

Audited Financial Statements and  
Other Financial Information

**County of Kennebec, Maine  
Unorganized Territory**

June 30, 2023



*Proven Expertise & Integrity*

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

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JUNE 30, 2023

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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 each major fund of the County of Kennebec, Maine - Unorganized Territory, as of and for the year ended June 30, 2023 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 each major fund of the County of Kennebec, Maine - Unorganized Territory as of June 30, 2023 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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 15 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 December 18, 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  
December 18, 2024

STATEMENT A

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

BALANCE SHEETS - GENERAL FUND  
JUNE 30,

	2023	2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 31,352	\$ 37,835
<b>TOTAL ASSETS</b>	<b>\$ 31,352</b>	<b>\$ 37,835</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 500	\$ -
Due to other governments	14	6,270
<b>TOTAL LIABILITIES</b>	<b>514</b>	<b>6,270</b>
<b>FUND BALANCES</b>		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Assigned	-	-
Unassigned	30,838	31,565
<b>TOTAL FUND BALANCES</b>	<b>30,838</b>	<b>31,565</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 31,352</b>	<b>\$ 37,835</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,

	2023	2022
REVENUES		
Taxes:		
Property taxes	\$ 11,913	\$ 9,125
Excise taxes	7,797	11,126
Intergovernmental revenue:		
Department of Transportation	1,580	1,592
Miscellaneous	77	11,195
TOTAL REVENUES	21,367	33,038
EXPENDITURES		
Current:		
Fire department	10,794	6,570
Road repairs/maintenance	6,000	297,478
Waste disposal	5,200	5,250
Administration	-	906
Audit	100	2,000
Miscellaneous/contingency	-	369
TOTAL EXPENDITURES	22,094	312,573
NET CHANGE IN FUND BALANCES	(727)	(279,535)
FUND BALANCES - JULY 1	31,565	311,100
FUND BALANCES - JUNE 30	\$ 30,838	\$ 31,565

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

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The County of Kennebec, Maine - Unorganized Territory is 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 County of Kennebec, Maine - Unorganized Territory is the basic level of government, which has financial accountability and control over all activities related to the Unorganized Territory of Kennebec County. The County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory's reporting entity.

The accounting policies of the County of Kennebec, Maine - Unorganized Territory 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, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. 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 County of Kennebec, Maine - Unorganized Territory consist only of the funds and account groups of the County of Kennebec, Maine - Unorganized Territory. The criteria for including organizations as component units within the County of Kennebec, Maine - Unorganized Territory reporting entity, as set forth in GAAP include whether:

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

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

**Basis of Presentation**

The accounts of the County of Kennebec, Maine - Unorganized Territory 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 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:

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Governmental Funds**

Governmental funds are those through which general governmental functions of the County of Kennebec, Maine - Unorganized Territory are financed. The acquisition, use and balances of the County of Kennebec, Maine - Unorganized Territory'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 County of Kennebec, Maine - Unorganized Territory. 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.

**Deposits and Investments**

The County of Kennebec, Maine - Unorganized Territory'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.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

It is the County of Kennebec, Maine - Unorganized Territory's policy to value investments at fair value. None of the County of Kennebec, Maine - Unorganized Territory's investments are reported at amortized cost.

The County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory'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 County of Kennebec, Maine - Unorganized Territory funds.

**Budgets and Budgetary Accounting**

The County of Kennebec, Maine - Unorganized Territory utilizes a formal budgetary accounting system to control revenues and expenditures accounted for in the County of Kennebec, Maine - Unorganized Territory'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 County of Kennebec, Maine - Unorganized Territory'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.
3. On or before July 1, the budget is transmitted to the State Tax Assessor and Fiscal Administrator of the County of Kennebec, Maine - Unorganized Territory to be presented to the State of Maine Legislature for final approval.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory through County of Kennebec, Maine - Unorganized Territory meetings are the highest level of decision-making authority of the County of Kennebec, Maine - Unorganized Territory. Commitments may be established, modified or rescinded only through an County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the County of Kennebec, Maine - Unorganized Territory considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the County of Kennebec, Maine - Unorganized Territory meeting vote has provided otherwise in its commitment or assignment actions.

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

**Encumbrance Accounting**

The County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory'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 County of Kennebec, Maine - Unorganized Territory's investment policies, which follow state statutes, authorize the County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory funds.

**Deposits**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory does not have a policy covering custodial credit risk. However, the County of Kennebec, Maine - Unorganized Territory maintains deposits in qualifying financial

COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2023, the County of Kennebec, Maine - Unorganized Territory's cash balance of \$31,352 was comprised of bank deposits of \$31,360. 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 County of Kennebec, Maine - Unorganized Territory 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 County of Kennebec, Maine - Unorganized Territory will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the County of Kennebec, Maine - Unorganized Territory does not have a policy for custodial credit risk for investments.

At June 30, 2023, the County of Kennebec, Maine - Unorganized Territory did not have any investments.

Credit risk - Statutes for the State of Maine authorize the County of Kennebec, Maine - Unorganized Territory to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The County of Kennebec, Maine - Unorganized Territory does not have an investment policy on credit risk.

NOTE 3 - EXPENDITURES OVER APPROPRIATIONS

The following expenditures were over appropriations at June 30, 2023:

Fire department	\$ 3,294
Audit	100
	<u>\$ 3,394</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

## COUNTY OF KENNEBEC, MAINE - UNORGANIZED TERRITORY

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Budgetary Fund Balance, July 1	\$ 31,565	\$ 31,565	\$ 31,565	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	9,650	9,650	11,913	2,263
Excise taxes	8,000	8,000	7,797	(203)
Intergovernmental revenue:				
Department of Transportation	1,750	1,750	1,580	(170)
Miscellaneous	-	-	77	77
Amounts Available for Appropriation	<u>50,965</u>	<u>50,965</u>	<u>52,932</u>	<u>1,967</u>
Charges to Appropriations (Outflows):				
Fire department	7,500	7,500	10,794	(3,294)
Road repairs/maintenance	7,000	7,000	6,000	1,000
Waste disposal	5,400	5,400	5,200	200
Audit	-	-	100	(100)
Miscellaneous/Contingency	1,600	1,600	-	1,600
Total Charges to Appropriations	<u>21,500</u>	<u>21,500</u>	<u>22,094</u>	<u>(594)</u>
Budgetary Fund Balance, June 30	<u>\$ 29,465</u>	<u>\$ 29,465</u>	<u>\$ 30,838</u>	<u>\$ 1,373</u>
Utilization of unassigned fund balance	<u>\$ 2,100</u>	<u>\$ 2,100</u>	<u>\$ -</u>	<u>\$ 2,100</u>

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 each major fund information of County of Kennebec, Maine - Unorganized Territory as of and for the year ended June 30, 2023 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 December 18, 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.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses 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 December 18, 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  
December 18, 2024