

Audited Financial Statements

Town of Wayne, Maine

June 30, 2012



*Proven Expertise and Integrity*

TOWN OF WAYNE, MAINE

CONTENTS

JUNE 30, 2012

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 9
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET ASSETS	10
STATEMENT B - STATEMENT OF ACTIVITIES	11 - 12
<u>FUND FINANCIAL STATEMENTS</u>	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	13
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS	14
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	15
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	16
NOTES TO FINANCIAL STATEMENTS	17 - 31
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	32
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	33

## OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	34
SCHEDULE A – SCHEDULE OF DEPARTMENTAL OPERATIONS- GENERAL FUND	35 – 37
SCHEDULE B – COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	38
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	39
SPECIAL REVENUE FUNDS DESCRIPTION	40
SCHEDULE D - COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS	41 - 43
SCHEDULE E – COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS	44 - 46
CAPITAL PROJECTS FUNDS DESCRIPTION	47
SCHEDULE F – COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS	48 - 50
SCHEDULE G – COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS	51 - 53
PERMANENT FUNDS DESCRIPTION	54
SCHEDULE H – COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS	55
SCHEDULE I – COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS	56
GENERAL CAPITAL ASSETS DESCRIPTION	57
SCHEDULE J – SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	58
SCHEDULE K – SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	59



*Proven Expertise and Integrity*

## INDEPENDENT AUDITORS' REPORT

October 19, 2012

Board of Selectmen  
Town of Wayne  
Wayne, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wayne, Maine, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Wayne's management. 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. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wayne, Maine as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 33 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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708      (207) 929-4606      Fax: (207) 929-4609  
[www.rhrsmith.com](http://www.rhrsmith.com)

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wayne, Maine's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*RHR Smith & Company*

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

**(UNAUDITED)**

The following management's discussion and analysis of Town of Wayne, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

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

**Basic Financial Statements**

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

**Government - Wide Financial Statements**

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

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

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

Both of the above mentioned financial statements have one column for the town's activities. The type of activity presented for the Town of Wayne is:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, education, health and sanitation, recreation and other unclassified.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Wayne, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Wayne can be categorized as governmental funds.

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

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

The Town of Wayne presents three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "All Nonmajor Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets for governmental funds is \$3,892,738 compared to \$3,850,888 in the prior year, an increase of \$41,850.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$1,487,238 at the end of this year for governmental activities.



**Table 1**  
**Town of Wayne, Maine**  
**Net Assets**  
**June 30,**

	<b>Governmental Activities</b>	
	<b>2012</b>	<b>2011</b>
<b>Assets:</b>		
Current and Other Assets	\$ 1,641,169	\$ 1,552,812
Capital Assets	2,421,353	2,567,085
Total Assets	\$ 4,062,522	\$ 4,119,897
<b>Liabilities:</b>		
Current Liabilities	\$ 168,353	\$ 188,581
Long-term Debt Outstanding	1,431	80,428
Total Liabilities	\$ 169,784	\$ 269,009
<b>Net Assets:</b>		
Invested in Capital Assets, Net of Related Debt	\$ 2,341,353	\$ 2,407,085
Restricted	64,147	57,794
Unrestricted	1,487,238	1,386,009
Total Net Assets	\$ 3,892,738	\$ 3,850,888

### **Revenues and Expenses**

Comparable figures are not available for revenues and expenses due to reclassification of categories.

**Table 2**  
**Town of Wayne, Maine**  
**Change in Net Assets**  
**For the Year Ended June 30,**

	<b>Governmental Activities</b>
	<b>2012</b>
<b>Revenues</b>	
<i>Program Revenues:</i>	
Charges for services	\$ 8,047
Operating grants & contributions	34,476
<i>General Revenues:</i>	
Taxes	2,691,561
Grants & contributions not restricted to specific programs	102,082
Miscellaneous	118,967
<b>Total Revenues</b>	<b>2,955,133</b>
<b>Expenses</b>	
<i>Current:</i>	
General government	270,494
Public safety	92,478
Highways and roads	496,219
Sanitation	99,080
Cobbossee watershed	2,294
Rec maintenance	19,884
Organizations and social services	197,865
Unclassified	149,558
Education	1,532,433
County tax	5,592
Overlay	16,500
Capital improvements	30,886
<b>Total Expenses</b>	<b>2,913,283</b>
Change in Net Assets	41,850
Net Assets - July 1	3,850,888
Net Assets - June 30	<b>\$ 3,892,738</b>

## Financial Analysis of the Town's Fund Statements

*Governmental funds:* The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

**Table 3**  
**Town of Wayne, Maine**  
**Fund Balances - Governmental Funds**  
**June 30,**

	2012	2011
Major Funds:		
General Fund:		
Assigned	\$ -	\$ 438,047
Unassigned	972,973	859,235
Total Major Funds	\$ 972,973	\$ 1,297,282
Nonmajor Funds:		
Special Revenue funds:		
Assigned	\$ 24,694	\$ -
Unassigned	(1,259)	-
Capital Projects funds:		
Assigned	378,127	-
Unassigned	(297)	-
Permanent funds:		
Restricted	64,147	57,794
Total Nonmajor Funds	\$ 465,412	\$ 57,794

The general fund total fund balance decreased by \$324,309 from the prior fiscal year. The non-major fund balances increased by \$407,618 from the prior fiscal year. Most of these changes can be attributed to the transfer of individual funds out of the general fund and into the non-major funds.

### Budgetary Highlights

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

The general fund actual revenues exceeded budget by \$32,957. This was mostly because of excess excise taxes and many revenues not budgeted for.

The general fund actual expenditures exceeded the budget by \$294,122. This is mostly accounted for by the transfers to other funds not budgeted for.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2012, the net book value of capital assets recorded by the Town decreased by \$145,732. This was a result of current year depreciation expense.

**Table 4**  
**Town of Wayne, Maine**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 705,000	\$ 705,000
Construction in progress	4,720	4,720
Buildings and improvements	287,309	298,354
Machinery and equipment	29,355	39,016
Vehicles	50,194	63,842
Infrastructure	<u>1,344,775</u>	<u>1,456,153</u>
Total	<u>\$ 2,421,353</u>	<u>\$ 2,567,085</u>

### Debt

At June 30, 2012, the Town had \$80,000 in bonds outstanding versus \$160,000 last year, a decrease of 50%. Other obligations include accrued sick and vacation time as shown in Note 5 of Notes to Financial Statements.

### Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

### Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Finance Department at, P.O. Box 400, Wayne, Maine 04284.

TOWN OF WAYNE, MAINE  
STATEMENT OF NET ASSETS  
JUNE 30, 2012

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,416,666
Investments	14,719
Accounts receivable (net of allowance for uncollectibles):	
Taxes	147,570
Liens	56,422
Other	<u>5,792</u>
Total current assets	<u>1,641,169</u>
Noncurrent assets:	
Capital assets:	
Land, infrastructure, and other assets not being depreciated	709,720
Buildings and vehicles net of accumulated depreciation	<u>1,711,633</u>
Total noncurrent assets	<u>2,421,353</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,062,522</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 85,746
Accrued payroll	1,723
Prepaid taxes	884
Current portion of long-term obligations	<u>80,000</u>
Total current liabilities	<u>168,353</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	-
Accrued compensated absences	<u>1,431</u>
Total noncurrent liabilities	<u>1,431</u>
<b>TOTAL LIABILITIES</b>	<u>169,784</u>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	2,341,353
Restricted	64,147
Unrestricted	<u>1,487,238</u>
<b>TOTAL NET ASSETS</b>	<u>3,892,738</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 4,062,522</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF WAYNE, MAINE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Revenue & Changes in Net Assets
					Governmental Activities
Governmental activities:					
General government	\$ 270,494	\$ 8,047	\$ -	\$ -	\$ (262,447)
Public safety	92,478	-	-	-	(92,478)
Highways and roads	496,219	-	34,476	-	(461,743)
Sanitation	99,080	-	-	-	(99,080)
Cobbossee watershed	2,294	-	-	-	(2,294)
Rec maintenance	19,884	-	-	-	(19,884)
Organizations and social services	30,886	-	-	-	(30,886)
Unclassified	149,558	-	-	-	(149,558)
Education	1,532,433	-	-	-	(1,532,433)
County tax	197,865	-	-	-	(197,865)
Capital improvements	16,500	-	-	-	(16,500)
Interest on long-term debt	5,592	-	-	-	(5,592)
Total government	<u>\$ 2,913,283</u>	<u>\$ 8,047</u>	<u>\$ 34,476</u>	<u>\$ -</u>	<u>(2,870,760)</u>

## TOWN OF WAYNE, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(2,870,760)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	2,497,332
Excise taxes	194,229
Grants and contributions not restricted to specific programs	102,082
Miscellaneous	118,967
Total general revenues	<u>2,912,610</u>
Change in net assets	41,850
NET ASSETS - JULY 1, 2011	<u>3,850,888</u>
NET ASSETS - JUNE 30, 2012	<u>\$ 3,892,738</u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF WAYNE, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2012

	General Fund	All Nonmajor Funds	Totals
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,369,238	\$ 47,428	\$ 1,416,666
Investments	-	14,719	14,719
Receivables (net of allowance for uncollectibles):			
Taxes	147,570	-	147,570
Liens	56,422	-	56,422
Other	5,792	-	5,792
Due from other funds	1,556	404,821	406,377
<b>TOTAL ASSETS</b>	<u>\$ 1,580,578</u>	<u>\$ 466,968</u>	<u>\$ 2,047,546</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 85,746	\$ -	\$ 85,746
Accrued payroll	1,723	-	1,723
Accrued compensated absences	1,431	-	1,431
Due to other funds	404,821	1,556	406,377
Deferred tax revenue	113,000	-	113,000
Prepaid taxes	884	-	884
<b>TOTAL LIABILITIES</b>	<u>607,605</u>	<u>1,556</u>	<u>609,161</u>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	64,147	64,147
Committed	-	-	-
Assigned	-	402,821	402,821
Unassigned	972,973	(1,556)	971,417
<b>TOTAL FUND BALANCES</b>	<u>972,973</u>	<u>465,412</u>	<u>1,438,385</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,580,578</u>	<u>\$ 466,968</u>	<u>\$ 2,047,546</u>

See accompanying independent auditors' report and notes to financial statements.



## TOWN OF WAYNE, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,438,385
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	2,421,353
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	113,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	<u>(80,000)</u>
 Net assets of governmental activities	 <u><u>\$ 3,892,738</u></u>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF WAYNE, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	All Nonmajor Funds	Totals Governmental Funds
<b>REVENUES</b>			
Taxes	\$ 2,478,332	\$ -	\$ 2,478,332
Excise taxes	194,229	-	194,229
Intergovernmental	136,558	-	136,558
Charges for services	8,047	-	8,047
Miscellaneous revenues	18,946	100,021	118,967
<b>TOTAL REVENUES</b>	<b>2,836,112</b>	<b>100,021</b>	<b>2,936,133</b>
<b>EXPENDITURES</b>			
Current:			
General government	262,014	-	262,014
Public safety	57,074	-	57,074
Highways and roads	406,120	-	406,120
Sanitation	99,080	-	99,080
Cobbossee watershed	2,294	-	2,294
Rec maintenance	13,408	-	13,408
Organizations and social services	30,886	-	30,886
Unclassified	4,338	145,220	149,558
Education	1,532,433	-	1,532,433
County tax	197,865	-	197,865
Capital improvements	16,500	-	16,500
Debt service:			
Principal	80,000	-	80,000
Interest	5,592	-	5,592
<b>TOTAL EXPENDITURES</b>	<b>2,707,604</b>	<b>145,220</b>	<b>2,852,824</b>
<b>EXCESS REVENUES OVER (UNDER) EXPENDITURES</b>	<b>128,508</b>	<b>(45,199)</b>	<b>83,309</b>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in	-	452,817	452,817
Operating transfers (out)	(452,817)	-	(452,817)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(452,817)</b>	<b>452,817</b>	<b>-</b>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<b>(324,309)</b>	<b>407,618</b>	<b>83,309</b>
<b>FUND BALANCES - JULY 1</b>	<b>1,297,282</b>	<b>57,794</b>	<b>1,355,076</b>
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 972,973</b>	<b>\$ 465,412</b>	<b>\$ 1,438,385</b>

See accompanying independent auditors' report and notes to financial statements.

## TOWN OF WAYNE, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 83,309</u>
<p>Amounts reported for governmental activities in the Statement of Activities        (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental        activities report depreciation expense allocated to those expenditures        over the life of the assets:</p>	
Capital asset purchases capitalized	-
Capital assets disposed	-
Depreciation expense	<u>(145,732)</u>
	<u>(145,732)</u>
<p>Revenues in the Statement of Activities that do not provide current financial        resources are not reported.</p>	
Taxes and liens receivable	<u>19,000</u>
<p>Some expenses reported in the Statement of Activities do not require the use of        current financial resources and therefore are not reported as expenditures in        governmental funds:</p>	
Accrued interest payable	6,133
Accrued compensated absences	<u>(860)</u>
	<u>5,273</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental        funds, but the repayment reduces long-term liabilities in the Statement of        Net Assets</p>	
	<u>80,000</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 41,850</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Reporting Entity***

The Town of Wayne was incorporated under the laws of the State of Maine. The Town operates under Town manager form of government and provides the following services: general government, public safety, public works, health and sanitation, education, and recreation.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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

***Government –Wide and Fund Financial Statements***

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

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

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

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

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

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

**Measurement Focus - Basic Financial Statements & Fund Financial Statements**

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

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

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town in trust for specific purposes.

**Basis of Accounting**

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

1. Accrual

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

2. Modified Accrual

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

**Budget**

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

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Selectmen was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

**Deposits and Investments**

The Town'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 Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town 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 deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Wayne has no formal investment policy but instead follows the State of Maine Statutes. They are in the process of adopting a more detailed investment policy.

**Inventories**

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

**Interfund Receivables and Payables**

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Transactions Between Funds**

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

**Allowance for Uncollectible Accounts**

The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2012.

**Capital Assets**

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

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

**Long-term Obligations**

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



TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

**Compensated Absences**

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2012, the Town's liability for compensated absences is \$1,431.

**Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**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 Town 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town 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 Selectmen.

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

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Town's property tax for the current year was levied August 2, 2011 on the assessed value listed as of April 1, 2011, for all real and personal property located in the Town. Taxes were due in two installments on October 1, 2011 and January 31, 2012. Interest on unpaid taxes commenced on October 2, 2011 and January 20, 2012, at 7% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$27,460 for the year ended June 30, 2012.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

**Operating/Non-operating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

**Encumbrance Accounting**

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Use of Estimates**

During the preparation of the Town'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 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town 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, 2012, the Town's deposits amounting to \$1,416,666 were comprised of bank deposits of \$1,158,719. Of these deposits, \$1,158,719 was fully covered by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 6,035
Sweep account	893,500
Savings accounts	259,183
	<u>\$ 1,158,719</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

**Investments:**

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

At June 30, 2012, the Town's investments balance of \$14,719 was covered by federal depository insurance.

<u>Investment Type</u>	<u>Fair Value</u>	<u>N/A</u>	<u>&lt; 1 Year</u>	<u>1 - 5 Years</u>
Certificates of deposit	\$ 14,719	\$ -	\$ 14,719	\$ -
	<u>\$ 14,719</u>	<u>\$ -</u>	<u>\$ 14,719</u>	<u>\$ -</u>

Credit risk – Statutes for the State of Maine authorize the Town 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 Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various insured certificates of deposit.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 1,556	\$ 404,821
Special Revenue Fund	24,694	1,259
Capital Projects Fund	378,127	297
Permanent Fund	2,000	-
	<u>\$ 406,377</u>	<u>\$ 406,377</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2012:

	Balance, 7/1/11	Additions	Disposals	Balance, 6/30/12
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 705,000	\$ -	\$ -	\$ 705,000
Construction in progress	4,720	-	-	4,720
	<u>709,720</u>	<u>-</u>	<u>-</u>	<u>709,720</u>
Depreciated assets:				
Buildings and improvements	654,914	-	-	654,914
Equipment, furniture & fixtures	420,891	-	-	420,891
Infrastructure	5,094,939	-	-	5,094,939
	<u>6,170,744</u>	<u>-</u>	<u>-</u>	<u>6,170,744</u>
Less: accumulated depreciation	<u>(4,313,379)</u>	<u>(145,732)</u>	<u>-</u>	<u>(4,459,111)</u>
	<u>1,857,365</u>	<u>(145,732)</u>	<u>-</u>	<u>1,711,633</u>
Net capital assets	<u>\$ 2,567,085</u>	<u>\$ (145,732)</u>	<u>\$ -</u>	<u>\$ 2,421,353</u>
<u>Current year depreciation</u>				
General government				\$ 13,753
Public safety				35,404
Public works				90,099
Recreation				6,476
Total depreciation expense				<u>\$ 145,732</u>

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2012:

	Balance, 7/1/11	Additions	Deletions	Balance, 6/30/12	Current Portion
Bonds payable	\$ 160,000	\$ -	\$ (80,000)	\$ 80,000	\$ 80,000
Accrued compensated absences	571	860	-	1,431	-
Totals	<u>\$ 1,395,170</u>	<u>\$ 860</u>	<u>\$ (80,000)</u>	<u>\$ 81,431</u>	<u>\$ 80,000</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

\$300,000 - 2002 General Obligation Bond due in annual principal payments and semi-annual interest payments through November of 2012. The interest rate is set from 2.5% to a rate of 3.45% per annum based on the amount outstanding.	\$ 30,000
\$250,000 - 2007 Bond with Androscoggin Savings Bank due in annual principal and interest payments through July of 2012. The interest rate is set at 4.64% per annum.	<u>50,000</u>
Total Long-Term Debt	<u><u>\$ 80,000</u></u>

The following is a summary of outstanding bond principal and interest requirements for the following fiscal years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 80,000	\$ 2,844	\$ 82,844
2014	-	-	-
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018-2022	-	-	-
2023-2027	-	-	-
	<u><u>\$ 80,000</u></u>	<u><u>\$ 2,844</u></u>	<u><u>\$ 82,844</u></u>

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 6 – RESTRICTED FUND BALANCES

At June 30, 2012, the Town had the following restricted fund balances:

Nonmajor permanent funds (Schedule H)	<u><u>\$ 64,147</u></u>
---------------------------------------	-------------------------

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 7 – ASSIGNED FUND BALANCES

At June 30, 2012, the Town had the following committed fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 24,694
Nonmajor capital project funds (Schedule F)	378,127
	<u>\$ 402,821</u>

NOTE 8 – RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently the Town participates in several public-entity and self-insured risk pools sponsored by the Maine Municipal Association.

Based on the coverage provided by the pools described above, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2012.

NOTE 9 – OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and Regional School Unit debt. As of June 30, 2012, the Town's share was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
County of Kennebec	\$ 30,000	2.98%	\$ 894
RSU #38	5,030,223	30.30%	<u>1,524,158</u>
			<u>\$ 1,525,052</u>

NOTE 10 – DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORPORATION

A. PLAN DESCRIPTION

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to all full-time Town employees, permits them to defer a portion of their salary, in addition to



TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 10 – DEFERRED COMPENSATION PLAN (CONTINUED)

Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

B. FUNDING POLICY

The contribution requirements of plan members and the Town are established and may be amended by the Town's Board of Selectmen. The Town will contribute up to 5% of annual salary for employees that participate in the Town's defined benefit plan.

The Town's contributions to the plan including employee contributions for 2012, 2011, and 2010 were \$4,009, \$5,016, and \$2,361, respectively.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all full-time Town employees, permits them to defer a portion of their salary until future years. The Town matches the employees' contributions up to 5% of their annual gross salary. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. The plan is being maintained by ICMA Retirement Corporation.

NOTE 11 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

	<u>Excess</u>
General administration	\$ 4,765
Elections/hearings	321
Fire department	252
Cobbossee watershed	80
Maine municipal association	46
General assistance	338
Education	1,726
Transfers to other funds	419,673
	<u>\$ 427,201</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2012

NOTE 12 – DEFICIT FUND BALANCES

At June 30, 2012, the Town had the following funds with deficit fund balances:

Ladd Rec Center Operations	\$	1,259
Lovejoy pond dam		<u>297</u>
	\$	<u><u>1,556</u></u>

## Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government 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

## TOWN OF WAYNE, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS  
 BUDGET AND ACTUAL – GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,297,282	\$ 1,297,282	\$ 1,297,282	\$ -
Resources (Inflows):				
Property taxes	2,502,647	2,502,647	2,478,332	(24,315)
Excise taxes	175,000	175,000	194,229	19,229
Intergovernmental	125,508	125,508	136,558	11,050
Charge for services	-	-	8,047	8,047
Interest on taxes	-	-	11,078	11,078
Interest income	-	-	2,260	2,260
Other revenues	-	-	5,608	5,608
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>4,100,437</u>	<u>4,100,437</u>	<u>4,133,394</u>	<u>32,957</u>
Charges to Appropriation (Outflows):				
General government	271,839	271,839	262,014	9,825
Public safety	65,364	65,364	57,074	8,290
Highways and roads	410,960	410,960	406,120	4,840
Sanitation	110,085	110,085	99,080	11,005
Cobboossee watershed	2,214	2,214	2,294	(80)
Recreation	14,800	14,800	13,408	1,392
Organizations and social services	31,526	31,526	30,886	640
Unclassified	4,000	4,000	4,338	(338)
Education	1,530,707	1,530,707	1,532,433	(1,726)
Capital improvements	79,000	79,000	16,500	62,500
County tax	198,200	198,200	197,865	335
Overlay	27,460	27,460	-	27,460
Debt service:				
Principal	80,000	80,000	80,000	-
Interest	7,000	7,000	5,592	1,408
Transfers to other funds	33,144	33,144	452,817	(419,673)
Total Charges to Appropriations	<u>2,866,299</u>	<u>2,866,299</u>	<u>3,160,421</u>	<u>(294,122)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,234,138</u>	<u>\$ 1,234,138</u>	<u>\$ 972,973</u>	<u>\$ (261,165)</u>
Utilization of Assigned Fund Balance	\$ 33,144	\$ 33,144	\$ -	\$ (33,144)
Utilization of Unassigned Fund Balance	30,000	30,000	-	(30,000)
	<u>\$ 63,144</u>	<u>\$ 63,144</u>	<u>\$ -</u>	<u>\$ (63,144)</u>

See accompanying independent auditors' report.

## Other Supplementary Information

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

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

TOWN OF WAYNE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
<b>EXPENDITURES</b>					
General government:					
Salaries	\$ 166,209	\$ -	\$ 166,209	\$ 151,798	\$ 14,411
General administration	82,630	-	82,630	87,395	(4,765)
Assessing	19,300	-	19,300	18,800	500
Elections/hearings	3,700	-	3,700	4,021	(321)
	<u>271,839</u>	<u>-</u>	<u>271,839</u>	<u>262,014</u>	<u>9,825</u>
Public Safety:					
Ambulance	7,784	-	7,784	4,162	3,622
Law enforcement	4,000	-	4,000	1,100	2,900
Fire department	37,000	-	37,000	37,252	(252)
PSAP/Dispatch	9,580	-	9,580	8,950	630
Street lights	7,000	-	7,000	5,610	1,390
	<u>65,364</u>	<u>-</u>	<u>65,364</u>	<u>57,074</u>	<u>8,290</u>
Highway:					
Roads	410,960	-	410,960	406,120	4,840
	<u>410,960</u>	<u>-</u>	<u>410,960</u>	<u>406,120</u>	<u>4,840</u>
Sanitation:					
Transfer station	110,085	-	110,085	99,080	11,005
Cobbossee watershed	2,214	-	2,214	2,294	(80)

TOWN OF WAYNE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
County Tax	198,200	-	198,200	197,865	335
Recreation	14,800	-	14,800	13,408	1,392
Organizations and social service agencies:					
Humane Society	2,000	-	2,000	1,860	140
Maine Municipal Association	2,000	-	2,000	2,046	(46)
Kennebec Land Trust	250	-	250	250	-
Memorial Day	300	-	300	300	-
Cemetery Association	3,500	-	3,500	3,500	-
Library	5,000	-	5,000	5,000	-
Library Renovation Fund	5,000	-	5,000	5,000	-
Messenger	1,200	-	1,200	1,200	-
Conservation commission	600	-	600	140	460
Archival Board	500	-	500	414	86
Rural Community Action	3,300	-	3,300	3,300	-
Senior Spectrum - KAA	1,004	-	1,004	1,004	-
Hospice of Kennebec	1,000	-	1,000	1,000	-
Healthy Futures	500	-	500	500	-
Family Violence	575	-	575	575	-
Maine Public Broadcasting	100	-	100	100	-
Kennebec Valley Mental Health	1,565	-	1,565	1,565	-
Red Cross	1,092	-	1,092	1,092	-
Crisis Support Center	450	-	450	450	-
United Cerebral Palsy	500	-	500	500	-
Big Brothers/ Big Sisters	500	-	500	500	-
The Children's Center	590	-	590	590	-
	<u>31,526</u>	<u>-</u>	<u>31,526</u>	<u>30,886</u>	<u>640</u>

TOWN OF WAYNE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
Unclassified:					
General assistance	4,000	-	4,000	4,338	(338)
	<u>4,000</u>	<u>-</u>	<u>4,000</u>	<u>4,338</u>	<u>(338)</u>
Education	1,530,707	-	1,530,707	1,532,433	(1,726)
Capital improvements					
Capital reserves	29,000	-	29,000	15,000	14,000
Long Pond Dam reserve	50,000	-	50,000	1,500	48,500
	<u>79,000</u>	<u>-</u>	<u>79,000</u>	<u>16,500</u>	<u>62,500</u>
Debt service:					
Principal	80,000	-	80,000	80,000	-
Interest	7,000	-	7,000	5,592	1,408
	<u>87,000</u>	<u>-</u>	<u>87,000</u>	<u>85,592</u>	<u>1,408</u>
Transfers:					
Special revenue funds	33,144	-	33,144	33,317	(173)
Capital project funds	-	-	-	419,500	(419,500)
	<u>33,144</u>	<u>-</u>	<u>33,144</u>	<u>452,817</u>	<u>(419,673)</u>
Overlay	27,460	-	27,460	-	27,460
Total Expenditures	<u>\$ 2,866,299</u>	<u>\$ -</u>	<u>\$ 2,866,299</u>	<u>\$ 3,160,421</u>	<u>\$ (294,122)</u>

See accompanying independent auditors' report.



## TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 47,428	\$ 47,428
Investments	-	-	14,719	14,719
Due from other funds	24,694	378,127	2,000	404,821
<b>TOTAL ASSETS</b>	<b>\$ 24,694</b>	<b>\$ 378,127</b>	<b>\$ 64,147</b>	<b>\$ 466,968</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,259	297	-	1,556
<b>TOTAL LIABILITIES</b>	<b>1,259</b>	<b>297</b>	<b>-</b>	<b>1,556</b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	64,147	64,147
Committed	-	-	-	-
Assigned	24,694	378,127	-	402,821
Unassigned	(1,259)	(297)	-	(1,556)
<b>TOTAL FUND BALANCES</b>	<b>23,435</b>	<b>377,830</b>	<b>64,147</b>	<b>465,412</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 24,694</b>	<b>\$ 378,127</b>	<b>\$ 64,147</b>	<b>\$ 466,968</b>

See accompanying independent auditors' report.

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
REVENUES				
Investment income	\$      18	\$    1,536	\$      121	\$     1,675
Other income	89,362	2,750	6,234	98,346
TOTAL REVENUES	<u>89,380</u>	<u>4,286</u>	<u>6,355</u>	<u>100,021</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	99,262	45,956	2	145,220
TOTAL EXPENDITURES	<u>99,262</u>	<u>45,956</u>	<u>2</u>	<u>145,220</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,882)</u>	<u>(41,670)</u>	<u>6,353</u>	<u>(45,199)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	33,317	419,500	-	452,817
Operating Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>33,317</u>	<u>419,500</u>	<u>-</u>	<u>452,817</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	23,435	377,830	6,353	407,618
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>57,794</u>	<u>57,794</u>
FUND BALANCES - JUNE 30	<u>\$  23,435</u>	<u>\$  377,830</u>	<u>\$   64,147</u>	<u>\$  465,412</u>

See accompanying independent auditors' report.

## Special Revenue Funds

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

## TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS  
JUNE 30, 2012

	Fire Ponds	Comprehensive Plan	Maine State Preamble	ADA Compliance	Animal Control	Pandemic Supplies
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,633	125	966	1,450	2,244	5,000
<b>TOTAL ASSETS</b>	<b><u>\$ 1,633</u></b>	<b><u>\$ 125</u></b>	<b><u>\$ 966</u></b>	<b><u>\$ 1,450</u></b>	<b><u>\$ 2,244</u></b>	<b><u>\$ 5,000</u></b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	1,633	125	966	1,450	2,244	5,000
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>1,633</u></b>	<b><u>125</u></b>	<b><u>966</u></b>	<b><u>1,450</u></b>	<b><u>2,244</u></b>	<b><u>5,000</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,633</u></b>	<b><u>\$ 125</u></b>	<b><u>\$ 966</u></b>	<b><u>\$ 1,450</u></b>	<b><u>\$ 2,244</u></b>	<b><u>\$ 5,000</u></b>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS  
 JUNE 30, 2012

	<u>Conservation Committee</u>	<u>Snow Mobile</u>	<u>Wayne Rescue</u>	<u>Muni Building Study</u>	<u>Farmers Market</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	812	5,955	200	800	660
<b>TOTAL ASSETS</b>	<u>\$ 812</u>	<u>\$ 5,955</u>	<u>\$ 200</u>	<u>\$ 800</u>	<u>\$ 660</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	812	5,955	200	800	660
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>812</u>	<u>5,955</u>	<u>200</u>	<u>800</u>	<u>660</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 812</u>	<u>\$ 5,955</u>	<u>\$ 200</u>	<u>\$ 800</u>	<u>\$ 660</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS  
 JUNE 30, 2012

	Wayne History Project	Andro Lake Improvement	Ladd Rec Center Operations	Totals
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	3,973	876	-	24,694
<b>TOTAL ASSETS</b>	<u>\$ 3,973</u>	<u>\$ 876</u>	<u>\$ -</u>	<u>\$ 24,694</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,259	1,259
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>1,259</u>	<u>1,259</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	3,973	876	-	24,694
Unassigned	-	-	(1,259)	(1,259)
<b>TOTAL FUND BALANCES</b>	<u>3,973</u>	<u>876</u>	<u>(1,259)</u>	<u>23,435</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 3,973</u>	<u>\$ 876</u>	<u>\$ -</u>	<u>\$ 24,694</u>

See accompanying independent auditors' report.

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR  
SPECIAL REVENUES FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Fire Ponds	Comprehensive Plan	Maine State Preamble	ADA Compliance	Animal Control	Pandemic Supplies
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	1,633	125	966	1,450	2,244	5,000
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,633</u>	<u>125</u>	<u>966</u>	<u>1,450</u>	<u>2,244</u>	<u>5,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	1,633	125	966	1,450	2,244	5,000
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 1,633</u>	<u>\$ 125</u>	<u>\$ 966</u>	<u>\$ 1,450</u>	<u>\$ 2,244</u>	<u>\$ 5,000</u>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR SPECIAL REVENUES FUNDS FOR THE YEAR ENDED JUNE 30, 2012

	<u>Conservation Committee</u>	<u>Snow Mobile</u>	<u>Wayne Rescue</u>	<u>Muni Building Study</u>	<u>Farmers Market</u>
REVENUES					
Investment income	\$ -	\$ 18	\$ -	\$ -	\$ -
Other income	-	940	-	-	440
TOTAL REVENUES	<u>-</u>	<u>958</u>	<u>-</u>	<u>-</u>	<u>440</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	-	-	-	100
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>958</u>	<u>-</u>	<u>-</u>	<u>340</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	812	4,997	200	800	320
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>812</u>	<u>4,997</u>	<u>200</u>	<u>800</u>	<u>320</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	812	5,955	200	800	660
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 812</u>	<u>\$ 5,955</u>	<u>\$ 200</u>	<u>\$ 800</u>	<u>\$ 660</u>



TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR  
SPECIAL REVENUES FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Wayne History Project	Andro Lake Improvement	Ladd Rec Center Operations	Totals
REVENUES				
Investment income	\$ -	\$ -	\$ -	\$ 18
Other income	-	-	87,982	89,362
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>87,982</u>	<u>89,380</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	-	-	99,162	99,262
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>99,162</u>	<u>99,262</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(11,180)</u>	<u>(9,882)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	3,973	876	9,921	33,317
Operating Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>3,973</u>	<u>876</u>	<u>9,921</u>	<u>33,317</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	3,973	876	(1,259)	23,435
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 3,973</u>	<u>\$ 876</u>	<u>\$ (1,259)</u>	<u>\$ 23,435</u>

See accompanying independent auditors' report.

## Capital Project Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2012

	<u>Transfer Station</u>	<u>Voting Machine</u>	<u>Road Reserve</u>	<u>Fire Truck Reserve</u>	<u>Sand/Salt Shed</u>	<u>Foot Bridge</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	73,572	6,500	259	252,919	2,917	-
<b>TOTAL ASSETS</b>	<u>\$ 73,572</u>	<u>\$ 6,500</u>	<u>\$ 259</u>	<u>\$ 252,919</u>	<u>\$ 2,917</u>	<u>\$ -</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	73,572	6,500	259	252,919	2,917	-
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>73,572</u>	<u>6,500</u>	<u>259</u>	<u>252,919</u>	<u>2,917</u>	<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 73,572</u>	<u>\$ 6,500</u>	<u>\$ 259</u>	<u>\$ 252,919</u>	<u>\$ 2,917</u>	<u>\$ -</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS  
 JUNE 30, 2012

	<u>Paving Reserve</u>	<u>Town House</u>	<u>Building Maintenance</u>	<u>Fire Station Addition</u>	<u>Lord Road Paving</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	6,855	122	152	1,592	30,411
<b>TOTAL ASSETS</b>	<u><u>\$ 6,855</u></u>	<u><u>\$ 122</u></u>	<u><u>\$ 152</u></u>	<u><u>\$ 1,592</u></u>	<u><u>\$ 30,411</u></u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	6,855	122	152	1,592	30,411
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u><u>6,855</u></u>	<u><u>122</u></u>	<u><u>152</u></u>	<u><u>1,592</u></u>	<u><u>30,411</u></u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u><u>\$ 6,855</u></u>	<u><u>\$ 122</u></u>	<u><u>\$ 152</u></u>	<u><u>\$ 1,592</u></u>	<u><u>\$ 30,411</u></u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2012

	<u>Hardscrabble Road</u>	<u>Lovejoy Pond Dam</u>	<u>Land &amp; Buildings</u>	<u>Totals</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	2,811	-	17	378,127
<b>TOTAL ASSETS</b>	<u>\$ 2,811</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 378,127</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	297	-	297
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>297</u>	<u>-</u>	<u>297</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	2,811	-	17	378,127
Unassigned	-	(297)	-	(297)
<b>TOTAL FUND BALANCES</b>	<u>2,811</u>	<u>(297)</u>	<u>17</u>	<u>377,830</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 2,811</u>	<u>\$ -</u>	<u>\$ 17</u>	<u>\$ 378,127</u>

See accompanying independent auditors' report.

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Transfer Station	Voting Machine	Road Reserve	Fire Truck Reserve	Sand/Salt Shed	Foot Bridge
REVENUES						
Investment income	\$ -	\$ -	\$ 1	\$ 1,505	\$ 1	\$ -
Other income	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1,505</b>	<b>1</b>	<b>-</b>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	1,500	9,831
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>9,831</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	1	1,505	(1,499)	(9,831)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	73,572	6,500	258	251,414	4,416	9,831
Operating Transfers (Out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>73,572</b>	<b>6,500</b>	<b>258</b>	<b>251,414</b>	<b>4,416</b>	<b>9,831</b>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	73,572	6,500	259	252,919	2,917	-
FUND BALANCES - JULY 1	-	-	-	-	-	-
<b>FUND BALANCES - JUNE 30</b>	<b>\$ 73,572</b>	<b>\$ 6,500</b>	<b>\$ 259</b>	<b>\$ 252,919</b>	<b>\$ 2,917</b>	<b>\$ -</b>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 NONMAJOR CAPITAL PROJECT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Paving Reserve</u>	<u>Town House</u>	<u>Building Maintenance</u>	<u>Fire Station Addition</u>	<u>Lord Road Paving</u>
REVENUES					
Investment income	\$ -	\$ -	\$ 12	\$ -	\$ -
Other income	-	2,750	-	-	-
TOTAL REVENUES	<u>-</u>	<u>2,750</u>	<u>12</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	13,234	-	-	2,214
TOTAL EXPENDITURES	<u>-</u>	<u>13,234</u>	<u>-</u>	<u>-</u>	<u>2,214</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(10,484)</u>	<u>12</u>	<u>-</u>	<u>(2,214)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	6,855	10,606	140	1,592	32,625
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,855</u>	<u>10,606</u>	<u>140</u>	<u>1,592</u>	<u>32,625</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	6,855	122	152	1,592	30,411
FUND BALANCES - JULY 1	-	-	-	-	-
FUND BALANCES - JUNE 30	<u>\$ 6,855</u>	<u>\$ 122</u>	<u>\$ 152</u>	<u>\$ 1,592</u>	<u>\$ 30,411</u>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
NONMAJOR CAPITAL PROJECT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2012

	Hardscrabble Road	Lovejoy Pond Dam	Land & Buildings	Totals
REVENUES				
Investment income	\$ -	\$ -	\$ 17	\$ 1,536
Other income	-	-	-	2,750
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>17</u>	<u>4,286</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	-	19,177	-	45,956
TOTAL EXPENDITURES	<u>-</u>	<u>19,177</u>	<u>-</u>	<u>45,956</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(19,177)</u>	<u>17</u>	<u>(41,670)</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	2,811	18,880	-	419,500
Operating Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,811</u>	<u>18,880</u>	<u>-</u>	<u>419,500</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	2,811	(297)	17	377,830
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 2,811</u>	<u>\$ (297)</u>	<u>\$ 17</u>	<u>\$ 377,830</u>

See accompanying independent auditors' report.



## Permanent Funds

Permanent funds are used to account for assets held by the Town of Wayne, Maine in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2012

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Totals
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,135	\$ 16,838	\$ 8,434	\$ 21,021	\$ 47,428
Investments	-	14,719	-	-	14,719
Due from other funds	-	-	-	2,000	2,000
<b>TOTAL ASSETS</b>	<b><u>\$ 1,135</u></b>	<b><u>\$ 31,557</u></b>	<b><u>\$ 8,434</u></b>	<b><u>\$ 23,021</u></b>	<b><u>\$ 64,147</u></b>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	1,135	31,557	8,434	23,021	64,147
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b><u>1,135</u></b>	<b><u>31,557</u></b>	<b><u>8,434</u></b>	<b><u>23,021</u></b>	<b><u>64,147</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 1,135</u></b>	<b><u>\$ 31,557</u></b>	<b><u>\$ 8,434</u></b>	<b><u>\$ 23,021</u></b>	<b><u>\$ 64,147</u></b>

See accompanying independent auditors' report.

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Totals
REVENUES					
Investment income	\$ 14	\$ 21	\$ 30	\$ 56	\$ 121
Other	-	5,734	-	500	6,234
TOTAL REVENUES	<u>14</u>	<u>5,755</u>	<u>30</u>	<u>556</u>	<u>6,355</u>
EXPENDITURES					
Other	-	2	-	-	2
TOTAL EXPENDITURES	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>2</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>14</u>	<u>5,753</u>	<u>30</u>	<u>556</u>	<u>6,353</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	14	5,753	30	556	6,353
FUND BALANCES - JULY 1	<u>1,121</u>	<u>25,804</u>	<u>8,404</u>	<u>22,465</u>	<u>57,794</u>
FUND BALANCES - JUNE 30	<u>\$ 1,135</u>	<u>\$ 31,557</u>	<u>\$ 8,434</u>	<u>\$ 23,021</u>	<u>\$ 64,147</u>

See accompanying independent auditors' report.

## General Capital Assets

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

## TOWN OF WAYNE, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2012

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ 190,000	\$ 132,380	\$ -	\$ 574,240	\$ 896,620
Public safety	40,000	263,497	420,891	-	724,388
Public works	4,720	-	-	4,520,698	4,525,418
Recreation	100,000	259,038	-	-	359,038
Cemeteries	210,000	-	-	-	210,000
Town-wide	165,000	-	-	-	165,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total General Capital Assets	709,720	654,915	420,891	5,094,938	6,880,464
Less: Accumulated Depreciation	-	(367,606)	(341,342)	(3,750,163)	(4,459,111)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net General Capital Assets	<u>\$ 709,720</u>	<u>\$ 287,309</u>	<u>\$ 79,549</u>	<u>\$ 1,344,775</u>	<u>\$ 2,421,353</u>

See accompanying independent auditors' report.

## TOWN OF WAYNE, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2012

	General Capital Assets 7/1/11	Additions	Deletions	General Capital Assets 6/30/12
General government	\$ 896,620	\$ -	\$ -	\$ 896,620
Public safety	724,388	-	-	724,388
Public works	4,525,418	-	-	4,525,418
Recreation	359,038	-	-	359,038
Cemeteries	210,000	-	-	210,000
Town-wide	165,000	-	-	165,000
Total General Capital Assets	6,880,464	-	-	6,880,464
Less: Accumulated Depreciation	<u>(4,313,379)</u>	<u>(145,732)</u>	<u>-</u>	<u>(4,459,111)</u>
Net General Capital Assets	<u>\$ 2,567,085</u>	<u>\$ (145,732)</u>	<u>\$ -</u>	<u>\$ 2,421,353</u>

See accompanying independent auditors' report.