

Audited Financial Statements and
Other Financial Information

Town of Wayne, Maine

June 30, 2023



Proven Expertise & Integrity

TOWN OF WAYNE, MAINE

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JUNE 30, 2023

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ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Wayne
Wayne, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2023 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.

In our opinion, the accompanying 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, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Wayne, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wayne, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wayne, Maine's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Wayne, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and OPEB information on pages 5 through 12 and 51 through 55 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.

Supplementary 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 October 25, 2024, on our consideration of the Town of Wayne, Maine's internal control over financial reporting and on our tests of its compliance with certain

provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Wayne, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wayne, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
October 25, 2024

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

(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, 2023. 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 OPEB information 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 regard 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, sanitation, Cobbossee watershed, recreation, organizations and social services, education 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, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard 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 increased for governmental funds by \$102,909 from \$4,621,443 to \$4,724,352.

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 \$1,036,007 at the end of this year for governmental activities.

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

	Governmental Activities	
	2023	2022 (Restated)
Assets:		
Current Assets	\$ 1,240,756	\$ 1,443,041
Noncurrent Assets - Capital Assets	3,688,948	3,493,615
Total Assets	4,929,704	4,936,656
Deferred Outflows of Resources:		
Deferred Outflows Related to OPEB	8,488	11,077
Total Deferred Outflows of Resources	8,488	11,077
Liabilities:		
Current Liabilities	73,144	127,415
Noncurrent Liabilities	37,668	94,208
Total Liabilities	110,812	221,623
Deferred Inflows of Resources:		
Deferred revenue	78,628	78,628
Prepaid Taxes	3,743	4,757
Deferred Inflows Related to OPEB	20,657	21,282
Total Deferred Inflows of Resources	103,028	104,667
Net Position:		
Net Investment in Capital Assets	3,614,790	3,332,661
Restricted	73,555	134,941
Unrestricted	1,036,007	1,153,841
Total Net Position	\$ 4,724,352	\$ 4,621,443

Revenues and Expenses

Revenues decreased by 0.87% and expenses increased by 5.94% from the prior year. The decrease in revenues was primarily due to a decrease in grants and contributions not restricted to specific programs and miscellaneous. The increase in expenditures was primarily due to general government, highways and roads and education.

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

	<u>2023</u>	<u>2022</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 68,536	\$ 47,127
Operating grants and contributions	31,680	31,856
<i>General Revenues:</i>		
Taxes	3,752,811	3,567,824
Grants and contributions not restricted to specific programs	324,947	448,337
Miscellaneous	170,448	291,285
Total Revenues	<u>4,348,422</u>	<u>4,386,429</u>
Expenses		
General government	417,012	343,700
Public safety	157,329	161,408
Highways and roads	612,321	574,226
Sanitation	93,871	85,568
Cobbossee watershed	3,030	2,832
Recreation	58,285	49,605
Organizations and social services	36,978	36,978
Unclassified	232,130	288,427
Education	2,355,237	2,194,202
County tax	259,000	237,633
Overlay	4,436	10,299
Capital Outlay	11,167	14,158
Interest on long-term debt	4,717	8,449
Total Expenses	<u>4,245,513</u>	<u>4,007,485</u>
Change in Net Position	102,909	378,944
Net Position - July 1, Restated	<u>4,621,443</u>	<u>4,242,499</u>
Net Position - June 30	<u>\$ 4,724,352</u>	<u>\$ 4,621,443</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,

	<u>2023</u>	<u>2022 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 14,161	\$ 8,398	\$ 5,763
Unassigned	446,372	600,475	(154,103)
Total Major Funds	<u>\$ 460,533</u>	<u>\$ 608,873</u>	<u>\$ (148,340)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Assigned	\$ 309,989	\$ 216,718	\$ 93,271
Unassigned (deficit)	(23,464)	(21,821)	(1,643)
Capital Projects Funds:			
Assigned	285,354	399,506	(114,152)
Unassigned (deficit)	(33,348)	(4,916)	(28,432)
Permanent Funds:			
Restricted	73,555	56,313	17,242
Unassigned (deficit)	<u>(2,115)</u>	<u>-</u>	<u>(2,115)</u>
Total Nonmajor Funds	<u>\$ 609,971</u>	<u>\$ 645,800</u>	<u>\$ (35,829)</u>

The changes to total fund balances for the general fund and nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

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

The general fund actual revenues exceeded budgeted amounts by \$28,183. This was primarily due to all categories being receipted in excess of budgeted amounts except for excise taxes and other revenues.

The general fund actual expenditures exceeded budgeted amounts by \$176,523. All expenditure categories were at or above budgeted amounts with the exception of public safety, sanitation and overlay.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2023, the net book value of capital assets recorded by the Town increased by \$195,333. This increase was a result of net capital additions of \$425,101 less current year depreciation expense of \$229,768.

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

	2023	2022 (Restated)
Land	\$ 705,000	\$ 705,000
Construction in progress	-	63,758
Buildings and improvements	260,927	243,437
Machinery and equipment	9,107	14,096
Vehicles	308,433	330,604
Infrastructure	2,377,564	2,104,518
Right of use lease asset	27,917	32,202
Total	<u>\$ 3,688,948</u>	<u>\$ 3,493,615</u>

Debt

At June 30, 2023, the Town had \$74,158 in a bond payable and lease liabilities outstanding versus \$163,890 last year. Refer to Note 6 of Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

The 2022 - 2023 budget could be severely impacted by the reduction of funding from the State. There is no indication of reduced funding from the State for 2022 - 2023 as of the date this report was issued."

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 one month, 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, 2023

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,121,719
Accounts receivable (net of allowance for uncollectibles):	
Taxes	84,827
Liens	20,049
Prepaid items	<u>14,161</u>
Total current assets	<u>1,240,756</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	705,000
Buildings, equipment and infrastructure net of accumulated depreciation	2,958,990
Right of use lease asset, net of accumulated depreciation	<u>24,958</u>
Total noncurrent assets	<u>3,688,948</u>
TOTAL ASSETS	<u>4,929,704</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	<u>8,488</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>8,488</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 4,938,192</u>

STATEMENT A (CONTINUED)

TOWN OF WAYNE, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2023

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 8,516
Current portion of long-term obligations	<u>64,628</u>
Total current liabilities	<u>73,144</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Lease liabilities	19,228
Net OPEB liability	<u>18,440</u>
Total noncurrent liabilities	<u>37,668</u>
TOTAL LIABILITIES	<u>110,812</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred revenues	78,628
Prepaid taxes	3,743
Deferred inflows related to OPEB	<u>20,657</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>103,028</u>
NET POSITION	
Net investment in capital assets	3,614,790
Restricted	73,555
Unrestricted	<u>1,036,007</u>
TOTAL NET POSITION	<u>4,724,352</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 4,938,192</u>

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

STATEMENT B

TOWN OF WAYNE, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 417,012	\$ 18,055	\$ -	\$ -	\$ (398,957)
Public safety	157,329	662	-	-	(156,667)
Highways and roads	612,321	-	31,680	-	(580,641)
Sanitation	93,871	-	-	-	(93,871)
Cobbossee watershed	3,030	-	-	-	(3,030)
Recreation	58,285	49,819	-	-	(8,466)
Organizations and social services	36,978	-	-	-	(36,978)
Unclassified	232,130	-	-	-	(232,130)
Education	2,355,237	-	-	-	(2,355,237)
County tax	259,000	-	-	-	(259,000)
Overlay	4,436	-	-	-	(4,436)
Capital outlay	11,167	-	-	-	(11,167)
Interest on long-term debt	4,717	-	-	-	(4,717)
Total government	<u>\$ 4,245,513</u>	<u>\$ 68,536</u>	<u>\$ 31,680</u>	<u>\$ -</u>	<u>(4,145,297)</u>

STATEMENT B (CONTINUED)

TOWN OF WAYNE, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(4,145,297)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	3,459,426
Excise taxes	293,385
Grants and contributions not restricted to specific programs	324,947
Miscellaneous	<u>170,448</u>
Total general revenues	<u>4,248,206</u>
Change in net position	102,909
NET POSITION - JULY 1, RESTATED	<u>4,621,443</u>
NET POSITION - JUNE 30	<u>\$ 4,724,352</u>

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

TOWN OF WAYNE, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 813,324	\$ 308,395	\$ 1,121,719
Accounts receivable (net of allowance for uncollectibles):			
Taxes	84,827	-	84,827
Liens	20,049	-	20,049
Prepaid items	14,161	-	14,161
Due from other funds	74,212	454,416	528,628
TOTAL ASSETS	<u>\$ 1,006,573</u>	<u>\$ 762,811</u>	<u>\$ 1,769,384</u>
LIABILITIES			
Accounts payable	\$ 8,516	\$ -	\$ 8,516
Due to other funds	454,416	74,212	528,628
TOTAL LIABILITIES	<u>462,932</u>	<u>74,212</u>	<u>537,144</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	-	78,628	78,628
Deferred tax revenue	79,365	-	79,365
Prepaid taxes	3,743	-	3,743
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>83,108</u>	<u>78,628</u>	<u>161,736</u>
FUND BALANCES			
Nonspendable	14,161	-	14,161
Restricted	-	73,555	73,555
Committed	-	-	-
Assigned	-	595,343	595,343
Unassigned (deficit)	446,372	(58,927)	387,445
TOTAL FUND BALANCES	<u>460,533</u>	<u>609,971</u>	<u>1,070,504</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,006,573</u>	<u>\$ 762,811</u>	<u>\$ 1,769,384</u>

See accompanying independent auditor's 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, 2023

	Total Governmental Funds
Total Fund Balances	\$ 1,070,504
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	3,688,948
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	79,365
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
OPEB	8,488
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(49,200)
Lease liabilities	(24,958)
Accrued compensated absences	(9,698)
Net OPEB liability	(18,440)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(20,657)
Net position of governmental activities	<u>\$ 4,724,352</u>

See accompanying independent auditor's 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, 2023

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 3,469,573	\$ -	\$ 3,469,573
Excise	293,385	-	293,385
Intergovernmental	346,757	9,870	356,627
Charges for services	18,717	49,819	68,536
Miscellaneous revenues	29,606	140,842	170,448
TOTAL REVENUES	<u>4,158,038</u>	<u>200,531</u>	<u>4,358,569</u>
EXPENDITURES			
Current:			
General government	418,797	-	418,797
Public safety	128,441	-	128,441
Highways and roads	434,361	-	434,361
Sanitation	93,871	-	93,871
Cobbossee watershed	3,030	-	3,030
Recreation	51,272	-	51,272
Organizations and social services	36,978	-	36,978
Unclassified	30,129	202,001	232,130
Education	2,355,237	-	2,355,237
County tax	259,000	-	259,000
Overlay	4,436	-	4,436
Capital outlay	-	436,268	436,268
Debt service:			
Principal	84,200	-	84,200
Interest	4,717	-	4,717
TOTAL EXPENDITURES	<u>3,904,469</u>	<u>638,269</u>	<u>4,542,738</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>253,569</u>	<u>(437,738)</u>	<u>(184,169)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	8,452	410,361	418,813
Transfers (out)	(410,361)	(8,452)	(418,813)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(401,909)</u>	<u>401,909</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(148,340)	(35,829)	(184,169)
FUND BALANCES - JULY 1, RESTATED	<u>608,873</u>	<u>645,800</u>	<u>1,254,673</u>
FUND BALANCES - JUNE 30	<u>\$ 460,533</u>	<u>\$ 609,971</u>	<u>\$ 1,070,504</u>

See accompanying independent auditor's 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, 2023

Net change in fund balances - total governmental funds (Statement E) \$ (184,169)

Amounts reported for governmental activities in the Statement of
Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while
governmental activities report depreciation expense allocated to
those expenditures over the life of the assets:

Capital asset acquisitions	425,101
Depreciation expense	<u>(229,768)</u>
	<u>195,333</u>

Revenues in the Statement of Activities that do not provide current
financial resources are not reported as revenues in the funds:

Taxes and liens receivable	<u>(10,147)</u>
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Deferred outflows of resources are a consumption of net position by
the government that are applicable to a future reporting period and
therefore are not reported in the funds:

OPEB	<u>(2,589)</u>
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Repayment of long-term debt principal is an expenditure in the
governmental funds, but the repayment reduces long-term
obligations in the Statement of Net Position

	<u>89,732</u>
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Deferred inflows of resources are an acquisition of net position by
the government that are applicable to a future reporting period
and therefore are not reported in the funds:

OPEB	<u>625</u>
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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:

Accrued compensated absences	13,982
Net OPEB liability	<u>142</u>
	<u>14,124</u>

Change in net position of governmental activities (Statement B)	<u>\$ 102,909</u>
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See accompanying independent auditor's report and notes to financial statements.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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, Cobbossee watershed, recreation, organizations and social services, education 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, 2023, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 94 "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services and the prices or rates that can be charged for the services and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 96 "Subscription-Based Information Technology Arrangements". This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Statement No. 99 "Omnibus 2022". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are to provide clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset and identification of lease incentives, clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset, clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA and recognition and measurement of a subscription liability, extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, clarification of provisions in Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as amended, related to the focus of the government-wide financial statements, terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position and terminology used in Statement 53 to refer to resource flows statements. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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) 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.) excluding fiduciary activities. 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.

Measurement Focus - Basic Financial Statements and 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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Fund

- 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 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
2. A meeting of the Selectboard 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 deposit and other evidence 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. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2023. Accounts receivable netted with allowances for uncollectible accounts were \$0 for the year ended June 30, 2023.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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 business-type

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. 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 capital assets are reported 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.

A right of use lease asset is required to be reported at the present value of payments expected to be made during the lease term including and any/all other required financial lease obligations in accordance with the terms of the lease and excluding interest. A lease asset will be amortized in a straight-line basis over the lease term or the useful life of the underlying asset (whichever is shorter).

Estimated useful lives are as follows:

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

The accounting treatment of long-term obligations 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.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of a bond payable, lease liabilities, accrued compensated absences and net OPEB liability.

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.

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the 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.

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 given annually by vote of the taxpayers and is expressed by the Selectboard.

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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 one type of this item, deferred outflows related to OPEB. This item is reported in the statement of net position.

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 statement of net position and governmental funds balance sheet. Deferred inflows of resources related to OPEB qualifies for this type of reporting as well. This item is reported only in the statement of net position. 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 2, 2022 on the assessed value listed as of April 1, 2022, for all real and personal property located in the Town. Taxes were due in three installments on October 1, 2022, January 31, 2023 and April 1, 2023. Interest on unpaid taxes commenced on October 2, 2022, February 1, 2023 and April 2, 2023, at 4% 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 \$42,128 for the year ended June 30, 2023.

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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).

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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2023, the Town's cash and cash equivalents amounting to \$1,121,719 were comprised of bank deposits of \$1,184,052. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these deposits, \$500,000 were fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining deposits of \$684,052 were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 34,630
Sweep accounts	875,657
Savings accounts	<u>273,765</u>
	<u>\$ 1,184,052</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.

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.

At June 30, 2023, the Town had no investments.

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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2023 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 74,212	\$ 454,416
Nonmajor Special Revenue Funds	388,617	23,464
Nonmajor Capital Projects Funds	65,799	33,348
Nonmajor Permanent Funds	-	17,400
	<u>\$ 528,628</u>	<u>\$ 528,628</u>

The results of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2023 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 410,361	\$ 8,452
Nonmajor Special Revenue Funds	-	104,167
Nonmajor Capital Projects Funds	8,452	306,194
	<u>\$ 418,813</u>	<u>\$ 418,813</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Disposals	Balance, 6/30/23
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 705,000	\$ -	\$ -	\$ 705,000
Construction in progress	63,758	-	(63,758)	-
	<u>768,758</u>	<u>-</u>	<u>(63,758)</u>	<u>705,000</u>
Depreciated assets:				
Buildings and improvements	757,588	29,071	-	786,659
Equipment, vehicles furniture and fixtures	859,052	-	-	859,052
Infrastructure	6,359,104	459,788	-	6,818,892
Right of use lease asset	36,732	-	-	36,732
	<u>8,012,476</u>	<u>488,859</u>	<u>-</u>	<u>8,501,335</u>
Less: accumulated depreciation	<u>(5,287,619)</u>	<u>(229,768)</u>	<u>-</u>	<u>(5,517,387)</u>
	<u>2,724,857</u>	<u>259,091</u>	<u>-</u>	<u>2,983,948</u>
Net capital assets	<u>\$ 3,493,615</u>	<u>\$ 259,091</u>	<u>\$ (63,758)</u>	<u>\$ 3,688,948</u>
<u>Current year depreciation</u>				
General government				\$ 10,375
Public safety				34,420
Highways and roads				177,960
Recreation				7,013
Total depreciation expense				<u>\$ 229,768</u>

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term debt for the year ended June 30, 2023:

	Balance, 7/1/22 (Restated)	Additions	Deletions	Balance, 6/30/23	Current Portion
Bond payable	\$ 133,400	\$ -	\$ (84,200)	\$ 49,200	\$ 49,200
Lease liabilities	30,490	-	(5,532)	24,958	5,730
Totals	<u>\$ 163,890</u>	<u>\$ -</u>	<u>\$ (89,732)</u>	<u>\$ 74,158</u>	<u>\$ 54,930</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of the bond payable and lease liabilities outstanding as of June 30, 2023:

\$246,000 - 2018 Bond with Camden National Bank due in annual principal and interest payments through November of 2023. The interest rate is fixed at 3.84% per annum. \$ 49,200

\$30,616 - Lease liability with \$5,406 due in annual principal and interest payments through July of 2027. The interest rate is fixed at 4.870% per annum. 23,490

\$7,339 - Lease liability with \$1,468 due in annual principal payments with no interest through September 2023. 1,468

Total bonds and lease liability payable \$ 74,158

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

Year Ending June 30,	Bond payable		Lease liabilities		Total Debt Service
	Principal	Interest	Principal	Interest	
2024	\$ 49,200	\$ 1,916	\$ 5,730	\$ 1,144	\$ 57,990
2025	-	-	4,470	936	5,406
2026	-	-	4,687	718	5,405
2027	-	-	4,915	490	5,405
2028	-	-	5,156	251	5,407
	<u>\$ 49,200</u>	<u>\$ 1,916</u>	<u>\$ 24,958</u>	<u>\$ 3,539</u>	<u>\$ 79,613</u>

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2023:

	Balance, 7/1/22	Additions	Deletions	Balance, 6/30/23	Current Portion
Accrued compensated absences	\$ 23,680	\$ -	\$ (13,982)	\$ 9,698	\$ 9,698
Net OPEB Liability	18,582	2,387	(2,529)	18,440	-
	<u>\$ 42,262</u>	<u>\$ 2,387</u>	<u>\$ (16,511)</u>	<u>\$ 28,138</u>	<u>\$ 9,698</u>

Please see Notes 8 and 17 for detailed information on other long-term obligations.

NOTE 8 - ACCRUED 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 a long-term obligation 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, 2023, the Town's liability for compensated absences is \$9,698.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2023:

Invested in capital assets	\$ 9,206,335
Accumulated depreciation	(5,517,387)
Outstanding capital related debt	(74,158)
	<u>\$ 3,614,790</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 10 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2023, the Town had the following restricted net position and restricted fund balances:

Nonmajor permanent funds:	
Jaworksi fund	\$ 1,188
Ladd recreation fund	63,541
Ruth Lee fund	8,826
	<u>\$ 73,555</u>

NOTE 11 - NONSPENDABLE FUND BALANCE

At June 30, 2023, the Town had the following nonspendable fund balance:

General fund:	
Prepaid items	<u>\$ 14,161</u>

NOTE 12 - ASSIGNED FUND BALANCES

At June 30, 2023, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 309,989
Nonmajor capital projects funds (Schedule F)	285,354
	<u>\$ 595,343</u>

NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2023, the Town had the following deficit fund balances:

Ladd Rec Center Operations	\$ 23,464
Road reserve	33,348
Ladd special	2,115
	<u>\$ 58,927</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 14 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures for the year ended June 30, 2023:

	<u>Excess</u>
General Administration (Article 9)	\$ 68,480
Code enforcement	2,334
Hearings and Elections (Article 11)	928
Law Enforcement, PSAP (dispatch) and street lights (Article 17)	31,362
Animal Control (Article 15)	1,403
Roads (Article 18)	112,848
Recreation (Article 20)	2,973
General Assistance (Article 12)	981
Contingency (Article 22)	2,661
Land and buildind (Article 21)	3,125
Debt service - interest (Article 10)	2
	<u>\$ 227,097</u>

NOTE 15 - 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, 2023.

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 15 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL
(CONTINUED)

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 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, 2023. 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, 2023

NOTE 16 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and Regional School Unit #38 debt. At June 30, 2023, the County of Kennebec had no outstanding debt. The Town's share of school debt was as follows:

	Outstanding Debt	Town's Percentage	Total Share
RSU #38	\$ 4,865,105	17.97%	<u>\$ 874,181</u>

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning the administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Employees Covered by Benefit Terms

At January 1, 2023, the following employees were covered by the benefit terms:

Active members	4
Retirees and spouses	-
Total	<u>4</u>

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS 200	\$1,086.21	\$2,436.48
POS C	\$1,140.92	\$2,559.25
<u>Medicare</u>		
Medicare-Eligible Retirees	\$600.50	\$1,201.00

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the Town reported a liability of \$18,440 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2023, the Town recognized OPEB expense of \$1,822. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,078	\$ 18,054
Changes of assumptions	5,198	2,603
Contributions subsequent to the measurement date	212	-
Total	<u>\$ 8,488</u>	<u>\$ 20,657</u>

\$212 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2024	\$ (355)
2025	(551)
2026	(337)
2027	(2,466)
2028	(2,800)
Thereafter	(5,872)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2023. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.72% per annum for June 30, 2023 was based upon a measurement date of December 29, 2022. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	2.72%	3.72%	4.72%
Total OPEB liability	\$ 21,930	\$ 18,440	\$ 15,640
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 21,930</u>	<u>\$ 18,440</u>	<u>\$ 15,640</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 15,136	\$ 18,440	\$ 22,734
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 15,136</u>	<u>\$ 18,440</u>	<u>\$ 22,734</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2023, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Assumptions

The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2021. As of January 1, 2023, they are as follows:

Discount Rate – 3.72% per annum for year end 2023 reporting. 2.06% per annum for 2022 year end reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2023_fl was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	3.00%
Rate of Growth in Real Income/GDP per capital 2032+	1.50%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.00%
Year for Limiting Cost Growth to GDP Growth	2043

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. The rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

The trends selected from 2023 to 2026 were based on plan design, population weighting, renewal projections, and market analysis. For years 2027 to 2031, these are interpolated from 2026 to 2032 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, co-payments and out of pocket maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2021, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected.

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible.

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible.

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2023 was (\$14,976).

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at P.O. Box 400, Wayne, ME 04284.

NOTE 18 - DEFERRED COMPENSATION PLAN

MISSIONSQUARE RETIREMENT

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through MissionSquare Retirement. The plan, available to all full-time Town employees, permits them to defer a portion of their

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 18 - DEFERRED COMPENSATION PLAN (CONTINUED)

salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

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

B. Funding Policy

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

The Town's and employees' contributions to the plan for 2023 and 2022 were \$7,892 and \$11,813, respectively.

NOTE 19 - 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2023

NOTE 19 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

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

Fiscal Year Ending	Mark Birtwell Winter Highway Maintenance	E.C. Barry and Son Winter Sand Removal	RJD Appraisal, Inc. Assessor's Agent Services	Norton Lawncare	Winter Lot Maintenance Norton Lawncare	Mark Birtwell Winter Sidewalk	C.H. Stevenson Road Grading
2024	218,088	4,250	\$ 18,000	\$ 12,531	4,200	\$ 6,000	\$ 21,000
2025	218,088	4,500	-	-	4,410	6,000	22,000
2026	-	-	-	-	4,631	-	-
	<u>\$ 436,176</u>	<u>\$ 8,750</u>	<u>\$ 18,000</u>	<u>\$ 12,531</u>	<u>\$ 13,241</u>	<u>\$ 12,000</u>	<u>\$ 43,000</u>

NOTE 20 - RELATED PARTIES

The Town's Fire Chief owns a business that has performed services for the Town. The Town paid Stevenson Solutions \$31,386 for various maintenance activities.

NOTE 21 - RESTATEMENT

In 2023 management determined certain items were omitted from the prior year. Capital assets were increased by \$6,116, accumulated depreciation was increased by \$1,468 and debt was increased by \$2,936. General fund balance decreased by \$4,861, special revenue fund increased \$50 and capital projects fund balance increased by \$4,862. ARPA fund balance of \$78,628 was moved to deferred revenue. The overall effect of these restatements decreased net position by \$76,865 from \$4,698,308 to \$4,621,443.

Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

TOWN OF WAYNE, MAINE

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

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ 608,873	\$ 608,873	\$ 608,873	\$ -
Resources (Inflows):				
Property taxes	3,455,912	3,455,912	3,469,573	13,661
Excise taxes	305,000	305,000	293,385	(11,615)
Intergovernmental	322,964	322,964	346,757	23,793
Charge for services	14,955	14,955	18,717	3,762
Interest on taxes	10,500	10,500	13,266	2,766
Interest income	2,500	2,500	7,559	5,059
Other revenues	18,024	18,024	8,781	(9,243)
Transfers from other funds	8,452	8,452	8,452	-
Amounts Available for Appropriation	<u>4,747,180</u>	<u>4,747,180</u>	<u>4,775,363</u>	<u>28,183</u>
Charges to Appropriations (Outflows):				
General government	348,155	348,155	418,797	(70,642)
Public safety	132,292	132,292	128,441	3,851
Highways and roads	321,513	321,513	434,361	(112,848)
Sanitation	97,469	97,469	93,871	3,598
Cobbossee watershed	2,867	2,867	3,030	(163)
Recreation	48,299	48,299	51,272	(2,973)
Organizations and social services	36,978	36,978	36,978	-
Unclassified	23,362	23,362	30,129	(6,767)
Education	2,355,237	2,355,237	2,355,237	-
County tax	259,000	259,000	259,000	-
Overlay	42,128	25,529	4,436	21,093
Debt service:				
Principal	84,200	84,200	84,200	-
Interest	4,715	4,715	4,717	(2)
Transfers to other funds	382,092	398,691	410,361	(11,670)
Total Charges to Appropriations	<u>4,138,307</u>	<u>4,138,307</u>	<u>4,314,830</u>	<u>(176,523)</u>
Budgetary Fund Balance, June 30	<u>\$ 608,873</u>	<u>\$ 608,873</u>	<u>\$ 460,533</u>	<u>\$ (148,340)</u>

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

TOWN OF WAYNE, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/22 (Reporting December 31, 2022)	\$ 18,582	\$ -	\$ 18,582
Changes for the year:			
Service cost	1,965	-	1,965
Interest	422	-	422
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(2,441)	-	(2,441)
Contributions - employer	-	-	-
Contributions - member	-	88	(88)
Net investment income	-	-	-
Benefit payments	(88)	(88)	-
Administrative expense	-	-	-
Net changes	(142)	-	(142)
Balances at 1/1/23 (Reporting December 31, 2023)	<u>\$ 18,440</u>	<u>\$ -</u>	<u>\$ 18,440</u>

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

TOWN OF WAYNE, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>						
Service cost (BOY)	\$ 1,965	\$ 3,257	\$ 2,846	\$ 1,789	\$ 1,945	\$ 1,797
Interest (includes interest on service cost)	422	861	940	678	541	452
Changes of benefit terms	-	-	-	(587)	-	-
Differences between expected and actual experience	-	(23,212)	-	6,857	-	981
Changes of assumptions	(2,441)	452	2,332	8,071	(1,513)	396
Benefit payments, including refunds of member contributions	(88)	(231)	(222)	(3)	(3)	-
Net change in total OPEB liability	\$ (142)	\$ (18,873)	\$ 5,896	\$ 16,805	\$ 970	\$ 3,626
Total OPEB liability - beginning	\$ 18,582	\$ 37,455	\$ 31,559	\$ 14,754	\$ 13,784	\$ 10,158
Total OPEB liability - ending	\$ 18,440	\$ 18,582	\$ 37,455	\$ 31,559	\$ 14,754	\$ 13,784
<u>Plan fiduciary net position</u>						
Contributions - employer	88	231	222	3	3	-
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(88)	(231)	(222)	(3)	(3)	-
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 18,440	\$ 18,582	\$ 37,455	\$ 31,559	\$ 14,754	\$ 13,784
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	
Covered payroll	\$ 99,346	\$ 122,052	\$ 122,052	\$ 82,552	\$ 82,552	
Net OPEB liability as a percentage of covered payroll	18.6%	15.2%	30.7%	17.9%	17.9%	

* The amounts presented for each fiscal year are for those years for which information is available.

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

SCHEDULE 4

TOWN OF WAYNE, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2023	2022	2021	2020	2019	2018
<u>MMEHT:</u>						
Employer contributions	\$ 88	\$ 231	\$ 222	\$ 3	\$ 3	\$ -
Benefit payments	(88)	(231)	(222)	(3)	(3)	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 99,346	\$ 122,052	\$ 122,052	\$ 82,552	\$ 82,552	\$ 82,552
Contributions as a percentage of covered payroll	0.09%	0.19%	0.18%	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

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

TOWN OF WAYNE, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2023

Changes of Assumptions

MMEHT OPEB Plan:

There was a change in the discount rate from 2.06% to 3.72% per GASB 75 discount rate selection. Ultimate medical trends were aligned to the higher inflation environment for the roll forward as of this measurement date.

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

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental 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 SEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Administration	\$ 272,155	\$ -	\$ 272,155	\$ 340,635	\$ (68,480)
Code enforcement	43,100	-	43,100	45,434	(2,334)
Assessing	31,400	-	31,400	30,300	1,100
Elections/hearings	1,500	-	1,500	2,428	(928)
	<u>348,155</u>	<u>-</u>	<u>348,155</u>	<u>418,797</u>	<u>(70,642)</u>
Public safety:					
Ambulance	51,205	-	51,205	26,259	24,946
Law enforcement	-	-	-	3,920	(3,920)
Fire department	72,451	-	72,451	60,781	11,670
Animal control	8,636	-	8,636	10,039	(1,403)
PSAP/Dispatch	-	-	-	20,883	(20,883)
Street lights	-	-	-	6,559	(6,559)
	<u>132,292</u>	<u>-</u>	<u>132,292</u>	<u>128,441</u>	<u>3,851</u>
Highways and roads:					
Roads	321,513	-	321,513	434,361	(112,848)
	<u>321,513</u>	<u>-</u>	<u>321,513</u>	<u>434,361</u>	<u>(112,848)</u>
Sanitation:					
Transfer station	97,469	-	97,469	93,871	3,598
	<u>97,469</u>	<u>-</u>	<u>97,469</u>	<u>93,871</u>	<u>3,598</u>
Cobbossee watershed	2,867	-	2,867	3,030	(163)

SCHEDULE A (CONTINUED)

TOWN OF WAYNE, MAINE

SCHEDULE OF SEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
County tax	259,000	-	259,000	259,000	-
Recreation	48,299	-	48,299	51,272	(2,973)
Organizations and social services:					
Cemetery Association	12,600	-	12,600	12,600	-
Library	6,000	-	6,000	6,000	-
Messenger	3,400	-	3,400	3,400	-
Rural Community Action	5,000	-	5,000	5,000	-
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	-
Community Health and Counseling Service	1,562	-	1,562	1,562	-
Food Pantry	1,500	-	1,500	1,500	-
	36,978	-	36,978	36,978	-

TOWN OF WAYNE, MAINE

SCHEDULE OF SEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified:					
General assistance	17,058	-	17,058	18,039	(981)
Contingency	3,000	-	3,000	5,661	(2,661)
Land and buildings	3,304	-	3,304	6,429	(3,125)
	<u>23,362</u>	<u>-</u>	<u>23,362</u>	<u>30,129</u>	<u>(6,767)</u>
Education	<u>2,355,237</u>	<u>-</u>	<u>2,355,237</u>	<u>2,355,237</u>	<u>-</u>
Debt service:					
Principal	84,200	-	84,200	84,200	-
Interest	4,715	-	4,715	4,717	(2)
	<u>88,915</u>	<u>-</u>	<u>88,915</u>	<u>88,917</u>	<u>(2)</u>
Transfers to other funds:					
Special revenue funds	103,507	660	104,167	104,167	-
Capital projects funds	278,585	15,939	294,524	306,194	(11,670)
	<u>382,092</u>	<u>16,599</u>	<u>398,691</u>	<u>410,361</u>	<u>(11,670)</u>
Overlay	<u>42,128</u>	<u>(16,599)</u>	<u>25,529</u>	<u>4,436</u>	<u>21,093</u>
Total Departmental Operations	<u>\$ 4,138,307</u>	<u>\$ -</u>	<u>\$ 4,138,307</u>	<u>\$ 4,314,830</u>	<u>\$ (176,523)</u>

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

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 219,555	\$ 88,840	\$ 308,395
Due from other funds	388,617	65,799	-	454,416
TOTAL ASSETS	<u>\$ 388,617</u>	<u>\$ 285,354</u>	<u>\$ 88,840</u>	<u>\$ 762,811</u>
LIABILITIES				
Due to other funds	\$ 23,464	\$ 33,348	\$ 17,400	\$ 74,212
TOTAL LIABILITIES	<u>23,464</u>	<u>33,348</u>	<u>17,400</u>	<u>74,212</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue (ARPA)	-	-	-	78,628
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,628</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	73,555	73,555
Committed	-	-	-	-
Assigned	309,989	285,354	-	595,343
Unassigned (deficit)	(23,464)	(33,348)	(2,115)	(58,927)
TOTAL FUND BALANCES	<u>286,525</u>	<u>252,006</u>	<u>71,440</u>	<u>609,971</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 388,617</u>	<u>\$ 285,354</u>	<u>\$ 88,840</u>	<u>\$ 762,811</u>

See accompanying independent auditor's 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, 2023

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Charges for services	\$ 49,819	\$ -	\$ -	\$ 49,819
Interest income	-	2,559	677	3,236
Intergovernmental	9,870	-	-	9,870
Other income	106,113	5,000	26,493	137,606
TOTAL REVENUES	<u>165,802</u>	<u>7,559</u>	<u>27,170</u>	<u>200,531</u>
EXPENDITURES				
Capital outlay	-	436,268	-	436,268
Other	178,341	11,617	12,043	202,001
TOTAL EXPENDITURES	<u>178,341</u>	<u>447,885</u>	<u>12,043</u>	<u>638,269</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,539)</u>	<u>(440,326)</u>	<u>15,127</u>	<u>(437,738)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	104,167	306,194	-	410,361
Transfers (out)	-	(8,452)	-	(8,452)
TOTAL OTHER FINANCING SOURCES (USES)	<u>104,167</u>	<u>297,742</u>	<u>-</u>	<u>401,909</u>
NET CHANGE IN FUND BALANCES	91,628	(142,584)	15,127	(35,829)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>194,897</u>	<u>394,590</u>	<u>56,313</u>	<u>645,800</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 286,525</u>	<u>\$ 252,006</u>	<u>\$ 71,440</u>	<u>\$ 609,971</u>

See accompanying independent auditor's 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, 2023

	ARPA	CDBG Childcare Grant	Professional
ASSETS			
Due from other funds	\$ 78,628	\$ 23,270	\$ 25,970
TOTAL ASSETS	<u>\$ 78,628</u>	<u>\$ 23,270</u>	<u>\$ 25,970</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue (ARPA)	78,628	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>78,628</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	23,270	25,970
Unassigned	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>23,270</u>	<u>25,970</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 78,628</u>	<u>\$ 23,270</u>	<u>\$ 25,970</u>

SCHEDULE D (CONTINUED)

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUES FUNDS
JUNE 30, 2023

	Animal Control	Farmers Market	Wayne History Project	Boat Launch	Wayne Athletic League (WAL)
ASSETS					
Due from other funds	\$ 1,000	\$ 1,437	\$ 3,973	\$ -	\$ 4,277
TOTAL ASSETS	<u>\$ 1,000</u>	<u>\$ 1,437</u>	<u>\$ 3,973</u>	<u>\$ -</u>	<u>\$ 4,277</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue (ARPA)	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	1,000	1,437	3,973	-	4,277
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>1,000</u>	<u>1,437</u>	<u>3,973</u>	<u>-</u>	<u>4,277</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 1,000</u>	<u>\$ 1,437</u>	<u>\$ 3,973</u>	<u>\$ -</u>	<u>\$ 4,277</u>

SCHEDULE D (CONTINUED)

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUES FUNDS
JUNE 30, 2023

	Cemetery Lot Sales	Community Directory	North Wayne School House	Water Quality	Aging at Home
ASSETS					
Due from other funds	\$ -	\$ -	\$ 4,205	\$ 1,025	\$ 2,138
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,205</u>	<u>\$ 1,025</u>	<u>\$ 2,138</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred revenue (ARPA)	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	4,205	1,025	2,138
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>4,205</u>	<u>1,025</u>	<u>2,138</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,205</u>	<u>\$ 1,025</u>	<u>\$ 2,138</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUES FUNDS
JUNE 30, 2023

	100 Acre Wood	Revaluation	Broadband Franchise Fees	Ladd Tennis, Improvements and Pickle Ball Courts	Ladd Rec Center Operations	Total
ASSETS						
Due from other funds	\$ 441	\$ 26,250	\$ 41,678	\$ 174,325	\$ -	\$ 388,617
TOTAL ASSETS	<u>\$ 441</u>	<u>\$ 26,250</u>	<u>\$ 41,678</u>	<u>\$ 174,325</u>	<u>\$ -</u>	<u>\$ 388,617</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	-	-	-	-	23,464	23,464
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,464</u>	<u>23,464</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue (ARPA)	-	-	-	-	-	78,628
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,628</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	441	26,250	41,678	174,325	-	309,989
Unassigned	-	-	-	-	(23,464)	(23,464)
TOTAL FUND BALANCES (DEFICITS)	<u>441</u>	<u>26,250</u>	<u>41,678</u>	<u>174,325</u>	<u>(23,464)</u>	<u>286,525</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	<u>\$ 441</u>	<u>\$ 26,250</u>	<u>\$ 41,678</u>	<u>\$ 174,325</u>	<u>\$ -</u>	<u>\$ 388,617</u>

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2023

	ARPA	CDBG Childcare Grant	Professional
REVENUES			
Charges for services	\$ -	\$ -	\$ -
Intergovernmental	-	9,870	-
Other income	-	-	-
TOTAL REVENUES	-	9,870	-
EXPENDITURES			
Other	-	-	15,280
TOTAL EXPENDITURES	-	-	15,280
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	9,870	(15,280)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	9,870	(15,280)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	-	13,400	41,250
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ 23,270	\$ 25,970

SCHEDULE E (CONTINUED)

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Animal Control	Farmers Market	Wayne History Project	Boat Launch	Wayne Athletic League (WAL)
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 465
Intergovernmental	-	-	-	-	-
Other income	-	819	-	-	-
TOTAL REVENUES	<u>-</u>	<u>819</u>	<u>-</u>	<u>-</u>	<u>465</u>
EXPENDITURES					
Other	19	835	-	-	1,085
TOTAL EXPENDITURES	<u>19</u>	<u>835</u>	<u>-</u>	<u>-</u>	<u>1,085</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(19)</u>	<u>(16)</u>	<u>-</u>	<u>-</u>	<u>(620)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	660	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>660</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(19)	(16)	-	660	(620)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>1,019</u>	<u>1,453</u>	<u>3,973</u>	<u>(660)</u>	<u>4,897</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 1,000</u>	<u>\$ 1,437</u>	<u>\$ 3,973</u>	<u>\$ -</u>	<u>\$ 4,277</u>

SCHEDULE E (CONTINUED)

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Cemetery Lot Sales	Community Directory	North Wayne School House	Water Quality	Aging at Home
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Other income	-	-	100	-	1,847
TOTAL REVENUES	-	-	100	-	1,847
EXPENDITURES					
Other	275	255	-	-	4,989
TOTAL EXPENDITURES	275	255	-	-	4,989
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(275)	(255)	100	-	(3,142)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(275)	(255)	100	-	(3,142)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	275	255	4,105	1,025	5,280
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ 4,205	\$ 1,025	\$ 2,138

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	100 Acre Wood	Revaluation	Broadband Franchise Fees	Ladd Tennis, Improvements and Pickle Ball Courts	Ladd Rec Center Operations	Total
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 49,354	\$ 49,819
Intergovernmental	-	-	-	-	-	9,870
Other income	1,801	-	-	48,645	52,901	106,113
TOTAL REVENUES	<u>1,801</u>	<u>-</u>	<u>-</u>	<u>48,645</u>	<u>102,255</u>	<u>165,802</u>
EXPENDITURES						
Other	3,276	-	6,269	-	146,058	178,341
TOTAL EXPENDITURES	<u>3,276</u>	<u>-</u>	<u>6,269</u>	<u>-</u>	<u>146,058</u>	<u>178,341</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,475)</u>	<u>-</u>	<u>(6,269)</u>	<u>48,645</u>	<u>(43,803)</u>	<u>(12,539)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	26,250	35,757	-	41,500	104,167
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>26,250</u>	<u>35,757</u>	<u>-</u>	<u>41,500</u>	<u>104,167</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(1,475)	26,250	29,488	48,645	(2,303)	91,628
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>1,916</u>	<u>-</u>	<u>12,190</u>	<u>125,680</u>	<u>(21,161)</u>	<u>194,897</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 441</u>	<u>\$ 26,250</u>	<u>\$ 41,678</u>	<u>\$ 174,325</u>	<u>\$ (23,464)</u>	<u>\$ 286,525</u>

See accompanying independent auditor's 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.

SCHEDULE F

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Transfer Station	GIS Mapping	Road Reserve	Fire Truck Reserve	Sand/Salt Shed
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 219,555	\$ -
Due from other funds	2,239	5,000	-	-	-
TOTAL ASSETS	<u>\$ 2,239</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 219,555</u>	<u>\$ -</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ 33,348	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>33,348</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	2,239	5,000	-	219,555	-
Unassigned	-	-	(33,348)	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>2,239</u>	<u>5,000</u>	<u>(33,348)</u>	<u>219,555</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 2,239</u>	<u>\$ 5,000</u>	<u>\$ -</u>	<u>\$ 219,555</u>	<u>\$ -</u>

SCHEDULE F (CONTINUED)

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Town House	Fire Equipment	Lovejoy Pond Dam	Foot Bridge
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	37,330	4,022	1,589
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 37,330</u>	<u>\$ 4,022</u>	<u>\$ 1,589</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	37,330	4,022	1,589
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>37,330</u>	<u>4,022</u>	<u>1,589</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 37,330</u>	<u>\$ 4,022</u>	<u>\$ 1,589</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Technology	Land and Buildings	Cemetery Stone Cleaning	Fire Pond	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 219,555
Due from other funds	-	6,750	6,340	2,529	65,799
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 6,750</u>	<u>\$ 6,340</u>	<u>\$ 2,529</u>	<u>\$ 285,354</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 33,348
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,348</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	6,750	6,340	2,529	285,354
Unassigned	-	-	-	-	(33,348)
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>6,750</u>	<u>6,340</u>	<u>2,529</u>	<u>252,006</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ 6,750</u>	<u>\$ 6,340</u>	<u>\$ 2,529</u>	<u>\$ 285,354</u>

See accompanying independent auditor's 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, 2023

	Transfer Station	GIS Mapping	Road Reserve	Fire Truck Reserve	Sand/Salt Shed
REVENUES					
Interest income	\$ -	\$ -	\$ -	\$ 2,259	\$ -
Other income	-	5,000	-	-	-
TOTAL REVENUES	-	5,000	-	2,259	-
EXPENDITURES					
Capital outlay	-	-	401,355	-	-
Other	-	-	-	-	200
TOTAL EXPENDITURES	-	-	401,355	-	200
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	5,000	(401,355)	2,259	(200)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	211,085	50,000	2,800
Transfers (out)	(8,452)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(8,452)	-	211,085	50,000	2,800
NET CHANGE IN FUND BALANCES (DEFICITS)	(8,452)	5,000	(190,270)	52,259	2,600
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	10,691	-	156,922	167,296	(2,600)
FUND BALANCES (DEFICITS) - JUNE 30	\$ 2,239	\$ 5,000	\$ (33,348)	\$ 219,555	\$ -

SCHEDULE G (CONTINUED)

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Town House	Fire Equipment	Lovejoy Pond Dam	Foot Bridge
REVENUES				
Interest income	\$ 300	\$ -	\$ -	\$ -
Other income	-	-	-	-
TOTAL REVENUES	<u>300</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	13,689	-	-
Other	685	-	6,750	422
TOTAL EXPENDITURES	<u>685</u>	<u>13,689</u>	<u>6,750</u>	<u>422</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(385)</u>	<u>(13,689)</u>	<u>(6,750)</u>	<u>(422)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,955	11,670	-	-
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,955</u>	<u>11,670</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	1,570	(2,019)	(6,750)	(422)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	<u>(1,570)</u>	<u>39,349</u>	<u>10,772</u>	<u>2,011</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 37,330</u>	<u>\$ 4,022</u>	<u>\$ 1,589</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, 2023

	Technology	Land and Buildings	Cemetery Stone Cleaning	Fire Pond	Totals
REVENUES					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 2,559
Other income	-	-	-	-	5,000
TOTAL REVENUES	-	-	-	-	7,559
EXPENDITURES					
Capital outlay	-	21,224	-	-	436,268
Other	-	-	3,560	-	11,617
TOTAL EXPENDITURES	-	21,224	3,560	-	447,885
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(21,224)	(3,560)	-	(440,326)
OTHER FINANCING SOURCES (USES)					
Transfers in	746	25,438	-	2,500	306,194
Transfers (out)	-	-	-	-	(8,452)
TOTAL OTHER FINANCING SOURCES (USES)	746	25,438	-	2,500	297,742
NET CHANGE IN FUND BALANCES (DEFICITS)	746	4,214	(3,560)	2,500	(142,584)
FUND BALANCES (DEFICITS) - JULY 1, RESTATED	(746)	2,536	9,900	29	394,590
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ 6,750	\$ 6,340	\$ 2,529	\$ 252,006

See accompanying independent auditor's 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, 2023

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
ASSETS					
Cash and cash equivalents	\$ 1,188	\$ 72,895	\$ 8,826	\$ 5,931	\$ 88,840
TOTAL ASSETS	<u>\$ 1,188</u>	<u>\$ 72,895</u>	<u>\$ 8,826</u>	<u>\$ 5,931</u>	<u>\$ 88,840</u>
LIABILITIES					
Due to other funds	\$ -	\$ 9,354	\$ -	\$ 8,046	\$ 17,400
TOTAL LIABILITIES	<u>-</u>	<u>9,354</u>	<u>-</u>	<u>8,046</u>	<u>17,400</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	1,188	63,541	8,826	-	73,555
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	(2,115)	(2,115)
TOTAL FUND BALANCES	<u>1,188</u>	<u>63,541</u>	<u>8,826</u>	<u>(2,115)</u>	<u>71,440</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,188</u>	<u>\$ 72,895</u>	<u>\$ 8,826</u>	<u>\$ 5,931</u>	<u>\$ 88,840</u>

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

SCHEDULE I

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
REVENUES					
Interest income	\$ 7	\$ 485	\$ 49	\$ 136	\$ 677
Other income	-	24,993	-	1,500	26,493
TOTAL REVENUES	<u>7</u>	<u>25,478</u>	<u>49</u>	<u>1,636</u>	<u>27,170</u>
EXPENDITURES					
Other	-	-	-	12,043	12,043
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,043</u>	<u>12,043</u>
NET CHANGE IN FUND BALANCES	7	25,478	49	(10,407)	15,127
FUND BALANCES - JULY 1	<u>1,181</u>	<u>38,063</u>	<u>8,777</u>	<u>8,292</u>	<u>56,313</u>
FUND BALANCES - JUNE 30	<u>\$ 1,188</u>	<u>\$ 63,541</u>	<u>\$ 8,826</u>	<u>\$ (2,115)</u>	<u>\$ 71,440</u>

See accompanying independent auditor's 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
FOR THE YEAR ENDED JUNE 30, 2023

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 190,000	\$ 161,451	\$ 6,116	\$ 574,240	\$ 931,807
Public safety	40,000	263,497	867,051	-	1,170,548
Highways and roads	-	13,835	-	6,239,652	6,253,487
Recreation	100,000	347,876	22,617	5,000	475,493
Cemeteries	210,000	-	-	-	210,000
Town-wide	165,000	-	-	-	165,000
Total General Capital Assets	705,000	786,659	895,784	6,818,892	9,206,335
Less: Accumulated Depreciation	-	(525,732)	(550,327)	(4,441,328)	(5,517,387)
Net General Capital Assets	<u>\$ 705,000</u>	<u>\$ 260,927</u>	<u>\$ 345,457</u>	<u>\$ 2,377,564</u>	<u>\$ 3,688,948</u>

See accompanying independent auditor's 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, 2023

	General Capital Assets 7/1/22	Additions	Deletions	General Capital Assets 6/30/23
General government	\$ 902,736	\$ 29,071	\$ -	\$ 931,807
Public safety	1,170,548	-	-	1,170,548
Highways and roads	5,857,457	396,030	-	6,253,487
Recreation	475,493	-	-	475,493
Cemeteries	210,000	-	-	210,000
Town-wide	165,000	-	-	165,000
Total General Capital Assets	8,781,234	425,101	-	9,206,335
Less: Accumulated Depreciation	<u>(5,287,619)</u>	<u>(229,768)</u>	<u>-</u>	<u>(5,517,387)</u>
Net General Capital Assets	<u><u>\$ 3,493,615</u></u>	<u><u>\$ 195,333</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,688,948</u></u>

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



Proven Expertise & Integrity

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

Selectboard
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, 2023 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 October 25, 2024.

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*. We noted certain other matters that we reported to management of the Town of Wayne, Maine in a separate letter dated October 21, 2024.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
October 25, 2024