

**KENNEBEC REGIONAL DEVELOPMENT AUTHORITY
D/B/A FIRST PARK**

**INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS**

JUNE 30, 2022

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Maine Municipal Audit Services, PA

Mindy J. Cyr, CPA

Independent Auditors' Report

To the Executive Board
Kennebec Regional Development Authority
d/b/a/ FirstPark
Oakland, Maine

OPINIONS

We have audited the accompanying financial statements of the business-type activities of Kennebec Regional Development Authority (the Authority), as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of Kennebec Regional Development Authority, as of June 30, 2022 and 2021, and the respective changes in financial position for the years 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. 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 Kennebec Regional Development Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 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 Kennebec Regional Development Authority'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 generally accepted 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 aggregate, they would influence the judgment made by a reasonable user based on financial statements.

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 control 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 Kennebec Regional Development Authority'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 substantial doubt about Kennebec Regional Development Authority'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, and budgetary comparison schedule, on pages 5-9 and 17 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.

Maine Municipal Audit Services, PA

Levant, Maine
August 8, 2022

Kennebec Regional Development Authority
"FirstPark"

Management Discussion and Analysis Fiscal Year Ended June 30, 2022

As the management representative for Kennebec Regional Development Authority (KRDA), I offer readers of these financial statements a narrative overview and analysis. Continuing this year, the financial information presented is in compliance with Governmental Accounting Standards Board GASB #34.

Financial Highlights

- The total Net Assets of KRDA increased by \$313,871 from the previous year due to the sale of four lots and a total favorable variance of actual results versus budget estimates.
- The budget for 2021-22, adopted on April 29, 2021, projected \$876 revenue in excess of expenses. Actual revenue over expense was \$297,222 or \$296,346 more than budgeted. This was due to revenues more than budgeted by \$266,875 (net of the use of marketing carryover) primarily as a result of: 1) increased real estate tax revenues and 2) the gain on the sale of land. Expenses were less than budget by \$29,471 (net of the marketing carryover) primarily as a result of: 1) less than anticipated salary and benefits; 2) the additional distribution of real estate tax revenue, using the unspent "Special Purpose Funds" budgeted, to increase the distribution to the member communities; and 3) the under expending of marketing costs (net of 2021 carry forward amount) and park maintenance costs.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to KRDA's basic financial statements that comprise two components: 1) the government-wide financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the financial statements themselves.

Government-wide Financial Statements

Financial statements are designed to provide readers with a broad overview of KRDA's finances, in a manner similar to a private sector business. KRDA's financial statements reflect activities that are principally supported by assessments from its twenty-four (24) member communities. These activities include general administration, marketing and debt service.

The Statement of Net Assets presents information on all of KRDA's assets and liabilities, with the differences between the two reported as net assets. Over time, increases or

decreases in the net assets may serve as a useful indicator of whether the financial position of KRDA is improving or deteriorating.

The Statement of Activities presents information that show how KRDA's net assets changed during the most recent fiscal year. All changes in net assets are recorded as soon as the underlying event causing the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A fund is a single or group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. KRDA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related, legal requirements. All funds of the KRDA can be divided into two categories; government funds and proprietary funds.

- Government Funds – These funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the governmental-wide financial statements, government fund financial statements focus on near term inflows and outflows of expendable resources as well as on balanced expendable resources available at the end of the fiscal year. Such information may be useful in evaluating KRDA's near-term financial requirements. KRDA adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.
- Proprietary Funds – KRDA maintains a separate fund to report the same functions presented as business type activities in the government-wide financial statements. This fund is used to account for expenditures and anticipated income from any speculative activity. At present, there are no such activities or buildings that fall into this category.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may over time, serve as a useful indicator of a government's financial position. KRDA's assets exceeded liabilities by \$2,373,316 as compared to \$2,059,444 last year. The KRDA has reduced its deficit situation over the past nineteen years that resulted from transferring, and writing off a total of \$2,018,000 in infrastructure assets (roads, sidewalks, utilities, traffic lights) in 2002 and 2008.

A large portion of KRDA's net assets reflect its investments in capital assets (land and infrastructure). KRDA used these assets to provide services to its member communities. Consequently, these assets are not available for future spending, until they are sold.

*KRDA Net Assets
Governmental Activities*

	<u>2022</u>	<u>2021</u>
Current Assets	\$1,493,352	\$1,302,073
Capital Assets depreciated (net)	\$ 34,725	\$ 22,219
Capital Assets amortized (net)	\$ 9,920	\$ 16,921
Other Assets	<u>\$ 839,022</u>	<u>\$ 718,941</u>
 Total Assets	 <u>\$2,377,018</u>	 <u>\$2,060,155</u>
 Current Liabilities	 \$ 3,703	 \$ 711
Long-Term Liabilities	<u>\$ -0-</u>	<u>\$ -0-</u>
 Total Liabilities	 \$ 3,703	 \$ 711
 Net Assets:		
Total Net Position	<u>\$2,373,315</u>	<u>\$2,059,444</u>
 Total Liabilities & Equity	 <u>\$2,377,018</u>	 <u>\$2,060,155</u>

As noted, KRDA uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Government Funds

The focus of KRDA's governmental funds is to provide information on near-term inflows, outflows and balance of expendable resources. The Unreserved fund balance may serve as a useful measure of the Authority's net resources available for spending at the end of the fiscal year.

At Fiscal Year End 2021-22, KRDA's government funds reported a positive total net position (fund balance or equity) of \$2,373,315, this amounts to an improvement of \$313,871 from the previous fiscal year.

General Fund Budgetary Highlights

Revenues:

The 2021-22 revenue budget variation of \$233,875 was primarily due to the gain from land sales, and under estimation of interest income and the Real Estate Tax revenues that were more than budgeted. Offset by the use of the 2021 marketing carryover.

<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Assessments	\$ 395,000	\$ 395,000	\$ -
Real Estate Taxes	\$ 435,000	\$ 447,294	\$ 12,294
Marketing Carryover	\$ 33,000	\$ -0-	\$ (33,000)
Other Income	\$ 5,000	\$ 4,744	\$ (256)
Gain on Sale	\$ -0-	\$ 252,213	\$ 252,213
Interest Earned	\$ 2,500	\$ 5,124	\$ 2,624
TOTAL	<u>\$ 870,500</u>	<u>\$1,104,375</u>	<u>\$ 233,875</u>

Expenditures:

Expenses were under budget by \$62,471 primarily as a result of: 1) increased real estate tax revenue distributed to members, which included the unused Special Purpose Funds; and 2) less than anticipated salary and benefits and other operational, administrative, and marketing expenditures (before applying the carry forward amount).

<u>Activity</u>	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Operations	\$ 434,624	\$ 364,590	\$ 70,034
Sp Purpose funds	\$ 40,000	\$ -0-	\$ 40,000
RE tax refund	\$ 395,000	\$ 442,563	\$(47,563)
TOTAS	<u>\$ 869,624</u>	<u>\$ 807,153</u>	<u>\$ 62,471</u>

Capital Assets:

Net Capital Assets increased by \$5,505 to \$44,645 on June 30, 2022 from \$39,140 on June 30, 2021. This increase is the net result of additions, write off of fully depreciated/amortized assets and the annual depreciation and amortization per guidelines.

Debt Service:

KRDA retired long-term debt in the fiscal year ended June 30, 2021. There is no other debt obligation of the organization.

Property Valuations:

The net valuation of the TIF district was \$27,274,000 with a mil rate of \$16.40. Real estate tax revenue generated for the year ending June 30, 2022 was \$447,294, a decrease of \$23,813 from the previous year.

Investments:

KRDA has \$1,459,107 (\$837,793 invested in deposit, and \$621,314 in CD's) in area banks and credit unions, at June 30, 2022, resulting in an increase of \$157,034 over the previous year. All balances are insured by the FDIC.

Economic Factors and considerations for the budget for FY 2022-23:

- We will continue to retain the services of SVN Commercial Brokers, of Portland ME and Chicago IL, to promote and sell the remaining real estate in FirstPark.
- We will work with Marshall Communications, our marketing consultant, to generate interest in FirstPark through our web site, social and print media, press releases, networking and special events.
- We anticipate that revenues from property valuations should remain stable.
- Currently there may be opportunities to extend and expand infrastructure that will open access to some lots, fulfilling the original development plan for FirstPark. This initiative is especially important with the significant federal funds that are being made available in the coming year.
- Summit Natural Gas completed installing service in early summer 2021, providing a utility option for business within FirstPark.
- Four lots sold in 2022 for a solar farm, will add another source of utility services to our land owners and others.
- Two lots, previously sold to LL Bean, were repurchased by KRDA and are currently under contract. Closing is scheduled for early in the second quarter.
- Repaving of all the streets in FirstPark, by the Town of Oakland, was completed.
- Reserve balances will continue to be added as cash flow allows.
- All bank balances will be kept within the maximum amount of full FDIC coverage.
- It is anticipated that funds held in deposit accounts will be reinvested in certificate of deposits in the coming year.

Respectfully submitted,

James "JJ" Jurdak

James "JJ" Jurdak

Treasurer

Kennebec Regional Development Authority
DBA First Park
Statement of Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
<i>Current assets:</i>		
Cash	\$ 837,793	\$ 587,523
Investments	621,314	714,550
Accounts receivable	34,245	-
<i>Total current assets</i>	<u>1,493,352</u>	<u>1,302,073</u>
<i>Capital assets:</i>		
Land improvements	344,293	344,293
Equipment and furniture	51,393	34,743
	395,686	379,036
Less accumulated depreciation	(360,961)	(356,817)
<i>Net capital assets</i>	<u>34,725</u>	<u>22,219</u>
Website costs	35,010	35,010
Less accumulated amortization	(25,091)	(18,089)
<i>Net website and bond issuance costs</i>	<u>9,920</u>	<u>16,921</u>
<i>Other assets:</i>		
Land and improvements for sale	839,022	718,941
TOTAL ASSETS	\$ 2,377,018	\$ 2,060,155
LIABILITIES AND NET POSITION		
<i>Current liabilities:</i>		
Accounts payable	\$ 3,703	\$ 711
<i>Total current liabilities</i>	<u>3,703</u>	<u>711</u>
<i>Net position:</i>		
Net investment in capital assets	44,644	39,141
Restricted for debt service	428,500	428,500
Restricted for contingency	50,000	50,000
Restricted for future expenditures - marketing	58,563	33,000
Unrestricted - operating	1,791,608	1,508,803
<i>Total net position</i>	<u>2,373,315</u>	<u>2,059,444</u>
TOTAL LIABILITIES AND NET POSITION	\$ 2,377,018	\$ 2,060,155

The accompanying notes are an integral part of this statement.

Kennebec Regional Development Authority
DBA First Park
Statement of Activities
For the Years Ended June 30, 2022 and June 30, 2021

	2022	2021
Revenues:		
Municipal member assessments	\$ 395,001	\$ 586,999
Real estate taxes	447,294	471,107
Other income	4,744	3,500
<i>Total revenues</i>	847,039	1,061,606
Expenditures:		
Wages & taxes	130,985	128,593
Employee benefits	20,340	19,333
Marketing	62,787	77,905
Office expense	28,991	28,229
Travel and entertainment	639	217
Municipal service	46,975	43,363
Professional fees	19,871	18,023
Real estate tax refunds	442,563	423,996
Park maintenance	26,205	18,757
Depreciation expense	4,145	5,023
Amortization expense	7,002	2,889
<i>Total expenditures</i>	790,503	766,328
Operating income	56,535	295,278
Other revenues (expenses):		
Interest earned	5,124	13,441
Interest expense	-	(1,278)
Gain on land sales	252,213	-
<i>Total other revenues (expenses)</i>	257,336	12,163
<i>Change in net position before extraordinary items</i>	313,872	307,441
NET POSITION (DEFICIT) - BEGINNING	2,059,444	1,752,003
NET POSITION (DEFICIT) - ENDING	\$ 2,373,316	\$ 2,059,444

The accompanying notes are an integral part of this statement.

Kennebec Regional Development Authority
DBA - First Park
Statement of Cash Flows
For the Years Ended June 30, 2022 and 2021

	2022	2021
<i>Cash flows from operating activities:</i>		
Cash received from members and users	\$ 812,794	\$ 1,081,350
Cash received from land sales	252,213	-
Cash payments to suppliers	(625,039)	(611,555)
Cash payments to employees	(151,325)	(147,926)
Net cash provided (used) by operating activities	288,643	321,869
<i>Cash flows from capital and related financing activities:</i>		
Payments on long-term debt	-	(254,181)
Interest paid	-	(2,549)
Purchase of capital assets	(16,650)	(15,700)
Net cash used in financing activities	(16,650)	(272,430)
<i>Cash flows from investing activities:</i>		
Investment income	917	838
Transfer certificate of deposit to savings account	50,787	-
Purchase of certificates of deposit	(73,427)	(50,787)
Net cash provided (used) in investing activities	(21,722)	(49,950)
<i>Net increase (decrease) in cash</i>	<i>250,270</i>	<i>(511)</i>
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	587,523	588,034
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 837,793	\$ 587,523
<i>Reconciliation of operating income to net cash provided (used) by operating activities:</i>		
Change in net assets	\$ 313,872	\$ 307,441
<i>Adjustment to reconcile net income (loss) to net cash provided by (used in) operating activities:</i>		
Investment income	(5,124)	(13,441)
Depreciation and amortization	11,147	7,912
Interest expense	-	1,278
<i>Changes in operating assets and liabilities:</i>		
Decrease (increase) in accounts receivable	(34,245)	19,743
Increase (decrease) in accounts payable	2,993	(1,065)
Net cash provided (used) by operating activities	\$ 288,643	\$ 321,869

**KENNEBEC REGIONAL DEVELOPMENT AUTHORITY
D/B/A FIRST PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Kennebec Regional Development Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

REPORTING ENTITY

Kennebec Regional Development Authority (First Park) was formed in 1998 through an act of the State of Maine legislature. The Authority's primary purposes, according to the act, were to strengthen the financial condition of local governments within the geographic territory of the Authority, while combining resources and sharing costs for meeting regional economic development needs and challenges; to promote and develop infrastructure and programs for employment and economic development opportunities and other conditions to positively affect regional development. The local governments who currently are members of the Authority are:

Anson	Norridgewock	Waterville
Benton	Oakland	Winslow
Canaan	Palmyra	
China	Pittsfield	
Clinton	Readfield	
Cornville	Rome	
Fairfield	Sidney	
Farmingdale	Smithfield	
Gardiner	St. Albans	
Hartland	Solon	
Manchester	Starks	

In addition to By Laws, which set forth the membership rules, board representation and officers, each local government has entered into an inter-local revenue sharing agreement with the Authority which spells out funding requirements and other terms and conditions.

BASIS OF ACCOUNTING

First Park uses the accrual method of accounting consistent with proprietary fund accounting under Government Accounting Standards.

INCOME TAXES

As an administrative agency of the member Towns, First Park is exempt from federal income tax.

**KENNEBEC REGIONAL DEVELOPMENT AUTHORITY
D/B/A FIRST PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS

Capital assets acquired are recorded at cost. Depreciation has been calculated using the straight-line method over the useful lives of the assets.

ESTIMATES

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

CASH AND INVESTMENTS

Cash at year-end consists of an interest bearing checking account and money market accounts. Investments at year-end consist of certificates of deposit held at local financial institutions. For purposes of the Statement of Cash Flows, the Authority considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. CASH AND INVESTMENTS

Typically, the Authority invests funds in checking accounts, savings accounts, and certificates of deposit. From time to time the Town's deposits and investments may be subject to risks, such as the following:

Custodial Credit Risk – Deposits - the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority uses only financial institutions that are insured by the FDIC or additional insurance. At June 30, 2022, cash deposits had a carrying value of \$837,793, all of which was covered by FDIC or collateralized.

Interest Rate Risk – The Authority does not currently have a deposit policy for interest rate risk.

Credit Risk – The Authority does not have a formal policy regarding credit risk. Maine statutes authorize the Authority to invest in obligations of the U.S. Treasury, and U.S. Agencies and certain bonds, securities and real assets.

Custodial Credit Risk – Investments – the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority does not have an investment policy. None of the Authority's investments were subject to custodial credit risk.

At June 30, 2022, the Authority's investment balances were as follows:

Certificates of Deposit at various local financial institutions	\$ 621,314
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The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All investments held by the Town are Level 1 inputs.

**KENNEBEC REGIONAL DEVELOPMENT AUTHORITY
D/B/A FIRST PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

3. CAPITAL ASSETS

	Balance 7/1/21	Additions	Deletions	Balance 6/30/22
Capital assets being depreciated:				
Equipment & furniture	\$ 34,743	\$ 16,650	\$ -	\$ 51,393
Land improvements	344,293	-	-	344,293
Web site dev. costs	<u>35,010</u>	-	-	<u>35,010</u>
Total capital assets being depreciated	<u>414,046</u>	<u>16,650</u>	<u>-</u>	<u>430,696</u>
Less accumulated depreciation:				
Equipment & furniture	(19,043)	(3,235)	-	(22,278)
Land improvements	(337,774)	(910)	-	(338,684)
Web site dev. costs	<u>(18,089)</u>	<u>(7,002)</u>	<u>-</u>	<u>(25,091)</u>
Total accum. depreciation	<u>(374,906)</u>	<u>(11,147)</u>	<u>-</u>	<u>(386,053)</u>
 Total capital assets being depreciated, net	 <u>\$ 39,140</u>	 <u>\$ 5,503</u>	 <u>\$ -</u>	 <u>\$ 44,643</u>

**KENNEBEC REGIONAL DEVELOPMENT AUTHORITY
D/B/A FIRST PARK
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2022 and 2021**

5. COMMITMENTS AND CONTINGENCIES

The Authority has entered into a memorandum of understanding with the Town of Oakland, as well as numerous inter-local agreements with each member community. These documents require various calculations and payments be made periodically including the following:

- One year from the date of the agreements and every year thereafter a calculation shall be made to determine the negative impact to the Town of Oakland which results from the increase in its State valuation due to development in the park.
- In the event the above calculation is not done annually, Oakland shall establish and maintain a reserve account in which it shall deposit 15% of all real estate tax revenue collected by Oakland from properties located within the Park.
- The Authority will reimburse the Town of Oakland for costs incurred by the Town in providing municipal services to the Park in the amount of \$5,000 in the first year and \$15,000 in the second and all subsequent years. In lieu of these fixed amounts, the Town of Oakland may elect to calculate the reimbursement amount in any year on the basis of a rate per square foot of gross building space constructed in the park. For the year ended June 30, 2022 the per square foot rate was \$0.26093.

6. NET POSITION

During fiscal year 2000, First Park's executive board designated amounts to be set aside as reserves for future infrastructure of \$ 150,000.00 and as a contingency for unexpected expenses \$ 50,000.00. In fiscal year 2015 \$50,500, in fiscal year 2016 \$15,000, and in fiscal year 2021 \$40,000 were added to the infrastructure reserve. The total infrastructure reserve at June 30, 2022 is \$428,500.

The Authority has approved to carry forward the balance remaining in the marketing expense line. The amount carried into the next fiscal year is \$58,563, approved to be spent on marketing expenses.

7. SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**Kennebec Regional Development Authority
DBA First Park
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Municipal member assessments	\$ 395,000	\$ 395,000	\$ 395,001	\$ 1
Real estate taxes	435,000	435,000	447,294	12,294
Other income	5,000	5,000	4,744	(256)
Interest earned	2,500	2,500	5,124	2,624
Gain from land sales	-	-	252,213	252,213
Utilitization of carryforward balance	-	33,000	-	(33,000)
<i>Total revenues</i>	<u>837,500</u>	<u>870,500</u>	<u>1,104,375</u>	<u>233,875</u>
EXPENDITURES:				
Wages & taxes	135,039	135,039	130,985	4,054
Benefits	18,585	18,585	20,340	(1,755)
Marketing	105,000	138,000	79,437	58,563
Office expense	37,000	37,000	40,138	(3,138)
Travel and entertainment	5,000	5,000	639	4,361
Professional fees	19,500	19,500	19,871	(371)
Real estate tax refunds	395,000	395,000	442,563	(47,563)
Municipal service	50,000	50,000	46,975	3,025
Park maintenance	31,500	31,500	26,205	5,295
Special purpose funds	40,000	40,000	-	40,000
<i>Total expenditures</i>	<u>836,624</u>	<u>869,624</u>	<u>807,153</u>	<u>62,471</u>
<i>Excess of revenues over (under) expenditures</i>	876	876	<u>297,222</u>	
<i>Add back purchase of capital assets (sign)</i>			16,650	
NET POSITION (DEFICIT) - BEGINNING			<u>2,059,444</u>	
NET POSITION (DEFICIT) - ENDING			<u><u>\$ 2,373,316</u></u>	