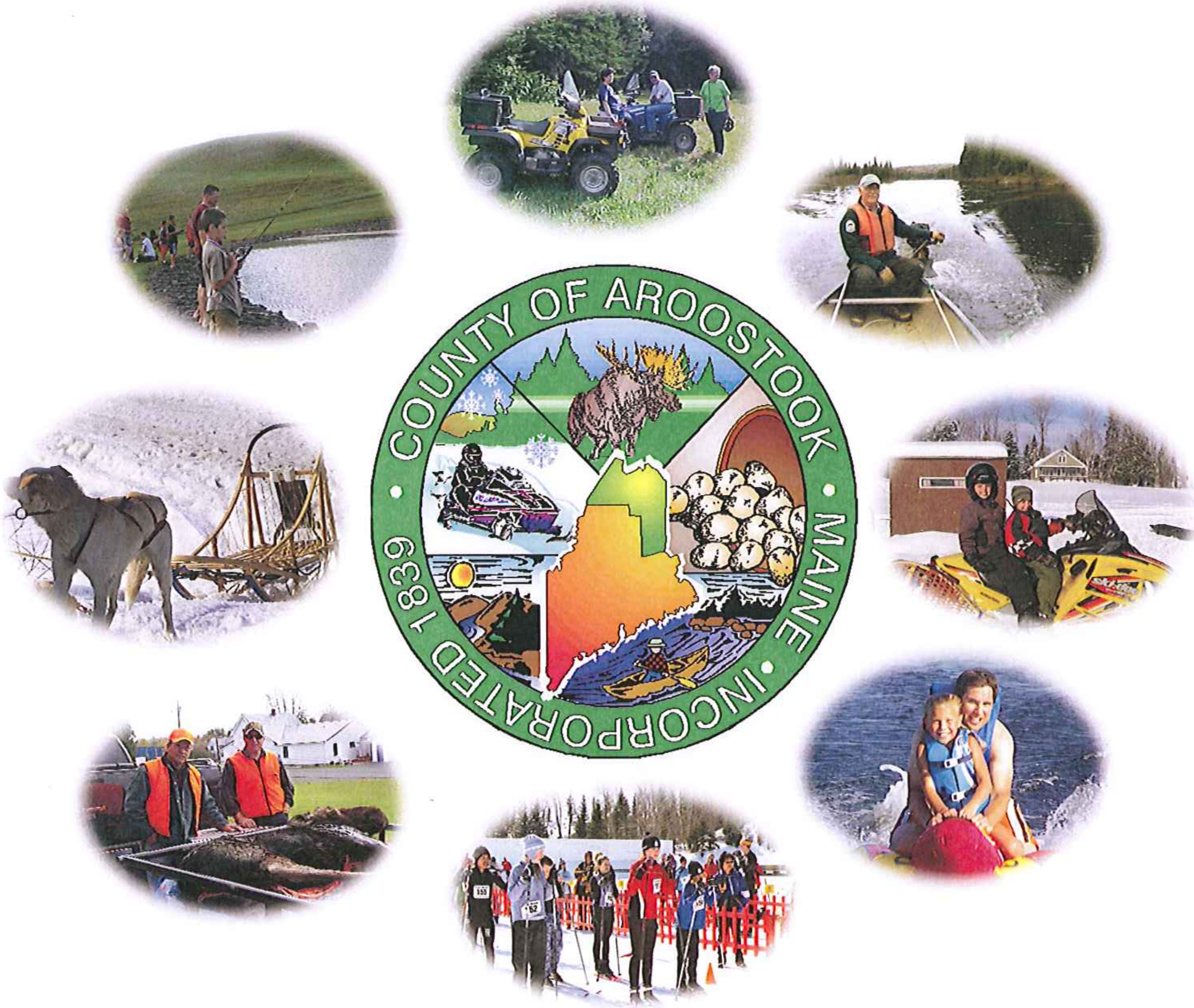
County of Aroostook

State of Maine



2013

Annual Report

TABLE OF CONTENTS

ANNUAL REPORT OF AROOSTOOK COUNTY

For Fiscal Year 2013
30-A MRSA, Sections 183 & 952

The County Commissioners of each county shall publish annually a complete report subject to the following provisions:

It shall contain a record of all financial transactions of the county during the last fiscal year, showing all revenue receipts by sources and showing all disbursements for each department by major items of expense comparable with the approved budgetary expenditure classifications under the captions of personal services, contractual services, commodities, debt service and capital expenditures.

This reporting to be made in such manner or format recommended by the State Department of Audit.

It shall contain a detail statement of the assets, liabilities, general, special and capital reserves and surplus of the county.

It shall contain the statement that the complete post-audit report for the last fiscal year is on file at the County Commissioners' Office and the following excerpts from that report:

A. Auditor's comments and suggestions for improving the financial administration;

B. Comparative balance sheet;

C. Statement of departmental operations;

D. Analysis of surplus;

E. Statement of public debt.

Copies of the report shall be deposited in the County Commissioners' Office or a convenient place of business for distribution to the public, and shall be distributed to each municipality in the county.

Copies of the report and all county records shall be kept in the County Commissioners' Office and shall be open to the inspection of the public during usual business hours.

At the end of each year, in cooperation with the commissioners, each treasurer shall make a statement of the financial condition of the county and shall publish in pamphlet form a reasonable number of copies for distribution among its citizens. This statement must show in detail all money received into and paid out of the county treasury, including a statement in detail of:

1. Unclaimed inheritances. All sums received under Title 18-A, section 3-914;
2. Division among accounts. The division of money among general, special and capital reserve accounts and the amounts remaining in each account;
3. Federal funds. All federal funds received; and
4. Facts and statistics. Other facts and statistics necessary to exhibit the true state of the county's finances, including the number of weeks board and expense of clothing furnished prisoners.

State of Maine – County of Aroostook
Official Register for 2013

Superior Court
Hon. E. Allen Hunter, *Justice* – Diane Glidden, *Clerk of Courts*

District Courts

DISTRICT I (AROOSTOOK COUNTY)
Hon. David Soucy, *Presiding Judge*

Diane Glidden, Clerk
Caribou Courthouse
Eastern Aroostook
Caribou, Maine 04736
493-3144

Linda Cyr, Clerk
Municipal Building
Western Aroostook
Madawaska, Maine 04756
728-4700

Linda Cyr, Clerk
Courthouse
Western Aroostook
Fort Kent, Maine 04743
834-5003

Regular court days are during the second and fourth weeks of each month on Tuesday and Thursday in Caribou, on Monday in Madawaska, and on Wednesday in Fort Kent. On the fourth Friday of each month, court is held in Caribou for juveniles only. During the first and third weeks of each month court is held for contested cases only, and may be held at any one of the three courts.

DISTRICT II (AROOSTOOK COUNTY)
Hon. Bernard O'Mara, *Presiding Judge*

Sandra Thomas, Clerk
Courthouse
Central Aroostook
Presque Isle, Maine 04769
764-2055

Angela Graham, Clerk
Houlton District Court Building
Southern Aroostook
Houlton, Maine 04730
532-2147

Regular court days are Wednesday, Thursday and Friday in Presque Isle and Monday and Tuesday in Houlton.

COUNTY COMMISSIONERS

Paul J. Adams	Houlton
Norman L. Fournier	Wallagrass
Paul J. Underwood	Presque Isle

COUNTY ADMINISTRATOR

Douglas F. Beaulieu	St. David

JUDGE OF PROBATE

James P. Dunleavy	Presque Isle

REGISTER OF PROBATE

Joanne Carpenter	Houlton

REGISTER OF DEEDS, SOUTHERN DISTRICT

Melissa Willette	Mapleton

REGISTER OF DEEDS, NORTHERN DISTRICT

Louise M. Caron	Fort Kent

COUNTY TREASURER

Barry McCrum	Mars Hill

SHERIFF

James P. Madore	Madawaska

COUNTY CLERK

Douglas F. Beaulieu	St. David

DIRECTOR, EMERGENCY MANAGEMENT AGENCY

Vernon R. Ouellette	Van Buren
Darren R. Woods	Caribou

PUBLIC WORKS DIRECTOR FOR THE UNORGANIZED TERRITORY

Paul G. Bernier	Frenchville

OFFICE OF THE DISTRICT ATTORNEY

Todd R. Collins – District Attorney	Presque Isle
Carrie L. Linthicum – Deputy District Attorney	Castle Hill
Kurt Kafferlin – Assistant District Attorney	Houlton
James Mitchell – Assistant District Attorney	Limestone
John Pluto, Assistant District Attorney	Van Buren

2013
AROOSTOOK COUNTY LEGISLATIVE DELEGATION

Sen. Roger L. Sherman – Dist. 34	Houlton
Sen. Troy Jackson – Dist. 35	Fort Kent
Rep. Allen Michael Nadeau – Dist. 1	Fort Kent
Rep. Charles Ken Theriault – Dist. 2	Madawaska
Rep. Bernard L.A. Ayotte – Dist. 3	Caswell
Rep. Carol A. McElwee – Dist. 4	Caribou
Rep. Robert J. Saucier – Dist. 5	Presque Isle
Rep. Tyler Clark – Dist. 6	Easton
Rep. Alexander Reginald Willette – Dist. 7	Mapleton
Rep. Joyce Ann Fitzpatrick– Dist. 8	Houlton
Rep. Ricky D. Long – Dist. 9	Sherman

2013
AROOSTOOK COUNTY FINANCE COMMITTEE

DISTRICT I

Area 1 – Durward Humphrey	Benedicta
Area 2 – Ralph A. Ivey	Houlton
Area 3 – Jackie Bradley	Easton

DISTRICT II

Area 4 – Tammy M. Getchell	Mapleton
Area 5 – Dana Lougee	Presque Isle
Area 6 – Richard A. Fortier	Caribou

DISTRICT III

Area 7 – Malachi F. Anderson	Woodland
Area 8 – Reynold Raymond	Eagle Lake
Area 9 – Nelson Jandreau	Madawaska

COUNTY COMMISSIONERS

TO THE CITIZENS OF AROOSTOOK COUNTY

The County's Annual Report for 2013 includes a summary of the accomplishments of each county department. The audits and financial statements for the General Fund and Unorganized Territory Fund indicate a favorable financial condition for Aroostook County Government.

A listing of members and staff of the Judiciary, Elected and Appointed County Officials, our Legislative Delegation, and members of the Finance Committee can be found at the beginning of our report.

Copies of this report are available at the County Commissioners' Office, located in the Caribou Courthouse at 144 Sweden Street or at any municipal office in Aroostook County.

General Fund

Appropriations for the general fund totaled $6,761,146.00. Revenues and credits used to lower the tax burden were projected at $1,501,199.00, thus leaving an amount of $5,259,947.00 plus $100,868.30 in overlay to be raised by taxes.

Highlights - Capital Improvement Account

Building improvements and equipment purchases scheduled for 2013 included the following:

Emergency Management Agency –Vehicle & Software	$ 5,500.00
District Attorney – Vehicle, Office, Computer Equip. & Furn.	$ 6,750.00
Administration – Vehicle & Computer Equipment, Matching Grant	$ 7,500.00
Superior Court Bldg. - Improvements	$ 27,081.00
Houlton Building Complex – Improvements & Equipment	$ 2,600.00
Houlton Sheriff's Office Building – Improvements	$ 13,150.00
Caribou Courthouse – Improvements	$ 31,650.00
Fort Kent Registry Bldg. – Improvements	$ 4,000.00
Registry of Deeds Houlton – Computer Equipment	$ 500.00
Registry of Deeds Fort Kent – Computer Equipment	$ 4,550.00
Register of Probate – Office Equipment	$ 1,800.00
Sheriff's Dept. (Law Enforcement) - Vehicles & Equipment	$ 81,000.00
Telecommunications	$ 22,250.00
Underground Tanks	$ 2,000.00
	$210,331.00

Jail Operations Fund

Since the advent of the State of Maine Board of Corrections, the Jail has been consistently underfunded, resulting in "kicker payments" being made to the Jail Operations Fund to balance year-end. These "kicker payments" are above and beyond our authorized budget for Jail Operations.

Unorganized Territory Fund

Expenditures for services to the Unorganized Territory for the year 2013-14 amounted to $1,328,614.00. Revenues and credits used to lower the tax assessment were projected at $303,500.00. The net assessment was $1,025,114.00. This net assessment was included in the state's budget for the services they provide to the Unorganized Territory and was assessed by the State of Maine to the taxpayers of the Unorganized Territory.

In closing, we would like to thank the members of the Finance Committee for their continuing commitment to and support of Aroostook County Government. Our department heads and staff are to be recognized for their continued dedication.

Douglas F. Beaulieu
County Administrator

Paul J. Adams
Norman L. Fournier
Paul J. Underwood

COUNTY TREASURER

Here are some highlights of Aroostook County's 2013 General Fund and 2012-13 Unorganized Territory Fund finances:

- General Fund ended the year with cash-on-hand of $1,594,757.00;
- General Fund ended the year with a total fund balance of $1,873,510.00;
- General Fund ended the year with an unreserved (undesignated) fund balance of $1,134,921.00;
- Unorganized Territory Fund ended the year with cash-on-hand of $73,988.00;
- Unorganized Territory Fund ended the year with a total fund balance of $393,776.00;
- Unorganized Territory Fund ended the year with an unreserved (undesignated) fund balance of $71,521.00.

A line of credit for the General Fund was secured through Katahdin Trust Company in the amount of $1,500,000.00 in anticipation of county taxes. Only $1,150,001.00 was used and it was paid back by October 2013.

Expenditures for Federal Awards amounted to $447,296.62. These federal awards, of which most are funds passed from the federal government through the State of Maine to Aroostook County, were for various programs such as victim advocacy, domestic violence, drug enforcement, and homeland security.

The detailed 2013 Financial Statements for the General Fund and the Unorganized Territory Fund are included at the end of this report.

COUNTY OF AROOSTOOK
FOR THE YEAR 2013

Expenses estimated by the County Commissioners of Aroostook County for the year 2013, for which a County Tax was assessed.

Emergency Management Agency	112,845.00
District Attorney	404,774.00
Administration	476,767.00
Superior Court Building	87,070.00
Houlton Building Complex	74,350.00
Sheriff's Office Building	36,649.00
Caribou Courthouse	217,950.00
Fort Kent Registry Building	68,569.00
Registry of Deeds South	175,569.00
Registry of Deeds North	154,743.00
Registry of Probate	209,809.00
Law Enforcement	1,371,902.00
Fire Marshal	9,500.00
Audit	6,640.00
Wide Area Network (WAN)	48,000.00
Interest Expense	6,500.00
Employee Benefits	3,000.00
Copiers	25,000.00
Program Grants	228,862.00
County Insurance	38,000.00
5-Year Capital Improvements	210,331.00
Capital Reserves	264,800.00
PSAP	204,750.00
MCCA Convention	500.00
Personnel Services	6,000.00
Website/MUNIS	1,650.00
TOTAL (NON-CORRECTIONAL SERVICES) APPROPRIATIONS	$4,444,480.00
ESTIMATED NON-CORRECTIONAL SERVICES REVENUES	$1,501,199.00
NET NON-CORRECTIONAL ASSESSMENT	$2,943,281.00
CORRECTIONAL SERVICES ASSESSMENT	$2,316,666.00
TOTAL AMOUNT TO BE RAISED BY TAXES	$5,259,947.00
2% OVERLAY	$100,868.30
TOTAL TAX COMMITMENT FOR 2013	**$5,360,815.30**

COUNTY COMMISSIONERS' COURT

In accordance with 30-A M.R.S.A., Section 71:

The County Commissioners shall hold sessions in the county seat at least 3 times annually in different months and at other times or other places which they may designate. The County Commissioners shall give public notice of the time and place of each regular meeting of the commissioners at least 7 days before the meeting. Any policy decisions made by the County Commissioners at meetings other than their regular meetings shall be recorded in the minutes of the next regular meeting after the decision is made. Regular meetings are held on the first and third Wednesday of every month in Houlton, Fort Kent and Caribou, on a rotating basis.

MUNICIPALITY	2013 TAX	2013 PAID
Allagash	$31,707.15	$31,707.15
Amity	$15,343.90	$15,343.90
Ashland	$98,072.20	$98,072.20
Bancroft	$8,369.40	$8,369.40
Blaine	$34,014.10	$34,014.10
Bridgewater	$37,608.65	$37,608.65
Caribou	$396,473.50	$396,473.50
Castle Hill	$26,932.30	$26,932.30
Caswell	$18,670.20	$18,670.20
Chapman	$31,707.15	$31,707.15
Crystal	$16,041.35	$16,041.35
Dyer Brook	$19,206.70	$19,206.70
Eagle Lake	$82,942.90	$82,942.90
Easton	$258,217.45	$258,217.45
Fort Fairfield	$186,594.70	$186,594.70
Fort Kent	$247,755.70	$247,755.70
Frenchville	$53,435.40	$53,435.40
Grand Isle	$20,065.10	$20,065.10
Hamlin	$21,084.45	$21,084.45
Hammond	$8,208.45	$8,208.45
Haynesville	$10,086.20	$10,086.20
Hersey	$9,871.60	$9,871.60
Hodgdon	$61,161.00	$61,161.00
Houlton	$307,951.00	$307,951.00
Island Falls	$69,101.20	$69,101.20
Limestone	$75,861.10	$75,861.10
Linneus	$67,706.30	$67,706.30
Littleton	$58,424.85	$58,424.85
Ludlow	$25,108.20	$25,108.20

Madawaska	$339,980.05	$339,980.05
Mapleton	$134,178.65	$134,178.65
Mars Hill	$114,542.75	$114,542.75
Masardis	$26,127.55	$26,127.55
Merrill	$14,109.95	$14,109.95
Monticello	$46,836.45	$46,836.45
New Canada	$25,912.95	$25,912.95
New Limerick	$177,796.10	$177,796.10
New Sweden	$37,447.70	$37,447.70
Oakfield	$45,602.50	$45,602.50
Orient	$44,529.50	$44,529.50
Perham	$24,357.10	$24,357.10
Portage Lake	$74,841.75	$74,841.75
Presque Isle	$613,702.35	$613,702.35
St. Agatha	$69,637.70	$69,637.70
St. Francis	$30,151.30	$30,151.30
Sherman	$46,299.95	$46,299.95
Smyrna	$20,601.60	$20,601.60
Stockholm	$17,114.35	$17,114.35
Van Buren	$70,549.75	$70,549.75
Wade	$16,577.85	$16,577.85
Wallagrass	$37,876.90	$37,876.90
Washburn	$69,530.40	$69,530.40
Westfield	$30,795.10	$30,795.10
Westmanland	$18,831.15	$18,831.15
Weston	$43,832.05	$43,832.05
Woodland	$61,590.20	$61,590.20
Cary Plantation	$12,339.50	$12,339.50
Cyr Plantation	$12,554.10	$12,554.10
Garfield Plantation	$9,871.60	$9,871.60
Glenwood Plantation	$5,847.85	$5,847.85
Macwahoc Plantation	$7,940.20	$7,940.20
Moro Plantation	$11,642.05	$11,642.05
Nashville Plantation	$16,363.25	$16,363.25
Oxbow Plantation	$10,354.45	$10,354.45
Reed Plantation	$12,124.90	$12,124.90
St. John Plantation	$17,758.15	$17,758.15
Winterville Plantation	$37,823.25	$37,823.25
Unorganized Territory	$655,120.15	$655,120.15
TOTAL	$5,360,815.30	$5,360,815.30
	$5,360,815.30	**$5,360,815.30**

OFFICE OF THE DISTRICT ATTORNEY
PROSECUTORIAL DISTRICT 8
2013 Annual Report

2013 was a rebuilding year for the office of the District Attorney. We were able to fill the empty Victim Witness Advocate and part-time restitution clerk position with Adam Lavoie. Adam joined us in March of 2013, from a senior management position with Cary Medical Center. Because we were down a position from 2012, Adam's responsibilities included covering the Presque Isle Office as well as the Caribou Office. Adam quickly grasped the difficult tasks we threw at him; and, as you will see below in the restitution figures, he didn't waste any time in making sure victims were compensated for their losses and defendants were being held accountable.

The Aroostook County District Attorney's Office remains one of the busiest trial offices in the State with our attorneys trying nearly as many cases as some of our larger counterparts in Southern Maine - our average caseload per attorney often reaches in excess of 800/1.

With trials, successful trials anyway, comes appeals; and Aroostook had its share of appellate work to do in 2013. While a number of unpublished *memorandum decisions* were made, we also had two published opinions issued by the Maine Law Court that provided guidance for future cases. These cases are: *State of Maine v. Christopher Johndro, 2013 ME 106* and *State of Maine v. Richard Larsen, Jr.*, 2013 ME 38.

Notwithstanding the busy trial and appellate schedules we experienced, we still managed to tackle some of our duties. The table below reflects our efforts over the years at obtaining restitution for victims of crime.

Year	Money Collected	Money Paid to Victims
2007	$49,459	$58,781
2008	$61,314	$85,620
2009	$69,023	$70,344
2010	$59,175	$35,093
2011	$63,648	$61,301
2012	$63,018	$56,512
2013	$84,806	$105,888

It is not unusual for persons who are convicted of offenses to be a significant expense to victims and society alike, from the damage caused by the crimes, to the costs of prosecution, defense, incarceration and supervision. More than half a million dollars is outstanding, and we need to make stronger efforts to hold defendants accountable, to make up for some of their costs. This task gets appreciably more difficult as our caseload continues to grow and our staffing levels slide or remain flat.

2013 was a year rededicated to the collection and distribution of restitution. We collected our highest total of outstanding restitution ever, $84,806.00, which was over $15,000.00 more than any previous year. In addition, we were able to cut into the surplus collections from years past and focused on getting that money out of the bank and into the hands of crime victims. In 2013, we paid out $105,888.00 to victims, which was $20,000.00 more than in any previous year. We were able to distribute more money than we collected in 2013. In 2014, we will continue to focus on disbursing the restitution back to the victims, but we will be increasing our efforts to collect from those defendants who are not paying their fair share.

INDICTMENTS 2000 -2013

Year	January	March	May	July	September	November	Total
2000	39	26	36	34	21	34	190
2001	23	17	27	22	18	26	133
2002	52	32	47	43	24	39	237
2003	27	32	40	21	37	38	195
2004	40	26	46	48	36	60	256
2005	17	30	28	38	23	50	186
2006	38	64	43	63	38	44	290
2007	47	68	24	69	43	68	319
2008	37	53	42	49	57	59	297
2009	46	51	64	53	47	56	317
2010	63	61	34	72	66	70	366
2011	59	65	54	52	39	52	321
2012	50	58	52	56	37	76	329
2013	62	45	50	32	47	62	298
Average							254

Our total number of indictments—which are for felony level crimes — saw a slight reprieve in 2013, as we had our lowest total of indictments since 2008.

Our caseload backlog continued to grow as we ended 2013 with 658 open and active cases. Despite our growing caseload, we were able to achieve a fairly impressive 80% clearance rate of our cases in 2013. The 3,324 opened criminal cases resulted in an average caseload of 831 criminal cases per prosecutor, which is simply too many for each attorney. This number does not include the many Juvenile and Civil Violation matters that our prosecutors handle each year.

CASELOAD 2005 - 2013

Year	Total Cases	Closed Cases	Active Cases	Arrest Warrant Outstanding
2005	3061	2812	367	105
2006	3318	2499	383	96
2007	3314	2406	470	110
2008	3358	2289	613	88
2009	3459	2110	437	74
2010	3154	2337	817	60
2011	3242	2573	669	57
2012	3771	2826	945	99
2013	3324	2666	658	81

When defendants have fled the jurisdiction, we use our extradition account, funded with forfeited bail, to retrieve them from other states. In 2013, as other years, we generally maintained the maximum permitted balance of $20,000.00 in the account. This account is a valuable resource that helps us manage our costs.

Be Well and Stay Safe,
Todd R. Collins
District Attorney

AROOSTOOK COUNTY SHERIFF'S DEPARTMENT
2013 Annual Report

It is my pleasure to submit this report on behalf of the Aroostook County Sheriff's Office. I believe that this report accurately reflects the dedication of our deputies, corrections officers, and administrative staff in order to meet what is expected of us by the citizens of Aroostook County

The Aroostook County Sheriff's Office consists of three (3) primary divisions, all overseen by Sheriff James P. Madore and Chief Deputy Darrell O. Crandall. The following Sheriff's Office activities outline what the Sheriff's Office does.

In August 2013 Darrell O. Crandall was appointed by Sheriff Madore to Chief Deputy. Darrell Crandall is a 29 year veteran of the Sheriff's Office and has spent over twenty (20) years assigned to the Maine Drug Enforcement Agency. Welcome Chief Deputy Crandall!

The Law Enforcement division consists of the following highly dedicated personnel; Lt. Keith Wheeler oversees this division comprised of one (1) sergeant supervising six (6) patrol deputies and two (2) detectives. Cathy Forest is the secretary assigned to this division and has the monumental task of handling the endless paperwork generated by the entire Sheriff's Office.

Lt. Wheeler and Cathy coordinate the endless stream of civil process that is received on a daily basis. The process ranges from assigning the service, entering information in the data base, and billing the responsible parties for the service. Each paper is assigned a tracking number so that the paper can be tracked. Lt. Wheeler also is tasked with the scheduling of part-time deputies for open shifts and keeping track of the fleet of vehicles within our office, making sure that all vehicle are serviced on a regular basis.

Detective Ross McQuade and Detective Dan Robertson are assigned to Criminal Investigations and are credentialed by the Maine Office of the Attorney General with investigations generated by that office. Both coordinate investigations involving Domestic Violence as well.

Deputy Peter Johnson was added to the patrol roster. This is a new patrol deputy position. Peter, a Presque Isle Patrol Officer assigned to MDEA, is assigned to the Northern zone of Aroostook County. Welcome Peter!

Detective Ross McQuade chairs the Aroostook County Task Force on Domestic Violence and Sexual Assault. He coordinates meetings with partners in order to make training available and to acquire the best practice for Law Enforcement, and others, in dealing with domestic violence and sexual assault issues. This group has hosted many days of training in the most contemporary tools and models of investigating Domestic Violence and Sexual Assault with the primary goal of keeping victims safe, now and in the future, and holding offenders accountable for their actions.

This task force has active members from ten (10) other law enforcement agencies, three (3) victim's advocacy organizations and several treatment providers from within Aroostook County.

The Sheriff's Office has one (1) lieutenant, Peter Arno (formerly the Deputy Chief for the City of Bangor and current Commander for MDEA), one (1) sergeant, Shawn Gillen and Deputy Craig Holder assigned to the Maine Drug Enforcement Agency. Their mission is to aggressively work to reduce the flow of illicit drugs into the county and the State. (The MDEA positions are 100% funded by the state and do not impact the Aroostook County budget)

The Transportation Division is supervised by Lieutenant Larry Goff with one (1) full-time deputy, Rudy Levesque. Numerous part-time employees assist with the monumental task of transporting inmates both within and outside the county. The year 2013 was an exceptionally busy year for this division. Due to the jail overcrowding, many inmates were boarded at other facilities throughout the State. The transporting of inmates from the Aroostook County Jail to the different courts within the county, then transporting inmates to other facilities within our state is quite a task to coordinate. This division also transports mentally ill individuals to treatment facilities within and outside the county. Lieutenant Goff supervised the booking staff where inmates are processed for transport in and out of the facility. Over the past several years we have been faced with inmate overcrowding at our facility. Inmates were boarded, throughout the state, at facilities that had available space.

The Corrections division consists of one jail administrator, Captain Craig Clossey. Craig was the former chief deputy, and began his career with the Sheriff's Office as a jail guard. Craig applied for and was subsequently hired for the jail administrator's position when former Jail Administrator James Foss retired. Captain Clossey supervises a secretary Terri Sennett, four (4) sergeants, twenty-four (24) full-time correctional officers, two (2) cooks, and numerous part-time employees. The corrections staff is responsible for the health, detention, safety, and security of the inmates. All the arrested or incarcerated persons have to be processed, photographed, fingerprinted, housed and fed. This is a significant burden on the jail administrator, corrections officers, shift sergeants, support staff and cooks.

The Dispatch/Communications Center is manned by four (4) full-time certified terminal operators. Along with dispatching for the Sheriff's Office, we dispatch for the Van Buren Police Department, Fire Department and Ambulance Service and the Limestone Police Department. We also dispatch for seventeen (17) other volunteer fire departments in the county. Sgt. Kris Miller supervises dispatch operations.

Maine Pretrial Services, Inc. continues to provide contractual pretrial services in an attempt to reduce the inmate population. This service targets those inmates who are not able to otherwise post bail. Maine Pretrial Service continues to work well and although our inmate population is extremely high, it would certainly be unmanageable without Maine Pretrial Services. Maine Pretrial Services occupies office space at the Sheriff's Office building in Houlton as well as at the County Courthouse in Caribou.

The routine medical issues at the jail are handled under contract by Katahdin Valley Health (KVHC). They also help assure that we remain in compliance with jail standards. The KVHC medical staff performs physical exams and responds to numerous requests for medical attention. They also brought all the corrections staff up to date with training in first aid, C.P.R., blood borne pathogens and protocols for dispensing medication. Numerous inmates were also transported outside the facility for treatment ranging from dental work to cancer treatments.

Law enforcement and corrections training are coordinated by Training/Recruitment Sergeant Kris Miller. Training classes are taught at the Maine Criminal Justice Academy along with numerous classes being taught within Aroostook County through the Aroostook County Training Council. Sgt. Miller notifies Sheriff's Office employees of upcoming training and maintains records as required by the Maine Criminal Justice Academy. Again in 2013 employees were able to complete many mandated trainings online. This continues to be a huge timesaver and minimized the amount of travel for deputies to attend trainings. Sgt. Miller occupies an office and training room at the Sheriff's Office building.

The Aroostook County Sheriff's Office Chaplain, Pastor Wayne Robertson, of the Houlton Wesleyan Church continues to be a valuable resource for the department. Among other duties, Chaplain Robertson participates in a wide variety of training programs within the department. Often chaplains are asked to teach classes dealing with stress, family life, relationships, ethics, and other issues. Chaplains represent a wide variety of religious traditions and levels of professional preparation and endorsement, but when the chaplain is working in the police world, he/she is "chaplain" for everyone, not the religious leader of a particular tradition serving a particular congregation or service agency. Pastor Robertson is an invaluable resource for the Sheriff's Office.

As you can see 2013 was a busy year for the Sheriff's Office. The Sheriff's Office provided quality service to the citizens and taxpayers of Aroostook County.

On behalf of the Aroostook County Sheriff's Office, I would like to thank all the citizens of Aroostook County for their overwhelming support of the Aroostook County Sheriff's Office.

Respectfully submitted,
James P. Madore, Sheriff

REGISTER OF PROBATE
2013 Annual Report

The Aroostook County Probate Court received 443 new filings for the year 2013. The Registrar scheduled 173 cases for uncontested hearings and 8 cases were set aside to be scheduled for contested hearings. The Register of Probate and the Deputy Register of Probate entered on the docket and completed 487 informal filings.

Judge Dunleavy heard 181 cases: 88 hearings were held in Caribou; 87 hearings were held in Houlton; 12 cases were held in Fort Kent. Due to a "conflict of interest" Judge Dunleavy recused himself from hearing 4 cases and requested Lyman L. Holmes, Judge of Probate for Washington County; Judge John Alsop Judge of Probate for Somerset County; Judge James R. Austin Judge of Probate for Piscataquis County and M. Raymond Bradford, Judge of Probate for Penobscot County to preside over these cases.

2012	**2013**	**Changes:**
424 new files	443 new files	up 19 new filings from 2012
201 cases heard	181 cases heard	down 26 cases heard in 2012
440 office staff	487 office staff	up 47 from 2012

Total 2013 Probate filing fees:	$ 61,824.09
Total 2013 Probate form fees:	$ 2,420.00
Total 2013 Restoration Surcharge fees:	$ 4,570.00

Respectfully submitted,
Joanne M. Carpenter
Register of Probate

REGISTER OF DEEDS (N)
2013 Annual Report

In January renovations were made in the Registry to allow more space for the records in the vault for another ten (10) to fifteen (15) years. This has allowed us to organize the map room, which is a great improvement.

We also finished the indexing project that had been started in January 2007. It took over six (6) years to enter 25 years of data into our system. Our system now has data from 1960 to present. My staff, Donna and Erin, has done a fantastic job, I can't thank them enough.

Our next project is the plans. It is not as big a project as the land records, but it will still take time. We will be scanning and indexing plans from 1846 to present.

To the County Commissioners and the County Administrator, I thank you for listening and supporting me and my staff throughout the year. Communication is without a doubt what makes our jobs easier.

We had an increase in recording fees starting in September 2013. It is reflective in the recording fees of the itemized list of revenue for 2013 listed below.

Recording Fees	$104,497.00
Plans (46)	792.00
Photo Copies	10,152.50
Plan Copies	1,872.00
Fax Copies	622.25
Assessor copies	1,388.10
Indexing	253.00
Attestations	40.00
Surcharge	10,257.00
Miscellaneous	100.00
Marginal References	1,014.00
Deeds on-line Enrollment	400.00
Deeds on-line Renewals	12,400.00
Transfer Tax (10% of $160,544.88)	$ 16,057.48
Total Revenue to the County	**$159,845.33**
Interest collected on checking account	$ 98.89
Interest collected on surcharge account	$ 125.11

Respectfully submitted,
Louise Caron
Register

REGISTER OF DEEDS (S)

2013 Annual Report

Fiscal Year 2013 was a very productive year for the Southern Aroostook Registry. We took in almost 7% more revenue than the previous year, made our website more accessible to the public and added almost twenty years to our online records.

We will continue to work on our indexing project throughout the coming year and we anticipate wrapping it up by July 2014. Melissa Richardson, Wendy Holmes and Linda Sennett should be applauded for their exceptional work.

The assistance of the County Commissioners and County Administrator has been fundamental to the improvements we have made to the Registry, and we thank them for their continued support.

Enrollment Fees	$ 400.00
Indexing	$ 25.00
Marginal References	$ 4,459.00
Name Fees	$ 614.00
Postage Add-On	$ 45.00
Recording Fees	$ 289,856.00
Renewals	$ 16,800.00
Surcharge	$ 26,949.00
10% Transfer Tax ($480,396.53)	$ 48,039.66
Deeds on-line Copies	$ 18,869.00
Plans	$ 1,425.00
Copies	$ 23,154.91
Assessor Copies	$ 12,443.90
TOTAL REVENUE	**$ 443,080.47**
Interest collected on checking account	$ 358.09
Total Revenue	$ 875,795.43
Amount Paid to Maine Revenue Services	$ 432,356.87
TOTAL REVENUE TO COUNTY	**$ 443,438.56**

Respectfully Submitted,
Melissa Willette
Register

EMERGENCY MANAGEMENT AGENCY
2013 Annual Report

On behalf of the Aroostook County Emergency Management Agency (AKEMA), I respectfully submit the following annual report.

Our area has seen a change in weather patterns that create a more urgent need for communities and citizens to plan and prepare for disasters. Keeping in mind that all disasters have local and personal impacts, we have been increasing our efforts on getting more information out to communities and residents. Increased volumes of visits to our website, Facebook page and Twitter show us that the message is getting out to large numbers of people.

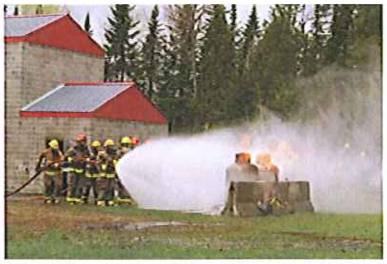
We began a strong effort to increase communication and training with your communities' Local EMA Directors, including a special program that allows them to participate without leaving their office, using technology and the internet.

2013 also had us busier than ever with a record number of full scale and tabletop exercises. Our exercise program allows us to test our plans with first responders and determine what extra efforts may be needed in planning, training or equipping those critical front line people.

We recognize the challenges going forward with the large reduction in Homeland Security funding, but know that we have used that funding to create an increased response capacity throughout Aroostook County. Because of that, we find our volunteer teams are becoming more important to us to be able to reach all points in our large county. Our Incident Management Assistance Team has increased their training levels and is working to become even more valuable to our community leaders in times of disaster. We are also starting up two (2) new county wide teams. One of these will be directed at emergency communications and working with local HAM radio operators. The other new team for us is an Aroostook County Animal Response Team. Once trained, this team of volunteers will assist people with their pets that have to evacuate to shelters during an incident.

This office has been actively working to improve communication and coordination between agencies in Aroostook County and with our Canadian partners. The grant that has allowed us to embark on this project is winding down and has allowed us opportunities to work closer with the Canadian Emergency Measures Organization that will pay dividends for years to come. Equipment pieces of this grant allowed us to put two (2) more communications towers into operation and has put radio cache's into the hands of our local first responders.

Our other responsibility of North Lakes Fire & Rescue is going well. The department covers four (4) unorganized territories consisting of 144 square miles as a primary response area. Even with increasing call volume, the 39 members continue to answer the call and keep up with required training. This year we worked closer with neighboring communities to offer low cost regional training close to home. This allows our firefighters to keep their skills up while helping our neighbors to meet their training requirements.



We, the staff of the Aroostook County Emergency Management Agency, look forward to working with the local communities and first responders in the upcoming years as we strive to improve our disaster preparedness, keeping in mind that disasters will occur, we just don't know when and what type of event we will have to deal with.

Respectfully submitted,
Darren R. Woods, Director
Aroostook County Emergency Management

MAINTENANCE DEPARTMENT
2013 Annual Report

2013 began with a renovation project at our Fort Kent Registry of Deeds Building. With a need for additional space for maps and deeds, the supply storage area of the vault was renovated to house maps and deeds with public access. In turn two (2) new storage areas were created on the first floor. The remainder of the first floor was renovated, creating an all-purpose conference room, maintenance department office and establishing a satellite Sheriff's office for our Northern Aroostook region.


Fort Kent Registry Conference

In February we began phase III of an asbestos removal project at the Superior Court Building in Houlton. This project was coupled with the installation of a new floor throughout the first floor hallway of the building. In the spring there were a number of minor roof repairs completed to this building and in late summer we had the Military Street walkway resurfaced to improve public and service worker access.


Superior Court Building Flooring Project


Superior Court Building Entry Project

In early spring the Aroostook County Jail received its biennium inspection. Several infrastructure items needed to be addressed including: lighting improvements, painting projects, flooring repairs and improvements to the supply storage. There were also regular maintenance items completed throughout the year including: plumbing and equipment repairs, heating coil replacements, a new domestic hot water boiler maker and a number of system gate and mixing valve replacements. A new temperature control system was installed for the control room area of the jail as the old one had completely failed. Jail Standards and code monitoring related to infrastructure became the responsibility of the maintenance department, allowing for collaborative oversight and improved response time in addressing building needs.

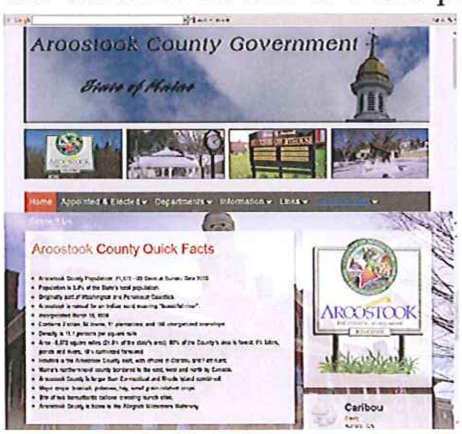

Jail Painting Project

Two (2) major projects at the Sheriff's Office Building dovetailed together; the upgrade of the elevator and the installation of a fire alarm system. These two (2) projects greatly improved access/egress and life safety to the building. An empty suite on the second floor of this building was painted and new office rugs installed in order to lease the space to the Maine Drug Enforcement Agency. Meanwhile, the Maine Pretrial Office was relocated to the lower level to make room for extra office space for the County's Transportation Department. A laboratory on the lower level, formerly used by the University of Maine was cleaned and a crime laboratory was established for the Aroostook County Sheriff's Department.

During the summer, the rubberized flat roof of the Caribou Courthouse, that connects the two (2) larger sections of the building, was replaced. There were several leaks causing repeated interior damage. Also over the summer there were several interior and exterior painting projects completed. The Emergency Management Agency Building, also located in Caribou, received a major cleaning of all offices.


Caribou Connector Roof Project

As for telecommunications, we had a busy year. The County's new 2012 website was updated in 2013 with more options and links to increase public access to our information and allow for greater transparency. In fact, Aroostook County's website was recognized with a Sunshine Review Award in 2013. The Sunshine Review is a non-profit organization dedicated to state and local government transparency.



Several new pieces of equipment were purchased to improve the County's Wide Area Network (WAN) and department's Local Area Networks (LAN) which included; replacing battery backups and the voicemail server; an electronic case file storage system was purchased for the Sheriff's Department, computers for Probate Court E-filing; Munis server for accounting and administration and a network switch to replace an equipment failure at the Registry of Deeds South. We also implemented some improvements in services by adding wireless internet connectivity at jail duty stations and provided a dedicated internet connection in Houlton to help alleviate the bottle-neck sharing of bandwidth between our northern, central and southern locations. Lastly the County took a complete inventory of its technology equipment in order to better assess current needs and plan for future technology advancements. The current inventory value of our network came to $671,333.23.

Respectfully submitted,
Bryan V. Jandreau
Facilities Manger

FELCH & COMPANY, LLC
Certified Public Accountants

P.O. BOX 906
CARIBOU, MAINE 04736
(207) 498-3176
FAX (207) 498-6278
E-MAIL: CPA@FELCHCPA.COM

INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners of the
County of Aroostook, 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 Aroostook, Maine as of and for the year ended December 31, 2013, 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 *Governmental 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 from 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Board of Commissioners of the
County of Aroostook, Maine

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 Aroostook, Maine, as of December 31, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary information on Pages I through IV and Schedule 1, be present 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2014 on our consideration of the County of Aroostook's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering County of Aroostook's internal control over financial reporting and compliance.

Felch & Company LLC

Caribou, Maine
June 18, 2014

County of Aroostook, Maine

Management's Discussion and Analysis
For the Year Ended December 31, 2013

UNAUDITED

The following narrative is an overview of the County of Aroostook's financial performance designed to assist the reader in focusing on significant financial issues. This discussion and analysis should be read in conjunction with the attached financial statements together with the related notes.

USING THIS ANNUAL REPORT

In accordance with generally accepted accounting principles, the basic financial statements are presented in two formats. Each format presents information by a different measurement focus. The first of these formats is called the government-wide statements which presents the County of Aroostook as a whole and presents a longer-term view of the County's finances. The second format uses fund accounting and the focus is on current resources available for current obligations.

Reporting the County as a Whole

The government-wide statements are designed to present the County as a whole similar to the way a business presents financial statements. The Statement of Net Position (Exhibit A) combines the assets and liabilities as presented in the governmental funds with the County's capital assets and long-term obligations. In the Statement of Activities (Exhibit B) the focus is on both the gross and net cost of the various activities (or departments) which are funded by various general revenues including tax assessment and intergovernmental revenues. Revenues are recognized when earned regardless of when they are collected and expenses are recognized when the liability becomes due. Since capital asset purchases are not considered an expense under this measurement focus, annual charges for depreciation are recognized to indicate the use of these assets over time.

Fund Financial Statements

In the preparation of these statements, fund accounting is used which is described more fully in the notes to the financial statements. The focus under GASB 34 is on "major funds" which presents a separate column for only the most significant funds of the County. These statements (Exhibits C & D) present the County's financial position and results of operations using a shorter-term view and show how money flows into and out of the funds and the balances left at year-end that are available for spending. These funds report using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash.

The County also has custody and maintains funds for the operation of the county jail for the State of Maine Department of Corrections. These funds are accounted for in an Agency Fund since they do not belong to the County. Due to the nature of these funds they are excluded from the Statement of Net Position and Activities discussed above.

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 fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Table 1
Net Position

	Governmental Activities	
	2013	2012
Current and other assets	$ 2,033,001	$ 1,990,267
Capital assets, net	1,477,567	1,476,007
Total assets	3,510,568	3,466,274
Current liabilities	497,640	271,416
Net position		
Net investment in capital assets	1,477,567	1,476,007
Restricted	10,196	-
Unrestricted	1,525,165	1,718,851
Total net position	$ 3,012,928	$ 3,194,858

UNAUDITED

Table 2
Change in Net Position

	Governmental Activities 2013	2012
Revenues:		
Program revenues:		
Charges for services	$ 1,133,941	$ 1,147,859
Operating grants	267,503	406,498
	1,401,444	1,554,357
General revenues:		
Tax assessment	3,044,151	2,891,154
Investment income	8,446	6,039
Other revenues	65,711	62,161
	3,118,308	2,959,354
Total Revenues	4,519,752	4,513,711
Program expenses:		
Emergency management	242,809	125,953
Administration	728,798	838,858
Public safety	196,676	191,878
Operation of courts	778,566	758,606
Registry operations	566,196	489,670
Law enforcement	1,656,739	1,590,697
Fire marshal	9,236	9,293
Outside requests	228,862	228,862
Capital outlays	17,295	13,232
Unallocated depreciation	163,703	139,754
Total expenses	4,588,880	4,386,803
Increase (decrease) in net position	$ (69,128)	$ 126,908

ANALYSIS OF FINANCIAL POSITION

During the year ending December 31, 2013, the total net position decreased $69,128 to $3,012,928 at year end. Of the total net position at December 31, 2013, $1,525,165 may be used to meet the County's ongoing obligations to citizens and creditors.

CAPITAL ASSET ACTIVITY

Capital assets, net of depreciation totaled $1,477,567 as of December 31, 2013, representing a $1,560 increase from the prior year end. This increase is mainly due to additions of vehicles and building improvements offset by depreciation and retirement of assets. For more detail, please refer to Note 4 to the financial statements.

GENERAL FUND BUDGETARY HIGHLIGHTS

The County took in $190,925 less than anticipated in revenues which was primarily due to the carryover of the registry of deeds and probate balances in their respective budget amounts. In addition, there were lower than anticipated amounts for intergovernmental revenues. These unfavorable variances were partially offset by higher than expected municipal tax revenue. The County also spent $185,183 less than anticipated which was primarily in administration. This resulted in a net unfavorable budget variance of approximately $5,742. For the budgetary comparison, please refer to Schedule 1.

FINANCIAL CONTACT

The individual to be contacted regarding this report is the County Administrator, County of Aroostook, 144 Sweden Street, Suite 1, Caribou, ME 04736.

COUNTY OF AROOSTOOK, MAINE

EXHIBIT A

STATEMENT OF NET POSITION
DECEMBER 31, 2013

	Governmental Activities
ASSETS	
CURRENT ASSETS	
Cash	$1,307,158
Due from other governments	507,618
Due from other funds	188,463
Accounts receivable	29,762
Total current assets	2,033,001
CAPITAL ASSETS	
Capital assets (Note 4)	
Non-depreciable	18,400
Depreciable, net	1,459,167
Total capital assets	1,477,567
Total assets	3,510,568
LIABILITIES	
CURRENT LIABILITIES	
Accounts payable	110,655
Due to other governments	38,640
Compensated absences	216,853
Other post-employment benefits	131,492
Total current liabilities	497,640
NET POSITION	
Net investment in capital assets	1,477,567
Restricted	10,196
Unrestricted	1,525,165
Total net position	$3,012,928

COUNTY OF AROOSTOOK, MAINE

EXHIBIT B

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

		Program Revenues		
Function/Program Activities	Expenses	Charges for Services	Operating Grants and Contri-butions	Net (Expense) Revenues and Changes in Net Assets
Emergency management	$ 242,809	$ 53,837	$ -	$ (188,972)
Administration	728,798	31,463	-	(697,335)
Public Safety	196,676	-	-	(196,676)
Operation of courts	778,566	134,787	-	(643,779)
Registry operations	566,196	649,847	-	83,651
Law enforcement	1,656,739	264,007	267,503	(1,125,229)
Fire marshal	9,236	-	-	(9,236)
Outside requests	228,862	-	-	(228,862)
Capital outlays	17,295	-	-	(17,295)
Unallocated depreciation	163,703	-	-	(163,703)
	$ 4,588,880	$ 1,133,941	$ 267,503	(3,187,436)
General Revenues:				
Tax assessment				3,044,151
Investment income				8,446
Other revenues				65,711
				3,118,308
CHANGE IN NET POSITION				(69,128)
NET POSITION - JANUARY 1, 2013, as originally stated				3,194,858
PRIOR PERIOD ADJUSTMENT (Note 10)				(112,802)
NET POSITION - JANUARY 1, 2013, as restated				3,082,056
NET POSITION - DECEMBER 31, 2013				$ 3,012,928

COUNTY OF AROOSTOOK, MAINE

EXHIBIT C

BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	General Fund	Grants	Total Governmental Funds
ASSETS			
Cash (Note 2)	$1,307,158	$ -	$1,307,158
Due from other governments	488,383	19,235	507,618
Accounts receivable	29,762	-	29,762
Due from other funds	197,318	-	197,318
	$2,022,621	$19,235	$2,041,856
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable	$ 110,471	$ 184	$ 110,655
Due to other governments	38,640	-	38,640
Due to other funds	-	8,855	8,855
	149,111	9,039	158,150
FUND BALANCES			
Restricted:			
Deeds and probate records preservation	236,851	-	236,851
Special Revenue - Grant projects	-	10,196	10,196
Assigned:			
Sheriff's equipment	8,238	-	8,238
Sick and vacation fund	54,295	-	54,295
Retiree/administrator medical	48,022	-	48,022
Capital projects	391,183	-	391,183
Unassigned	1,134,921	-	1,134,921
	1,873,510	10,196	1,883,706
	$2,022,621	$19,235	$2,041,856

COUNTY OF AROOSTOOK, MAINE

EXHIBIT D

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

	General Fund	Grants	Total Governmental Funds
REVENUES			
Municipal tax revenue	$3,044,151	$ -	$3,044,151
Federal and state assistance	-	267,503	267,503
Registry of deeds and probate	649,847	-	649,847
Intergovernmental revenues	188,624	-	188,624
Service fees	295,470	-	295,470
Interest income	8,446	-	8,446
Other revenues	67,017	-	67,017
	4,253,555	267,503	4,521,058
EXPENDITURES			
Emergency management	101,124	141,685	242,809
Administration	672,811	55,987	728,798
Public Safety	196,676	-	196,676
Operation of courts	778,566	-	778,566
Registry operations	566,196	-	566,196
Law enforcement	1,427,098	97,740	1,524,838
Fire marshal	9,236	-	9,236
Outside requests	228,862	-	228,862
Capital outlays	278,728	-	278,728
	4,259,297	295,412	4,554,709
EXCESS OF REVENUES (UNDER) EXPENDITURES	(5,742)	(27,909)	(33,651)
FUND BALANCE - JANUARY 1, 2013, as originally stated	1,812,239	38,105	1,850,344
PRIOR PERIOD ADJUSTMENT (Note 10)	67,013	-	67,013
FUND BALANCE - JANUARY 1, 2013, as restated	1,879,252	38,105	1,917,357
FUND BALANCE - DECEMBER 31, 2013	$1,873,510	$ 10,196	$1,883,706

COUNTY OF AROOSTOOK, MAINE

EXHIBIT E

RECONCILIATION OF FUND BALANCE IN GOVERNMENTAL FUNDS TO NET POSITION
DECEMBER 31, 2013

Fund balance in governmental funds (Exhibit C)		$1,883,706
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	$ 15,424,961	
Accumulated depreciation	(13,947,394)	1,477,567
Certain long-term liabilities are not due and payable from current financial resources and, therefore, are not reported in the funds:		
Accrued compensated absences		(216,853)
Other post-employment benefits		(131,492)
Net position (Exhibit A)		$3,012,928

COUNTY OF AROOSTOOK, MAINE

EXHIBIT F

RECONCILIATION OF CHANGE IN FUND BALANCE IN GOVERNMENTAL FUNDS
TO CHANGE IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

Net change in fund balance - total governmental funds (Exhibit D)		$ (33,651)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized		261,433
Depreciation expense		(258,567)
Net book value of assets disposed		(1,306)
		1,560
(Increase) in liability for compensated absences		(37,037)
Change in net position of governmental activities (Exhibit B)		$ (69,128)

COUNTY OF AROOSTOOK, MAINE

EXHIBIT G

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2013

	Agency Fund
ASSETS	
Cash	$203,624
LIABILITIES	
Accounts payable	15,161
Due to General Fund	188,463
	203,624
NET POSITION	$ -

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Aroostook, Maine was incorporated in 1839 and operates under the authority of a County Charter and State of Maine law. Under this form of government, the County commissioners set the policy for the organization and the County Administrator is in charge of implementing that policy.

The accounting and reporting policies of the County of Aroostook relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Government Units*. The County's significant accounting policies are described below.

These basic financial statements include the accounts of all of the County of Aroostook's operations. The criteria for including organizations as component units within the County of Aroostook's reporting entity as set forth by GASB have been considered. It has been determined that the County of Aroostook, Maine has no component units for inclusion in these financial statements.

Basis of Presentation

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. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. The County does not have any activities classified as business-type activities.

Government-Wide Statements and Measurement Focus

In the government-wide Statement of Net Position the governmental activities are presented on a consolidated basis and are reported on a full accrual, economic resource 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 unrestricted net position includes those designated by the County for subsequent years' expenditures, since they are considered available for use, and those that are undesignated.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (operation of courts, administration, law enforcement, 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 or department. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs by department are normally covered by general revenue (property taxes and investment income). The government-wide focus is 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. The County does not allocate indirect costs.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements and Measurement Focus

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures. The various funds are reported by generic classification within the financial statements.

All governmental funds are accounted for using a flow of current financial resources measurement focus. Under this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources and uses of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. For this reason, a reconciliation is presented with brief explanations to identify the differences between the two sets of financial statements.

The emphasis in fund financial statements is on the major funds. GASB standards set forth minimum criteria based on the size of the funds for the determination of major funds. County management may also designate additional funds as major funds. Each major fund is presented in a separate column in the financial statements. The nonmajor funds are combined in a column in the fund financial statements.

The County reports the following major governmental funds:

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.

Other governmental funds are reported as non-major funds:

The Grants Fund is a special revenue fund and is used to account for proceeds from specific revenue sources that are legally restricted to expenditure for specific purposes.

The County also reports the following fund type:

An Agency Fund is used to account for funds held by the County as an agent for the State of Maine Board of Corrections' jail fund.

Formal budgetary accounting is employed as a management control for the General Fund of the County. Annual operating budgets are adopted by the Finance Committee. In accordance with generally accepted accounting principles, these budgets use the same accounting method to reflect actual revenues and expenditures. Budgetary control is exercised at the departmental level or by project. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting is used where purchase orders, contracts and other commitments for the expenditure of resources are recorded to ensure that that portion of fund balance is utilized for its intended purpose. In the general fund, for budgetary purposes, appropriations lapse at fiscal year-end except for that portion related to encumbered amounts. Encumbrances outstanding at year-end are reported as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The term "basis of accounting" refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. This differs from measurement focus in that it refers to the timing of recognition. Measurement focus refers to what is being measured and included in the financial statements.

The governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting.

The governmental funds financial statements are presented on the modified accrual basis of accounting. 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.

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recognized when the exchange takes place (accrual basis). Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within 60 days of fiscal year-end. Licenses and permits, charges for services, fines and forfeits and miscellaneous revenues are recorded as revenues when received in cash. General property taxes and investment earnings are recorded when they become both measurable and available.

Nonexchange transactions, in that the County receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions is considered to be available since it has already been received.

Financial Statement Amounts

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates. Following is a summary of significant accounting principles used by the County.

Cash and Temporary Investments

Available cash is deposited in interest-bearing accounts to as great a degree as possible. These residual investments are classified for reporting purposes as cash and temporary investments. Earnings from these investments are reported by the applicable funds. The County's policy is to invest in local banks and to insure the funds to as great a degree as possible.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes and Deferred Revenue

The county tax is authorized as part of the annual budget process by the Finance Committee, a nine member group selected from all three districts in the County. Taxes are assessed in February each year to the municipalities and unorganized territories within the County's borders and are used to finance the operations of the County for the calendar year. Property taxes that remained uncollected at year end were collected soon enough to be considered available and accordingly were fully recognized as revenue as of December 31, 2013.

Capital Assets

Initial acquisitions of capital assets purchased or acquired with an original cost of $100 or more are reported at actual or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized if they exceed $5,000. 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 of 5 to 10 years for vehicles and equipment, 20 to 40 years for buildings and improvements. Due to the County's size it has elected not to report infrastructure prior to January 31, 2004.

Compensated Absences

County employees are entitled to sick and vacation leave based on their length of employment. Upon termination, an employee is paid the amount of accumulated vacation and/or sick days not used up to certain limits. Accumulated sick leave is paid out at 25% or 50% up to 90 days depending on length of service. Accumulated vacation leave is paid up to 30 days. Unused sick and vacation time is accumulated at the employees' current rate of pay and is included as a liability in the government-wide financial statements.

Net Position

Net position represents the difference between assets, liabilities and deferred inflows and outflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance Classifications

In the fund financial statements, governmental funds report the following classifications of fund balance:

Restricted Fund Balance

The County of Aroostook's restricted fund balance includes amounts that can only be used for specific purposes.

Unrestricted - Committed

The County's board of commissioners has the authority to commit fund balance amounts for specific purposes. Board approval is also required to modify or rescind a commitment of fund balance. The County does not currently have any committed balances.

Unrestricted - Assigned

The County Administrator has the authority to assign fund balance amounts for specific purposes. Management approval is also needed to modify or rescind an assignment of fund balance.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unassigned

The County of Aroostook's unassigned fund balances includes amounts that have not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the General Fund.

When restricted and other fund balances resources are available for use, it is the County's policy to use restricted resources first, followed by committed, assigned, and unassigned amounts, respectively. The County does not currently have a minimum fund balance policy.

Interfund Receivables and Payables

Amounts reported as either due to or from other funds represent interfund borrowing through the use of a pooled cash account. Balances reported as of December 31, 2013 are expected to be settled within the next fiscal year.

(2) CASH AND TEMPORARY INVESTMENTS

Deposits with financial institutions are subject to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may be lost. As of December 31, 2013, the County's deposits with financial institutions of $1,594,757 were fully insured or collateralized with government securities held in the County's name.

(3) RELATED PARTY TRANSACTIONS

The County is related to the Unorganized Territories of Aroostook County, Maine through common management. The County oversees the day to day operations, maintenance of roads and bridges, snow removal and other needs of the residents of the Unorganized Territories. For these services, the Unorganized Territories paid the County an annual administration fee of $62,387 for the year ended December 31, 2013.

(4) CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2013, was as follows:

	Balance January 1, 2013	Additions	Disposals	Balance December 31, 2013
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 18,400	$ -	$ -	$ 18,400
Depreciable assets:				
Land improvements	251,429	6,526	-	257,955
Building and improvements	12,297,834	112,858	-	12,410,692
Heating systems	276,467	-	-	276,467
Electrical and plumbing	85,943	-	-	85,943
Communications equipment	358,952	1,596	2,100	358,448
Computer/office equipment	676,575	35,486	58,568	653,493
Custodial equipment	48,714	147	100	48,761
Firefighting equipment	91,166	-	-	91,166
Grounds equipment	35,901	-	-	35,901
Kitchen equipment	72,916	-	-	72,916
Police equipment	166,246	3,075	-	169,321
Vehicles	674,982	98,402	75,061	698,323
Furniture and fixtures	245,593	3,343	1,761	247,175
	15,282,718	261,433	137,590	15,406,561
Less accumulated depreciation for:				
Land improvements	91,642	12,484	-	104,126
Building and improvements	11,845,584	42,922	-	11,888,506
Heating systems	103,849	13,755	-	117,604
Electrical and plumbing	22,960	5,492	-	28,452
Communications equipment	262,052	19,946	2,100	279,898
Computer/office equipment	511,809	53,051	57,362	507,498
Custodial equipment	35,576	3,598	-	39,174
Firefighting equipment	18,188	3,094	-	21,282
Grounds equipment	19,488	3,164	-	22,652
Kitchen equipment	56,051	4,713	-	60,764
Police equipment	118,502	16,884	-	135,386
Vehicles	497,275	77,980	75,061	500,194
Furniture and fixtures	242,135	1,484	1,761	241,858
	13,825,111	258,567	136,284	13,947,394
Total Capital Assets	$ 1,476,007	$ 2,866	$ 1,306	$ 1,477,567

(4) CAPITAL ASSETS (Continued)

Depreciation expense was charged to functions in the Statement of Activities as follows:

Governmental Activities	
Law enforcement	$ 94,864
Unallocated	163,703
	$258,567

(5) LINE OF CREDIT

The County borrowed and repaid $1,155,000 during the year ended December 31, 2013 to finance its operations while it waited to collect tax revenues. This note was paid in full by year end. The County paid a total of $11,401 in interest on this loan during 2013.

(6) PARTICIPATION IN PUBLIC ENTITY RISK POOL

The County is a member of the Maine Municipal Association - Worker Compensation Trust Fund (the fund). The fund was created to assist members in managing their workers compensation costs through effective claims management and loss prevention activities. The County pays an annual premium to the fund for its workers compensation coverage. The County's agreement with the fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies reinsurance contracts.

(7) DEFINED BENEFIT PENSION PLAN

Employees of participating local governmental units are eligible to participate in the Maine Public Employees Retirement System (MainePERS/the System), formerly the Maine State Retirement System. MainePERS is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for teachers, state employees and the employees of participating local districts (PLDs).

Various full-time employees participate in the system, and benefits vest after 5 years of service. Employees who retire at or after age 60 with 10 years of service are entitled to an annual retirement benefit calculated based on the highest 3 years of service earnings. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

All participants are required to contribute 6.5% of their annual salary to the system. The County contributes the remaining amounts necessary to fund the system based on the amounts determined by the actuary in accordance with the statutes.

During 1994, the County elected to join the Participating Local District Consolidated Plan established by the system which was created to consolidate the existing separate plans of PLDs.

(7) DEFINED BENEFIT PENSION PLAN (Continued)

The funding rates for the prior three years were as follows:

	2011-12	2012-13	2013-14
Retirement benefits:			
Employer normal costs	7.5%	9.4%	10.9%
Unfunded actuarial costs	-3.1%	-4.1%	-4.4%
	4.4%	5.3%	6.5%
Disability costs	None	None	None
Survivor benefit costs	None	None	None
Contribution rate (as a percentage of payroll)	4.4%	5.3%	6.5%

The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the pension benefit obligation. Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information is not currently available from MainePERS as of December 31, 2013.

(8) OTHER POST-EMPLOYMENT BENEFITS

The County is a member of the Maine Municipal Employees Health Trust, which provides medical insurance to employees and retirees of municipalities in the state of Maine. The County provides insurance to retirees up to the age of 65. The County's Other Post-employment Benefit (OPEB) expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with generally accepted accounting principles. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortizes the unfunded actuarial liability over a period of 30 years. Based on the size of the County's workforce it is required to have a new actuarial valuation every three years. The most recent valuation was completed for the year ended December 31, 2011. The County's OPEB expense for 2011 was $144,397 and was equal to its ARC for the year.

The funded status of the plan as of December 31, 2011 was as follows:

Actuarial accrued liability	$1,241,737
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	$1,241,737

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new expectations are made about the future.

(8) OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

In the January 1, 2011 actuarial valuation the projected unit cost method was used. The assumptions included a 6% discount rate and a 3% payroll growth rate. Also, the actuarial assumption for the annual healthcare cost rate of 7.9% in one year reduced to an ultimate rate of 4% after 20 years.

(9) COMMITMENTS AND CONTINGENCIES

The County is exposed to various risks of loss related to torts; theft or damages to assets for which it carries commercial insurance. Settled claims, if any, resulting from these risks have not significantly exceeded commercial insurance coverage.

The County is the recipient of various grants which are subject to review and/or compliance audits by various authorities. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. In the opinion of management, there are no such amounts that will be disallowed as of December 31, 2013.

(10) PRIOR PERIOD ADJUSTMENTS

The Governmental Activities' net position as of January 1, 2013 has been restated to correct the liability for compensated absences that was recognized at December 31, 2012. The result was a decrease in the beginning net position of $112,802.

The General Fund's fund balance has also been restated as of January 1, 2013 to reclassify an amount recognized as a liability in the prior year financial statements. Management has set aside funds for future payments of compensated absences and historically recognized this amount as a liability. This amount has been reclassified as an assignment of fund balance in the accompanying financial statements.

(11) SUBSEQUENT EVENTS

Management has reviewed subsequent events through June 18, 2014, the date that these financial statements were available to be issued and determined that no additional adjustments or disclosures are required in order for these financial statements to be fairly stated.

COUNTY OF AROOSTOOK, MAINE

SCHEDULE 1

BUDGETARY COMPARISON
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Resources (Inflows)				
Municipal tax revenue	$ 2,943,281	$ 2,943,281	$ 3,044,151	$ 100,870
Federal and state assistance	-	-	-	-
Registry of deeds and probate	819,800	819,800	649,847	(169,953)
Intergovernmental revenues	223,447	223,447	188,624	(34,823)
Service fees	289,352	289,352	295,470	6,118
Interest income	7,000	7,000	8,446	1,446
Other revenues	67,850	67,850	67,017	(833)
Surplus	93,750	93,750	-	(93,750)
Amounts available for appropriation	4,444,480	4,444,480	4,253,555	(190,925)
Charges to appropriations (Outflows)				
Emergency management	112,845	112,845	101,124	11,721
Administration	876,807	876,807	672,811	203,996
Public safety	204,750	204,750	196,676	8,074
Operation of courts	820,793	820,793	778,566	42,227
Registry operations	608,690	608,690	566,196	42,494
Law enforcement	1,371,902	1,371,902	1,427,098	(55,196)
Fire marshal	9,500	9,500	9,236	264
Outside requests	228,862	228,862	228,862	-
Capital outlays	210,331	210,331	278,728	(68,397)
Total charges to appropriations	4,444,480	4,444,480	4,259,297	185,183
Excess of resources (under) charges to appropriations	$ -	$ -	(5,742)	$ (5,742)
FUND BALANCE - January 1, 2013, as originally stated			1,812,239	
PRIOR PERIOD ADJUSTMENT			67,013	
FUND BALANCE - January 1, 2013, as restated			1,879,252	
FUND BALANCE - December 31, 2013			$ 1,873,510	

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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*

To the Board of Commissioners of the
County of Aroostook, Maine

We have audited the financial statements of the governmental activities and each major fund of the County of Aroostook, Maine as of and for the year ended December 31, 2013, which collectively comprise the County of Aroostook's basic financial statements and have issued our report thereon dated June 18, 2014. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County'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's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or 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.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described below that we consider to be a significant deficiency.

To the Board of Commissioners of the
County of Aroostook, Maine

The size of the County imposes practical limitations on the establishment of those internal control structure policies and procedures that depend on segregation of duties. One individual signs checks and is also responsible to record journal entries and reconcile the bank account. Failure to segregate these duties could lead to unintentional errors in cash or the misuse of cash without being detected in the normal course of business.

County of Aroostook's Response to Findings

The County's response to the above mentioned finding is that management has segregated duties to the extent it considers feasible for the size of its office staff. It has also implemented various compensating controls in order to minimize its risk.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Felch & Company LLC

Felch & Company, LLC
June 18, 2014

Chester M. Kearney
Certified Public Accountants

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Herman Belanger, CPA
Steve E. Bird, CPA
Paul J. Callnan, CPA
Barbara D. McGuire, CPA
Timothy P. Poitras, CPA

Please Reply to
Presque Isle

November 20, 2013

To the Commissioners
County of Aroostook, Maine

We have audited the financial statements of the County of Aroostook-Jail Operations Fund for the year ended June 30, 2013 and have issued our report thereon dated November 20, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter and contract dated November 19, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Aroostook-Jail Operations Fund are described in Note 1 to the financial statements. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no particularly sensitive estimates affecting the financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no disclosures that were noted to be more sensitive than any others.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit other than those that are trivial, and communicate them to the appropriate level of management. No misstatements were noted during the audit and no adjusting entries were proposed.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 20, 2013.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the County Commissioners and management of the County of Aroostook and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Herman Belanger, CPA

Chester M. Kearney, PA

Chester M. Kearney
Certified Public Accountants

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To the Management of the
County of Aroostook, Maine

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the County of Aroostook, Maine Jail Operations Fund, as of and for the year ended June 30, 2013, and the related notes to the 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County of Aroostook, Maine Jail Operations Fund as of June 30, 2013, and the changes in its net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Jail Operations Fund and do not purport to, and do not, present fairly the financial position of the County of Aroostook as of June 30, 2013, and the changes in its financial position, or, where applicable, its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Chester M. Kearney

Presque Isle, Maine
November 20, 2013

COUNTY OF AROOSTOOK, MAINE

JAIL OPERATIONS FUND

BALANCE SHEET

JUNE 30, 2013

ASSETS

ACCOUNTS RECEIVABLE	
Due from General Fund	20,615
	20,615
Future commitment from County/Department of Corrections for accrued sick leave and vacation	30,829
TOTAL ASSETS	51,444

LIABILITIES AND FUND BALANCE

LIABILITES	
Accrued sick leave	17,384
Accrued vacation	13,445
TOTAL LIABILITIES	30,829
FUND BALANCE	
Assigned	20,615
TOTAL LIABILITIES AND NET ASSETS	51,444

See notes to financial statements

COUNTY OF AROOSTOOK, MAINE

JAIL OPERATIONS FUND

STATEMENT OF REVENUES AND EXPENDITURES

YEAR ENDED JUNE 30, 2013

	BUDGET	ACTUAL	VARIANCE
CASH EXPENDITURES			
Personnel and benefits			
Salaries and wages	1,176,830	1,305,331	(128,501)
Holiday and overtime pay	356,000	412,637	(56,637)
Fringe benefits	541,726	580,684	(38,958)
	2,074,556	2,298,652	(224,096)
Professional fees	438,433	429,999	8,434
Travel expenses	7,050	9,087	(2,037)
Vehicle expenses	30,000	38,684	(8,684)
Utilities/Fuel	157,900	158,301	(401)
Rent expense	41,000	40,618	382
Repairs and maintenance	90,010	90,055	(45)
Insurance	51,650	53,482	(1,832)
Interest expense	8,000	3,946	4,054
Training and education	3,000	3,866	(866)
Food	158,600	186,871	(28,271)
Supplies	92,150	104,916	(12,766)
Uniforms	8,300	12,274	(3,974)
Miscellaneous	4,950	4,702	248
Equipment and capital improvements	-	-	-
	3,165,599	3,435,453	(269,854)
REVENUE			
State of Maine Community Corrections Funds	298,138	298,138	-
Board of Corrections	465,760	754,760	289,000
Community based programs	74,535	74,535	-
Support of prisoners	10,500	11,969	1,469
	848,933	1,139,402	290,469
Budgeted municipal taxes	2,316,666	2,316,666	
	3,165,599	3,456,068	290,469
Fund Balance-July 1, 2012	-	-	-
Fund Balance-June 30, 2013	-	20,615	20,615

COUNTY OF AROOSTOOK, MAINE

JAIL OPERATIONS FUND

NOTES TO FINANCIAL STATEMENTS

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenues and expenses of the Jail Operations Fund are included as part of the County of Aroostook's general fund. As of January 2009, the State of Maine Board of Corrections took control of the administration of the jail operations from each county statewide. The counties are still responsible for the cost of operations and retain title to all facilities.

Revenue is provided by funds from the State of Maine, budgeted municipal taxes paid to the county and inmate funds. Any expenditures over revenues are currently made up from additional general fund revenues or additional payments from the State of Maine Board of Corrections. Through June 30, 2010, management continued to report jail operations transactions as part of the County of Aroostook general fund. As of July 1, 2010, a separate governmental fund was established for the jail operations.

The preceding financial statement is intended to satisfy reporting requirements of the State of Maine Board of Corrections for the year ended June 30, 2013. For complete financial information regarding the Jail Operations Fund and the County of Aroostook, Maine, readers should refer to the government-wide financial statements of the County of Aroostook.

Basis of Accounting

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. 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. Property taxes, interest income and inter-governmental revenues and grants are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds from general long-term debt are reported as other financing sources.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported accounts and disclosures. Accordingly, actual results could differ from those estimates.

Tax uncertainties

The Jail Operations Fund is not subject to income tax and payroll tax returns are filed by the County of Aroostook as a whole. As a result it has no tax returns subject to examination and has not made any provision for tax uncertainties.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

Fund Balance

The County has adopted, the Governmental Accounting Standards Board (GASB) Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*.

Statement No. 54, among many other changes, establishes a fund balance hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Prior to the adoption of GASB #54 the County reported fund balance as either reserved or unreserved. The unreserved category was further broken down as designated or undesignated. Under the new reporting format, fund balance is reported as follows:

- Nonspendable-Items that are either not in spendable form or legally or contractually required to remain intact.
- Restricted fund balance-Resources that have constraints imposed by either creditors, grantors, contributors or laws and regulations of other governments; or amounts that have very stringent conditions imposed by external parties or law.
- Unrestricted fund balance-Has 3 components;
    - Committed fund balance - Amounts with internally imposed restrictions mandated by the government's highest level of decision making authority which require action from that authority to be redeployed.
    - Assigned fund balance - Amounts that are constrained by the government's intent that they will be used for specific purposes. Decision making authority with respect to these amounts lies with a committee or other government official but not the highest level authority.
    - Undesignated fund balance - This is the residual balance of the general fund which represents the remaining fund balance after allocation to the other fund balance categories. It reflects resources that are available for further appropriation and expenditure for general governmental purposes.

(2) ACCOUNTS RECEIVABLE

Accounts receivable consists mostly of amounts due from the State of Maine Board of Corrections and are considered to be fully collectible by management.

(3) COMPENSATED ABSENCES

County employees are granted vacation and sick leave in varying amounts. Upon termination, an employee is paid the full amount of accumulated vacation and either 25% or 50% of sick leave not taken. By agreement, the State of Maine Board of Corrections will cover expenditures over revenues.

(4) SUBSEQUENT EVENTS

Management has evaluated for subsequent events through November 20, 2013, the date the financial statements were available to be issued. No subsequent events have occurred and none have been disclosed.

UNORGANIZED TERRITORY
PUBLIC WORKS DEPARTMENT
2013 Annual Report

On behalf of the citizens and organizations of the Unorganized Territory of Aroostook County, it is my pleasure to submit the 2013 Annual Report for the County of Aroostook's Public Works Department. This Department oversees a majority of services that are provided to the residents of Aroostook County's Unorganized Territory, which spans over 2.5 million acres, easily the largest county in the State of Maine. These services include; road maintenance, snow removal, solid waste removal, E-911 addressing, road sign maintenance, law enforcement, ambulance service, fire protection, and minimal animal control. Once again, I must thank all of our dedicated service providers, contractors, municipalities, and other professionals for their continued service and commitment to the residents of Aroostook County's unorganized territory. Annually, 65-70 service contracts/agreements are secured in order to provide the above mentioned services.

As one would expect, road maintenance is the most costly service that we provide to our residents. As a comparison, with relation to a FY13 budget of just over $1.3 million, all road related projects (snow removal, normal maintenance, and capital projects) encompass nearly 60% (over $750,000) annually. At times, some projects, especially larger ones which can be very costly, completing them in phases over a two (2) to three (3) year period allows the Public Works Department to operate within its budgeted capacity. One must also bear in mind that all normal maintenance projects such as; grading, ditching, patching, sweeping, mowing, debris removal, etc., are all part of a typical maintenance season.

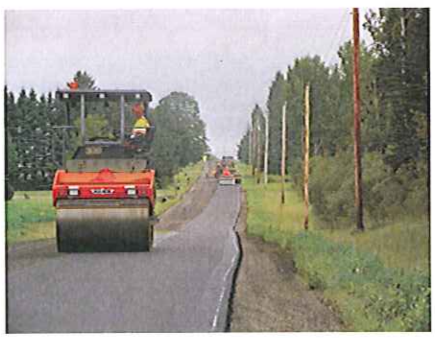
2013 road projects completed or in progress:

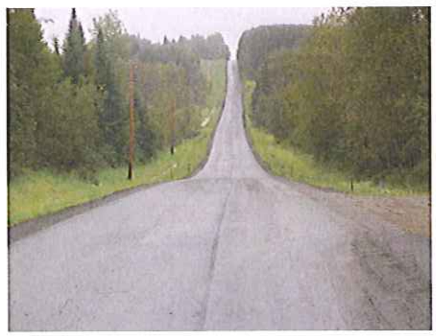
- Area One (Southern Aroostook) – Aroostook and Sweeney Roads: Nearly 1,000 yards of screened gravel was applied and graded on various portions of the fourteen (14) mile Aroostook Road which is the major connector between Benedicta and US Route 2. Over 2,200 feet of pavement was reclaimed and reintroduced on the Sweeney Road, followed by a complete ditching process, along with four (4) cross culvert projects involving either replacement or resetting. Further road surface rehabilitation and pavement application is scheduled for 2014.

- Area Two (Northern Aroostook) – West Gate, Haney, and E-Plantation Roads: As part of a two (2) year project, final rehabilitation work was completed on the West Gate Road followed by new pavement application on over 6,500 feet of road surface. Major ditching and rock lining was completed on over 5,000 feet of the Haney Road. Plans for 2014 include major road rehabilitation and layout in preparation for a pavement overlay. The E-Plantation Road received some initial ditching as part of a major Capital project. This project is scheduled to entail major rehabilitation to over three (3) miles of roadway, with an eventual pavement overlay. It is expected that this project will span over a three (3) year period.

This past year was the completion of this department's *"5 Year Capital Improvement Plan"*. Over this period, over fourteen (14) miles of roadway has been rehabilitated on eleven (11) various roads in Aroostook County. Total expenditures for these capital projects were nearly $1.1 million dollars.

As always, I must thank the great support staff at the County Commissioners Office. We are challenged daily with the task of overseeing the largest county east of the Mississippi, and take great pride in what we do. It is truly my pleasure serving the residents of Aroostook County.





WESTGATE ROAD PAVING PROJECT - 2013

Respectfully submitted,
Paul Bernier
Public Works Director

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October 7, 2013

Unorganized Territories Fund
144 Sweden Street, Suite 1
Caribou, ME 04736

I have been engaged to audit the financial statements of the Unorganized Territories Fund for the year ended June 30, 2013.

My professional standards require that I communicate at least annually with you in order to provide you additional information regarding the scope and results of my audit that may assist you in overseeing the financial reporting and disclosure process for which management is responsible.

Management is responsible for the fair presentation of the financial statements. Following my letter is the letter detailing management's representations to me during my audit.

My responsibility, in expressing my opinion on your financial statements, included consideration of the following:

Significant Accounting Policies

I have considered the selection and application of the significant accounting policies summarized in the accompanying notes to financial statements.

Management Judgments and Estimates

My audit procedures and tests provided a basis for determining the reasonableness of the accounting estimates and management's judgments used in the preparation of the financial statements.

Audit Adjustments

Any significant audit adjustments that I made were for the purpose of the fair presentation of your financial statements. There were no significant journal entries required.

There was one uncorrected misstatements that, in the aggregate, management believes are not material. See attached.

Other Information in Documents Containing Audited Financial Statements

Other information in documents that include the audited financial statements is the responsibility of management.

118 ACADEMY ST. PRESQUE ISLE, ME 04769-0628 207-762-6084 / FAX 207-764-3612
37 BANGOR ST HOULTON, ME 04730 207-532-1089 / FAX 207-532-7839

Disagreements with Management

There were no significant disagreements with management concerning applicability of accounting principles, scope of engagement, or wording of the audit report.

Consultation with Other Accountants

I am not aware of any management consultation with other accountants concerning the applicability of accounting principles, scope of engagement, or wording of the audit report.

Major Issues Discussed with Management Prior to Retention

There were no major issues discussed with management regarding the applicability of accounting principles and audit standards as part of the auditor retention process.

Difficulties Encountered in Performing the Audit

There were no significant matters regarding availability of your personnel and provision of information that would have impeded the audit process.

This communication is intended solely for the audit committee and the board of directors, and, if appropriate, management, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Davis, Gates & Alward CPA's

Davis, Gates & Alward, CPAs, P.A.

DGA CPA

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INDEPENDENT AUDITOR'S REPORT

To the Management of the
Unorganized Territories' Fund

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Unorganized Territories' Fund as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town'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.

Auditor's 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 the 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 presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Unorganized Territories' Fund, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters

Accounting principles generally accepted in the United States of America require that the schedules on pages 19 thru 22 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Unorganized Territories' Fund's financial statements as a whole. The supplementary schedules are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedules 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2013, on our consideration of the Unorganized Territories' Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Unorganized Territories' Fund's internal control over financial reporting and compliance.

Davis, Gates & Alward CPA's

Presque Isle, ME
October 7, 2013

UNORGANIZED TERRITORIES' FUND

Management's Discussion & Analysis

As management of the Unorganized Territories, Maine, we offer readers of the Unorganized Territories financial statements this narrative overview and analysis of the financial activities of the Unorganized Territories for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented in conjunction with the basic financial statements.

FINANCIAL HIGHLIGHTS

- Total assets of the Unorganized Territories exceed liabilities by $1,712,269. which represents the total net position of the Territories.
- The ending fund balance for all governmental funds (which includes the special revenue funds) was $393,776. This is a $3,450 decrease from the prior year total.
- The General Fund reports a fund balance of $393,390 which represents 21% of annual general fund expenditures.

USING THIS ANNUAL REPORT

The Unorganized Territories' financial statements are comprised of a series of statements. The Statement of Net Position and the Statement of Activities provide an overview of the government as a whole and its activities. The Fund Financial Statements, which begin immediately after the Statement of Activities, provide a more detailed look at the governmental funds. Next are the notes to the financial statements, which provide information essential to a complete understanding of the data provided. Following the notes are the combining and individual fund schedules, including non-major governmental funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements present financial information in two statements - the Statement of Net Position and the Statement of Activities. These statements provide an overview of the government as a whole (similar to private-sector statements). All of the current year's revenues are taken into account regardless of when cash is received.

The Statement of Net Position provides a picture of the difference between assets and liabilities, which is called Net Position. The Statement of Activities provides a look at how the net position has changed from the prior year to the current year. Increases or decreases in net position can show whether the Territories is improving or deteriorating. In the statement of Net Position and the Statement of Activities, activities are classified as follows:

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both of the government-wide financial statements distinguish functions of the Territories that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government-wide financial statements can be found on pages 7 and 8 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts which is used to maintain control over resources which have been segregated for specific activities or objectives. The Unorganized Territories, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

The Fund Financial Statements provide details of the Territories most significant funds, not the Territories as a whole. These statements begin immediately after the Statement of Activities. Some funds are required to be established by state law and by bond covenants, however, management establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain grants and other money.

Governmental funds - Most of the Territories' basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end which are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets which can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Territories' operations and the basic services it provides. Governmental funds information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Territories' programs. The Territories adopt an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 19 to 20 of this report.

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 fund financial statements. The notes to the financial statements can be found on pages 12 to 18 of this report.

Other Information - In addition to the basic financial statements and accompanying notes, this report also presents the combining statements referred to earlier in connection with non-major governmental funds. Combining and individual fund statements and schedules can be found on pages 21 and 22 of this report.

THE TERRITORIES AS A WHOLE -STATEMENT OF NET POSITION and STATEMENT OF ACTIVITIES

The following information is a condensed version of the Statement of Net Position. The analysis below focuses on the net position of the Territories' governmental activities.

	2013	2012
Current and other assets	$ 433,073	$ 441,392
Capital assets	1,348,493	1,382,248
Total assets	1,781,566	1,823,640
Current liabilities	59,298	64,168
Capital lease payable	10,000	30,000
Total liabilities	69,298	94,168
Net Assets		
Invested in Capital Assets, net of related debt	1,318,493	1,332,248
Reserved for designated future use	322,255	336,916
Unrestricted	71,521	60,309
Total net position	$ 1,712,269	$ 1,729,473

The following summarizes the changes in net position of the Territories governmental activities:

	2013	2012
Revenue:		
Property tax		
Local taxes	$ 973,192	$ 953,164
County taxes	611,156	577,198
State assistance	113,317	123,370
Other revenues		
Excise	236,829	203,326
Interest	1,619	5,307
Other	40	623
Total revenues	1,936,153	1,862,988
Expenses:		
County tax	611,156	577,198
Roads	146,778	163,103
Public works	81,084	76,284
Public safety	35,545	34,272
Snow removal	277,321	277,223
Solid waste disposal	118,723	109,499
Fire protection	152,602	146,935
Ambulance services	25,949	25,223
Administration	61,509	60,920
Capital outlays	294,669	67,306
Other expenses	148,021	163,220
Total expenses	1,953,357	1,701,183
Change in net assets	$ (17,204)	$ 161,805

The Unorganized Territories net position for the governmental funds decreased by $17,204 during the fiscal year ended June 30, 2013.

The total cost of governmental activities was $1,953,357. However, many programs are subsidized by user fees, grants and contributions. Therefore, the ultimate cost to the taxpayers was $1,228,884 after taking into consideration the program revenues. See the Statement of Activities for greater detail.

FINANCIAL ANALYSIS OF THE TERRITORIES FUNDS

GOVERNMENTAL FUNDS

As noted earlier, the Unorganized Territories uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the Territories' governmental funds reported combined ending fund balances of $393,776, a decrease of $3,450 in comparison with the prior year. Approximately 20% of this total amount ($71,521) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been assigned to capital expenditures ($299,276), and future year's expenditures ($22,979).

The general fund is the chief operating fund of the Territories. At the end of the current fiscal year, unassigned fund balance of the general fund was $71,135, while total fund balance reached $393,390. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. The fund balance of the Territories' general fund decreased by $3,450 during the current fiscal year. Key factors in this increase are as follows:

- Excise tax revenue was $4,829 more than budgeted.
- The capital outlay account was underspent by $298,859
- The following expenses were over budget:
    - Public Works by $1,207
    - Public Safety by $56
    - Fire protection $$2,681
    - Other Expenses by $20,111

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year revenues were more than budgetary estimates by $48,304 and expenditures were less than budgetary estimates by $300,1623, thus eliminating the need to draw upon existing fund balance to the extent that was originally anticipated.

CAPITAL ASSETS

Governmental activities capital assets net of depreciation totaled $1,348,493 as of June 30, 2013, representing a $33,755 decrease from the prior year end. This is mainly due to depreciation of $56,516. There was also a purchase of a vehicle during the year. See financial statement note 3 for further details.

LONG-TERM LIABILITIES

In October 2009, the County of Aroostook entered into a lease/purchase agreement with the State of Maine Department of Transportation to lease real property in Stockholm. The terms of the agreement call for lease payments through July 2014, totaling $200,000. At any time prior to the end of the agreement, the County may exercise an option to purchase the property for $200,000 with all lease payments made being applied to the purchase price. At this time it is the intention of management to exercise the option at some point.

Half of this commitment has been allocated to the Unorganized Territories' Fund and the other half is being paid by the County's Emergency Management Agency through Federal grants. As of June 30, 2013, the Unorganized Territories' share of the outstanding liability was $30,000. Additional information can be found in note 7 on page 17.

CONTACTING THE TERRITORIES FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Territories finances and to show the Territories accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the County Commissioners, County of Aroostook, 144 Sweden Street, Suite 1, Caribou, ME 04736.

UNORGANIZED TERRITORIES' FUND

GOVERNMENT WIDE STATEMENT OF NET POSITION
JUNE 30, 2013

		GOVERNMENTAL ACTIVITIES
Assets		
Cash and cash equivalents	$	73,988
Accounts receivable		10,012
Due from County of Aroostook		349,073
Non-current capital assets		
Nondepreciable Land		74,900
Property, plant and equipment, net of accumulated depreciation		1,273,593
	$	1,781,567
Current liabilities		
Accounts payable	$	39,297
Capital lease payable		20,000
		59,298
Non-Current liabilities		
Capital lease payable		10,000
Net Position		
Investment in capital assets		1,318,493
Reserved for designated future use		322,255
Unrestricted		71,521
Total net position		1,712,269
	$	1,781,567

UNORGANIZED TERRITORIES' FUND

GOVERNMENT WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Functions / Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Governmental activities					
County tax	$ (611,156)	$ -	$ 611,156	$ -	$ -
Roads	(146,778)	-	60,736	-	(86,042)
Public works	(81,084)	-	-	-	(81,084)
Public safety	(35,545)	-	-	-	(35,545)
Snow removal	(277,321)	-	-	-	(277,321)
Solid waste disposal	(118,723)	-	-	-	(118,723)
Fire protection	(152,602)	-	-	-	(152,602)
Ambulance services	(25,949)	-	-	-	(25,949)
Administration	(61,509)	-	-	-	(61,509)
Capital outlays	(294,669)	-	-	-	(294,669)
Other	(148,021)	-	52,581	-	(95,440)
Total expenses	$ (1,953,357)	$ -	$ 724,473	$ -	(1,228,884)
			General revenues		
			Property taxes		973,192
			Excise tax revenues		236,829
			Investment income		1,619
			Other revenues		40
			Total revenues		1,211,680
			Change in net position		(17,204)
			Net position - July 1		1,729,473
			Net position - June 30		$ 1,712,269

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	Governmental Fund General	Non-Major Special Revenue Fund	Totals
Assets			
Cash	$ 73,602	$ 386	$ 73,988
Accounts receivable	10,012	-	10,012
Due from other governments	349,073	-	349,073
	$ 432,687	$ 386	$ 433,073
Liabilities			
Accounts payable	$ 39,297	$ -	$ 39,297
	39,297	-	39,297
Fund Balance:			
Assigned	322,255	-	322,255
Unassigned	71,135	386	71,521
Total fund balance	393,390	386	393,776
	$ 432,687	$ 386	$ 433,073

Total fund equity as noted above:	$ 393,776
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 and related debt:	1,318,493
Total net position of governmental activities	$ 1,712,269

UNORGANIZED TERRITORIES' FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Fund General	Special Revenue Fund	Totals
Revenues			
Property taxes	$ 1,584,348	$ -	$ 1,584,348
Investment income	1,619	-	1,619
Excise tax	236,829	-	236,829
State assistance	113,317		113,317
Other revenues	40	-	40
Total revenues	1,936,152	-	1,936,152
Expenditures			
County tax	611,156	-	611,156
Roads	121,415	-	121,415
Public works	81,084	-	81,084
Public safety	35,545	-	35,545
Snow removal	277,321	-	277,321
Solid waste disposal	118,723	-	118,723
Fire protection	135,262	-	135,262
Ambulance services	25,949	-	25,949
Administration	61,509	-	61,509
Capital Outlays	337,430	-	337,430
Other	134,208		134,208
Total expenditures	1,939,602	-	1,939,602
Change in Fund Balance	(3,450)	-	(3,450)
Fund Balance - July 1	396,839	386	397,225
Fund Balance - June 30	$ 393,389	$ 386	$ 393,775

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, 2013

Net changes in fund balances - all governmental funds (page 10)	$	(3,450)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. The amount of capital assets recorded is as follows:		21,133
Depreciation expense		(56,516)
Repayment of long-term capital lease is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position		20,000
Gain on disposal of equipment		1,628
Change in net position of governmental activities (page 8)	$	(17,205)

NOTES TO FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Unorganized Territories' Fund of the County of Aroostook provides various services to the Territories residents. The Municipality operates under the Manager – Selectmen form of government. The Territories' major operations include the payment of Territories' tax and maintenance of roads.

The financial statements of the Territories have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The financial statements of the Territories consist of all funds of the Territories and government entities that are considered to be controlled by or dependent on the Territories. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board. The Territories have no entities that are controlled or dependent on the Territories.

Government-wide and Fund financial statements

The government-wide financial statements (i.e. statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Territories (the primary government) and its component units. For the most part, the effect of inter-fund activity has been removed from these financial statements. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Territories have elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

Separate statements are provided for government funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Measurement Focus / Basis of Accounting / Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds, a fiduciary fund type, have no measurement focus. Revenues, except for property taxes, are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the 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 period. Expenditures, other than principal and interest on long-term debt, are recorded when the related fund liability is incurred, if measurable. Principal and interest on general long-term debt is recognized when due and certain compensated absences and claims and judgments are recognized when the obligations are due and payable.

The revenues susceptible to accrual are property taxes and interest income. All other governmental fund revenues are recognized when received and are recognized as revenue at that time.

The Territories report the following major governmental fund:

The *general fund* is the Territories' main operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Other governmental funds are:

Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Territories' proprietary fund (if applicable) and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program, 2) operating or capital grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Budgets

An operating budget is adopted each year for the general fund on the same modified accrual basis used to reflect actual revenues and expenditures. Special revenue funds do not have legally adopted budgets, but administratively approved project budgets.

Deposits and investments

The Territories 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.

State statutes authorize the Territories to invest in obligations of the U.S. government, its agencies and instrumentalities, and other state 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.

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Short-term inter-fund receivables/payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the combined balance sheet.

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 if actual historical is not available. Infrastructure assets capitalized have an original cost of $50,000 or more. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Repairs and maintenance are recorded as expenses.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives. Estimated useful lives are as follows:

Buildings	40 years
Building improvements	20-30 years
Equipment	5-15 years
Vehicles	5-15 years

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances represent tentative plans for future use of financial resources.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories list below.

1. *Nonspendable,* such as fund balance associated with inventories, prepaids, long-term loans and notes receivable, and property held for resale (unless the proceeds are restricted, committed, or assigned),

2. *Restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation,

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Fund Equity – (cont'd)

3. *Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Directors (the district's highest level of decision-making authority),

4. *Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed, and

5. *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications

Net Position

Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Unorganized Territory Fund or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

2. CASH AND INVESTMENTS

Custodial credit risk: Custodial credit risk is the risk that in the event of a bank failure, the Territories' deposits may not be returned to it. The Territories deposits were partly covered by Federal Depository Insurance Corporation (FDIC) and by a collateral pledge agreement with Katahdin Trust Company.

The Unorganized Territories' cash is categorized to give an indication of the level of risk assumed by the Unorganized Territories at year end. These categories are defined as follows:

Category #1 – Insured or collateralized with securities held by the Unorganized Territories or by its agent in the Unorganized Territories' name.
Category #2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the Unorganized Territories' name.
Category #3 – Uncollateralized, which includes any bank balance that is collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Unorganized Territories' name.

At June 30, 2013, the Unorganized Territories' funds were on deposit with the bank listed below:

Bank-Type of Account	Carrying Amount	Bank Balance	Category #1	#2	#3
Katahdin Trust Company Checking - General	$ 26,495	$ 27,534	$ 27,534	$ -	
Katahdin Trust Company ICS	$ 47,493	$ 147,493	$ 147,493		

3. PROPERTY AND EQUIPMENT

Capital asset activity for the fiscal year ended June 30, 2013 is as follows:

	Balance July 1	Additions	Deletions	Balance June 30
Non-depreciable Assets:				
Land	$ 74,900	$ -	$ -	$ 74,900
Depreciable Assets:				
Land improvements	4,755	-	-	4,755
Building and contents	253,150	-	-	253,150
Vehicles	282,815	-	-	282,815
Equipment	161,004	-	-	161,004
Infrastructure	1,014,511	-	-	1,014,511
	1,791,135	-	-	1,791,135
Accumulated Depreciation:				
Land improvements	1,110	158	-	1,268
Building and contents	62,126	6,060	-	68,186
Vehicles	126,856	13,979	(8,643)	132,192
Equipment	100,759	10,956	-	111,715
Infrastructure	118,036	25,363	-	143,399
	408,887	56,516	(8,643)	456,760
Net book value	$ 1,382,248	$ (56,516)	$ 8,643	$ 1,334,375

Depreciation expense was charged to governmental activities as follows:

Roads	$ 25,363
Fire protection	17,340
Other	13,813
	$ 56,516

4. RELATED PARTY TRANSACTIONS

The County of Aroostook administers the everyday operations of the Unorganized Territories of Aroostook County, Maine. The County oversees the maintenance of roads and bridges, snow removal, solid waste disposal, fire and ambulance protection, and other needs of the residents of the Unorganized Territories. The County also maintains the accounting records for the Unorganized Territories. The Unorganized Territories pays the County an annual administration fee for these services. For the year ended June 30, 2013, the Unorganized Territories paid the County of Aroostook $61,509 for these services.

Occasionally, the Unorganized Territories and County of Aroostook loan monies to one another. As of June 30, 2013, there was $349,073 due from the County of Aroostook.

5. EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

	Excess
Public works	$ 1,207
Public safety	56
Fire protection	2,681
Other	20,111

6. JOINT VENTURES

The Northwestern Aroostook County Septage Board is owned jointly by the Municipalities of Ashland, Portage Lake, Masardis, Oxbow, Garfield, Nashville and The Unorganized Territories of Aroostook County, Township 11, Range 4, and Township 10, Range 4.

The facility is administered by a seven-member board of representatives from each community. The board is responsible for establishing the facility's annual budget and overseeing its operation.

The Organization issues an audited financial statement biannually. The latest financial statements are not available as of the date of this report. Information concerning the financial information can be obtained by contacting Northwestern Aroostook County Septage Board.

As of June 30, 2013 the Unorganized Territories Fund owned 1.53% of the assets and liabilities of the Organization. With 1.53% ownership the Unorganized Territories' Fund's investment in this venture is $3,099. Because this amount is immaterial in nature and an audited financial statement is not received on a regular basis, management has elected not to record this investment on the Unorganized Territories' Fund's financial statements.

7. CAPITAL LEASE LIABILITY

On October 8, 2009, the County of Aroostook entered into an agreement with the State of Maine Department of Transportation to lease real property in Stockholm, Maine. The agreement called for lease payments totaling $200,000 through July 1, 2014. The County has an option to purchase the building for $200,000 at any time during the agreement with all prior payments being credited to the purchase price. There is no interest associated with this agreement.

Management has stated that ½ of the payments will be made by the Unorganized Territories' fund and the other ½ by the Emergency Management Agency of the County with Federal grant funds received by the agency.

Future minimum lease payments payable by the Unorganized Territories are as follows:

July 1, 2013	20,000
July 1, 2014	10,000
	$ 30,000

8. ASSIGNED FUND BALANCES

At June 30, 2013, assigned fund balance consisted of the following:

Capital reserves	
Road/Bridge maintenance	$ 179,986
Pavement resurface	41,775
Dry hydrant	4,177
911-E program	2,592
Cemetery improvement	3,944
T17R5 fire building	4,088
T17R4 transfer station	4,452
T17R4 fire building repair	2,624
T17R4 & 5 fire equipment	22,280
DECD administration	600
E Plantation bridge	20,000
Vehicle	-
Connor recreation park	3,846
Computer	856
Community signs	3,848
Sinclair community building	1,818
Grant match	2,169
Vehicle - Fire department	-
Stockholm facility roof	221
	299,276
Contingent account	21,327
Animal control	1,652
Total	$ 322,255

9. SUBSEQUENT EVENTS

Management has evaluated subsequent events for the period July 1, 2013 through October 7, 2013 for any possible disclosures. See the Management Discussion and Analysis letter for repayment of amount due from the County of Aroostook. This is not however, when the financial statements were issued.

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2013

	Original	Budget Adjustments	Final	Actual	Variance Favorable (Unfavorable)
Revenues					
Property taxes					
Local taxes	$ 973,192	$ -	$ 973,192	$ 973,192	$ -
County taxes	611,156	-	611,156	611,156	-
State assistance					
Local road assistance	62,000	-	62,000	60,736	(1,264)
Snowmobile	1,500	-	1,500	52,581	51,081
Other revenues					
Excise	232,000	-	232,000	236,829	4,829
Interest	7,000	-	7,000	1,619	(5,381)
Other	1,000	-	1,000	40	(960)
Total revenues	1,887,848	-	1,887,848	1,936,152	48,304
Expenditures					
County tax	611,156	-	611,156	611,156	-
Roads	130,000	-	130,000	121,415	8,585
Public works	79,877	-	79,877	81,084	(1,207)
Public safety	35,489	-	35,489	35,545	(56)
Snow removal	283,095	-	283,095	277,321	5,774
Solid waste disposal	121,007	-	121,007	118,723	2,284
Fire protection	132,581	-	132,581	135,262	(2,681)
Ambulance services	34,664	-	34,664	25,949	8,715
Administration	61,509	-	61,509	61,509	-
Capital outlays	636,289	-	636,289	337,430	298,859
Other	114,097	-	114,097	134,208	(20,111)
Total expenditures	2,239,764	-	2,239,764	1,939,602	300,162
Net Change in Fund Balance	$ (351,916)	$ -	$ (351,916)	(3,450)	$ 348,466
Fund Balance - July 1				396,839	
Fund Balance - June 30				$ 393,389	

SCHEDULE OF OTHER EXPENDITURES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Budget	Actual	Variance Favorable (Unfavorable)
Public Safety			
Public safety coordinator	$ 30,115	$ 30,059	$ 56
E.M.A. support services	5,374	5,486	(112)
	$ 35,489	$ 35,545	$ (56)
Other			
Street lights	$ 11,605	$ 9,840	$ 1,765
Cemeteries	3,100	3,045	55
Snowmobile trails	1,500	52,555	(51,055)
Polling places	6,380	6,380	-
Recreation	9,380	6,271	3,109
Senior citizens	16,651	13,635	3,016
Fish River Lakes Assn.	500	500	-
Libraries	800	800	-
So. Aroostook Soil / Water Dist.	150	150	-
St. John Soil / Water Dist.	350	350	-
N.M.D.C.	9,949	9,949	-
Audit	3,080	3,080	-
R.C. & D.	165	165	-
Acadian heritage council	100	100	-
Animal Control	5,500	3,848	1,652
Insurances	3,000	3,000	-
Waste pick-up day	3,146	3,126	20
Bread of life kitchen	850	850	-
Federal/State County programs	16,564	16,564	-
Contingency	21,327	-	21,327
	$ 114,097	$ 134,208	$ (20,111)

UNORGANIZED TERRITORIES' FUND

BALANCE SHEET - ALL NON-MAJOR FUNDS
JUNE 30, 2013

	Special Revenue Fund Septic Grant
Assets:	
Cash	$ 386
Fund Balance:	
Unassigned	$ 386

UNORGANIZED TERRITORIES' FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - ALL NON-MAJOR FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Fund Septic Grant
Revenues	
State assistance	$ -
Expenditures	
Septic systems	-
Net change in fund balance	-
Fund balance - July 1	386
Fund balance - June 30	$ 386

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INDEPENDENT AUDITOR'S 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*

To the Management of the
Unorganized Territories' Fund

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 Unorganized Territories' Fund, as of and for the year ended June 30, 2013, and the related notes to the financial statements.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Unorganized Territories' Fund's internal control over financial reporting 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 Unorganized Territories' Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of Unorganized Territories' Fund'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.

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 noted no deficiencies in internal control that we consider to be material weaknesses. However, other material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Unorganized Territories' Fund'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.*

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.

Davis, Gates & Alward CPA's

Presque Isle, Maine
October 7, 2013

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County Administrator		(207) 493-3318
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County Treasurer		Cell - (207) 227-3291
Fax – (207) 493-3491	E-mail -	bdmccrum@hotmail.com
District Attorney		(207) 498-2557
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District Court - Madawaska		(207) 728-4700
District Court - Presque Isle		(207) 764-2055
District Court - Houlton		(207) 532-2147
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- Fort Kent		(207) 834-3925
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Superintendent of Buildings – Houlton		(207) 532-1509
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	E-mail -	dan@aroostook.me.us
Superior Court - Caribou		(207) 498-8125
Superior Court - Houlton		(207) 532-6563