

Federal Compliance Audit

County of Kennebec, Maine

June 30, 2025



COUNTY OF KENNEBEC, MAINE
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INDEPENDENT AUDITOR'S REPORT

County Commissioners
County of Kennebec
Augusta, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Kennebec, Maine, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Kennebec, Maine, as of June 30, 2025 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County of Kennebec, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County of Kennebec, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit 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 County of Kennebec, Maine's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the County of Kennebec, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension and OPEB information on pages 5 through 12 and 60 through 67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Kennebec, Maine's basic financial statements. The combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and is also not a required part of the basic financial statements.

In our opinion, the combining and individual nonmajor fund financial statements, capital asset schedules and schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2026 on our consideration of the County of Kennebec, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Kennebec, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
February 13, 2026

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

(UNAUDITED)

The following management's discussion and analysis of the County of Kennebec, Maine's financial performance provides an overview of the County's financial activities for the year ended June 30, 2025. Please read it in conjunction with the County's financial statements.

Financial Statement Overview

The County of Kennebec, Maine's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, pension and OPEB schedules and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the County's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the County's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

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

Both of the above-mentioned financial statements have one column for the County's activity. The type of activity presented for the County of Kennebec, Maine is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the County's basic services are reported in governmental activities, which include superior court, county commissioners, county treasurer, finance, registry of deeds, registry of probate, emergency management agency, sheriff, jail, district attorney, facilities management, information technology, employee benefits, insurance, other and program expenses.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County of Kennebec, Maine, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the County of Kennebec, Maine are either governmental or fiduciary funds.

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

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

The County of Kennebec, Maine presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The County has three major governmental funds: the general fund, the jail fund and the ARPA grant fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Changes in Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Jail Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pensions, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds and capital asset activity.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the County's governmental activities. The County's total net position increased by \$1,804,497 from a deficit balance of \$2,685,112 to a deficit balance of \$880,615.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased to a deficit balance of \$10,116,324 at the end of this period.

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

	2025	2024 (Restated)
Assets:		
Current Assets	\$ 8,940,904	\$ 14,145,708
Noncurrent Assets - Capital Assets	7,111,313	5,970,543
Total Assets	16,052,217	20,116,251
Deferred Outflows of Resources:		
Deferred Outflows Related to Pensions	2,033,784	1,392,646
Deferred Outflows Related to OPEB	662,013	822,595
Total Deferred Outflows of Resources	2,695,797	2,215,241
Liabilities:		
Current Liabilities	1,902,574	1,242,806
Noncurrent Liabilities	10,764,558	10,696,820
Total Liabilities	12,667,132	11,939,626
Deferred Inflows of Resources:		
Deferred Revenue	3,712,793	10,616,998
Deferred Inflows Related to Pensions	350,115	441,093
Deferred Inflows Related to OPEB	2,898,589	2,018,887
Total Deferred Inflows of Resources	6,961,497	13,076,978
Net Position (Deficit):		
Net Investment in Capital Assets	7,111,313	5,970,543
Restricted	2,124,396	2,060,120
Unrestricted (Deficit)	(10,116,324)	(10,715,775)
Total Net Position (Deficit)	\$ (880,615)	\$ (2,685,112)

Revenues and Expenses

Revenues increased by 27.82% and expenses increased by 11.59% over the prior period. The largest increases in revenues were in operating grants and contributions and taxes. The largest increases in expenses were in jail and program expenses.

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

	<u>2025</u>	<u>2024</u>
Revenues		
<i>Program revenues:</i>		
Charges for services	\$ 2,422,339	\$ 1,875,078
Operating grants and contributions	11,467,705	8,119,898
<i>General revenues:</i>		
Taxes	18,265,028	14,280,819
Investment income-gain/(loss)	52,524	28,559
Miscellaneous revenues	658,495	1,408,273
Total Revenues	<u>32,866,091</u>	<u>25,712,627</u>
Expenses		
County commissioners/executive	711,178	625,849
County treasurer	39,323	30,666
Finance	396,846	369,780
Registry of deeds	334,958	320,728
Registry of probate	775,167	624,129
Emergency management agency	352,282	369,779
Sheriff	3,701,772	4,691,583
Jail	12,772,203	11,968,531
District attorney	1,558,457	1,174,065
Facilities management	642,018	545,928
Information technology	421,470	329,835
Employee benefits	292,130	659,162
Insurance	110,149	34,980
Other	112,604	87,387
Program expenses	8,841,037	5,934,334
Unallocated depreciation (Note 5)	-	69,899
Total Expenses	<u>31,061,594</u>	<u>27,836,635</u>
Change in Net Position (Deficit)	<u>1,804,497</u>	<u>(2,124,008)</u>
Net Position (Deficit) - July 1, As Previously Reported	(2,651,383)	-
Net Position Corrections	<u>(33,729)</u>	<u>-</u>
Net Position (Deficit) - July 1, As Restated	<u>(2,685,112)</u>	<u>(527,375)</u>
Net Position (Deficit) - June 30	<u>\$ (880,615)</u>	<u>\$ (2,651,383)</u>

Financial Analysis of the County's Fund Statements

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

a government's financial position at the end of the year and the net resources available for spending.

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

	<u>2025</u>	<u>2024 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ -	\$ 51,661	\$ (51,661)
Committed	-	30,072	(30,072)
Unassigned	171,473	1,411,451	(1,239,978)
Total General Fund	<u>\$ 171,473</u>	<u>\$ 1,493,184</u>	<u>\$ (1,321,711)</u>
Jail Fund:			
Committed	\$ 1,722,810	\$ 76,670	\$ 1,646,140
Unassigned (deficit)	-	(1,267,851)	1,267,851
Total Jail Fund	<u>\$ 1,722,810</u>	<u>\$ (1,191,181)</u>	<u>\$ 2,913,991</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 2,124,396	\$ 2,060,120	\$ 64,276
Assigned	15,261	15,261	-
Unassigned (deficit)	(633,855)	(297,316)	(336,539)
Capital Projects Funds:			
Committed	280,994	545,046	(264,052)
Total Nonmajor Funds	<u>\$ 1,786,796</u>	<u>\$ 2,323,111</u>	<u>\$ (536,315)</u>

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

Budgetary Highlights

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

The general fund actual revenues exceeded budgeted amounts by \$540,573. All revenue categories were received in excess of budgeted amounts with the exception of taxes - municipalities and other revenue.

The general fund actual expenditures exceeded budgeted amounts by \$14,784. All expenditures categories were within or exceeded budgeted amounts with the

exception of finance, property improvements, registry of deeds, registry of probate, emergency management, facilities management, information technology, employee benefits and other.

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

The jail fund actual revenues exceeded budget amounts by \$441,384. This was due to all categories being received within or in excess of budgeted amounts with the exception of taxes and miscellaneous revenues.

The jail fund expenditures were under budgeted amounts by \$641,198. This was the due to all categories being expended within or in under budgeted amounts with the exception of salary and wages, fringe benefits, professional fees/services, operation county vehicles, general operations, supplies and clothing and materials.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the net book value of capital assets recorded by the County increased by \$1,140,770 from the prior year. This increase is the result of net capital additions of \$1,849,709 less current year net disposals of \$25,064 and depreciation expense of \$683,875.

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

	2025	2024
Land	\$ 370,350	\$ 370,350
Artwork and historical treasures	30,000	30,000
Construction in progress	747,753	-
Buildings and building improvements	4,304,226	4,072,689
Furniture and fixtures	29,266	24,302
Equipment	619,874	655,621
Vehicles	981,187	793,780
Infrastructure	22,057	23,801
Right of use asset	6,600	-
Total	\$ 7,111,313	\$ 5,970,543

Long-Term Obligations

The County does not have any outstanding long-term debt as of June 30, 2025. However, the County has other long-term obligations, which includes accrued compensated absences, net pension liability and net OPEB liability. Refer to Note 6 of Notes to Financial Statements for more detailed information on the other long-term obligations.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The 2025 - 2026 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2025 - 2026 as of the date this report was issued.

The County continues to work toward maintaining a sufficient unrestricted net position to sustain operations for a period of approximately 3 months. The County also maintains significant reserve accounts for future capital and program needs.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the County's finances and to show the County's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer's Office at 125 State Street, Augusta, Maine 04330.

COUNTY OF KENNEBEC, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,461,079
Investments	2,170,623
Accounts receivable (net of allowance for uncollectibles):	
Other	235,155
Due from other governments	21,309
Total current assets	<u>8,888,166</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	1,148,103
Depreciable assets, net of accumulated depreciation	5,963,210
Total noncurrent assets	<u>7,111,313</u>
TOTAL ASSETS	<u>15,999,479</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,033,784
Deferred outflows related to OPEB	662,013
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>2,695,797</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 18,695,276</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 541,901
Accrued liabilities	220,466
Due to other governments	231,927
Current portion of long-term obligations	355,542
Total current liabilities	<u>1,349,836</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Accrued compensated absences	355,541
Net pension liability	3,367,322
Net OPEB liability	7,041,695
Total noncurrent liabilities	<u>10,764,558</u>
TOTAL LIABILITIES	<u>12,114,394</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenue	4,212,793
Deferred inflows related to pensions	350,115
Deferred inflows related to OPEB	2,898,589
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>7,461,497</u>
NET POSITION	
Net investment in capital assets	7,111,313
Restricted	2,124,396
Unrestricted (deficit)	(10,116,324)
TOTAL NET POSITION	<u>(880,615)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 18,695,276</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
County commissioners/executive	\$ 711,178	\$ -	\$ -	\$ -	\$ (711,178)
County treasurer	39,323	-	-	-	(39,323)
Finance	396,846	-	-	-	(396,846)
Registry of Deeds	334,958	1,117,382	-	-	782,424
Registry of Probate	775,167	311,627	-	-	(463,540)
Emergency management agency	352,282	130,673	-	-	(221,609)
Sheriff	3,701,772	217,157	-	-	(3,484,615)
Jail	12,772,203	221,624	3,057,977	-	(9,492,602)
District attorney	1,558,457	112,010	-	-	(1,446,447)
Facilities management	642,018	-	-	-	(642,018)
Information technology	421,470	-	-	-	(421,470)
Employee benefits	292,130	-	-	-	(292,130)
Insurance	110,149	-	-	-	(110,149)
Other	112,604	259,725	-	-	147,121
Program expenses	8,841,037	52,141	8,409,728	-	(379,168)
Total government	<u>\$ 31,061,594</u>	<u>\$ 2,422,339</u>	<u>\$ 11,467,705</u>	<u>\$ -</u>	<u>(17,171,550)</u>

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

STATEMENT B (CONTINUED)
COUNTY OF KENNEBEC, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(17,171,550)</u>
General revenues:	
Property taxes, levied for general purposes	18,265,028
Investment income gain/(loss)	52,524
Other	<u>658,495</u>
Total general revenues	<u>18,976,047</u>
Change in net position	<u>1,804,497</u>
NET POSITION (DEFICIT) - JULY 1, AS PREVIOUSLY REPORTED	(2,651,383)
NET POSITION CORRECTIONS	<u>(33,729)</u>
NET POSITION (DEFICIT) - JULY 1, AS RESTATED	<u>(2,685,112)</u>
NET POSITION (DEFICIT) - JUNE 30	<u><u>\$ (880,615)</u></u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

	General Fund	Jail Fund	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 5,765,730	\$ -	\$ -	\$ 695,349	\$ 6,461,079
Investments	2,170,623	-	-	-	2,170,623
Accounts receivable (net of allowance for uncollectibles):					
Other	228,234	-	-	6,921	235,155
Due from other governments	3,800	17,509	-	-	21,309
Due from other funds	575,175	1,949,876	4,227,717	1,925,944	8,678,712
TOTAL ASSETS	\$ 8,743,562	\$ 1,967,385	\$ 4,227,717	\$ 2,628,214	\$ 17,566,878
LIABILITIES					
Accounts payable	\$ 114,929	\$ 145,805	\$ 14,924	\$ 266,243	\$ 541,901
Accrued liabilities	121,696	98,770	-	-	220,466
Due to other governments	231,927	-	-	-	231,927
Due to other funds	8,103,537	-	-	575,175	8,678,712
TOTAL LIABILITIES	8,572,089	244,575	14,924	841,418	9,673,006
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue	-	-	4,212,793	-	4,212,793
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	4,212,793	-	4,212,793
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	2,124,396	2,124,396
Committed	-	1,722,810	-	280,994	2,003,804
Assigned	-	-	-	15,261	15,261
Unassigned (deficit)	171,473	-	-	(633,855)	(462,382)
TOTAL FUND BALANCES (DEFICITS)	171,473	1,722,810	-	1,786,796	3,681,079
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 8,743,562	\$ 1,967,385	\$ 4,227,717	\$ 2,628,214	\$ 17,566,878

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

	Total Governmental Funds
Total Fund Balances (Statement C)	\$ 3,681,079
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	7,111,313
Deferred outflows of resources related to pension are not financial resources and therefore are not reported in the funds	2,033,784
Deferred outflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	662,013
Long-term obligations shown below, are not due and payable in the current period and therefore are not reported in the funds shown above:	
Accrued compensated absences	(711,083)
Net pension liability	(3,367,322)
Net OPEB liability	(7,041,695)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	(350,115)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(2,898,589)
	(2,898,589)
Net position of governmental activities (Statement A)	\$ (880,615)

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Jail Fund	ARPA Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 6,027,459	\$ 12,237,569	\$ -	\$ -	\$ 18,265,028
Intergovernmental revenues	-	3,057,977	6,404,203	2,005,525	11,467,705
Charges for services	2,148,574	221,624	-	52,141	2,422,339
Miscellaneous revenues	542,185	61,929	-	106,905	711,019
TOTAL REVENUES	8,718,218	15,579,099	6,404,203	2,164,571	32,866,091
EXPENDITURES					
Current:					
County Commissioners/executive	711,178	-	-	-	711,178
County treasurer	39,323	-	-	-	39,323
Finance	396,846	-	-	-	396,846
Registry of deeds	353,302	-	-	-	353,302
Registry of probate	738,109	-	-	-	738,109
Emergency management agency	360,237	-	-	-	360,237
Sheriff	4,552,931	-	-	-	4,552,931
Jail	-	12,640,108	-	-	12,640,108
District attorney	1,558,457	-	-	-	1,558,457
Facilities management	642,018	-	-	-	642,018
Information technology	421,470	-	-	-	421,470
Employee benefits	3,305	-	-	-	3,305
Insurance	110,149	-	-	-	110,149
Other	112,604	-	-	-	112,604
Program expenses	-	-	6,404,203	2,436,834	8,841,037
Capital outlay	-	-	-	329,052	329,052
TOTAL EXPENDITURES	9,999,929	12,640,108	6,404,203	2,765,886	31,810,126
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,281,711)	2,938,991	-	(601,315)	1,055,965
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	65,000	65,000
Transfers (out)	(40,000)	(25,000)	-	-	(65,000)
TOTAL OTHER FINANCING SOURCES (USES)	(40,000)	(25,000)	-	65,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,321,711)	2,913,991	-	(536,315)	1,055,965
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	1,526,913	(1,191,181)	-	2,323,111	2,658,843
FUND BALANCE CORRECTIONS	(33,729)	-	-	-	(33,729)
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	1,493,184	(1,191,181)	-	2,323,111	2,625,114
FUND BALANCES (DEFICITS) - JUNE 30	\$ 171,473	\$ 1,722,810	\$ -	\$ 1,786,796	\$ 3,681,079

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 1,055,965</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
	2
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset acquisitions	1,849,709
Capital asset disposals	(25,064)
Depreciation expense	<u>(683,875)</u>
	<u>1,140,770</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	641,138
OPEB	<u>(160,582)</u>
	<u>480,556</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:	
Pension	90,978
OPEB	<u>(879,702)</u>
	<u>(788,724)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(32,663)
Net pension liability	(767,986)
Net OPEB liability	<u>716,579</u>
	<u>(84,070)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 1,804,497</u></u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2025

	<u>Custodial Funds</u>	
	<u>Jail Inmate</u>	<u>Total</u>
ASSETS		
Cash and cash equivalents	\$ 47,572	\$ 47,572
Due from other governments	276,568	276,568
TOTAL ASSETS	<u>\$ 324,140</u>	<u>\$ 324,140</u>
LIABILITIES		
Accounts payable	\$ 2,153	\$ 2,153
TOTAL LIABILITIES	<u>2,153</u>	<u>2,153</u>
NET POSITION		
Restricted	321,987	321,987
TOTAL NET POSITION	<u>321,987</u>	<u>321,987</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 324,140</u>	<u>\$ 324,140</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	<u>Custodial Funds</u>	
	<u>Jail Inmate</u>	<u>Total</u>
ADDITIONS		
Other	<u>\$ 155,261</u>	<u>\$ 155,261</u>
Total Additions	<u>155,261</u>	<u>155,261</u>
DEDUCTIONS		
Other	<u>129,753</u>	<u>129,753</u>
Total Deductions	<u>129,753</u>	<u>129,753</u>
CHANGE IN NET POSITION	<u>25,508</u>	<u>25,508</u>
NET POSITION - JULY 1	<u>296,479</u>	<u>296,479</u>
NET POSITION - JUNE 30	<u>\$ 321,987</u>	<u>\$ 321,987</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The County of Kennebec, Maine was incorporated under the laws of the State of Maine. The County operates under the Board of Commissioners form of government and provides the following services: superior court, county commissioners, county treasurer, finance, registry of deeds, registry of probate, emergency management agency, sheriff, jail, district attorney, facilities management, information technology, employee benefits, insurance, other and program expenses.

The County's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The County's combined financial statements include all accounts and all operations of the County. We have determined that the County has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2025, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 101 "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 102 "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. A disclosure should be made in the notes to financial statements if a government determines that those criteria for disclosures have been met for a concentration or constraint. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

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

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The County's net position is reported in three parts - net investment in capital assets, restricted net position and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions (district attorney, register of deeds, jail, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Measurement Focus - Basic Financial Statements and Fund Financial Statements

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

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Jail Fund is another operating fund of the County that was established by state statutes to account for the operations of the Jail. Revenue sources are comprised primarily of taxes and charges for services.
- c. The ARPA Grant Fund is used to account for the proceeds of the ARPA financial assistance. The County will receive the financial assistance in two tranches (the first tranche was received in June 2021 and the second tranche was received in June 2022.) The County Commissioners will allocate the funding to various external and internal projects throughout the County.

Nonmajor Funds

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- e. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support County programs. The reporting focus is on net position and changes in net position and the funds are reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type (custodial). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

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

1. Accrual

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Revenue Recognition

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a 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 fiscal year. For the [CLIENT], available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Nonexchange transactions, in which the [CLIENT] receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are 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 fiscal year when use is first permitted, matching requirements, in which the [CLIENT] must provide local resources to be used for a specified purpose and expenditure requirements, in which the resources are provided to the [CLIENT] on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt which has not matured are recognized when paid. Allocation of costs, such as depreciation, is not recognized in the governmental funds.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

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

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

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

Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

The County of Kennebec, Maine has a formal investment policy which follows the State of Maine Statutes.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2025. Accounts receivable netted with allowances for uncollectible accounts were \$256,464 for the year ended June 30, 2025.

Interfund Receivables and Payables

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

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values. The County has capitalized two statues and a sculpture as art and historical items. These items are categorized as non-depreciable assets as they are considered inexhaustible.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

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

All long-term obligations to be repaid from governmental resources are reported as liabilities in government-wide statements. The long-term obligations consist of accrued compensated absences, net pension liability and net OPEB liability.

Long-term debt for governmental funds are not reported as liabilities in the fund financial statements. Debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

OPEB

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Fund Balance

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

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

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

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the County. The inhabitants of the County through County Commissioners' meetings are the highest level of decision-making authority of the County. Please refer to the budgeting process for the authority for committing items within the budget.

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

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

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted

by the County or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Deferred Outflows and Inflows of Resources

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

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

Revenue Recognition - Property Taxes - Modified Accrual Basis

The County's property tax for the year was voted on March 27, 2024 on the assessed value listed as of April 1, 2024, for all real and personal property located in the County. Taxes were due in one installment on September 1, 2024. Interest on unpaid

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

taxes commenced on October 30, 2024 at 6% per annum. The full amount of the current year assessment has been recognized in the financial statements.

Program Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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

Deposits:

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2025, the County's cash and cash equivalents balances amounting to \$6,508,651 were comprised of bank deposits of \$6,998,666. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the County's cash and cash equivalents balance. Of these bank deposits \$6,961,771 were fully insured by federal depository insurance and \$36,895 were covered by the Securities Investor Protection Corporation (SIPC) and consequently were not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 481,694
Savings accounts	21,172
ICS/IntraFi accounts	6,458,905
Cash and cash equivalents	<u>36,895</u>
	<u>\$ 6,998,666</u>

Investments:

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

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

The County had total investments of \$2,170,623 which are held in trust, fiduciary, or custodial accounts within the trust department of Fifth Third Bank. Assets held in these accounts are segregated from the Bank's own assets and do not become assets or liabilities of the Bank. Ownership of the investments remains with the County, and the assets are not subject to claims of the Bank's creditors in the event of bank failure

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2025, the County had the following investments and maturities:

Investment Type	Fair Value	N/A	> 1 Year	1-5 Years	5+ Years
Debt securities:					
U.S. agency securities	\$ 1,227,164	\$ -	\$ 100,141	\$ 667,098	\$ 459,925
Corporate bonds	943,459	-	-	667,098	560,066
	<u>\$ 2,170,623</u>	<u>\$ -</u>	<u>\$ 100,141</u>	<u>\$ 1,334,196</u>	<u>\$ 1,019,991</u>

Fair Value Hierarchy

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The County has the following recurring fair value measurements as June 30, 2025:

	June 30, 2025 Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
<u>Investments by fair value level</u>				
Debt securities:				
U.S. Agency Securities	\$ 1,227,164	\$ -	\$ 1,227,164	\$ -
Corporate bonds	943,459	-	943,459	-
Total debt securities	<u>2,170,623</u>	<u>-</u>	<u>2,170,623</u>	<u>-</u>
Total investments by fair value level	<u>2,170,623</u>	<u>\$ -</u>	<u>\$ 2,170,623</u>	<u>\$ -</u>
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	36,895			
Total cash equivalents measured at the NAV	<u>36,895</u>			
Total investments and cash equivalents measured at fair value	<u>\$ 2,207,518</u>			

Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The County has no Level I or Level III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2025 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

Credit risk - Statutes for the State of Maine authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The County does

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

not have an investment policy on credit risk. The County's investments in corporate bonds and U.S. Treasury Securities were rated A1 (\$318,242), A2 (\$295,379), A3 (\$210,642), Aa2 (\$49,739), Aaa (\$1,146,270) and N/A or unknown (\$150,351) by Moody's Investors Service.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2025 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 575,175	\$ 8,103,537
Jail Fund	1,949,876	-
ARPA Grant Fund	4,227,717	-
Nonmajor Special Revenue Funds	1,595,533	575,175
Nonmajor Capital Projects Funds	330,411	-
	<u>\$ 8,678,712</u>	<u>\$ 8,678,712</u>

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

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2025 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 40,000
Jail Fund	-	25,000
Nonmajor Capital Projects Funds	65,000	-
	<u>\$ 65,000</u>	<u>\$ 65,000</u>

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance, 7/1/24 (Restated)	Additions	Disposals/ (Transfers)	Balance, 6/30/25
Non-depreciated assets:				
Land	\$ 370,350	\$ -	\$ -	\$ 370,350
Art work and historical treasures	30,000	-	-	30,000
Construction in progress	-	747,753	-	747,753
Totals	400,350	747,753	-	1,148,103
Depreciated assets:				
Buildings	19,190,612	-	-	19,190,612
Building improvements	2,803,614	592,387	-	3,396,001
Furniture and fixtures	110,325	6,650	-	116,975
Machinery and equipment	2,701,452	130,730	(239,222)	2,592,960
Vehicles	1,326,065	358,789	-	1,684,854
Infrastructure	27,571	-	-	27,571
Right of use asset	-	13,400	-	13,400
	26,159,639	1,101,956	(239,222)	27,022,373
Less accumulated depreciation	(20,589,446)	(683,875)	214,158	(21,059,163)
	5,570,193	418,081	(25,064)	5,963,210
Net capital assets	\$ 5,970,543	\$ 1,165,834	\$ (25,064)	\$ 7,111,313

Current period depreciation:

District Attorney	\$ 1,421
Commissioners	1,475
Facilities Maintenance	850
Finance	6,800
Register of Deeds	6,175
Emergency Management Agency	22,787
Jail	341,648
Sheriff	259,742
Other	37,058
Program expenses-nonmajor funds	5,919
Total depreciation expense	\$ 683,875

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

The General Fund of the County is used to pay for all other long-term obligations. The following is a summary of changes in other long-term obligations of the County for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Deletions	Balance, 6/30/25	Current Portion
Accrued compensated absences	\$ 678,420	\$ 144,557	\$ (111,894)	\$ 711,083	\$ 355,542
Net pension liability	2,599,336	1,714,876	(946,890)	3,367,322	-
Net OPEB liability	7,758,274	775,015	(1,491,594)	7,041,695	-
Total	<u>\$ 11,036,030</u>	<u>\$ 2,634,448</u>	<u>\$ (2,550,378)</u>	<u>\$ 11,120,100</u>	<u>\$ 355,542</u>

Refer to Notes 7, 16 and 20 for more detailed information regarding other long-term obligations.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The County's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. As of June 30, 2025, the County's liability for compensated absences is \$711,083. The change in the accrued compensated absences liability is presented as an increase of \$32,663.

NOTE 8 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the County at June 30, 2025.

Invested in capital assets	\$ 28,170,476
Accumulated depreciation	<u>(21,059,163)</u>
	<u>\$ 7,111,313</u>

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 9 - RESTRICTED NET POSITION AND FUND BALANCES

At June 30, 2025, the County had the following restricted net position and fund balances:

Nonmajor special revenue funds:	
Sheriff's office funds	\$ 9,798
Byrne grant	64,689
Alternative sentencing program	2,429
Computer crimes	35,593
CARA fund	540,219
ME revenue services	69,205
Drug forfeiture	17,415
Opioids	644,248
Federal forfeitures	25,633
Probate surcharge	21,172
Deeds surcharge	231,710
Registry of deeds	330,001
Computer	691
DA eldercare victim	2,619
DA monitoring	15,054
Contingency	100,000
EMA exercise	2,207
High visibility	11,713
	<u>\$ 2,124,396</u>

NOTE 10 - COMMITTED FUND BALANCES

At June 30, 2025, the County has the following committed fund balances:

Jail fund:	
Need detail	\$ 1,646,140
Medical escrow	10,000
Unfunded payroll	26,670
Retiree/separate sick/vacation	10,000
Jail staff buyout	30,000
Nonmajor capital projects funds (Schedule E)	280,994
	<u>\$ 2,003,804</u>

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 11 - ASSIGNED FUND BALANCES

At June 30, 2025, the County has the following assigned fund balances:

Nonmajor special revenue funds (Schedule C)	\$ <u>15,261</u>
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NOTE 12 - OVERSPENT APPROPRIATIONS

At June 30, 2025, the County has the following overspent appropriations:

General fund:	
County Commissioners/Executive	\$ 4,510
County treasurer	9,483
Sheriff	314,537
District attorney	31,067
Insurance	26,149
Jail fund:	
Utilities	99,419
Rentals	22,871
Repairs/maintenance	16,360
Clothing and materials	2,287
Capital outlay	14,361
	<u>\$ 541,044</u>

NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2025, the County has the following deficit fund balances:

Nonmajor special revenue funds:	
MRS drug enforcement	\$ 19
ME drug enforcement	51,458
Speed grant	1,612
Seatbelt grant	7,690
Distracted driver	605
Stone garden	26,882
Impaired driver	6,636
Probate	19,264
Victim advocate	8,031
Homeland security grant	25,832
22 Homeland security grant	65,936
Storm damage	304,412
LEPC reserve	38,018
EMA hazmat	11,490
EMA GIS planner	19,031
EMA school planner	46,939
	<u>\$ 633,855</u>

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 14 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the County either carries commercial insurance, participates in a public entity risk pool or is effectively self-insured. The County participates in the following self-insured and public-entity risk pools:

During fiscal year 1989, the County contracted with Maine County Commissioners Association Self-Funded Risk Management Pool for property insurance and general liability insurance. The Risk Pool can make special assessments to its members if the Risk Pool is experiencing financial troubles. No special assessments have been made to its members since the inception of the Risk Pool.

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

The County provides health, life and accidental death and dismemberment insurance to most employees through Maine Municipal Employees Health Trust.

Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the County is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2025. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFINED BENEFIT PENSION PLAN

MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

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

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with other PLD employers under applicable statutory provisions. As of June 30, 2024, there were 336 employers in the plan.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 3.88%.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The County's plan members are required to contribute 6.95% or 7.70% of their annual covered salary for the AC plan and 8.40% for the 2C plan and the County is required to contribute at an actuarially determined rate. The current rate is 10.20% of covered payroll for the AC plan and 11.60% for the 2C plan. The contribution rates of plan members and the County are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The County's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2025 was \$946,890.

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

At June 30, 2025, the County reported a liability of \$3,367,322 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2024 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The County's proportion of the net pension liabilities were based on a projection of the County's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs, actuarially determined. At June 30, 2024, the County's proportion was 0.841302% which was an increase of 0.02671% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the County recognized total pension expense of \$35,870. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 999,406	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	350,115
Changes in proportion and differences between contributions and proportionate share of contributions	87,488	-
Contributions subsequent to the measurement date	946,890	-
Total	\$ 2,033,784	\$ 350,115

\$946,890 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Plan year ended June 30:	
2025	\$ 6,729
2026	844,561
2027	(46,667)
2028	(67,844)
2029	-
Thereafter	-

Actuarial Methods and Assumptions

The collective total pension liability for the Plan was determined by an actuarial valuation as of June 30, 2024, using the following methods and assumptions applied to all periods included in the measurement:

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Cost Method

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

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

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

Asset Valuation Method

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

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2024 are as follows:

Investment Rate of Return - 6.50% per annum for the year ended June 30, 2025 and 2024; compounded annually.

Salary Increases, Merit and Inflation - 2.75% to 11.48% per year.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Mortality Rates - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

Cost of Living Benefit Increases - 1.91%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as June 30, 2024 are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	5.6%
US Government	7.5%	2.2%
Private equity	15.0%	7.2%
Real assets:		
Real estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.1%
Traditional credit	7.5%	2.7%
Alternative credit	5.0%	6.4%
Diversifiers	10.0%	4.8%

Discount Rate

The discount rate used to measure the collective total pension liability/(assets) was 6.50% for 2024 for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability as of June 30, 2024 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for the Plan.

	1% Decrease	Discount Rate	1% Increase
<u>PLD Plan:</u>			
Discount rate	5.50%	6.50%	7.50%
County's proportionate share of the net pension liability/(asset)	\$ 8,413,730	\$ 3,367,322	\$ (790,339)

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2024 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2024 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors is recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2023 through 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 15 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Differences between Projected and Actual Investment Earnings on Pension Plan Investments

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

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

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

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the MainePERS' 2024 Annual Comprehensive Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 16 - DEFERRED COMPENSATION PLANS

Plan Description

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457(b) through MissionSquare Retirement, Hartford Life Insurance Company and ING Life Insurance and Annuity Company. The plan, available to County employees as part of a collective bargaining agreement and to County elected officials and all other full-time employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights (until paid or made available to the employee or other beneficiary) are held in a trust for the exclusive benefit of participants and their beneficiaries. All amounts are not subject to the claims of the County's general creditors.

Funding Policy

The contribution requirements of plan members and the County are established and may be amended by the County's Plan Administration Committee. Plan participation is voluntary for all full-time employees and elected officials. Plan members are required to contribute a minimum of 6.5% of their annual salary. The County is required to match 9.62% of the plan member's contribution only if the plan member participates in the deferred compensation plan alone. The plan member's contribution is tax deferred for federal and state taxes until the withdrawal date. The plan member's contribution, as well as the County's matching contribution, vests according to the terms of each plan. The County's contributions to the plan for the years ended June 30, 2025, 2024 and 2023 were \$122,068, \$119,818 and \$208,265, respectively.

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

NOTE 17 - CONTINGENCIES

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

In the normal course of operations, the County receives grant funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - CONTINGENCIES (CONTINUED)

authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The County offers its employees a defined benefit pension plan through the Maine Public Employees Retirement System and may need to extend that offering to a certain employee group. Any liability for retirement funding which may arise as the result of this offering is not known at this time.

NOTE 18 - JAIL OPERATIONS

During its 2007 Fiscal Year, the State of Maine enacted legislation known as LD 2080 "An Act to Better Coordinate and Reduce the Cost of the delivery of State and County Correctional Services", located in Public Laws 2007, Chapter 653. This Act has in essence capped what Counties can assess their municipalities for taxes to fund their corrections budgets and will also establish the annual growth limitations for future corrections expenditures. A Board of Overseers at the State of Maine has been appointed to supervise county correction operations. The Act has raised many accounting and auditing issues regarding both financial and budgetary reporting. It is the position of the County that it has addressed, to the best of its ability, these issues in its County annual audit report and the jail annual audit.

During the 2016 fiscal year the State of Maine enacted legislation known as LD 186. This bill repeals the changes that were made by Public Law 2007, chapter 653, eliminating the State Board of Corrections and all of its duties and returns the law to the form it was in prior to jail consolidation. This bill requires that the State continue to provide funding to the counties in the same amount that it did in fiscal year 2014-15.

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The County and County retirees contribute to the County's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the County and/or the County retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the County concerning administration of this Plan.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by contacting MMEHT at (800) 852-8300.

Benefits Provided

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

Employees Covered by Benefit Terms

At January 1, 2025, the following employees were covered by the benefit terms:

Active members	120
Retirees and spouses	<u>9</u>
Total	<u><u>129</u></u>

Contributions

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retiree Premium Amounts

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

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS A	\$ 981	\$ 2,201
POS C	864	1,937
PPO 500	796	1,785
Medicare		
<u>Medicare - Eligible Retirees</u>	659	1,319

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

At June 30, 2025, the County reported a liability of \$7,041,695 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2025 and was determined by an actuarial valuation as of that date. The County's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2025, the County recognized OPEB expense of \$323,705. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 993,761
Changes of assumptions	533,773	1,904,828
Net difference between projected and actual earnings on OPEB plan investments	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	128,240	-
Total	\$ 662,013	\$ 2,898,589

\$128,240 were reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2026	\$ (323,074)
2027	(307,441)
2028	(272,719)
2029	(196,529)
2030	(247,262)
Thereafter	(1,017,791)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2025. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

20-Bond GO Index. The rate of 4.08% per annum for June 30, 2025 was based upon a measurement date of December 26, 2024. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	3.08%	4.08%	5.08%
Total OPEB liability	\$ 8,503,865	\$ 7,041,695	\$ 5,888,883
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 8,503,865</u>	<u>\$ 7,041,695</u>	<u>\$ 5,888,883</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

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

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 5,636,586	\$ 7,041,695	\$ 8,954,020
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 5,636,586</u>	<u>\$ 7,041,695</u>	<u>\$ 8,954,020</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2025, using the following methods and assumptions applied to all periods included in the measurement:

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Actuarial Cost Method

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

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2023. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Assumptions

The actuarial assumptions used in the January 1, 2025 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2022 and based on the experience study covering the period from June 30, 2016 through June 30, 2010. As of January 1, 2025, they are as follows:

Discount Rate - 4.08% per annum for year end 2025 reporting. 3.26% per annum for year end 2024 reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2025_1b was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.38%
Rate of Growth in Real Income/GDP per capital 2029+	1.40%
Extra Trend due to Taste/Technology 2029+	1.10%
Expected Health Share of GDP 2034	19.00%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2045

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2025 to 2028 were based on plan design, population weighting, renewal projections and market analysis. For years 2029 to 2033, these are interpolated from 2028 to 2034 (which is the product of the inflation, GDP and extra trend rate assumptions).

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

Administrative and claims expense - 3% per annum.

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

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

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

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

Administrative expenses - Determined separately for non-Medicare and Medicare retirees including the estimated impact of rebates.

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

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

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

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

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

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

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

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2025 with the following exceptions:

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2025 was \$993,761.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2025 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the County Office at 125 State Street, Augusta, Maine 04330.

COUNTY OF KENNEBEC, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 20 - RESTATEMENTS

During fiscal year 2025, the County determined that a prior year adjustment to prepaid expenses and accounts payable was required to correct the beginning net position and fund balances. The details are provided below:

	06/30/24 As Previously Reported	Net Position/ Fund Balance Corrections	06/30/24 As Restated
Government-Wide			
Governmental Activities	\$ (2,651,383)	\$ (33,729)	\$ (2,685,112)
Total Government-Wide	<u>\$ (2,651,383)</u>	<u>\$ (33,729)</u>	<u>\$ (2,685,112)</u>
Governmental Funds			
Major Funds:			
General Fund	\$ 1,526,913	\$ (33,729)	\$ 1,493,184
Jail Fund	(1,191,181)	-	(1,191,181)
Other Governmental Funds:			
Nonmajor Special Revenue	1,778,065	-	1,778,065
Nonmajor Capital Projects	545,046	-	545,046
Total Governmental Funds	<u>\$ 2,658,843</u>	<u>\$ (33,729)</u>	<u>\$ 2,625,114</u>

Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Jail Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pensions
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

COUNTY OF KENNEBEC, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, Restated	\$ 1,493,185	\$ 1,493,185	\$ 1,493,185	\$ -
Resources (Inflows):				
Taxes - municipalities	6,342,645	6,342,645	6,027,459	(315,186)
Charges for services:				
Emergency management	60,000	60,000	130,673	70,673
Register of Deeds	975,000	975,000	1,117,382	142,382
Register of Probate	280,000	280,000	311,627	31,627
Sheriff:				
Special detail revenue	65,000	65,000	183,975	118,975
Miscellaneous	5,000	5,000	33,182	28,182
District attorney	-	-	359	359
DA supervisory	50,000	50,000	111,651	61,651
School resource officer	95,000	95,000	259,725	164,725
	<u>1,530,000</u>	<u>1,530,000</u>	<u>2,148,574</u>	<u>618,574</u>
Miscellaneous:				
Interest income	300,000	300,000	487,799	187,799
Investment income (net of unrealized gains/losses)	-	-	52,524	52,524
Other revenues	5,000	5,000	1,862	(3,138)
	<u>305,000</u>	<u>305,000</u>	<u>542,185</u>	<u>237,185</u>
Amounts Available for Appropriation	<u>9,670,830</u>	<u>9,670,830</u>	<u>10,211,403</u>	<u>540,573</u>
Charges to Appropriations (Outflows):				
County Commissioners/Executive	706,668	706,668	711,178	(4,510)
County treasurer	29,840	29,840	39,323	(9,483)
Finance	438,963	438,963	396,846	42,117
Property improvements	60,000	60,000	-	60,000
Registry of Deeds	407,361	407,361	353,302	54,059
Registry of Probate	740,994	740,994	738,109	2,885
Emergency management	403,972	403,972	360,237	43,735
Sheriff	4,238,394	4,238,394	4,552,931	(314,537)
District attorney	1,527,390	1,527,390	1,558,457	(31,067)
Facilities management	675,115	675,115	642,018	33,097
Information technology	461,131	461,131	421,470	39,661
Employee benefits	55,601	55,601	3,305	52,296
Insurance	84,000	84,000	110,149	(26,149)
Other	155,716	155,716	112,604	43,112
Transfers to other funds	40,000	40,000	40,000	-
Total Charges to Appropriations	<u>10,025,145</u>	<u>10,025,145</u>	<u>10,039,929</u>	<u>(14,784)</u>
Budgetary Fund Balance, June 30	\$ (354,315)	\$ (354,315)	\$ 171,474	\$ 525,789
Utilization of Unassigned Fund Balance	<u>\$ 1,847,500</u>	<u>\$ 1,847,500</u>	<u>\$ -</u>	<u>\$ (1,847,500)</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - JAIL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit) , July 1	\$ (1,191,182)	\$ (1,191,182)	\$ (1,191,182)	\$ -
Resources (Inflows):				
Taxes	13,051,049	13,051,049	12,237,569	(813,480)
Intergovernmental:				
State support	1,350,000	1,350,000	2,352,570	1,002,570
Community corrections	200,000	200,000	465,407	265,407
CARA	240,000	240,000	240,000	-
Charges for services	20,000	20,000	221,624	201,624
Miscellaneous revenues	276,666	276,666	61,929	(214,737)
Amounts Available for Appropriation	<u>13,946,533</u>	<u>13,946,533</u>	<u>14,387,917</u>	<u>441,384</u>
Charges to Appropriations (Outflows):				
Salary and wages	5,700,632	5,700,632	5,239,450	461,182
Fringe benefits	2,141,633	2,141,633	1,977,353	164,280
Professional fees/services	4,510,598	4,510,598	4,358,172	152,426
Travel	17,300	17,300	16,203	1,097
Operation County vehicles	39,500	39,500	28,937	10,563
Utilities	287,690	287,690	387,109	(99,419)
Rentals	108,000	108,000	130,871	(22,871)
Repairs/maintenance	78,700	78,700	95,060	(16,360)
Fixed charges/insurances	153,753	153,753	153,753	-
General operations	1,700	1,700	1,008	692
Other	36,600	36,600	32,618	3,982
Supplies	98,700	98,700	96,426	2,274
Clothing and materials	45,500	45,500	47,787	(2,287)
Capital outlay	61,000	61,000	75,361	(14,361)
Transfers to other funds	25,000	25,000	25,000	-
Total Charges to Appropriations	<u>13,306,306</u>	<u>13,306,306</u>	<u>12,665,108</u>	<u>641,198</u>
Budgetary Fund Balance (Deficit), June 30	<u>\$ 640,227</u>	<u>\$ 640,227</u>	<u>\$ 1,722,809</u>	<u>\$ 1,082,582</u>
Utilization of Unassigned Fund Balance	<u>\$ (1,831,409)</u>	<u>\$ (1,831,409)</u>	<u>\$ -</u>	<u>\$ (1,831,409)</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>PLD Plan:</u>										
Proportion of the net pension liability (asset)	0.84%	0.81%	0.78%	0.75%	0.67%	0.65%	0.64%	0.56%	0.54%	0.48%
Proportionate share of the net pension liability (asset)	\$ 3,367,322	\$ 2,599,336	\$ 2,073,574	\$ (241,425)	\$ 2,651,083	\$ 1,977,221	\$ 1,757,687	\$ 2,281,187	\$ 2,858,150	\$ 1,538,466
Covered payroll	\$ 7,533,498	\$ 7,354,235	\$ 5,941,572	\$ 5,056,629	\$ 4,285,482	\$ 5,110,988	\$ 3,565,368	\$ 3,043,438	\$ 2,842,849	\$ 2,521,507
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	44.70%	35.34%	34.90%	-4.77%	61.86%	38.69%	49.30%	74.95%	100.54%	61.01%
Plan fiduciary net position as a percentage of the total pension liability	91.06%	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	86.40%	81.61%

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSIONS
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>PLD Plan:</u>										
Contractually required contribution	\$ 946,890	\$ 820,120	\$ 750,132	\$ 610,094	\$ 517,279	\$ 431,011	\$ 408,879	\$ 350,942	\$ 285,565	\$ 253,014
Contributions in relation to the contractually required contribution	(946,890)	(820,120)	(750,132)	(610,094)	(517,279)	(431,011)	(408,879)	(350,942)	(285,565)	(253,014)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,620,283	\$ 7,533,498	\$ 7,354,235	\$ 5,941,572	\$ 5,056,629	\$ 4,285,482	\$ 5,110,988	\$ 3,565,368	\$ 3,043,438	\$ 2,842,849
Contributions as a percentage of covered payroll	10.98%	10.89%	10.20%	10.27%	10.23%	10.06%	8.00%	9.84%	9.38%	8.90%

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/24 (Reporting December 31, 2024)	\$ 7,758,274	\$ -	\$ 7,758,274
Changes for the year:			
Service cost	507,663	-	507,663
Interest	267,352	-	267,352
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(1,360,646)	-	(1,360,646)
Contributions - employer	-	130,948	(130,948)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(130,948)	(130,948)	-
Administrative expense	-	-	-
Net changes	<u>(716,579)</u>	<u>-</u>	<u>(716,579)</u>
Balances at 1/1/25 (Reporting December 31, 2025)	<u>\$ 7,041,695</u>	<u>\$ -</u>	<u>\$ 7,041,695</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

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

	2025	2024	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>								
Service cost (BOY)	\$ 507,663	\$ 480,458	\$ 564,224	\$ 491,020	\$ 421,768	\$ 211,533	\$ 234,156	\$ 245,380
Interest (includes interest on service cost)	267,352	295,611	169,259	163,681	184,031	164,229	140,773	149,750
Changes of benefit terms	-	-	-	-	-	2,937,757	-	-
Differences between expected and actual experience	-	(422,252)	-	(188,112)	-	(1,513,130)	-	(217,801)
Changes of assumptions	(1,360,646)	(7,706)	(814,193)	73,039	456,589	827,397	(312,446)	77,118
Benefit payments, including refunds of member contributions	(130,948)	(106,863)	(104,467)	(129,712)	(124,723)	(129,122)	(124,156)	(101,231)
Net change in total OPEB liability	\$ (716,579)	\$ 239,248	\$ (185,177)	\$ 409,916	\$ 937,665	\$ 2,498,664	\$ (61,673)	\$ 153,216
Total OPEB liability - beginning	\$ 7,758,274	\$ 7,519,026	\$ 7,704,203	\$ 7,294,287	\$ 6,356,622	\$ 3,857,958	\$ 3,919,631	\$ 3,766,415
Total OPEB liability - ending	\$ 7,041,695	\$ 7,758,274	\$ 7,519,026	\$ 7,704,203	\$ 7,294,287	\$ 6,356,622	\$ 3,857,958	\$ 3,919,631
<u>Plan fiduciary net position</u>								
Contributions - employer	130,948	106,863	104,467	129,712	124,723	129,122	124,156	101,231
Contributions - member	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(130,948)	(106,863)	(104,467)	(129,712)	(124,723)	(129,122)	(124,156)	(101,231)
Administrative expense	-	-	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 7,041,695	\$ 7,758,274	\$ 7,519,026	\$ 7,704,203	\$ 7,294,287	\$ 6,356,622	\$ 3,857,958	\$ 3,919,631
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 6,661,351	\$ 6,661,351	\$ 5,805,061	\$ 5,805,061	\$ 4,836,510	\$ 4,836,510	\$ 4,269,281	\$ 4,269,281
Net OPEB liability as a percentage of covered payroll	105.7%	116.5%	129.5%	132.7%	150.8%	131.4%	90.4%	91.8%

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

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
<u>MMEHT:</u>								
Employer contributions	\$ 130,948	\$ 106,863	\$ 104,467	\$ 129,712	\$ 124,723	\$ 129,122	\$ 124,156	\$ 110,231
Benefit payments	(130,948)	(106,863)	(104,467)	(129,712)	(124,723)	(129,122)	(124,156)	(110,231)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,661,351	\$ 6,661,351	\$ 5,805,061	\$ 5,805,061	\$ 4,836,510	\$ 4,836,510	\$ 4,269,281	\$ 4,269,281
Contributions as a percentage of covered payroll	1.97%	1.60%	1.80%	2.23%	2.58%	2.67%	2.91%	2.58%

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

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Changes of Assumptions

MEPERS PLD Plan:

- There were no changes of assumptions since the last actuarial valuation.

Maine Municipal Health Trust:

- The discount rate was updated to reflect the December 26, 2024 Bond Buyer 20-Bond GO Index. Short-term trends were adjusted in this valuation to reflect the expected 2025 per capita costs, premium increases and an increase in expected rebates.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

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

COUNTY OF KENNEBEC, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 695,349	\$ -	\$ 695,349
Accounts receivable (net of uncollectibles)	6,921	-	6,921
Due from other funds	1,595,533	330,411	1,925,944
TOTAL ASSETS	<u>\$ 2,297,803</u>	<u>\$ 330,411</u>	<u>\$ 2,628,214</u>
LIABILITIES			
Accounts payable	\$ 216,826	\$ 49,417	\$ 266,243
Due to other funds	575,175	-	575,175
TOTAL LIABILITIES	<u>792,001</u>	<u>49,417</u>	<u>841,418</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	2,124,396	-	2,124,396
Committed	-	280,994	280,994
Assigned	15,261	-	15,261
Unassigned (deficit)	(633,855)	-	(633,855)
TOTAL FUND BALANCES	<u>1,505,802</u>	<u>280,994</u>	<u>1,786,796</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,297,803</u>	<u>\$ 330,411</u>	<u>\$ 2,628,214</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 2,005,525	\$ -	\$ 2,005,525
Charges for services	52,141	-	52,141
Other	106,905	-	106,905
TOTAL REVENUES	<u>2,164,571</u>	<u>-</u>	<u>2,164,571</u>
EXPENDITURES			
Program expenses	2,436,834	-	2,436,834
Capital outlay	-	329,052	329,052
TOTAL EXPENDITURES	<u>2,436,834</u>	<u>329,052</u>	<u>2,765,886</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(272,263)</u>	<u>(329,052)</u>	<u>(601,315)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	65,000	65,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>65,000</u>	<u>65,000</u>
NET CHANGE IN FUND BALANCES	<u>(272,263)</u>	<u>(264,052)</u>	<u>(536,315)</u>
FUND BALANCES - JULY 1, AS RESTATED	<u>1,778,065</u>	<u>545,046</u>	<u>2,323,111</u>
FUND BALANCES - JUNE 30	<u>\$ 1,505,802</u>	<u>\$ 280,994</u>	<u>\$ 1,786,796</u>

See accompanying independent auditor's report and notes to financial statements.

Special Revenue Funds

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

COUNTY OF KENNEBEC, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	ASSETS			TOTAL ASSETS	LIABILITIES		FUND BALANCES			TOTAL FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES
	Cash and cash equivalents	Accounts receivable (net of allowance for uncollectibles)	Due from other funds		Accounts payable	Due to other funds	Restricted	Assigned	Unassigned		
Sheriff's Office Funds											
Civil Process Servers	\$ -	\$ -	\$ 10,364	\$ 10,364	\$ 566	\$ -	\$ 9,798	\$ -	\$ -	\$ 9,798	\$ 10,364
ME Drug Enforcement	-	-	-	-	-	51,458	-	-	(51,458)	(51,458)	-
MRS Maine Computer Crimes	-	-	-	-	19	-	-	-	(19)	(19)	-
Speed Grant	-	-	-	-	-	1,612	-	-	(1,612)	(1,612)	-
Byrne Grant	-	-	64,689	64,689	-	-	64,689	-	-	64,689	64,689
Alternative Sentencing Program	-	-	2,429	2,429	-	-	2,429	-	-	2,429	2,429
ME Revenue Services	-	-	69,205	69,205	-	-	69,205	-	-	69,205	69,205
AKC Reunite Canine Grant	-	-	-	-	-	-	-	-	-	-	-
Home Release Program	-	-	15,261	15,261	-	-	-	15,261	-	15,261	15,261
Computer Crimes	-	-	35,593	35,593	-	-	35,593	-	-	35,593	35,593
Seatbelt Grant	-	-	-	-	-	7,690	-	-	(7,690)	(7,690)	-
Distracted Driver	-	-	-	-	-	605	-	-	(605)	(605)	-
Stone Garden	-	-	-	-	-	26,882	-	-	(26,882)	(26,882)	-
Drug Forfeiture	-	-	17,415	17,415	-	-	17,415	-	-	17,415	17,415
Impaired Driver	-	-	-	-	-	6,636	-	-	(6,636)	(6,636)	-
Opioids	-	-	681,928	681,928	37,680	-	644,248	-	-	644,248	681,928
Federal Forfeitures	-	136	25,497	25,633	-	-	25,633	-	-	25,633	25,633
Jail Funds											
Cara fund	-	-	540,665	540,665	446	-	540,219	-	-	540,219	540,665
Probate Funds											
Probate Surcharge	21,172	-	-	21,172	-	-	21,172	-	-	21,172	21,172
Probate	7,023	-	-	7,023	26,287	-	-	-	(19,264)	(19,264)	7,023
Deeds											
Deeds Surcharge	232,091	-	-	232,091	381	-	231,710	-	-	231,710	232,091
Registry of Deeds	435,063	-	-	435,063	105,062	-	330,001	-	-	330,001	435,063

SCHEDULE C (CONTINUED)

COUNTY OF KENNEBEC, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	ASSETS			TOTAL ASSETS	LIABILITIES		FUND BALANCES			TOTAL FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES
	Cash and cash equivalents	Accounts receivable (net of allowance for uncollectibles)	Due from other funds		Accounts payable	Due to other funds	Restricted	Assigned	Unassigned		
District Attorney's Office Funds											
Victim Advocate	-	-	-	-	-	8,031	-	-	(8,031)	(8,031)	-
Computer	-	-	691	691	-	-	691	-	-	691	691
DA Stop Grant	-	-	-	-	-	-	-	-	-	-	-
DA Eldercare Victim	-	-	2,619	2,619	-	-	2,619	-	-	2,619	2,619
DA Monitoring	-	-	15,054	15,054	-	-	15,054	-	-	15,054	15,054
Contingency Funds											
Contingency	-	-	100,000	100,000	-	-	100,000	-	-	100,000	100,000
EMA Funds											
Homeland Security Grant	-	-	203	203	26,035	-	-	-	(25,832)	(25,832)	203
22 Homeland Security Grant	-	-	-	-	20,310	45,626	-	-	(65,936)	(65,936)	-
Storm Damage	-	-	-	-	-	304,412	-	-	(304,412)	(304,412)	-
EMA Exercise	-	-	2,207	2,207	-	-	2,207	-	-	2,207	2,207
LEPC Reserve	-	-	-	-	40	37,978	-	-	(38,018)	(38,018)	-
EMA MD	-	-	-	-	-	-	-	-	-	-	-
EMA Hazmat	-	-	-	-	-	11,490	-	-	(11,490)	(11,490)	-
EMA GIS Planner	-	-	-	-	-	19,031	-	-	(19,031)	(19,031)	-
High Visibility	-	-	11,713	11,713	-	-	11,713	-	-	11,713	11,713
EMA School Planner	-	6,785	-	6,785	-	53,724	-	-	(46,939)	(46,939)	6,785
Total	\$ 695,349	\$ 6,921	\$ 1,595,533	\$ 2,297,803	\$ 216,826	\$ 575,175	\$ 2,124,396	\$ 15,261	\$ (633,855)	\$ 1,505,802	\$ 2,297,803

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	FUND BALANCES (DEFICITS) JULY 1	REVENUES			EXPENDITURES		NET CHANGE IN FUND BALANCES (DEFICITS)	FUND BALANCES (DEFICITS) JUNE 30	
		Charges for services	Intergovernmental revenues	Other	TOTAL REVENUES	Program expenses			TOTAL EXPENDITURES
Sheriff's Office Funds									
Civil Process Servers	\$ (39,156)	\$ -	\$ 402,201	\$ -	\$ 402,201	\$ (353,247)	\$ (353,247)	\$ 48,954	\$ 9,798
ME Drug Enforcement	(50,915)	-	185,156	-	185,156	(185,699)	(185,699)	(543)	(51,458)
MRS Maine Computer Crimes	-	-	-	-	-	(19)	(19)	(19)	(19)
Speed Grant	3,699	-	1,050	-	1,050	(6,361)	(6,361)	(5,311)	(1,612)
Byrne Grant	54,448	-	15,157	-	15,157	(4,916)	(4,916)	10,241	64,689
Alternative Sentencing Program	15,789	-	18,360	-	18,360	(31,720)	(31,720)	(13,360)	2,429
ME Revenue Services	85,341	-	558,854	-	558,854	(574,990)	(574,990)	(16,136)	69,205
AKC Reunite Canine Grant	-	-	7,500	-	7,500	(7,500)	(7,500)	-	-
Home Release Program	15,261	-	-	-	-	-	-	-	15,261
Computer Crimes	71,524	-	303,591	-	303,591	(339,522)	(339,522)	(35,931)	35,593
Seatbelt Grant	(7,448)	-	-	-	-	(242)	(242)	(242)	(7,690)
Distracted Driver	(1,413)	-	7,790	-	7,790	(6,982)	(6,982)	808	(605)
Stone Garden	(20,378)	-	13,052	-	13,052	(19,556)	(19,556)	(6,504)	(26,882)
Drug Forfeiture	17,809	-	-	24,260	24,260	(24,654)	(24,654)	(394)	17,415
Impaired Driver	(3,722)	-	850	-	850	(3,764)	(3,764)	(2,914)	(6,636)
Opioid	609,787	-	-	72,141	72,141	(37,680)	(37,680)	34,461	644,248
Federal Forfeitures	18,701	-	10,665	-	10,665	(3,733)	(3,733)	6,932	25,633
Jail Funds									
Cara Fund	544,406	-	-	-	-	(4,187)	(4,187)	(4,187)	540,219
Probate Funds									
Probate Surcharge	12,702	-	8,470	-	8,470	-	-	8,470	21,172
Probate	2,918	-	308	-	308	(22,490)	(22,490)	(22,182)	(19,264)
Deeds									
Deeds Surcharge	179,569	52,141	-	-	52,141	-	-	52,141	231,710
Registry of Deeds	319,497	-	-	10,504	10,504	-	-	10,504	330,001

COUNTY OF KENNEBEC, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	FUND BALANCES (DEFICITS) JULY 1	REVENUES			EXPENDITURES		NET CHANGE IN FUND BALANCES (DEFICITS)	FUND BALANCES (DEFICITS) JUNE 30	
		Charges for services	Intergovernmental revenues	Other	TOTAL REVENUES	Program expenses			TOTAL EXPENDITURES
District Attorney's Office Funds									
Victim Advocate	(20,920)	-	67,201	-	67,201	(54,312)	(54,312)	12,889	(8,031)
Computer	691	-	-	-	-	-	-	-	691
Stop Grant	-	-	-	-	-	-	-	-	-
DA Stop Grant	-	-	50,609	-	50,609	(50,609)	(50,609)	-	-
DA Eldercare Victim	2,619	-	-	-	-	-	-	-	2,619
DA Monitoring	15,054	-	-	-	-	-	-	-	15,054
Contingency Funds									
Contingency	100,000	-	-	-	-	-	-	-	100,000
EMA's Funds									
Homeland Security Grant	(75,801)	-	154,394	-	154,394	(104,425)	(104,425)	49,969	(25,832)
22 Homeland Security Grant	-	-	15,702	-	15,702	(81,638)	(81,638)	(65,936)	(65,936)
Storm Damage	-	-	57,843	-	57,843	(362,255)	(362,255)	(304,412)	(304,412)
EMA Exercise	2,207	-	-	-	-	-	-	-	2,207
LEPC Reserve	(26,362)	-	19,636	-	19,636	(31,292)	(31,292)	(11,656)	(38,018)
EMA MD	-	-	98,782	-	98,782	(98,782)	(98,782)	-	-
EMA Hazmat	(4,377)	-	-	-	-	(7,113)	(7,113)	(7,113)	(11,490)
EMA GIS Planner	-	-	-	-	-	(19,031)	(19,031)	(19,031)	(19,031)
High Visibility	3,359	-	8,354	-	8,354	-	-	8,354	11,713
EMA School Planner	(46,824)	-	-	-	-	(115)	(115)	(115)	(46,939)
Total	\$ 1,778,065	\$ 52,141	\$ 2,005,525	\$ 106,905	\$ 2,164,571	\$ (2,436,834)	\$ (2,436,834)	\$ (272,263)	\$ 1,505,802

See accompanying independent auditor's report and notes to financial statements.

Capital Projects Fund

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

COUNTY OF KENNEBEC, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2025

	<u>General Fund</u>	<u>Jail</u>	<u>Total</u>
ASSETS			
Due from other funds	\$ 58,070	\$ 272,341	\$ 330,411
TOTAL ASSETS	<u>\$ 58,070</u>	<u>\$ 272,341</u>	<u>\$ 330,411</u>
LIABILITIES			
Accounts payable	\$ 38,242	\$ 11,175	\$ 49,417
TOTAL LIABILITIES	<u>38,242</u>	<u>11,175</u>	<u>49,417</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	19,828	261,166	280,994
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>19,828</u>	<u>261,166</u>	<u>280,994</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 58,070</u>	<u>\$ 272,341</u>	<u>\$ 330,411</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>General Fund</u>	<u>Jail</u>	<u>Total</u>
REVENUES			
Intergovernmental revenues	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Capital outlay	317,877	11,175	329,052
TOTAL EXPENDITURES	<u>317,877</u>	<u>11,175</u>	<u>329,052</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(317,877)</u>	<u>(11,175)</u>	<u>(329,052)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	40,000	25,000	65,000
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>40,000</u>	<u>25,000</u>	<u>65,000</u>
NET CHANGE IN FUND BALANCES	(277,877)	13,825	(264,052)
FUND BALANCES, JULY 1	<u>297,705</u>	<u>247,341</u>	<u>545,046</u>
FUND BALANCES, JUNE 30	<u>\$ 19,828</u>	<u>\$ 261,166</u>	<u>\$ 280,994</u>

See accompanying independent auditor's report and notes to financial statements.

General Capital Assets

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

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION

JUNE 30, 2025

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
District Attorney	-	7,000	46,374	-	53,374
Commissioners	-	-	21,973	-	21,973
Facilities Maintenance	-	-	78,894	-	78,894
Finance	-	-	13,400	-	13,400
Register of Deeds	-	24,263	80,662	-	104,925
Register of Probate	-	-	66,338	-	66,338
Emergency Management Agency	-	98,199	164,044	-	262,243
Jail	354,390	17,916,996	1,514,849	2,017	19,788,252
Sheriff	-	491,128	2,317,701	25,554	2,834,383
Other	68,000	1,704,119	97,304	-	1,869,423
Program expenses-nonmajor funds	725,713	2,344,908	6,650	-	3,077,271
Total General Capital	1,148,103	22,586,613	4,408,189	27,571	28,170,476
Less: Accumulated Depreciation	-	(18,282,387)	(2,771,262)	(5,514)	(21,059,163)
Net General Capital Assets	<u>\$ 1,148,103</u>	<u>\$ 4,304,226</u>	<u>\$ 1,636,927</u>	<u>\$ 22,057</u>	<u>\$ 7,111,313</u>

See accompanying independent auditor's report and notes to financial statements.

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2025

	General Capital Assets 7/1/24	Additions	Deletions	General Capital Assets 6/30/25
District Attorney	94,572	6,768	(47,966)	53,374
Commissioners	21,973	-	-	21,973
Facilities Maintenance	8,499	70,395	-	78,894
Finance	-	13,400	-	13,400
Register of Deeds	80,662	24,263	-	104,925
Register of Probate	66,338	-	-	66,338
Emergency Management Agency	230,420	31,823	-	262,243
Jail	19,641,179	247,918	(100,845)	19,788,252
Sheriff	2,494,268	372,457	(32,342)	2,834,383
Other	1,927,492	-	(58,069)	1,869,423
Program expenses-nonmajor funds	1,994,586	1,082,685	-	3,077,271
Total General Capital	<u>26,559,989</u>	<u>1,849,709</u>	<u>(239,222)</u>	<u>28,170,476</u>
Less: Accumulated Depreciation	<u>(20,589,446)</u>	<u>(683,875)</u>	<u>214,158</u>	<u>(21,059,163)</u>
Net General Capital Assets	<u>\$ 5,970,543</u>	<u>\$ 1,165,834</u>	<u>\$ (25,064)</u>	<u>\$ 7,111,313</u>

See accompanying independent auditor's report and notes to financial statements.

Federal Compliance

Federal compliance includes financial information and reports that are required in accordance with *Government Auditing Standards* and/or the Uniform Guidance in accordance with 2 CFR § 515. Such financial information and reports include:

- Schedule of Expenditures of Federal Awards
- Notes to Schedule of Expenditures of Federal Awards
- 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*
- Independent Auditor's Report on Compliance or Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance
- Schedule of Findings and Questioned Costs

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Federal Grantor Cluster <i>Pass-through Agency</i> Program Title	Assistance Listing Number	Pass Through Identifying Number	Federal Expenditures	Passed Through to Subrecipient
U.S. Department of Justice				
<i>Passed through Maine Department of Health and Human Services</i>				
Crime Victim Assistance	16.575	OVP-25-2303	\$ 54,312	\$ -
<i>Passed through Maine Department of Health and Human Services</i>				
STOP (Services, Training, Officers and Prosecutors Violence Against Women)	16.588	PR0222	50,609	-
<i>Direct Funding</i>				
Edward Byrne Memorial Justice Assistance Grant (JAG)	16.738	N/A	<u>4,916</u>	<u>-</u>
Total U.S. Department of Justice			<u>109,837</u>	<u>-</u>
U.S. Department of Transportation				
Highway Safety Cluster				
<i>Passed through Maine Bureau of Highway Safety</i>				
State and Community Highway Safety	20.600	SC25-014	6,361	-
State and Community Highway Safety	20.600	AI15-020	3,764	-
State and Community Highway Safety	20.600	DD25-008	<u>6,981</u>	<u>-</u>
Total Highway Safety Cluster			<u>17,106</u>	<u>-</u>
<i>Passed through Maine Emergency Management Association</i>				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK32240068HMEP	<u>7,113</u>	<u>-</u>
Total U.S. Department of Transportation			<u>24,219</u>	<u>-</u>
U.S. Department of Treasury				
<i>Direct Federal Program</i>				
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>6,835,068</u>	<u>4,502,332</u>
Total U.S. Department of Treasury			<u>6,835,068</u>	<u>4,502,332</u>
U.S. Department of Homeland Security				
<i>Passed through Maine Emergency Management Association</i>				
Emergency Management Performance Grants	97.008	EMW-2024-SS-05053	222,428	-
Emergency Management Performance Grants	97.042	EMB-2024-EP-05002	<u>33,388</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>255,816</u>	<u>-</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 7,224,940</u>	<u>\$ 4,502,332</u>

COUNTY OF KENNEBEC, MAINE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the County of Kennebec, Maine under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County of Kennebec, Maine, it is not intended to and does not present the financial position, changes in net position or cash flows of the County of Kennebec, Maine

2. Summary of Significant Accounting Policies

- a. Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b. The County of Kennebec, Maine, has not elected to use the 10 percent *de minimis* indirect cost rate as allowed under the Uniform Guidance.

3. Expenditures to Subrecipients

Subrecipient	ALN	Amount
City of Augusta	21.027	\$ 268,947
Kennebec Valley Family Dentistry	21.027	603,000
City of Gardiner	21.027	192,817
Greater Augusta Utility District	21.027	1,227,967
Maine Children's Home for Little Wanderers	21.027	53,801
Maine General Community Care	21.027	57,420
Maine General Medical Center	21.027	76,138
North River Company (for Profit)	21.027	985,000
Town of Oakland	21.027	346,511
Town of Clinton	21.027	445,500
The Voices Project	21.027	102,250
VOA-N New England	21.027	142,981
		<u>\$ 4,502,332</u>



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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

County Commissioners
County of Kennebec
Augusta, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the County of Kennebec, Maine as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the County of Kennebec, Maine's basic financial statements and have issued our report thereon dated February 13, 2026.

Report on Internal Control Over Financial Reporting

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

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

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Kennebec, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the County of Kennebec, Maine in a separate letter dated February 13, 2026.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
February 13, 2026



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

County Commissioners
County of Kennebec
Augusta, Maine

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the County of Kennebec, Maine's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the County of Kennebec, Maine's major federal programs for the year ended June 30, 2025. The County of Kennebec, Maine's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the County of Kennebec, Maine complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibility section of our report.

We are required to be independent of the County of Kennebec, Maine's and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the County of Kennebec, Maine's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the County of Kennebec, Maine's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error and express an opinion on the County of Kennebec, Maine's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the County of Kennebec, Maine's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County of Kennebec, Maine's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County of Kennebec, Maine's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the County of Kennebec, Maine's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibility section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
February 13, 2026

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported
in accordance with §200.516 of Uniform Guidance? yes no

Identification of major programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.027	State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and B: \$750,000

Auditee qualified as low-risk auditee? yes no

Section II - Financial Statement Findings

None

Section III - Federal Awards Findings and Questioned Costs

None

State Compliance

State compliance includes financial information and reports that are required in accordance with Title 20-A MRSA §6051 of the Maine Revised Statutes as amended. Such financial information and reports include:

- Accountant's Review Report on Schedule of Expenditures of Department Agreements
- Schedule of Expenditures of Department Agreements



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ACCOUNTANT'S REVIEW REPORT ON SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS

County Commissioners
County of Kennebec
Augusta, Maine

We have reviewed the accompanying schedule of expenditures of department agreements for the County of Kennebec, Maine as of and for the year ended June 30, 2025 in accordance with standards for accounting and review services established by the American Institute of Certified Public Accountants and the Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP).

Our review was limited to presenting in the form prescribed by the Department of Health and Human Services under Maine Uniform Accounting and Auditing Practices for Community Agencies (MAAP) information that is the representation of the management of the County of Kennebec, Maine. We have reviewed the schedule of expenditures of department agreements and we have performed procedures to obtain limited assurance that there are no material modifications that should be made to the schedule of expenditures of department agreements. We believe that the results of our procedures provide reasonable basis for our report.

The schedule of expenditures of department agreements are presented in accordance with the requirements of MAAP and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

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

RHR Smith & Company

Buxton, Maine
February 13, 2026

COUNTY OF KENNEBEC, MAINE

SCHEDULE OF EXPENDITURES OF DEPARTMENT AGREEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Department Office	Agreement Number	Agreement Amount	Agreement Period	Agreement Service	Agreement Status	Federal Expenses	State Expenses	Total Department Expenses
DHHS:								
District Attorney	OVP-24-2303	\$ 55,000	10/1/23-9/30/24	Victim Advocacy	Final	\$ 5,928	\$ -	\$ 5,928
District Attorney	OVP-25-2303	\$ 55,000	10/1/24-9/30/25	Victim Advocacy	Final	54,993	-	54,993
Subtotal DHHS						<u>60,921</u>	<u>-</u>	<u>60,921</u>
Total						<u>\$ 60,921</u>	<u>\$ -</u>	<u>\$ 60,921</u>

NOTES:

This Agency is Tier 1 for 2025.

DISCLOSURE:

This Agency is required to have a federal compliance audit for FY 2024.