ 4,245,608	\$ 332,379

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

COUNTY OF FRANKLIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 213,491	\$ 213,491
Investments	2,120	2,120
Accounts receivable (net of allowance for uncollectibles)	15,686	15,686
Due from other funds	424,551	424,551
TOTAL ASSETS	<u>\$ 655,848</u>	<u>\$ 655,848</u>
LIABILITIES		
Accrued expenses	\$ 5,517	\$ 5,517
Due to other funds	172,177	172,177
TOTAL LIABILITIES	<u>177,694</u>	<u>177,694</u>
FUND BALANCES		
Nonspendable	-	-
Restricted	318,205	318,205
Committed	-	-
Assigned	275,502	275,502
Unassigned	(115,553)	(115,553)
TOTAL FUND BALANCES	<u>478,154</u>	<u>478,154</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 655,848</u>	<u>\$ 655,848</u>

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

COUNTY OF FRANKLIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>
REVENUES		
Intergovernmental	\$ 162,391	\$ 162,391
Other	46,652	46,652
TOTAL REVENUES	<u>209,043</u>	<u>209,043</u>
EXPENDITURES		
Program expenses	<u>422,602</u>	<u>422,602</u>
TOTAL EXPENDITURES	<u>422,602</u>	<u>422,602</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(213,559)</u>	<u>(213,559)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	133,100	133,100
Transfers (out)	<u>(19,000)</u>	<u>(19,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>114,100</u>	<u>114,100</u>
NET CHANGE IN FUND BALANCES	(99,459)	(99,459)
FUND BALANCES - JULY 1, RESTATED	<u>577,613</u>	<u>577,613</u>
FUND BALANCES - JUNE 30	<u>\$ 478,154</u>	<u>\$ 478,154</u>

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

Special Revenue Funds

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

COUNTY OF FRANKLIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Benefit Liability	Court House	Deeds Preservation	Deeds Microfilm	Per- ambulation	Contingency Reserve	Shelter
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 183,062	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	-	27,149	-	4,400	10,261	71,025	1,335
TOTAL ASSETS	\$ -	\$ 27,149	\$ 183,062	\$ 4,400	\$ 10,261	\$ 71,025	\$ 1,335
LIABILITIES							
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	7,914	-	44,980	-	-	-	-
TOTAL LIABILITIES	7,914	-	44,980	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	138,082	4,400	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	27,149	-	-	10,261	71,025	1,335
Unassigned	(7,914)	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(7,914)	27,149	138,082	4,400	10,261	71,025	1,335
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ 27,149	\$ 183,062	\$ 4,400	\$ 10,261	\$ 71,025	\$ 1,335

COUNTY OF FRANKLIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	EMA Capital Reserve	COVID Grant	EMA In-kind	Distracted Driving	Fire Safety	Border Inop Demost	Inmate Telephone
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	34,329	-	30,142	2,342	1,270	1,060	51,473
TOTAL ASSETS	\$ 34,329	\$ -	\$ 30,142	\$ 2,342	\$ 1,270	\$ 1,060	\$ 51,473
LIABILITIES							
Accrued expenses	\$ -	\$ 4,562	\$ -	\$ -	\$ -	\$ -	\$ 640
Due to other funds	-	8,862	-	-	-	-	-
TOTAL LIABILITIES	-	13,424	-	-	-	-	640
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	30,142	2,342	-	1,060	50,833
Committed	-	-	-	-	-	-	-
Assigned	34,329	-	-	-	1,270	-	-
Unassigned	-	(13,424)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	34,329	(13,424)	30,142	2,342	1,270	1,060	50,833
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 34,329	\$ -	\$ 30,142	\$ 2,342	\$ 1,270	\$ 1,060	\$ 51,473

COUNTY OF FRANKLIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	LEPC	OUI Grant	Monument	Parking Lot	Probate Preservation	Maine GEO	Server Upgrade
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 30,429	\$ -	\$ -
Investments	-	-	2,120	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	-
Due from other funds	4,716	4,630	-	30,000	162	3,300	19,000
TOTAL ASSETS	\$ 4,716	\$ 4,630	\$ 2,120	\$ 30,000	\$ 30,591	\$ 3,300	\$ 19,000
LIABILITIES							
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	715	-	-	-	-
TOTAL LIABILITIES	-	-	715	-	-	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,716	4,630	-	30,000	30,591	3,300	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	1,405	-	-	-	19,000
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	4,716	4,630	1,405	30,000	30,591	3,300	19,000
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 4,716	\$ 4,630	\$ 2,120	\$ 30,000	\$ 30,591	\$ 3,300	\$ 19,000

COUNTY OF FRANKLIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Sheriffs Reserve	Stone Garden	Unemployment Reserve	Edward Byrne Grant	Buckle Up Grant	Dispatch Radios	Dispatch Equipment Reserve
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	-	11,891	-	-	-	-	-
Due from other funds	567	-	-	3,258	-	374	20,000
TOTAL ASSETS	\$ 567	\$ 11,891	\$ -	\$ 3,258	\$ -	\$ 374	\$ 20,000
LIABILITIES							
Accrued expenses	\$ -	\$ 195	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	44,944	10,071	-	1,367	-	-
TOTAL LIABILITIES	-	45,139	10,071	-	1,367	-	-
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	3,258	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	567	-	-	-	-	374	20,000
Unassigned	-	(33,248)	(10,071)	-	(1,367)	-	-
TOTAL FUND BALANCES (DEFICITS)	567	(33,248)	(10,071)	3,258	(1,367)	374	20,000
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 567	\$ 11,891	\$ -	\$ 3,258	\$ -	\$ 374	\$ 20,000

COUNTY OF FRANKLIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Homeland Security	Pandemic	Clerical Support	Mitigation	Jail Bldgs/Grnds	Forfeiture
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Accounts receivable (net of allowance for uncollectibles)	3,795	-	-	-	-	-
Due from other funds	-	227	2,308	170	2,105	3,502
TOTAL ASSETS	\$ 3,795	\$ 227	\$ 2,308	\$ 170	\$ 2,105	\$ 3,502
LIABILITIES						
Accrued expenses	\$ -	\$ -	\$ 120	\$ -	\$ -	\$ -
Due to other funds	5,574	-	-	-	-	-
TOTAL LIABILITIES	5,574	-	120	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	227	-	-	-	3,502
Committed	-	-	-	-	-	-
Assigned	-	-	2,188	170	2,105	-
Unassigned	(1,779)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	(1,779)	227	2,188	170	2,105	3,502
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 3,795	\$ 227	\$ 2,308	\$ 170	\$ 2,105	\$ 3,502

COUNTY OF FRANKLIN, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Speed Enforcement Grant	Jail	Insurance	MMA Safety Grant	HRSA Opiod Grant	I Am Responding Software	Total
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,491
Investments	-	-	-	-	-	-	2,120
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	-	15,686
Due from other funds	3,022	80,624	-	600	7,500	3,700	424,551
TOTAL ASSETS	\$ 3,022	\$ 80,624	\$ -	\$ 600	\$ 7,500	\$ 3,700	\$ 655,848
LIABILITIES							
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,517
Due to other funds	-	-	47,750	-	-	-	172,177
TOTAL LIABILITIES	-	-	47,750	-	-	-	177,694
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	3,022	-	-	600	7,500	-	318,205
Committed	-	-	-	-	-	-	-
Assigned	-	80,624	-	-	-	3,700	275,502
Unassigned	-	-	(47,750)	-	-	-	(115,553)
TOTAL FUND BALANCES (DEFICITS)	3,022	80,624	(47,750)	600	7,500	3,700	478,154
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 3,022	\$ 80,624	\$ -	\$ 600	\$ 7,500	\$ 3,700	\$ 655,848

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

COUNTY OF FRANKLIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Benefit Liability	Court House	Deeds Preservation	Deeds Microfilm	Per- ambulation	Contingency Reserve	Shelter
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	28,369	-	-	-	-
TOTAL REVENUES	-	-	28,369	-	-	-	-
EXPENDITURES							
Program expenses	67,305	5,323	55,079	-	-	-	-
TOTAL EXPENDITURES	67,305	5,323	55,079	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(67,305)	(5,323)	(26,710)	-	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	50,000	-	-	4,400	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	50,000	-	-	4,400	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(17,305)	(5,323)	(26,710)	4,400	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	9,391	32,472	164,792	-	10,261	71,025	1,335
FUND BALANCES (DEFICITS) - JUNE 30	\$ (7,914)	\$ 27,149	\$ 138,082	\$ 4,400	\$ 10,261	\$ 71,025	\$ 1,335

COUNTY OF FRANKLIN, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	EMA Capital Reserve	COVID Grant	EMA In-kind	Distracted Driving	Fire Safety	Border Inop Demost	Inmate Telephone
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	7,395
TOTAL REVENUES	-	-	200	-	-	-	7,395
EXPENDITURES							
Program expenses	-	13,424	865	-	-	-	8,478
TOTAL EXPENDITURES	-	13,424	865	-	-	-	8,478
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(13,424)	(665)	-	-	-	(1,083)
OTHER FINANCING SOURCES (USES)							
Transfers in	6,000	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	6,000	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	6,000	(13,424)	(665)	-	-	-	(1,083)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	28,329	-	30,807	2,342	1,270	1,060	51,916
FUND BALANCES (DEFICITS) - JUNE 30	\$ 34,329	\$ (13,424)	\$ 30,142	\$ 2,342	\$ 1,270	\$ 1,060	\$ 50,833

COUNTY OF FRANKLIN, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	LEPC	OUI Grant	Monument	Parking Lot	Probate Preservation	Maine GEO	Server Upgrade
REVENUES							
Intergovernmental	\$ 6,735	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	15	-	2,010	-	-
TOTAL REVENUES	6,735	-	15	-	2,010	-	-
EXPENDITURES							
Program expenses	2,132	-	-	-	-	-	20,000
TOTAL EXPENDITURES	2,132	-	-	-	-	-	20,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,603	-	15	-	2,010	-	(20,000)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	30,000	-	-	29,000
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	30,000	-	-	29,000
NET CHANGE IN FUND BALANCES (DEFICITS)	4,603	-	15	30,000	2,010	-	9,000
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	113	4,630	1,390	-	28,581	3,300	10,000
FUND BALANCES (DEFICITS) - JUNE 30	\$ 4,716	\$ 4,630	\$ 1,405	\$ 30,000	\$ 30,591	\$ 3,300	\$ 19,000

COUNTY OF FRANKLIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Sheriffs Reserve	Stone Garden	Unemployment Reserve	Edward Byrne Grant	Buckle Up Grant	Dispatch Radios	Dispatch Equipment Reserve
REVENUES							
Intergovernmental	\$ -	\$ 87,137	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
TOTAL REVENUES	-	87,137	-	-	-	-	-
EXPENDITURES							
Program expenses	-	121,665	12,227	1,374	-	-	-
TOTAL EXPENDITURES	-	121,665	12,227	1,374	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(34,528)	(12,227)	(1,374)	-	-	-
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	10,000
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	10,000
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(34,528)	(12,227)	(1,374)	-	-	10,000
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	567	1,280	2,156	4,632	(1,367)	374	10,000
FUND BALANCES (DEFICITS) - JUNE 30	\$ 567	\$ (33,248)	\$ (10,071)	\$ 3,258	\$ (1,367)	\$ 374	\$ 20,000

COUNTY OF FRANKLIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Homeland Security	Pandemic	Clerical Support	Mitigation	Jail Bldgs/Grnds	Forfeiture
REVENUES						
Intergovernmental	\$ 65,819	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	8,863
TOTAL REVENUES	<u>65,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,863</u>
EXPENDITURES						
Program expenses	66,340	480	160	-	-	-
TOTAL EXPENDITURES	<u>66,340</u>	<u>480</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(521)</u>	<u>(480)</u>	<u>(160)</u>	<u>-</u>	<u>-</u>	<u>8,863</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(521)	(480)	(160)	-	-	8,863
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>(1,258)</u>	<u>707</u>	<u>2,348</u>	<u>170</u>	<u>2,105</u>	<u>(5,361)</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (1,779)</u>	<u>\$ 227</u>	<u>\$ 2,188</u>	<u>\$ 170</u>	<u>\$ 2,105</u>	<u>\$ 3,502</u>

COUNTY OF FRANKLIN, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Speed Enforcement Grant	Jail	Insurance	MMA Safety Grant	HRSA Opiod Grant	I Am Responding Software	Total
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,500	\$ -	\$ 162,391
Other	-	-	-	-	-	-	46,652
TOTAL REVENUES	-	-	-	-	2,500	-	209,043
EXPENDITURES							
Program expenses	-	-	47,750	-	-	-	422,602
TOTAL EXPENDITURES	-	-	47,750	-	-	-	422,602
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(47,750)	-	2,500	-	(213,559)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	3,700	133,100
Transfers (out)	-	-	(19,000)	-	-	-	(19,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(19,000)	-	-	3,700	114,100
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(66,750)	-	2,500	3,700	(99,459)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	3,022	80,624	19,000	600	5,000	-	577,613
FUND BALANCES (DEFICITS) - JUNE 30	\$ 3,022	\$ 80,624	\$ (47,750)	\$ 600	\$ 7,500	\$ 3,700	\$ 478,154

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

General Capital Assets

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

COUNTY OF FRANKLIN, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION

JUNE 30, 2021

	Land and Non-depreciable Assets	Buildings, Building Improvements	Furniture, Fixtures Equipment and Vehicles	Total
County-wide	\$ 30,350	\$ 325,639	\$ 121,078	\$ 477,067
Emergency Management Agency	-	6,553	17,555	24,108
District Attorney	-	-	16,919	16,919
County Treasurer	-	-	4,902	4,902
Register of Deeds	-	-	245,105	245,105
Register of Probate	-	-	7,938	7,938
Sheriff	37,000	2,111,738	1,162,881	3,311,619
Total General Capital	<u>67,350</u>	<u>2,443,930</u>	<u>1,576,378</u>	<u>4,087,658</u>
Less: Accumulated Depreciation	<u>-</u>	<u>(1,660,336)</u>	<u>(1,110,763)</u>	<u>(2,771,099)</u>
Net General Capital Assets	<u>\$ 67,350</u>	<u>\$ 783,594</u>	<u>\$ 465,615</u>	<u>\$ 1,316,559</u>

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

COUNTY OF FRANKLIN, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2021

	General Capital Assets 7/1/20	Additions	Deletions	General Capital Assets 6/30/21
County-wide	\$ 477,067	\$ -	\$ -	\$ 477,067
Emergency Management Agency	24,108	-	-	24,108
District Attorney	16,919	-	-	16,919
County Treasurer	4,902	-	-	4,902
Register of Deeds	238,705	6,400	-	245,105
Register of Probate	7,938	-	-	7,938
Sheriff	3,222,869	184,760	(96,010)	3,311,619
Total General Capital	<u>3,992,508</u>	<u>191,160</u>	<u>(96,010)</u>	<u>4,087,658</u>
Less: Accumulated Depreciation	<u>(2,690,913)</u>	<u>(156,994)</u>	<u>76,808</u>	<u>(2,771,099)</u>
Net General Capital Assets	<u>\$ 1,301,595</u>	<u>\$ 34,166</u>	<u>\$ (19,202)</u>	<u>\$ 1,316,559</u>

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



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

Board of Commissioners
County of Franklin, Maine
Farmington, 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 Franklin, Maine as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the County of Franklin, Maine's basic financial statements and have issued our report thereon dated February 10, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Franklin, 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Franklin, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Franklin, Maine'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 a 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.

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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 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 Franklin, Maine's financial statements are free from 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*. We noted certain other matters that we reported to management of the County of Franklin, Maine in a separate letter dated January 31, 2022.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
February 10, 2022