

Audited Financial Statements and  
Other Financial Information

Town of Wayne, Maine

June 30, 2017



*Proven Expertise and Integrity*

TOWN OF WAYNE, MAINE

CONTENTS

JUNE 30, 2017

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 10
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	11
STATEMENT B - STATEMENT OF ACTIVITIES	12 - 13
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	14
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	15
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	16
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17
NOTES TO FINANCIAL STATEMENTS	18 - 37
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	38
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	39
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	40

SCHEDULE A - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	41 - 43
SCHEDULE B - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	44
SCHEDULE C - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	45
SPECIAL REVENUE FUNDS DESCRIPTION	46
SCHEDULE D - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	47 - 49
SCHEDULE E - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	50 - 52
CAPITAL PROJECTS FUNDS DESCRIPTION	53
SCHEDULE F - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS	54 - 57
SCHEDULE G - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECTS FUNDS	58 - 61
PERMANENT FUNDS DESCRIPTION	62
SCHEDULE H - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	63
SCHEDULE I - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	64
GENERAL CAPITAL ASSETS DESCRIPTION	65
SCHEDULE J - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	66
SCHEDULE K - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	67
<u>FEDERAL COMPLIANCE</u>	
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	68 - 69



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## INDEPENDENT AUDITORS' REPORT

Board of Selectmen  
Town of Wayne  
Wayne, Maine

### Report on the Financial Statements

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, 2017, and the related notes to the financial statements, which collectively comprise the Town of Wayne, Maine's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

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

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

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

### Opinions

In our opinion, 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, 2017, 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.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and 39 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.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wayne, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital assets schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital assets schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of

the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital assets schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2018, on our consideration of the Town of Wayne, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wayne, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
May 16, 2018

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2017**

**(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, 2017. 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 Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position 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 activity. 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). All of the Town's basic services are reported in governmental activities, which include general government, public safety, highways and roads, education, sanitation, recreation and 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 funds balance sheet and the governmental funds 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 two columns in the governmental funds balance sheet and the governmental funds 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 “Other Governmental 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 position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental funds is \$4,113,465 compared to \$4,258,384 in the prior year, a decrease of \$144,919.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – decreased to a balance of \$1,288,266 at the end of this year for governmental activities.

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

	<b>Governmental Activities</b>	
	<b>2017</b>	<b>2016</b>
<b>Assets:</b>		
Current Assets	\$ 1,410,697	\$ 1,544,275
Capital Assets	3,466,531	3,386,511
Total Assets	<u>4,877,228</u>	<u>4,930,786</u>
<b>Liabilities:</b>		
Current Liabilities	239,838	180,064
Long-term Debt Outstanding	522,000	489,902
Total Liabilities	<u>761,838</u>	<u>669,966</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	1,925	2,436
Total Deferred Inflows of Resources	<u>1,925</u>	<u>2,436</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	2,741,629	2,740,754
Restricted	83,570	80,400
Unrestricted	1,288,266	1,437,230
Total Net Position	<u>\$ 4,113,465</u>	<u>\$ 4,258,384</u>

### **Revenues and Expenses**

Revenues increased by 3.27% and expenses increased by 5.90% from the prior year. The increase in revenues was primarily due to increases in taxes and miscellaneous revenues. The increase in expenditures was primarily due to increases in education and highways and roads.

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

	<u>2017</u>	<u>2016</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 20,258	\$ 18,015
Operating grants & contributions	30,708	30,848
<i>General Revenues:</i>		
Taxes	2,952,191	2,894,674
Grants & contributions not restricted to specific programs	98,422	81,306
Miscellaneous	122,985	97,691
Total Revenues	<u>3,224,564</u>	<u>3,122,534</u>
<b>Expenses</b>		
General government	288,763	287,692
Public safety	106,513	120,462
Highways and roads	415,712	396,181
Sanitation	106,063	104,979
Cobbossee watershed	2,462	2,345
Recreation	28,510	22,370
Organizations and social services	23,916	27,004
Unclassified	159,988	155,864
Education	2,033,394	1,871,059
County tax	187,625	183,968
Overlay	2,265	-
Interest on long-term debt	14,272	9,774
Total Expenses	<u>3,369,483</u>	<u>3,181,698</u>
Change in Net Position	(144,919)	(59,164)
Net Postion - July 1	<u>4,258,384</u>	<u>4,317,548</u>
Net Position - June 30	<u>\$ 4,113,465</u>	<u>\$ 4,258,384</u>

## 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,**

	2017	2016
Major Funds:		
General Fund:		
Nonspendable	\$ -	\$ 1,014
Committed	100,000	300,000
Unassigned	642,811	707,002
Total Major Funds	\$ 742,811	\$ 1,008,016
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 19,768	\$ 19,358
Unassigned	(4,103)	-
Capital Projects Funds:		
Assigned	431,962	321,120
Unassigned	(1,097)	-
Permanent Funds:		
Restricted	83,570	80,400
Total Nonmajor Funds	\$ 530,100	\$ 420,878

The general fund total fund balance decreased by \$265,205 from the prior fiscal year. The nonmajor funds total fund balances increased by \$109,222 from the prior fiscal year.

### Budgetary Highlights

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

The general fund actual revenues were over budget by \$4,927. This was primarily due to excise taxes being receipted in excess of budgeted amounts.

The general fund actual expenditures were under budget by \$29,868. All expenditure categories were under budget with the exception of recreation and debt service - interest.

## **Capital Asset and Debt Administration**

### **Capital Assets**

As of June 30, 2017, the net book value of capital assets recorded by the Town increased by \$80,020. This increase was a result of capital additions of \$235,000 less current year depreciation expense of \$154,980.

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

	<b>2017</b>	<b>2016</b>
Land	\$ 705,000	\$ 705,000
Buildings and improvements	214,165	229,589
Machinery and equipment	43,569	50,087
Vehicles	320,696	332,332
Infrastructure	2,183,101	2,069,503
Total	<b>\$ 3,466,531</b>	<b>\$ 3,386,511</b>

### **Debt**

At June 30, 2017, the Town had \$723,000 in bonds outstanding versus \$642,000 last year. Other obligations include a capital lease payable and accrued sick and vacation time as shown in Note 5 of Notes to Financial Statements.

### **Currently Known Facts, Decisions, or Conditions**

#### **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 POSITION  
JUNE 30, 2017

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,208,032
Investments	14,937
Accounts receivable (net of allowance for uncollectibles):	
Taxes	122,165
Liens	54,496
Other	11,067
Total current assets	<u>1,410,697</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	705,000
Buildings, equipment and infrastructure net of accumulated depreciation	2,761,531
Total noncurrent assets	<u>3,466,531</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 4,877,228</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 19,290
Due to other governments	1,667
Current portion of long-term obligations	218,881
Total current liabilities	<u>239,838</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	522,000
Total noncurrent liabilities	<u>522,000</u>
<b>TOTAL LIABILITIES</b>	<u>761,838</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	1,925
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,925</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,741,629
Restricted	83,570
Unrestricted	1,288,266
<b>TOTAL NET POSITION</b>	<u>4,113,465</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 4,877,228</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, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities
Governmental activities:					
General government	\$ 288,763	\$ 5,815	\$ -	\$ -	\$ (282,948)
Public safety	106,513	2,375	-	-	(104,138)
Highways and roads	415,712	-	30,708	-	(385,004)
Sanitation	106,063	-	-	-	(106,063)
Cobbossee watershed	2,462	-	-	-	(2,462)
Recreation	28,510	12,068	-	-	(16,442)
Organizations and social services	23,916	-	-	-	(23,916)
Unclassified	159,988	-	-	-	(159,988)
Education	2,033,394	-	-	-	(2,033,394)
County tax	187,625	-	-	-	(187,625)
Overlay	2,265	-	-	-	(2,265)
Interest on long-term debt	14,272	-	-	-	(14,272)
Total government	<u>\$ 3,369,483</u>	<u>\$ 20,258</u>	<u>\$ 30,708</u>	<u>\$ -</u>	<u>(3,318,517)</u>

## TOWN OF WAYNE, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(3,318,517)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	2,687,920
Excise taxes	264,271
Grants and contributions not restricted to specific programs	98,422
Miscellaneous	<u>122,985</u>
Total general revenues	<u>3,173,598</u>
Change in net position	(144,919)
NET POSITION - JULY 1	<u>4,258,384</u>
NET POSITION - JUNE 30	<u><u>\$ 4,113,465</u></u>

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



## TOWN OF WAYNE, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,065,967	\$ 142,065	\$ 1,208,032
Investments	-	14,937	14,937
Accounts receivable (net of allowance for uncollectibles):			
Taxes	122,165	-	122,165
Liens	54,496	-	54,496
Other	11,067	-	11,067
Due from other funds	6,924	380,022	386,946
<b>TOTAL ASSETS</b>	<b>\$ 1,260,619</b>	<b>\$ 537,024</b>	<b>\$ 1,797,643</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 19,290	\$ -	\$ 19,290
Due to other governments	1,667	-	1,667
Due to other funds	380,022	6,924	386,946
<b>TOTAL LIABILITIES</b>	<b>400,979</b>	<b>6,924</b>	<b>407,903</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred tax revenue	114,904	-	114,904
Prepaid taxes	1,925	-	1,925
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>116,829</b>	<b>-</b>	<b>116,829</b>
<b>FUND BALANCES</b>			
Nonspendable	-	-	-
Restricted	-	83,570	83,570
Committed	100,000	-	100,000
Assigned	-	451,730	451,730
Unassigned	642,811	(5,200)	637,611
<b>TOTAL FUND BALANCES</b>	<b>742,811</b>	<b>530,100</b>	<b>1,272,911</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 1,260,619</b>	<b>\$ 537,024</b>	<b>\$ 1,797,643</b>

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 POSITION  
JUNE 30, 2017

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,272,911
Amounts reported for governmental activities in the Statement of Net Position 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	3,466,531
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	114,904
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(723,000)
Capital leases payable	(1,902)
Accrued compensated absences	<u>(15,979)</u>
Net position of governmental activities	<u>\$ 4,113,465</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, 2017

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 2,675,925	\$ -	\$ 2,675,925
Excise	264,271	-	264,271
Intergovernmental	124,255	4,875	129,130
Charges for services	8,190	12,068	20,258
Miscellaneous revenues	27,498	95,487	122,985
TOTAL REVENUES	<u>3,100,139</u>	<u>112,430</u>	<u>3,212,569</u>
EXPENDITURES			
Current:			
General government	277,445	-	277,445
Public safety	84,161	-	84,161
Highways and roads	305,575	-	305,575
Sanitation	106,063	-	106,063
Cobbossee watershed	2,462	-	2,462
Recreation	19,772	-	19,772
Organizations and social services	23,916	-	23,916
Unclassified	3,094	156,894	159,988
Education	2,033,394	-	2,033,394
County tax	187,625	-	187,625
Capital outlay	-	232,614	232,614
Debt service:			
Principal	154,000	-	154,000
Interest	14,272	-	14,272
TOTAL EXPENDITURES	<u>3,214,044</u>	<u>389,508</u>	<u>3,603,552</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>(113,905)</u>	<u>(277,078)</u>	<u>(390,983)</u>
OTHER FINANCING SOURCES (USES)			
Bond proceeds	-	235,000	235,000
Transfers in	-	156,178	156,178
Transfers (out)	(151,300)	(4,878)	(156,178)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(151,300)</u>	<u>386,300</u>	<u>235,000</u>
NET CHANGE IN FUND BALANCES	(265,205)	109,222	(155,983)
FUND BALANCES - JULY 1	<u>1,008,016</u>	<u>420,878</u>	<u>1,428,894</u>
FUND BALANCES - JUNE 30	<u>\$ 742,811</u>	<u>\$ 530,100</u>	<u>\$ 1,272,911</u>

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, 2017

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (155,983)</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 acquisitions	235,000
Depreciation expense	<u>(154,980)</u>
	<u>80,020</u>
<p>Revenues in the Statement of Activities that do not provide current financial        resources are not reported as revenues in the funds</p>	
Taxes and liens receivable	<u>11,995</u>
<p>Debt proceeds provide current financial resources to governmental funds, but        issuing debt increases long-term liabilities in the Statement of Net Position</p>	
	<u>(235,000)</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 Position</p>	
	<u>155,855</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 compensated absences	<u>(1,806)</u>
	<u>(1,806)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (144,919)</u></u>

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

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 the Town manager form of government and provides the following services: general government, public safety, highways and roads, sanitation, education, recreation and unclassified.

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).

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 Statements No. 39 and No. 61.

**Implementation of New Accounting Standards**

During the year ended June 30, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

Statement No. 74, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*". The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 77, "*Tax Abatement Disclosures*". The objective of the Statement is to improve disclosure of information about the nature and magnitude of tax abatements, making these transactions more transparent to financial statement users. As such, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 80, "*Blending Requirements for Certain Component Units*". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 81, "*Irrevocable Split-Interest Agreements*". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements - in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. As such, this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 82, "*Pension Issues*". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has determined the impact of this Statement is not material to the financial statements.

**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 Position, the governmental activities 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

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. Program revenues must be directly associated with the function. 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 position resulting from the current year's activities.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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, deferred outflows of resources, liabilities, deferred inflows of resources, 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:

Major Funds

- 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.

Nonmajor Funds

- 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 Projects 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 that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the



TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these financial statements.

**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:

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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**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.

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$11,067 for the year ended June 30, 2017. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2017.

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

business-type activities are reported in the governmental-wide financial statements as “internal balances”.

**Transactions Between Funds**

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

**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, 2017

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 of bonds payable, a capital lease 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 funds 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, 2017, the Town's liability for compensated absences is \$15,979.

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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 position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

**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, 2017

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.

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

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

The Town's property tax for the current year was levied August 9, 2016 on the assessed value listed as of April 1, 2016, for all real and personal property located in the Town. Taxes were due in three installments on October 1, 2016, January 31, 2017 and April 1, 2017. Interest on unpaid taxes commenced on October 2, 2016, February 2, 2017 and April 2, 2017, 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 \$10,318 for the year ended June 30, 2017.

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 (charges to customers or applicants for goods, services, or privileges provided; operating or capital grants and contributions, including special assessments).

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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.

**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 - DEPOSITS 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, 2017, the Town's deposits amounting to \$1,208,032 were comprised of bank deposits of \$1,231,458. Of these deposits, \$360,648 were fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining deposits of \$870,810 were collateralized with securities held by the financial institution in the Town's name.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 37,355
Sweep accounts	1,085,376
Savings accounts	108,727
	<u>\$ 1,231,458</u>

**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, 2017, the Town's investments balance of \$14,937 was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk.

At June 30, 2017, the Town had the following investments and maturities:

<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	\$ 14,937	\$ -	\$ 14,937	\$ -
	<u>\$ 14,937</u>	<u>\$ -</u>	<u>\$ 14,937</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 formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.



TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2017 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 6,924	\$ 380,022
Nonmajor Special Revenue Funds	19,768	4,103
Nonmajor Capital Projects Funds	358,879	1,097
	<u>\$ 386,946</u>	<u>\$ 386,946</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2017:

	<u>Balance, 7/1/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, 6/30/17</u>
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 705,000	\$ -	\$ -	\$ 705,000
	<u>705,000</u>	<u>-</u>	<u>-</u>	<u>705,000</u>
Depreciated assets:				
Buildings and improvements	658,231	-	-	658,231
Equipment, vehicles furniture and fixtures	836,477	-	-	836,477
Infrastructure	5,359,178	235,000	-	5,594,178
	6,853,886	235,000	-	7,088,886
Less: accumulated depreciation	(4,172,375)	(154,980)	-	(4,327,355)
	<u>2,681,511</u>	<u>80,020</u>	<u>-</u>	<u>2,761,531</u>
Net capital assets	<u>\$ 3,386,511</u>	<u>\$ 80,020</u>	<u>\$ -</u>	<u>\$ 3,466,531</u>
<u>Current year depreciation</u>				
General government				\$ 13,753
Public safety				22,352
Highways and roads				110,137
Recreation				8,738
Total depreciation expense				<u>\$ 154,980</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2017:

	Balance, 7/1/16	Additions	Deletions	Balance, 6/30/17	Current Portion
Bonds payable	\$ 642,000	\$ 235,000	\$ (154,000)	\$ 723,000	\$ 201,000
Capital lease payable	3,757	-	(1,855)	1,902	1,902
Accrued compensated absences	14,173	1,806	-	15,979	15,979
Totals	<u>\$ 659,930</u>	<u>\$ 236,806</u>	<u>\$ (155,855)</u>	<u>\$ 740,881</u>	<u>\$ 218,881</u>

The following is a summary of the bonds outstanding as of June 30, 2017:

\$170,000 - 2013 Bond with TD Bank due in annual principal and interest payments through August of 2018. The interest rate is set at 2.32% per annum.	\$ 68,000
\$300,000 - 2014 Bond with Camden National Bank due in annual principal and interest payments through August of 2019. The interest rate is set at 2.21% per annum.	180,000
\$300,000 - 2015 Bond with Camden National Bank due in annual principal and interest payments through September of 2020. The interest rate is set at 2.16% per annum.	240,000
\$235,000 - 2016 Bond with Camden National Bank due in annual principal and interest payments through October of 2021. The interest rate is set at 2.10% per annum.	<u>235,000</u>
Total bonds payable	<u>\$ 723,000</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The annual principal and interest requirements to amortize the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Debt Service
2018	\$ 201,000	\$ 15,811	\$ 216,811
2019	201,000	11,386	212,386
2020	167,000	6,956	173,956
2021	107,000	3,325	110,325
2022	47,000	1,001	48,001
	<u>\$ 723,000</u>	<u>\$ 38,479</u>	<u>\$ 761,479</u>

A summary of the outstanding capital lease payable is as follows:

The Town leases a copier under a non-cancelable lease agreement dated May of 2013. The term of the lease is for a four-year period expiring in July of 2017. Annual principal and interest payments are \$1,948.

Future minimum payments, by year and in the aggregate, under this lease is as follows:

Year Ending June 30,	
2018	\$ 1,948
Total minimum lease payments	1,948
Less: Amount representing interest	(46)
Present value of future minimum lease payments	<u>\$ 1,902</u>

NOTE 6 - RESTRICTED FUND BALANCES

At June 30, 2017, the Town had the following restricted fund balances:

Nonmajor permanent funds (Schedule H)	<u>\$ 83,570</u>
---------------------------------------	------------------

NOTE 7 - COMMITTED FUND BALANCE

At June 30, 2017, the Town had the following committed fund balance:

General fund:	
Reserved for FY 2018 budget	<u>\$ 100,000</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 8 - ASSIGNED FUND BALANCES

At June 30, 2017, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 19,768
Nonmajor capital projects funds (Schedule F)	431,962
	<u>\$ 451,730</u>

NOTE 9 - DEFICIT FUND BALANCES

At June 30, 2017, the Town had the following deficit fund balances:

Boat Launch	\$ 3,620
Baseball	483
Former Pettengill Property	1,097
	<u>\$ 5,200</u>

NOTE 10 - 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 participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations, and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2017.

The Town is a member of the Maine Municipal Association – Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a “claims made” form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 10 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL (CONTINUED)

limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

The Town is also a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies’ reinsurance contracts, coverage for claims in excess of \$1,000,000.

The Town is also a member of the Maine Municipal Association – Unemployment Compensation Group Fund (“MMA UC Fund”). The MMA UC Fund was created to assist in meeting members’ obligations under the Employment Security Act in an efficient and cost effective manner. The Fund is composed of individual municipalities and other public and related non-profit entities that are individually self-insured but administered as a group. Within the Fund, each member has a separate account. As such, the Town makes quarterly payments into their account, based on rates developed by MMA’s consulting actuary. Claims, if any, are paid out of the Town’s own account. The Maine Department of Labor classifies MMA’s UC Fund members as Direct Reimbursement Employers. In other words, the Fund reimburses the Maine DOL on the Town’s behalf only when the Town has unemployment claims from present or former employees.

Occasionally, the Town may have layoffs or resignations or even a part-time employee losing a primary job, that lead to larger claims payments than anticipated. When claims exceed the balance of the Town’s account, the UC Fund continues to pay the Town’s claims with no regard for the negative balance. Repayment of a negative balance is spread out over a period of years to avoid a financial hardship to the Town.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2017. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 11 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and Regional School Unit debt. At June 30, 2017, the County of Kennebec had no outstanding debt. The Town's share of school debt was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU #38	\$ 3,160,230	17.10%	<u>\$ 540,399</u>

NOTE 12 - 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 contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. The plan is being maintained by ICMA Retirement Corporation.

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 for 2017, 2016, and 2015 were \$2,406, \$2,413 and \$1,504, respectively.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 13 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures for the year ended June 30, 2017:

	<u>Excess</u>
Recreation (Article 21)	\$ 769
Debt service - interest (Article 10)	<u>692</u>
	<u>\$ 1,461</u>

NOTE 14 - CONTINGENCIES AND COMMITMENTS

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

On March 23, 2016, the Town entered into a contract with Robert J. Duplisea Jr. for assessing services for fiscal years 2017 through 2019. The total amount of the contract is for \$63,000. The amount paid for the year ended June 30, 2017 was \$22,000.

On November 1, 2016, the Town entered into a contract with Norton's Lawncare for mowing, trimming and lawn care maintenance. The contract is for the period of April 1, 2017 through October 30, 2020. The total amount of the contract is \$34,462.

On January 10, 2017, the Town entered into a contract with Bruen Construction for winter lot and highway maintenance for fiscal years 2018 through 2021 with a renewal option for 2022. The total amount of the contract is \$860,080.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

NOTE 14 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

A summary of the Town's contracts are as follows:

Fiscal Year Ending	Bruen Construction Winter lot maintenance	Bruen Construction Highway maintenance	Robert J. Duplisea Jr. Assesor's agent	Norton Landscape
2018	\$ 2,700	\$ 162,963	\$ 21,000	\$ 9,159
2019	2,700	166,123	21,450	9,542
2020	2,800	169,238	-	9,944
2021	2,800	172,443	-	5,817
2022	2,900	175,413	-	-
	<u>\$ 13,900</u>	<u>\$ 846,180</u>	<u>\$ 42,450</u>	<u>\$ 34,462</u>

NOTE 15 - RELATED PARTIES

The assistant fire chief is the employee of a company that the Town sends fire equipment to be repaired and tested. The Town used this company before the assistant fire chief became an employee.

The fire chief is also the Town's treasurer.

NOTE 16 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.



## 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, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,008,016	\$ 1,008,016	\$ 1,008,016	\$ -
Resources (Inflows):				
Property taxes	2,690,573	2,690,573	2,675,925	(14,648)
Excise taxes	234,000	234,000	264,271	30,271
Intergovernmental	124,822	125,239	124,255	(984)
Charge for services	8,150	8,150	8,190	40
Interest on taxes	17,000	17,000	12,845	(4,155)
Interest income	400	400	3,052	2,652
Other revenues	19,850	19,850	11,601	(8,249)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>4,102,811</u>	<u>4,103,228</u>	<u>4,108,155</u>	<u>4,927</u>
Charges to Appropriations (Outflows):				
General government	280,299	280,299	277,445	2,854
Public safety	94,427	94,427	84,161	10,266
Highways and roads	305,763	305,763	305,575	188
Sanitation	112,908	112,908	106,063	6,845
Cobbossee watershed	2,462	2,462	2,462	-
Recreation	19,003	19,003	19,772	(769)
Organizations and social services	24,116	24,116	23,916	200
Unclassified	5,600	6,017	3,094	2,923
Education	2,033,394	2,033,394	2,033,394	-
County tax	187,625	187,625	187,625	-
Overlay	10,318	10,318	2,265	8,053
Debt service:				
Principal	154,000	154,000	154,000	-
Interest	13,580	13,580	14,272	(692)
Transfers to other funds	151,300	151,300	151,300	-
Total Charges to Appropriations	<u>3,394,795</u>	<u>3,395,212</u>	<u>3,365,344</u>	<u>29,868</u>
Budgetary Fund Balance, June 30	<u>\$ 708,016</u>	<u>\$ 708,016</u>	<u>\$ 742,811</u>	<u>\$ 34,795</u>
Utilization of Unassigned Fund Balance	<u>\$ 300,000</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ (300,000)</u>

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

## 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 Revenues, 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, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES</b>					
General government:					
Administration	\$ 234,985	\$ -	\$ 234,985	\$ 233,535	\$ 1,450
Contingency	5,000	-	5,000	4,523	477
Code enforcement	16,214	-	16,214	15,663	551
Assessing	22,350	-	22,350	22,000	350
Elections/hearings	1,750	-	1,750	1,724	26
	<u>280,299</u>	<u>-</u>	<u>280,299</u>	<u>277,445</u>	<u>2,854</u>
Public safety:					
Law enforcement	35,202	-	35,202	34,675	527
Fire department	53,995	-	53,995	44,366	9,629
Animal control	5,230	-	5,230	5,120	110
	<u>94,427</u>	<u>-</u>	<u>94,427</u>	<u>84,161</u>	<u>10,266</u>
Highways and roads:					
Roads	305,763	-	305,763	305,575	188
	<u>305,763</u>	<u>-</u>	<u>305,763</u>	<u>305,575</u>	<u>188</u>
Sanitation:					
Transfer station	112,908	-	112,908	106,063	6,845
	<u>112,908</u>	<u>-</u>	<u>112,908</u>	<u>106,063</u>	<u>6,845</u>
Cobbossee watershed	2,462	-	2,462	2,462	-

TOWN OF WAYNE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
County tax	187,625	-	187,625	187,625	-
Recreation	19,003	-	19,003	19,772	(769)
Organizations and social services:					
Cemetery Association	3,500	-	3,500	3,500	-
Library	6,000	-	6,000	6,000	-
Messenger	2,000	-	2,000	2,000	-
Archival Board	500	-	500	300	200
Rural Community Action	3,700	-	3,700	3,700	-
Senior Spectrum - KAA	1,004	-	1,004	1,004	-
Hospice of Kennebec	1,000	-	1,000	1,000	-
Family Violence	1,000	-	1,000	1,000	-
Maine Public Broadcasting	100	-	100	100	-
Kennebec Valley Behavioral Health	1,600	-	1,600	1,600	-
Red Cross	1,200	-	1,200	1,200	-
Sexual Assault Crisis Support Center	417	-	417	417	-
Children's Center	595	-	595	595	-
Food Pantry	1,500	-	1,500	1,500	-
	<u>24,116</u>	<u>-</u>	<u>24,116</u>	<u>23,916</u>	<u>200</u>

TOWN OF WAYNE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified:					
General assistance	3,000	-	3,000	366	2,634
Snowmobile	-	417	417	417	-
Land and buildings	2,600	-	2,600	2,311	289
	<u>5,600</u>	<u>417</u>	<u>6,017</u>	<u>3,094</u>	<u>2,923</u>
Education	<u>2,033,394</u>	<u>-</u>	<u>2,033,394</u>	<u>2,033,394</u>	<u>-</u>
Debt service:					
Principal	154,000	-	154,000	154,000	-
Interest	13,580	-	13,580	14,272	(692)
	<u>167,580</u>	<u>-</u>	<u>167,580</u>	<u>168,272</u>	<u>(692)</u>
Transfers to other funds:					
Special revenue funds	4,300	-	4,300	4,300	-
Capital projects funds	147,000	-	147,000	147,000	-
	<u>151,300</u>	<u>-</u>	<u>151,300</u>	<u>151,300</u>	<u>-</u>
Overlay	<u>10,318</u>	<u>-</u>	<u>10,318</u>	<u>2,265</u>	<u>8,053</u>
Total Departmental Operations	<u>\$ 3,394,795</u>	<u>\$ 417</u>	<u>\$ 3,395,212</u>	<u>\$ 3,365,344</u>	<u>\$ 29,868</u>

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

## TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 73,083	\$ 68,982	\$ 142,065
Investments	-	-	14,937	14,937
Due from other funds	19,768	358,879	1,375	380,022
<b>TOTAL ASSETS</b>	<b><u>\$ 19,768</u></b>	<b><u>\$ 431,962</u></b>	<b><u>\$ 85,294</u></b>	<b><u>\$ 537,024</u></b>
<b>LIABILITIES</b>				
Due to other funds	\$ 4,103	\$ 1,097	\$ 1,724	\$ 6,924
<b>TOTAL LIABILITIES</b>	<b><u>4,103</u></b>	<b><u>1,097</u></b>	<b><u>1,724</u></b>	<b><u>6,924</u></b>
<b>FUND BALANCES</b>				
Nonspendable	-	-	-	-
Restricted	-	-	83,570	83,570
Committed	-	-	-	-
Assigned	19,768	431,962	-	451,730
Unassigned	(4,103)	(1,097)	-	(5,200)
<b>TOTAL FUND BALANCES</b>	<b><u>15,665</u></b>	<b><u>430,865</u></b>	<b><u>83,570</u></b>	<b><u>530,100</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b><u>\$ 19,768</u></b>	<b><u>\$ 431,962</u></b>	<b><u>\$ 85,294</u></b>	<b><u>\$ 537,024</u></b>

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES – NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Charges for services	\$ 12,068	\$ -	\$ -	\$ 12,068
Interest income	-	155	208	363
Intergovernmental	4,875	-	-	4,875
Other income	86,051	2,573	6,500	95,124
<b>TOTAL REVENUES</b>	<u>102,994</u>	<u>2,728</u>	<u>6,708</u>	<u>112,430</u>
<b>EXPENDITURES</b>				
Capital outlay	-	232,614	-	232,614
Other	113,426	39,930	3,538	156,894
<b>TOTAL EXPENDITURES</b>	<u>113,426</u>	<u>272,544</u>	<u>3,538</u>	<u>389,508</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(10,432)</u>	<u>(269,816)</u>	<u>3,170</u>	<u>(277,078)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bond proceeds	-	235,000	-	235,000
Transfers in	9,178	147,000	-	156,178
Transfers (out)	(2,439)	(2,439)	-	(4,878)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>6,739</u>	<u>379,561</u>	<u>-</u>	<u>386,300</u>
<b>NET CHANGE IN FUND BALANCES</b>	(3,693)	109,745	3,170	109,222
<b>FUND BALANCES - JULY 1</b>	<u>19,358</u>	<u>321,120</u>	<u>80,400</u>	<u>420,878</u>
<b>FUND BALANCES - JUNE 30</b>	<u>\$ 15,665</u>	<u>\$ 430,865</u>	<u>\$ 83,570</u>	<u>\$ 530,100</u>

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



## 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, 2017

	Animal Control	Water Quality	Softball	Baseball	Farmers Market
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	1,162	1,671	403	-	712
<b>TOTAL ASSETS</b>	<u>\$ 1,162</u>	<u>\$ 1,671</u>	<u>\$ 403</u>	<u>\$ -</u>	<u>\$ 712</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	483	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>483</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,162	1,671	403	-	712
Unassigned	-	-	-	(483)	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>1,162</u>	<u>1,671</u>	<u>403</u>	<u>(483)</u>	<u>712</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 1,162</u>	<u>\$ 1,671</u>	<u>\$ 403</u>	<u>\$ -</u>	<u>\$ 712</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS  
JUNE 30, 2017

	Wayne History Project	Aging at Home	Ladd Rec Center Operations	Boat Launch	Soccer
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	3,973	121	976	-	2,269
<b>TOTAL ASSETS</b>	<u>\$ 3,973</u>	<u>\$ 121</u>	<u>\$ 976</u>	<u>\$ -</u>	<u>\$ 2,269</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	3,620	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,620</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	3,973	121	976	-	2,269
Unassigned	-	-	-	(3,620)	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>3,973</u>	<u>121</u>	<u>976</u>	<u>(3,620)</u>	<u>2,269</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 3,973</u>	<u>\$ 121</u>	<u>\$ 976</u>	<u>\$ -</u>	<u>\$ 2,269</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUES FUNDS  
JUNE 30, 2017

	Ladd Improvements	Insurance Claim	Cemetery Lot Sales	Community Directory	North Wayne School House	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	300	5,925	275	155	1,826	19,768
<b>TOTAL ASSETS</b>	<b><u>\$ 300</u></b>	<b><u>\$ 5,925</u></b>	<b><u>\$ 275</u></b>	<b><u>\$ 155</u></b>	<b><u>\$ 1,826</u></b>	<b><u>\$ 19,768</u></b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	4,103
<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>4,103</u></b>
<b>FUND BALANCES (DEFICIT)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	300	5,925	275	155	1,826	19,768
Unassigned	-	-	-	-	-	(4,103)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>300</u></b>	<b><u>5,925</u></b>	<b><u>275</u></b>	<b><u>155</u></b>	<b><u>1,826</u></b>	<b><u>15,665</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b><u>\$ 300</u></b>	<b><u>\$ 5,925</u></b>	<b><u>\$ 275</u></b>	<b><u>\$ 155</u></b>	<b><u>\$ 1,826</u></b>	<b><u>\$ 19,768</u></b>

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUES FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Animal Control	Water Quality	Softball	Baseball	Farmers Market
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,045	-	-	-
Other income	-	-	-	655	775
<b>TOTAL REVENUES</b>	<u>-</u>	<u>2,045</u>	<u>-</u>	<u>655</u>	<u>775</u>
EXPENDITURES					
Other	938	3,409	218	1,257	539
<b>TOTAL EXPENDITURES</b>	<u>938</u>	<u>3,409</u>	<u>218</u>	<u>1,257</u>	<u>539</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(938)</u>	<u>(1,364)</u>	<u>(218)</u>	<u>(602)</u>	<u>236</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	(2,439)	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>(2,439)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(938)	(3,803)	(218)	(602)	236
FUND BALANCES (DEFICIT) - JULY 1	<u>2,100</u>	<u>5,474</u>	<u>621</u>	<u>119</u>	<u>476</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 1,162</u>	<u>\$ 1,671</u>	<u>\$ 403</u>	<u>\$ (483)</u>	<u>\$ 712</u>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUES FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Wayne History Project	Aging at Home	Ladd Rec Center Operations	Boat Launch	Soccer
REVENUES					
Charges for services	\$ -	\$ -	\$ 12,068	\$ -	\$ -
Intergovernmental	-	2,830	-	-	-
Other income	-	-	75,173	1,626	520
<b>TOTAL REVENUES</b>	<u>-</u>	<u>2,830</u>	<u>87,241</u>	<u>1,626</u>	<u>520</u>
EXPENDITURES					
Other	-	2,709	92,135	10,124	490
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>2,709</u>	<u>92,135</u>	<u>10,124</u>	<u>490</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>121</u>	<u>(4,894)</u>	<u>(8,498)</u>	<u>30</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	4,300	4,878	-
Transfers (out)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>4,300</u>	<u>4,878</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	-	121	(594)	(3,620)	30
FUND BALANCES (DEFICIT) - JULY 1	<u>3,973</u>	<u>-</u>	<u>1,570</u>	<u>-</u>	<u>2,239</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 3,973</u>	<u>\$ 121</u>	<u>\$ 976</u>	<u>\$ (3,620)</u>	<u>\$ 2,269</u>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUES FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Ladd Improvements	Insurance Claim	Cemetery Lot Sales	Community Directory	North Wayne School House	Total
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,068
Intergovernmental	-	-	-	-	-	4,875
Other income	300	6,616	-	40	346	86,051
<b>TOTAL REVENUES</b>	<b>300</b>	<b>6,616</b>	<b>-</b>	<b>40</b>	<b>346</b>	<b>102,994</b>
EXPENDITURES						
Other	-	691	-	-	916	113,426
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>691</b>	<b>-</b>	<b>-</b>	<b>916</b>	<b>113,426</b>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	300	5,925	-	40	(570)	(10,432)
OTHER FINANCING SOURCES (USES)						
Transfers in			-	-	-	9,178
Transfers (out)	-	-	-	-	-	(2,439)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,739</b>
NET CHANGE IN FUND BALANCES (DEFICIT)	300	5,925	-	40	(570)	(3,693)
FUND BALANCES (DEFICIT) - JULY 1	-	-	275	115	2,396	19,358
<b>FUND BALANCES (DEFICIT) - JUNE 30</b>	<b>\$ 300</b>	<b>\$ 5,925</b>	<b>\$ 275</b>	<b>\$ 155</b>	<b>\$ 1,826</b>	<b>\$ 15,665</b>

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

## Capital Projects 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 PROJECTS FUNDS  
JUNE 30, 2017

	Transfer Station	Road Reserve	Fire Truck Reserve	Sand/Salt Shed
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 73,083	\$ -
Due from other funds	43,572	185,589	2,574	2,918
<b>TOTAL ASSETS</b>	<b><u>\$ 43,572</u></b>	<b><u>\$ 185,589</u></b>	<b><u>\$ 75,657</u></b>	<b><u>\$ 2,918</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>FUND BALANCES (DEFICIT)</b>				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	43,572	185,589	75,657	2,918
Unassigned	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<b><u>43,572</u></b>	<b><u>185,589</u></b>	<b><u>75,657</u></b>	<b><u>2,918</u></b>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<b><u>\$ 43,572</u></b>	<b><u>\$ 185,589</u></b>	<b><u>\$ 75,657</u></b>	<b><u>\$ 2,918</u></b>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

	Former Pettengill Property	Fire Equipment	Fire Station Addition	Lord Road Paving	Foot Bridge
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	373	-	10,084	3,617
<b>TOTAL ASSETS</b>	<u>\$ -</u>	<u>\$ 373</u>	<u>\$ -</u>	<u>\$ 10,084</u>	<u>\$ 3,617</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	1,097	-	-	-	-
<b>TOTAL LIABILITIES</b>	<u>1,097</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	373	-	10,084	3,617
Unassigned	(1,097)	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>(1,097)</u>	<u>373</u>	<u>-</u>	<u>10,084</u>	<u>3,617</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>					
	<u>\$ -</u>	<u>\$ 373</u>	<u>\$ -</u>	<u>\$ 10,084</u>	<u>\$ 3,617</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

	Hardscrabble Road	Lovejoy Pond Dam	Land & Buildings	Cemetery Stone Cleaning	Future Town Office	Besse Road Chip Seal
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	2,811	13,797	265	9,900	62,402	4,800
<b>TOTAL ASSETS</b>	<u>\$ 2,811</u>	<u>\$ 13,797</u>	<u>\$ 265</u>	<u>\$ 9,900</u>	<u>\$ 62,402</u>	<u>\$ 4,800</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 (DEFICIT)</b>						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	2,811	13,797	265	9,900	62,402	4,800
Unassigned	-	-	-	-	-	-
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>2,811</u>	<u>13,797</u>	<u>265</u>	<u>9,900</u>	<u>62,402</u>	<u>4,800</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 2,811</u>	<u>\$ 13,797</u>	<u>\$ 265</u>	<u>\$ 9,900</u>	<u>\$ 62,402</u>	<u>\$ 4,800</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2017

	Village Improvements	Technology	Emergency Management	Fire Pond	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 73,083
Due from other funds	199	9,145	5,200	1,633	358,879
<b>TOTAL ASSETS</b>	<u>\$ 199</u>	<u>\$ 9,145</u>	<u>\$ 5,200</u>	<u>\$ 1,633</u>	<u>\$ 431,962</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	1,097
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,097</u>
<b>FUND BALANCES (DEFICIT)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	199	9,145	5,200	1,633	431,962
Unassigned	-	-	-	-	(1,097)
<b>TOTAL FUND BALANCES (DEFICIT)</b>	<u>199</u>	<u>9,145</u>	<u>5,200</u>	<u>1,633</u>	<u>430,865</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICIT)</b>	<u>\$ 199</u>	<u>\$ 9,145</u>	<u>\$ 5,200</u>	<u>\$ 1,633</u>	<u>\$ 431,962</u>

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Transfer Station	Road Reserve	Fire Truck Reserve	Sand/Salt Shed
REVENUES				
Interest income	\$ -	\$ -	\$ 155	\$ -
Other income	-	-	2,573	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>2,728</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	232,614	-	-
Other	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>232,614</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(232,614)</u>	<u>2,728</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	235,000	-	-
Transfers in	-	100,000	30,000	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>335,000</u>	<u>30,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	-	102,386	32,728	-
FUND BALANCES (DEFICIT) - JULY 1	<u>43,572</u>	<u>83,203</u>	<u>42,929</u>	<u>2,918</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 43,572</u>	<u>\$ 185,589</u>	<u>\$ 75,657</u>	<u>\$ 2,918</u>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Former Pettengill Property	Fire Equipment	Fire Station Addition	Lord Road Paving	Foot Bridge
REVENUES					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	4,619	6,200	1,592	20,327	-
TOTAL EXPENDITURES	<u>4,619</u>	<u>6,200</u>	<u>1,592</u>	<u>20,327</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,619)</u>	<u>(6,200)</u>	<u>(1,592)</u>	<u>(20,327)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(4,619)	(6,200)	(1,592)	(20,327)	-
FUND BALANCES (DEFICIT) - JULY 1	<u>3,522</u>	<u>6,573</u>	<u>1,592</u>	<u>30,411</u>	<u>3,617</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ (1,097)</u>	<u>\$ 373</u>	<u>\$ -</u>	<u>\$ 10,084</u>	<u>\$ 3,617</u>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Hardscrabble Road</u>	<u>Lovejoy Pond Dam</u>	<u>Land &amp; Buildings</u>	<u>Cemetery Stone Cleaning</u>	<u>Future Town Office</u>	<u>Besse Road Chip Seal</u>
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	2,764	2,819	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>-</u>	<u>2,764</u>	<u>2,819</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(2,764)</u>	<u>(2,819)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	-
Transfers in	-	-	-	-	15,000	-
Transfers (out)	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	-	(2,764)	(2,819)	-	15,000	-
FUND BALANCES (DEFICIT) - JULY 1	<u>2,811</u>	<u>16,561</u>	<u>3,084</u>	<u>9,900</u>	<u>47,402</u>	<u>4,800</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 2,811</u>	<u>\$ 13,797</u>	<u>\$ 265</u>	<u>\$ 9,900</u>	<u>\$ 62,402</u>	<u>\$ 4,800</u>

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2017

	Village Improvements	Technology	Emergency Management	Fire Pond	Total
REVENUES					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 155
Other income	-	-	-	-	2,573
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,728</u>
EXPENDITURES					
Capital outlay	-	-	-	-	232,614
Other	100	1,509	-	-	39,930
TOTAL EXPENDITURES	<u>100</u>	<u>1,509</u>	<u>-</u>	<u>-</u>	<u>272,544</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(100)</u>	<u>(1,509)</u>	<u>-</u>	<u>-</u>	<u>(269,816)</u>
OTHER FINANCING SOURCES (USES)					
Bond proceeds	-	-	-	-	235,000
Transfers in	-	2,000	-	-	147,000
Transfers (out)	(2,439)	-	-	-	(2,439)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,439)</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>379,561</u>
NET CHANGE IN FUND BALANCES (DEFICIT)	(2,539)	491	-	-	109,745
FUND BALANCES (DEFICIT) - JULY 1	<u>2,738</u>	<u>8,654</u>	<u>5,200</u>	<u>1,633</u>	<u>321,120</u>
FUND BALANCES (DEFICIT) - JUNE 30	<u>\$ 199</u>	<u>\$ 9,145</u>	<u>\$ 5,200</u>	<u>\$ 1,633</u>	<u>\$ 430,865</u>

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



## Permanent Funds

Permanent funds are used to account for assets held by the Town of Wayne, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes.

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS  
JUNE 30, 2017

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,144	\$ 35,619	\$ 8,503	\$ 23,716	\$ 68,982
Investments	-	14,937	-	-	14,937
Due from other funds	-	1,375	-	-	1,375
<b>TOTAL ASSETS</b>	<u>\$ 1,144</u>	<u>\$ 51,931</u>	<u>\$ 8,503</u>	<u>\$ 23,716</u>	<u>\$ 85,294</u>
<b>LIABILITIES</b>					
Due to other funds	\$ -	\$ -	\$ -	\$ 1,724	\$ 1,724
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,724</u>	<u>1,724</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	1,144	51,931	8,503	21,992	83,570
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>1,144</u>	<u>51,931</u>	<u>8,503</u>	<u>21,992</u>	<u>83,570</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,144</u>	<u>\$ 51,931</u>	<u>\$ 8,503</u>	<u>\$ 23,716</u>	<u>\$ 85,294</u>

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

## TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2017

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
REVENUES					
Interest income	\$ 2	\$ 143	\$ 17	\$ 46	\$ 208
Other income	-	5,500	-	1,000	6,500
TOTAL REVENUES	<u>2</u>	<u>5,643</u>	<u>17</u>	<u>1,046</u>	<u>6,708</u>
EXPENDITURES					
Other	-	815	-	2,723	3,538
TOTAL EXPENDITURES	<u>-</u>	<u>815</u>	<u>-</u>	<u>2,723</u>	<u>3,538</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2</u>	<u>4,828</u>	<u>17</u>	<u>(1,677)</u>	<u>3,170</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	2	4,828	17	(1,677)	3,170
FUND BALANCES - JULY 1	<u>1,142</u>	<u>47,103</u>	<u>8,486</u>	<u>23,669</u>	<u>80,400</u>
FUND BALANCES - JUNE 30	<u>\$ 1,144</u>	<u>\$ 51,931</u>	<u>\$ 8,503</u>	<u>\$ 21,992</u>	<u>\$ 83,570</u>

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

## 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 position.

## TOWN OF WAYNE, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2017

	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	813,860	-	1,117,357
Highways and roads	-	3,316	-	5,019,938	5,023,254
Recreation	100,000	259,038	22,617	-	381,655
Cemeteries	210,000	-	-	-	210,000
Town-wide	165,000	-	-	-	165,000
Total General Capital Assets	705,000	658,231	836,477	5,594,178	7,793,886
Less: Accumulated Depreciation	-	(444,066)	(472,212)	(3,411,077)	(4,327,355)
Net General Capital Assets	\$ 705,000	\$ 214,165	\$ 364,265	\$ 2,183,101	\$ 3,466,531

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

TOWN OF WAYNE, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2017

	General Capital Assets 7/1/16	Additions	Deletions	General Capital Assets 6/30/17
General government	\$ 896,620	\$ -	\$ -	\$ 896,620
Public safety	1,117,357	-	-	1,117,357
Highways and roads	4,788,254	235,000	-	5,023,254
Recreation	381,655	-	-	381,655
Cemeteries	210,000	-	-	210,000
Town-wide	165,000	-	-	165,000
Total General Capital Assets	7,558,886	235,000	-	7,793,886
Less: Accumulated Depreciation	<u>(4,172,375)</u>	<u>(154,980)</u>	<u>-</u>	<u>(4,327,355)</u>
Net General Capital Assets	<u>\$ 3,386,511</u>	<u>\$ 80,020</u>	<u>\$ -</u>	<u>\$ 3,466,531</u>

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



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

Board of Selectmen  
Town of Wayne  
Wayne, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Wayne, Maine as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Wayne, Maine's basic financial statements, and have issued our report thereon dated May 16, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wayne, Maine'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 the Town of Wayne, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Wayne, Maine'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 the Town of Wayne, Maine'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*.

#### 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  
May 16, 2018