

Audited Financial Statements and
Other Financial Information

**County of Kennebec, Maine
Unorganized Territory**

June 30, 2022



Proven Expertise & Integrity

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of the County of Kennebec, Maine - Unorganized Territory, as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the County of Kennebec, Maine - Unorganized Territory'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 and each major fund of the County of Kennebec, Maine - Unorganized Territory as of June 30, 2022 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 - Unorganized Territory 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.

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

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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 - Unorganized Territory'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 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 - Unorganized Territory's internal control. Accordingly, no such opinion is expressed.

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 September 24, 2024, on our consideration of the County of Kennebec, Maine - Unorganized Territory's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the County of Kennebec – Unorganized Territory's 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
September 24, 2024

STATEMENT A

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

BALANCE SHEETS - GENERAL FUND
JUNE 30,

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and cash equivalents	\$ 37,835	\$ 109,833
Due from other governments	-	201,267
TOTAL ASSETS	<u><u>\$ 37,835</u></u>	<u><u>\$ 311,100</u></u>
LIABILITIES		
Due to other governments	<u>6,270</u>	<u>\$ -</u>
TOTAL LIABILITIES	<u><u>6,270</u></u>	<u><u>-</u></u>
FUND BALANCES		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	-	286,000
Unassigned	<u>31,565</u>	<u>25,100</u>
TOTAL FUND BALANCES	<u><u>31,565</u></u>	<u><u>311,100</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 37,835</u></u>	<u><u>\$ 311,100</u></u>

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,

	2022	2021
REVENUES		
Taxes:		
Property taxes	\$ 9,125	\$ 12,125
Excise taxes	11,126	9,188
Intergovernmental revenue:		
Department of Transportation	1,592	1,728
Capital project revenue	-	225,000
Interest income	-	193
Miscellaneous	11,195	900
TOTAL REVENUES	33,038	249,134
EXPENDITURES		
Current:		
Fire department	6,570	5,212
Road repairs/maintenance	297,478	6,000
E911	-	232
Waste disposal	5,250	5,100
Administration	906	906
Audit	2,000	2,500
Miscellaneous/contingency	369	-
TOTAL EXPENDITURES	312,573	19,950
NET CHANGE IN FUND BALANCES	(279,535)	229,184
FUND BALANCES - JULY 1	311,100	81,916
FUND BALANCES - JUNE 30	\$ 31,565	\$ 311,100

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

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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.

Implementation of New Accounting Standards

During the year ended June 30, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined the impact of this Statement is not material to the financial statements. beneficiary to release the assets. 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, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 89 “Accounting for Interest Cost Incurred before the End of a Construction Period”. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 91 “Conduit Debt Obligations”. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 92 “Omnibus 2020”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 93 “Replacement of Interbank Offered Rates (paragraphs 13-14)”. The primary objectives of paragraphs 13-14 concern provisions of lease contracts that are amended while the contract is in effect. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 97 “Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans”. The primary objectives of this Statement are to (1) increase consistency and comparability

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. 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

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

individual funds based upon the purposes for which they are allocated to be spent and 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, 2022

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, 2022

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, 2022

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, 2022

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, 2022, the Unorganized Territory of Kennebec County's cash balance of \$37,385 was comprised of bank deposits of \$37,385. 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, 2022, 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, 2022

NOTE 3 - EXPENDITURES OVER APPROPRIATIONS

The following expenditures were over appropriations at June 30, 2022:

Fire department	\$ 2,953
Road repairs/maintenance	4,478
Waste disposal	250
Audit	500
	<u>500</u>
	<u>\$ 8,181</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, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Budgetary Fund Balance, July 1	\$311,100	\$311,100	\$311,100	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	9,125	9,125	9,125	-
Excise taxes	7,000	7,000	11,126	4,126
Intergovernmental revenue:				
Department of Transportation	1,800	1,800	1,592	(208)
Miscellaneous	-	-	11,195	11,195
Amounts Available for Appropriation	329,025	329,025	344,138	15,113
Charges to Appropriations (Outflows):				
Fire department	3,617	3,617	6,570	(2,953)
Road repairs/maintenance	7,000	293,000	297,478	(4,478)
Waste disposal	5,000	5,000	5,250	(250)
Administration	906	906	906	-
Audit	1,500	1,500	2,000	(500)
Miscellaneous/Contingency	1,000	1,000	369	631
Total Charges to Appropriations	19,023	305,023	312,573	(7,550)
Budgetary Fund Balance, June 30	\$310,002	\$ 24,002	\$ 31,565	\$ 7,563
Utilization of assigned fund balance	\$ -	\$286,000	\$ -	\$286,000
Utilization of unassigned fund balance	1,098	1,098	-	1,098
	\$ 1,098	\$287,098	\$ -	\$287,098

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



Proven Expertise & Integrity

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

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, 2022 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 September 24, 2024.

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 September 4, 2024.

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
September 24, 2024