

Audited Financial Statements and  
Other Financial Information

**County of Kennebec, Maine  
Unorganized Territory**

June 30, 2021



*Proven Expertise & Integrity*



*Proven Expertise & Integrity*

August 25, 2022

Mr. Scott Ferguson  
County Administrator  
County of Kennebec  
125 State Street  
Augusta, Maine 04330

Dear Scott:

Enclosed please find three bound copies of the County of Kennebec - Unorganized Territory's audited financial statements for the year ended June 30, 2021.

If we can be of any further assistance to you or if there are any questions concerning these statements, please contact us.

It has been a pleasure serving the County of Kennebec - Unorganized Territory.

Very Best,

A handwritten signature in blue ink that appears to read "Ron".

Ron H.R. Smith, CPA, CFE

RHRS/rah

Enclosures

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

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JUNE 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
County of Kennebec, Maine - Unorganized Territory  
Augusta, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the County of Kennebec, Maine - Unorganized Territory, as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Unorganized Territory's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### Opinions

In our opinion, except for the items mentioned in the following paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the County of Kennebec, Maine - Unorganized Territory as of June 30, 2021 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 16 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.

Management has omitted a management's discussion and analysis, capital assets, depreciation on capital assets, debt and other disclosures that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not 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. These financial statements have been prepared for the purposes of the State of Maine. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 25, 2022, on our consideration of the County of Kennebec, Maine - Unorganized Territory'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 - Unorganized Territory's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
August 25, 2022

STATEMENT A

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

BALANCE SHEETS - GENERAL FUND  
JUNE 30,

	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	109,833	\$ 86,599
Due from other governments	201,267	-
<b>TOTAL ASSETS</b>	<b>\$ 311,100</b>	<b>\$ 86,599</b>
<b>LIABILITIES</b>		
Due to other governments	-	\$ 4,683
<b>TOTAL LIABILITIES</b>	-	4,683
<b>FUND BALANCES</b>		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	286,000	58,668
Unassigned	25,100	23,248
<b>TOTAL FUND BALANCES</b>	<b>311,100</b>	<b>81,916</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 311,100</b>	<b>\$ 86,599</b>

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

STATEMENT B

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

STATEMENTS OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GENERAL FUND  
FOR THE YEARS ENDED JUNE 30,

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Taxes:		
Property taxes	\$ 12,125	\$ 10,870
Excise taxes	9,188	2,438
Intergovernmental revenue:		
Department of Transportation	1,728	1,848
Capital project revenue	225,000	-
Interest income	193	-
Miscellaneous	900	159
<b>TOTAL REVENUES</b>	<u>249,134</u>	<u>15,315</u>
<b>EXPENDITURES</b>		
Current:		
Fire department	5,212	2,545
Snow removal	6,000	8,200
E911	232	225
Waste disposal	5,100	4,950
Administration	906	851
Audit	2,500	1,500
<b>TOTAL EXPENDITURES</b>	<u>19,950</u>	<u>18,271</u>
<b>NET CHANGE IN FUND BALANCES</b>	229,184	(2,956)
<b>FUND BALANCES - JULY 1</b>	<u>81,916</u>	<u>84,872</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 311,100</u>	<u>\$ 81,916</u>

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

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Unorganized Territory of Kennebec County are governed by the State of Maine and County of Kennebec officials. The following services are provided: fire department, contracting for snow removal, waste disposal, animal control and other administrative activities.

The Unorganized Territory of Kennebec County is the basic level of government, which has financial accountability and control over all activities related to the Unorganized Territory of Kennebec County. The Unorganized Territory of Kennebec County is not included in any other governmental "reporting entity" as defined by GASB 14. In addition, there are no component units as defined in GASB No. 14 and as amended by GASB Statements No. 39 and No. 61, which are required to be included in the Unorganized Territory of Kennebec County's reporting entity.

The accounting policies of the Unorganized Territory of Kennebec County conform to accounting principles generally accepted in the United States of America applicable to governmental units, except for the implementation of *Government Accounting Standards Board Statement Number 34*. The following is a summary of the more significant of these policies.

**COVID-19 Outbreak**

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

In response to the health crisis created by COVID-19 since early March of 2020, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. The state of emergency expired on June 30, 2021.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Implementation of New Accounting Standards**

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

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

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

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Principles Determining Scope of Reporting Entity**

The financial statements of the Unorganized Territory of Kennebec County consist only of the funds and account groups of the Unorganized Territory of Kennebec County. The criteria for including organizations as component units within the Unorganized Territory of Kennebec County reporting entity, as set forth in GAAP include whether:

- The Unorganized Territory of Kennebec County is legally separate (can sue and be sued in their own name)
- The Unorganized Territory of Kennebec County holds the corporate powers of the organization
- The Unorganized Territory of Kennebec County appoints a voting majority of the organization's board
- The Unorganized Territory of Kennebec County is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Unorganized Territory of Kennebec County
- There is fiscal dependency by the organization of Unorganized Territory of Kennebec County.

Based on the aforementioned criteria, the Unorganized Territory of Kennebec County has no component units.

**Basis of Presentation**

The accounts of the Unorganized Territory of Kennebec County are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are allocated to be spent and

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

**Governmental Funds**

Governmental funds are those through which general governmental functions of the Unorganized Territory of Kennebec County are financed. The acquisition, use and balances of the Unorganized Territory of Kennebec County's expendable financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental funds. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these financial statements.

**Major Fund**

General Fund - The General Fund is the general operating fund of the Unorganized Territory of Kennebec County. It is used to account for all financial resources except those required to be accounted for in another fund.

**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.

All governmental funds are accounted for by using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Intergovernmental revenues and interest income are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to the general rule include principal and interest on general long-term debt which is recognized when due.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deposits and Investments**

The Unorganized Territory of Kennebec 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 Unorganized Territory of Kennebec County's policy to value investments at fair value. None of the Unorganized Territory of Kennebec County's investments are reported at amortized cost.

The Unorganized Territory of Kennebec 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

The Unorganized Territory of Kennebec County's investment policy follows that of Kennebec County and does not conflict with the State of Maine Statutes. The policy is comprehensive and is applicable to all Unorganized Territory of Kennebec County funds.

**Budgets and Budgetary Accounting**

The Unorganized Territory of Kennebec County utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the Unorganized Territory of Kennebec County's general fund. The budget is presented on the modified accrual basis of accounting that is consistent with generally accepted accounting principles. The budget is established in accordance with various laws, which govern the Unorganized Territory of Kennebec County's operations.

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

1. The County Commissioners prepare estimates of the amounts needed for appropriations for the coming year.
2. A public hearing is held by the County Commissioners on these estimates prior to June 30.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. On or before July 1, the budget is transmitted to the State Tax Assessor and Fiscal Administrator of the Unorganized Territory of Kennebec County to be presented to the State of Maine Legislature for final approval.

**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 Unorganized Territory of Kennebec 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 Unorganized Territory of Kennebec County. The inhabitants of the Unorganized Territory of Kennebec County through Unorganized Territory of Kennebec County meetings are the highest level of decision-making authority of the Unorganized Territory of Kennebec County. Commitments may be established, modified or rescinded only through an Unorganized Territory of Kennebec County meeting vote.

**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 Board of 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 Unorganized Territory of Kennebec 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 Unorganized

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Territory of Kennebec County considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Unorganized Territory of Kennebec County meeting vote has provided otherwise in its commitment or assignment actions.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Unorganized Territory of Kennebec County's sends its' annual budget to the state. The state levies the taxes and remits them quarterly to the Unorganized Territory of Kennebec County.

**Encumbrance Accounting**

The Unorganized Territory of Kennebec County does not employ encumbrance accounting; under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriations.

**Use of Estimates**

During the preparation of the Unorganized Territory of Kennebec 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

The Unorganized Territory of Kennebec County's investment policies, which follow state statutes, authorize the Unorganized Territory of Kennebec 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. These investment policies apply to all Unorganized Territory of Kennebec County funds.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**Deposits**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Unorganized Territory of Kennebec County will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Unorganized Territory of Kennebec County does not have a policy covering custodial credit risk. However, the Unorganized Territory of Kennebec County maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2021, the Unorganized Territory of Kennebec County's cash balance of \$109,833 was comprised of bank deposits of \$109,833. All of these deposits were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

**Investments**

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Unorganized Territory of Kennebec 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.

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Unorganized Territory of Kennebec 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 Unorganized Territory of Kennebec County does not have a policy for custodial credit risk for investments.

At June 30, 2021, the Unorganized Territory of Kennebec County did not have any investments.

Credit risk - Statutes for the State of Maine authorize the Unorganized Territory of Kennebec 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 Unorganized Territory of Kennebec County does not have an investment policy on credit risk.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2021

NOTE 3 - EXPENDITURES OVER APPROPRIATIONS

The following expenditures were over appropriations at June 30, 2021:

Fire department	\$ 2,112
Waste disposal	100
Audit	<u>1,000</u>
	<u>\$ 3,212</u>

NOTE 4 - ASSIGNED FUND BALANCE

At June 30, 2021, the Unorganized Territory of Kennebec County has the following assigned fund balance:

Capital improvements	
Casella match	\$ 225,000
UT match	50,000
FY 22 match	<u>11,000</u>
	<u>\$ 286,000</u>

### Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual -General Fund

SCHEDULE 1

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

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

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Budgetary Fund Balance, July 1	\$ 81,916	\$ 81,916	\$ 81,916	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	12,125	12,125	12,125	-
Excise taxes	7,000	7,000	9,188	2,188
Intergovernmental revenue:				
Department of Transportation	1,800	1,800	1,728	(72)
Capital project revenue	-	-	225,000	225,000
Interest income	-	-	193	193
Miscellaneous	-	-	900	900
Amounts Available for Appropriation	<u>102,841</u>	<u>102,841</u>	<u>331,050</u>	<u>228,209</u>
Charges to Appropriations (Outflows):				
Fire department	3,100	3,100	5,212	(2,112)
Road repairs/maintenance	7,000	7,000	6,000	1,000
E911	255	255	232	23
Waste disposal	5,000	5,000	5,100	(100)
Administration	906	906	906	-
Audit	1,500	1,500	2,500	(1,000)
Animal control	262	262	-	262
Miscellaneous/Contingency	1,000	1,000	-	1,000
Total Charges to Appropriations	<u>19,023</u>	<u>19,023</u>	<u>19,950</u>	<u>(927)</u>
Budgetary Fund Balance, June 30	<u>\$ 83,818</u>	<u>\$ 83,818</u>	<u>\$ 311,100</u>	<u>\$ 227,282</u>
Utilization of unassigned fund balance	<u>\$ (1,902)</u>	<u>\$ (1,902)</u>	<u>\$ -</u>	<u>\$ (1,902)</u>

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



INDEPENDENT AUDITORS REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
County of Kennebec, Maine - Unorganized Territory  
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 and each major fund information of County of Kennebec, Maine - Unorganized Territory as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the County of Kennebec, Maine - Unorganized Territory's basic financial statements and have issued our report thereon dated August 25, 2022.

Internal Control Over Financial Reporting

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

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

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

#### Compliance and Other Matters

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

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards. We noted certain other matters that we reported to management of the County of Kennebec, Maine - Unorganized Territory in a separate letter dated August 25, 2022.

#### Purpose of this Report

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

*RHR Smith & Company*

Buxton, Maine  
August 25, 2022

