

**COUNTY OF YORK, MAINE
JAIL SERVICES**

**Financial Report
(Revised)**

**For the Year Ended
June 30, 2012**

COUNTY OF YORK, MAINE
JAIL SERVICES
Financial Report
For the year ended June 30, 2012

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Independent Auditor's Report

County Commissioners and Treasurer
County of York, Maine - Jail Services

We have audited the accompanying financial statements of each major fund and the aggregate remaining fund information of the County of York, Maine - Jail Services as of and for the year ended June 30, 2012, as listed in the table of contents. These financial statements are the responsibility of the County's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in the notes, the financial statements of the County of York, Maine – Jail Services, are intended to present the financial position, and the changes in financial position of only that portion of each major fund and the aggregate remaining fund information of the County that is attributed to the transactions of Jail Services. They do not purport to, and do not present fairly the financial position of the County of York, Maine as of June 30, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for only the Jail Services governmental activities are not reasonably determinable.

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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, and historical context. Our opinion on the financial statements is not affected by this missing information.

In our opinion, the financial statements referred to previously present fairly, in all material respects, each major fund and the aggregate remaining fund information of the County of York, Maine - Jail Services as of and for the year ended June 30, 2012, and the respective changes in financial position and the budgetary comparison for the Jail Services Operations fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2012 on our consideration of the County of York, Maine - Jail Services' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of York, Maine - Jail Services financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



December 20, 2012
South Portland, Maine

COUNTY OF YORK, MAINE - JAIL SERVICES
Balance Sheets
Governmental Fund Types - Special Revenues - Jail Services Funds
June 30, 2012

	Jail Services Operations	Other Nonmajor Funds	Total
ASSETS			
Due from York County general fund	\$ 12,168	60,951	73,119
Accounts receivable	286,947	-	286,947
Inventory	23,499	-	23,499
Prepaid expenditures	109,674	-	109,674
Total assets	\$ 432,288	60,951	493,239
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	191,178	-	191,178
Accrued payroll and related expenditures	121,943	-	121,943
Total liabilities	313,121	-	313,121
Fund balance:			
Restricted - grants	-	60,951	60,951
Committed - capital	140,795	-	140,795
Unassigned	(21,628)	-	(21,628)
Total fund balance	119,167	60,951	180,118
Total liabilities and fund balance	\$ 432,288	60,951	493,239

See accompanying notes to financial statements.

COUNTY OF YORK, MAINE - JAIL SERVICES
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund Types - Special Revenues - Jail Services Funds
Year ended June 30, 2012

	Jail Services Operations	Other Nonmajor Funds	Total
Revenues:			
Transfer from York County General Fund	\$ 8,667,248	-	8,667,248
Intergovernmental:			
Board of corrections distributions	1,010,907	-	1,010,907
Board of corrections other	206,448	7,177	213,625
Board of prisoners	93,976	-	93,976
Community corrections	632,415	-	632,415
Alternative sentencing	30,364	-	30,364
Miscellaneous	28,358	-	28,358
Total revenues	10,669,716	7,177	10,676,893
Expenditures:			
Current:			
Wages	4,861,265	-	4,861,265
Benefits	1,615,110	-	1,615,110
Professional fees / services	1,298,276	-	1,298,276
Contracted computer services	20,582	-	20,582
Security service contract	12,985	-	12,985
Travel expenses	10,519	-	10,519
Operation County vehicles	60,313	-	60,313
Utilities	428,205	-	428,205
Rentals	684	-	684
Repairs / maintenance	280,307	-	280,307
Fixed charges	205,261	-	205,261
General operating	252,031	-	252,031
Other	12,671	3,316	15,987
Food	440,610	-	440,610
Fuel	255,518	-	255,518
Supplies	103,393	-	103,393
Clothing and materials	61,471	-	61,471
Books & periodicals	765	-	765
Capital	39,445	-	39,445
Buildings	385,000	-	385,000
Equipment replacement	143,681	-	143,681
Tax anticipation note interest	29,009	-	29,009
Total expenditures	10,517,101	3,316	10,520,417
Net change in fund balance	152,615	3,861	156,476
Fund balance, beginning of year	(33,448)	57,090	23,642
Fund balance, end of year	\$ 119,167	60,951	180,118

See accompanying notes to financial statements.

COUNTY OF YORK, MAINE - JAIL SERVICES
Statement of Revenues, Expenditures and Changes in Fund Balance - Budgetary basis
Budget and Actual - Special Revenue - Jail Services Operations
Year ended June 30, 2012

	Original budget	Final budget	Actual	Variance positive (negative)
Revenues:				
Transfer from York County General Fund	\$ 8,667,248	8,667,248	8,667,248	-
Intergovernmental:				
Board of corrections distributions	1,010,906	1,010,906	1,010,907	1
Board of corrections other	-	-	206,448	206,448
Board of prisoners	303,406	303,406	93,976	(209,430)
Community corrections	632,415	632,415	632,415	-
Alternative sentencing	-	-	30,364	30,364
Miscellaneous	-	-	28,358	28,358
Total revenues	10,613,975	10,613,975	10,669,716	55,741
Expenditures:				
Current:				
Wages	4,656,606	4,656,606	4,861,265	(204,659)
Benefits	1,594,000	1,594,000	1,615,110	(21,110)
Professional fees / services	1,416,390	1,416,390	1,298,276	118,114
Contracted computer services	25,000	25,000	20,582	4,418
Security service contract	24,600	24,600	12,985	11,615
Travel expenses	20,604	20,604	10,519	10,085
Operation County vehicles	61,000	61,000	60,313	687
Utilities	462,000	462,000	428,205	33,795
Rentals	1,000	1,000	684	316
Repairs / maintenance	271,450	271,450	280,307	(8,857)
Fixed charges	211,000	211,000	205,261	5,739
General operating	240,700	240,700	252,031	(11,331)
Other	16,000	16,000	12,671	3,329
Food	425,000	425,000	440,610	(15,610)
Fuel	283,000	283,000	255,518	27,482
Supplies	116,000	116,000	103,393	12,607
Clothing and materials	49,500	49,500	61,471	(11,971)
Books & periodicals	650	650	765	(115)
Capital	54,746	54,746	39,445	15,301
Buildings	450,000	450,000	385,000	65,000
Equipment replacement	204,729	204,729	143,681	61,048
Tax anticipation note interest	30,000	30,000	29,009	991
Total expenditures	10,613,975	10,613,975	10,517,101	96,874
Net change in fund balance	\$ -	-	152,615	152,615

See accompanying notes to financial statements.

COUNTY OF YORK, MAINE JAIL SERVICES
Statement of Fiduciary Net Assets
Fiduciary - Jail Services Agency Funds - Inmate accounts
June 30, 2012

	Agency Funds - Inmate accounts			Total
	Inmate Benefit Fund (schedule 3)	Inmate cash	Work release	
ASSETS				
Cash and cash equivalents	\$ 316,093	16,997	1,757	334,847
Investments	250,964	-	-	250,964
Total assets	567,057	16,997	1,757	585,811
LIABILITIES				
Due to individuals/groups	567,057	16,997	1,757	585,811
Total liabilities	\$ 567,057	16,997	1,757	585,811

See accompanying notes to financial statements.

COUNTY OF YORK, MAINE
JAIL SERVICES
Notes to Financial Statements

THE REPORTING ENTITY

The County of York, Maine - Jail Services operates as part of the County of York, Maine. However, the State of Maine Board of Corrections is the oversight body for this entity and, as such, sets certain laws and regulations with respect to it. The County Commissioners and Treasurer also act in an oversight capacity in the day to day operations and the administering of the budget. The financial statements of the County of York, Maine have been issued under separate cover which includes full disclosure for the reporting entity, including the Jail Services. These audited financial statements are reported on a calendar year, the last being as of December 31, 2011.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County of York, Maine - Jail Services conform to accounting principles generally accepted in the United States of America as applicable to governmental funds. These financial statements are intended to represent only the funds and do not include government-wide financial statements. The following is a summary of the more significant of such policies applicable to the fund financial statements:

A. Basis of Presentation

The accounts of the County of York, Maine are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. The following funds are utilized for Jail Services:

GOVERNMENTAL FUND

Governmental funds are those through which most governmental functions of the Jail Services are financed. The acquisition, use and balances of Jail Services expendable financial resources and the related liabilities are accounted for through the governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following is the Jail Services major Governmental Fund type:

Jail Services Operations - is a special revenue fund that accounts for the resources restricted to the Jail and related operating costs of Jail services.

Additionally, the County reports the following fund type:

Agency funds are used to report assets held in an agency capacity for others. These funds include accounts held for the benefit of inmates.

B. Basis of Accounting

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available.

COUNTY OF YORK, MAINE
JAIL SERVICES
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Additionally, certain compensated absences and claims and judgments, are recorded only when payment is due. An estimate for long-term compensated absences has been excluded from the financial statements, but was estimated at \$303,498 for Jail Services employees at June 30, 2012. The long-term liabilities are reflected in the County's entity-wide financial statements issued at December 31 each year.

Those revenues susceptible to accrual are tax assessments, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the fund and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

C. Inventory

Inventory consists of fuel and is recorded at the lower of cost or market on the first-in, first-out basis.

D. Fund Balance

Governmental Fund fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* - resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* - resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* - resources which are subject to limitations the government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* - resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *Unassigned* - resources which have not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

COUNTY OF YORK, MAINE
JAIL SERVICES
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The County Commissioners have the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments.

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations, is used during the year by the County.

Although no formal policy exists, when both restricted and unrestricted resources are available for use, it is the government's practice to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned and unassigned resources are available for use, it is the government's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The County uses a formal budgeting accounting system to control revenues and expenditures accounted for in the Jail Service Operations fund. An annual (calendar year) budget is established by the County Commissioners and must be approved by an appointed budget committee. The budget is presented on the modified accrual basis of accounting which is consistent with accounting principles generally accepted in the United States of America. In addition, a fiscal year Jail services budget (July 1 – June 30) is submitted to and approved by the State Board of Corrections. The Jail services budget has a tax (assessment) cap, which was set by the legislature, based on 2009 assessments. The County of York, Maine – Jail Services operations fund cap amounted to \$8,667,248 for the fiscal year ended June 30, 2012. During this period, there were a number of line items overspent in the budget (see statement 3); however, in total, the budget was underspent by \$96,874.

Tax Assessments

The Jail Services Operation fund's tax assessment is levied annually as part of the annual assessment for York County. The 2012 Jail assessment included in York County's 2011 budgeted tax commitment amounted to \$8,667,248 for the Jail Services Operation fund. This is consistent with the cap set by law, and approved by the State of Maine Board of Corrections.

CAPITAL ASSETS

All buildings, vehicles and other equipment used by Jail Services are purchased and/or provided by York County and has been accounted for as assets of the County. A complete listing of County assets and related depreciation information can be found in York County's annual financial report as of December 31, 2011.

DUE FROM THE COUNTY OF YORK, MAINE

The amount due from the County of York, Maine represents the cash position of the fund at the balance sheet date. All cash is pooled and reported in the County of York, Maine's general fund.

COUNTY OF YORK, MAINE - JAIL SERVICES
Other Nonmajor Funds
Combining Balance Sheet
June 30, 2012

	Special Revenue Funds			Total
	RSAT Fund	SCAAP Fund	NAMI Fund	
ASSETS				
Due from York County general fund	\$ 18,802	35,292	6,857	60,951
Total assets	18,802	35,292	6,857	60,951
FUND BALANCE				
Restricted - grants	18,802	35,292	6,857	60,951
Total fund balance	\$ 18,802	35,292	6,857	60,951

COUNTY OF YORK, MAINE - JAIL SERVICES
Other Nonmajor Funds
Combining Statement of Revenue, Expenditures and Changes in Fund Balances
June 30, 2012

	Special Revenue Funds			Total
	RSAT Fund	SCAAP Fund	NAMI Fund	
Revenues:				
Intergovernmental	\$ -	7,177	-	7,177
Total revenue	-	7,177	-	7,177
Expenditures:				
Current:				
Contracted services	3,316	-	-	3,316
Total expenditures	3,316	-	-	3,316
Net change in fund balances	(3,316)	7,177	-	3,861
Fund balance, beginning of year	22,118	28,115	6,857	57,090
Fund balance, end of year	\$ 18,802	35,292	6,857	60,951

COUNTY OF YORK, MAINE - JAIL SERVICES
Agency Fund - Inmate Benefit Account
Schedule of Receipts, Disbursements, and Changes in Due to Inmate Groups
Year ended June 30, 2012

	Inmate Benefit Account
Receipts:	
Checking account:	
Inmate sales	\$ 55,325
Telephone commissions	108,702
Haircuts	2,410
Miscellaneous	576
Other savings and investments:	
Change in market value	(1,615)
Interest	6,838
Total receipts	172,236
Disbursements:	
Checking account:	
Commissary	124,027
Education	13,788
Haircuts	5,640
Cable TV	5,061
Chaplain	19,926
Entertainment	4,220
Investment fees	2,426
Administrative fees	11,000
Garden	381
Library and law library	20,043
Reading glasses	2,030
Bank charges and checks	327
Video visitation	37,841
Miscellaneous	6,923
Total disbursements	253,633
Net change in due to inmate groups	(81,397)
Due to inmate groups, balance, June 30, 2011	648,454
Due to inmate groups, balance, June 30, 2012	\$ 567,057