

**Financial Statements**

**Town of Wayne, Maine**

**June 30, 2008**

# Contents

## Town of Wayne, Maine

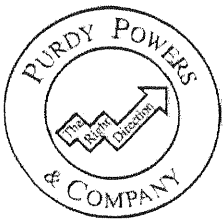
June 30, 2008

### Financial Statements:

Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	2
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets .....	3
Statement of Activities .....	4
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	5
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets .....	6
Statement of Revenues, Expenditures and Changes in Fund Balances .....	7
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	8
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund (Budgetary Basis) .....	9
Fiduciary Funds:	
Statement of Net Assets .....	10
Notes to Financial Statements .....	11

### Supplemental Information:

Independent Auditors' Report on Supplemental Information .....	23
Combining Balance Sheet - Nonmajor Governmental Funds - Other Governmental Funds .....	24
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds - Other Governmental Funds .....	25
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds .....	26
Combining Balance Sheet - Permanent Funds - Trust Funds .....	28
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Permanent Funds - Trust Funds .....	29
Schedule of Valuation, Assessment and Collection of Taxes .....	30



# PURDY POWERS & COMPANY

## Certified Public Accountants

Marc J. Powers, CPA, CVA  
Richard E. Emerson, Jr., CPA, CVA

David J. Shorette, CPA, CVA  
Dana O. Dakers, CPA, MST, MBA

Bruce D. Moir, CPA, JD, MPA  
Raymond G. Hamlin, CPA

Stephen H. Purdy, CPA, CVA  
Founder

### Independent Auditors' Report

**To the Selectboard  
Town of Wayne  
Wayne, Maine**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wayne, Maine, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Wayne School Department's general fund and fiduciary fund (agency fund - student activity accounts). Those financial statements were audited by other auditors whose report has been furnished to us, and in our opinion, insofar as it relates to the amounts included for the general fund and the fiduciary fund, is based solely on the report of the other auditors.

We conducted our audit in accordance with United States generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wayne, Maine as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof and for the year then ended, in conformity with United States generally accepted accounting principles.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by United States generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*Purdy Powers & Company*

Professional Association

**Portland, Maine  
December 24, 2008**

# TOWN OF WAYNE

Incorporated February 12, 1798

---

Telephone: 207-685-4983

Fax: 207-685-3836

## **Town of Wayne, Maine For the Year Ended June 30, 2008**

### **Management's Discussion and Analysis**

As Management of the Town of Wayne, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2008. Please read it in conjunction with the Town's financial statements, which begin on page 3. The Town implemented Governmental Accounting Standards Board Statement 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (Statement 34) for the first time for fiscal year 2004.

### **Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3-4) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 5. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

### **Reporting the Town as a Whole**

#### **The Statement of Net Assets and the Statement of Activities**

The analysis of the Town as a whole begins on the next page. One of the most important questions asked about the Town's finances is, "Are the Town finances as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. You can think of the Town's net assets-the difference between assets and liabilities-as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Assets and the Statement of Activities, we divide the Town into its government activities explained as follows:

- Governmental activities-Most of the Town's basic services are reported here, including the general administration, streets, parks, ambulance and fire. Property tax, excise taxes, registration fees, and state and federal grants finance most of these activities.

### **Reporting the Town's Most Significant Funds - Fund Financial Statements**

Our analysis of the Town's major funds begins with the fund financial statements on page 5 and provides detailed information about the most significant funds-not the Town as a whole. Some funds are required to be established by State law. However, the Town Selectboard establish many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation at the bottom of the fund financial statements.

### **The Town as Trustee**

#### **Reporting the Town's Fiduciary Responsibilities**

We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

### **THE TOWN AS A WHOLE**

For the year ended June 30, 2008, net assets changed as follows:

	<b>Governmental Activities</b>
Beginning net assets	\$ 3,720,650
Increase in net assets	<u>177,760</u>
Ending net assets	<u>\$ 3,898,410</u>

That reflects an increase of approximately 4.85% for governmental activities.

## Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General government	Building permits, agency fees, and dog licenses.
Public services	State general assistance reimbursements.
Education	State aid grants and miscellaneous education revenue.
Public Works	State highway aid grant and transfer station receipts.

*FY08 revenues include a \$62,500 FEMA/DHHS grant awarded to The Wayne Fire Department; as a result of the grant award, 18 sets of "full gear" were purchased for the department members.*

All other governmental revenues are reported as other revenues. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

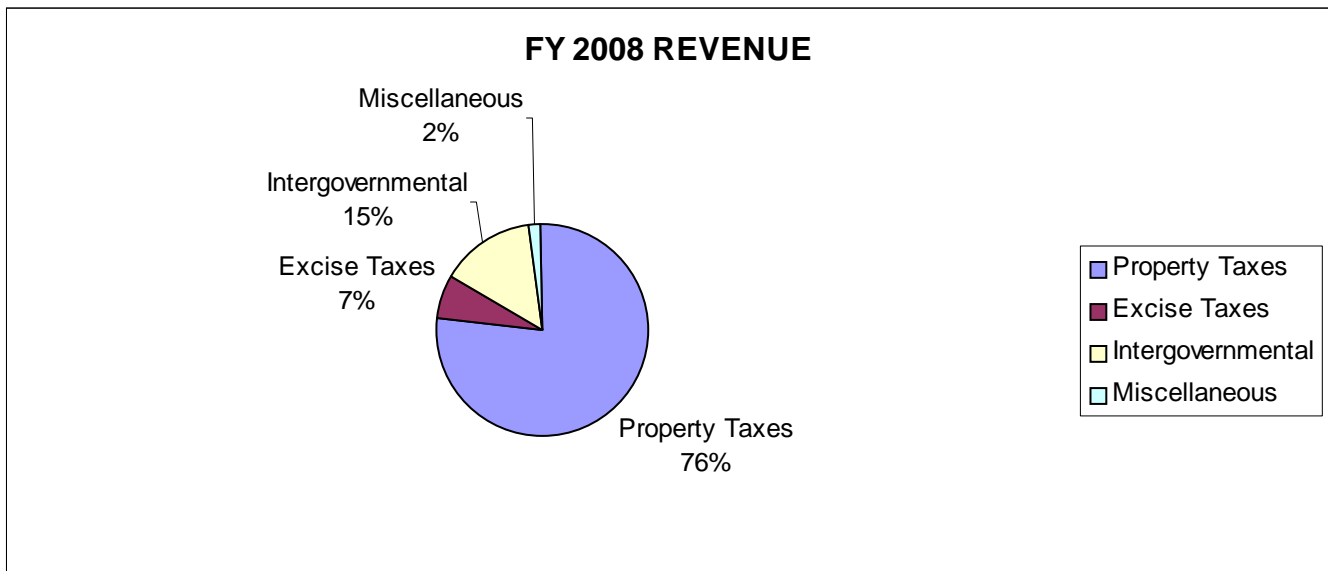
## THE TOWN'S FUNDS

In FY08 the Town raised and appropriated \$25,000 contribution to the Fire Truck Special Revenue Fund – for a total balance of \$216,284.70 at 6/30/08.

In FY08 the Town appropriated \$ 187,435 from Undesignated Fund Balances and Special Revenue Roads Fund to the Pond Road Reconstruction Project Special Revenue Fund.

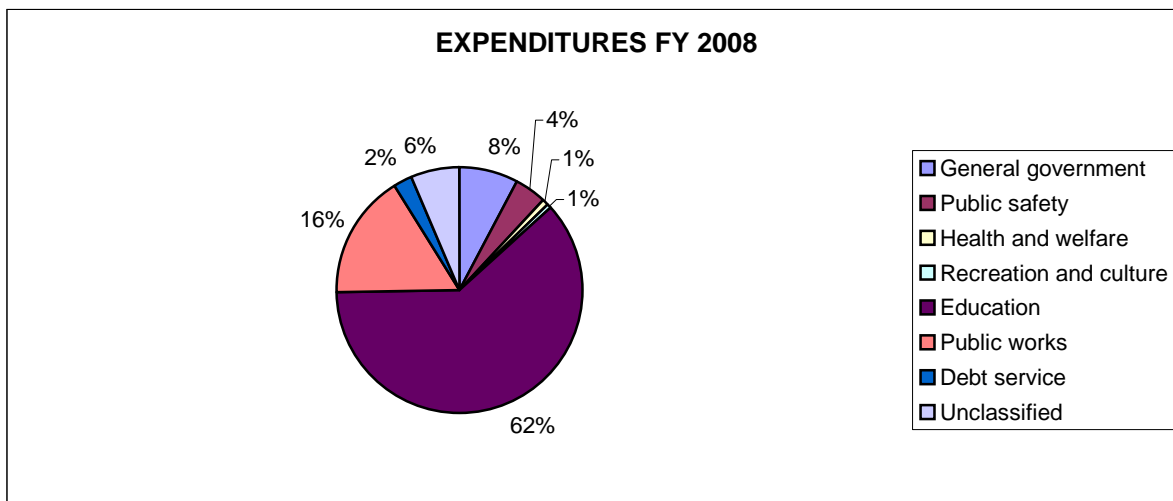
The following schedule presents a summary of general fund revenues and expenditures for the fiscal year ended June 30, 2008, and the amount and percentage of increases and decreases in relation to the prior year.

<b><u>Revenue</u></b>	<b><u>FY 2008 Amount</u></b>	<b><u>Percent of Total</u></b>	<b><u>Increase (Decrease) from FY 2007</u></b>
<b><i>Property Taxes</i></b>	\$ 2,256,658	76.51%	\$ 98,808
<b><i>Excise Taxes</i></b>	201,729	6.84%	(2,996)
<b><i>Intergovernmental</i></b>	433,467	14.70%	(72,975)
<b><i>Miscellaneous</i></b>	57,519	1.95%	(39,774)
<b>Total Revenue</b>	<u>\$ 2,949,373</u>	<u>100.00%</u>	<u>\$ (16,937)</u>



Overall, revenues decreased by approximately 0.57% compared to FY 2007; though property tax revenue increased 4.5%. In FY09 and FY10 excise tax & intergovernmental revenue is expected to decline due to the current economic recession. This is expected to continue until the state and national economy turns around.

<u>Expenditures</u>	<u>FY 2008 Amount</u>	<u>Percent of Total</u>	<u>Increase (Decrease) from FY 2007</u>
<i>General government</i>	\$ 216,451	7.75%	\$ (104,933)
<i>Public safety</i>	114,826	4.11%	60,751
<i>Health and welfare</i>	22,057	0.79%	3,059
<i>Recreation and culture</i>	21,578	0.78%	(1,500)
<i>Education</i>	1,712,479	61.34%	19,020
<i>Public works</i>	460,187	16.48%	139,855
<i>Debt service</i>	63,216	2.26%	(750)
<i>Unclassified</i>	181,221	6.49%	8,434
<b>Total Expenditures</b>	<b>\$ 2,792,015</b>	<b>100.00%</b>	<b>\$ 123,936</b>



Overall, expenditures increased over FY 2007 by approximately 4.65%.

The Town's public works expenses in FY08 are generated from a two-year road work cycle, the FY07 un-expensed appropriation for budget lines Prep for Paving and Paving were "carried forward" and spent in FY08 on the Innes Ridge and Old Winthrop Road projects.

FY08 General Government actual expense is greatly reduced from FY07 due to a significant reduction in actual Legal and Audit expenses.



**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the Town Meeting did not revise the General Fund budget. The budget relied heavily on the expectation of a moderate increases in property tax revenue. However, the development of a Road Surface Management System revealed a need to establish a long-term plan to increase financing for future road projects and maintenance.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of June 30, 2008, the Town had approximately \$7,350,000 invested in capital assets including land and buildings, fire trucks and equipment, roads, and other infrastructure. (See table below)

	<b>Governmental Activities</b>	
	<u>2008</u>	<u>2007</u>
Land	\$ 805,000	\$ 805,000
Construction in Progress	472,827	33,657
Buildings	1,218,039	1,218,039
Equipment	405,911	342,012
Infrastructure	<u>4,450,507</u>	<u>4,211,036</u>
TOTALS	<u>\$ 7,352,284</u>	<u>\$ 6,609,744</u>

In FY08, contractor Reed & Reed successfully repaired the leak in Wayne Village Dam; a seal under the sluice gate was missing and believed removed when operating the gate in freezing weather. The replacement seal was secured to allow for operation in freezing weather.

**Debt**

At year-end, the Town had \$422,486 in outstanding debt compared to \$229,005 last year. The following table shows a comparison by year:

	<b>Governmental Activities</b>	
	<u>2008</u>	<u>2007</u>
Bond payable	<u>\$ 422,486</u>	<u>\$ 229,005</u>

Other obligations of the Town include accrued compensated absences for unused vacation and sick time.

In FY08, the Town of Wayne secured a five-year, \$250,000 bond for the Pond Road Reconstruction Project.

There is no expected need for financing Town expenditures in the near future.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Due to the State of Maine budget curtailment for the current FY 09 budget the Town's cost share for educational expenses has been cut by 25%. The State has forecasts the next bi-annual budget to include these cuts to education subsidy as well as State revenue sharing. The Town will more than likely bear a heavier burden for school costs in the future. Revenues are likely to be down in the areas of excise, intergovernmental and miscellaneous taxes/fees putting pressure on the need to increase property tax revenues. The Town should be prepared to see increases in slow/delinquent property tax payments and/or property tax default/foreclosure. Next year's general fund budget will be determined based the Select board's forecast of town needs and ability to afford desired programs/projects.

## **CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, 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, visit the Town Office at 3 Lovejoy Pond Road in Wayne or call 685-4983.

## Statement of Net Assets

### Town of Wayne, Maine

As of June 30, 2008

	Governmental Activities
<b>Assets</b>	
Cash ( <i>note B</i> )	\$ 682,405
Investments ( <i>note B</i> )	555,813
Taxes receivable	67,918
Tax liens receivable	16,309
Accounts receivable	16,661
Capital assets, net of accumulated depreciation ( <i>note C</i> )	<u>3,119,945</u>
<b>Total Assets</b>	<b>4,459,051</b>
<b>Liabilities</b>	
Accounts payable	40,774
Retainage payable	8,669
Taxes paid in advance	456
Accrued wages	41,095
Due to government agencies	7,066
Accrued interest payable	11,510
Long-term liabilities ( <i>note F</i> ):	
Portion due or payable within one year:	
Bonds payable	102,486
Accrued vacation	7,000
Portion due or payable after one year:	
Bonds payable	320,000
Accrued vacation	<u>21,585</u>
<b>Total Liabilities</b>	<b><u>560,641</u></b>
<b>Net Assets</b>	
Invested in capital assets, net of related debt	2,697,459
Unrestricted	<u>1,200,951</u>
<b>Total Net Assets</b>	<b><u><u>\$ 3,898,410</u></u></b>

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

**Statement of Activities**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

<u>Function/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net</u>
		<u>Charges for</u>	<u>Operating</u>	<u>(Expense) Revenue</u>
		<u>Services</u>	<u>Grants and</u>	<u>and Changes in</u>
			<u>Contributions</u>	<u>Net Assets</u>
				<u>Governmental</u>
				<u>Activities</u>
<b>Governmental Activities:</b>				
General government	\$ 231,465	\$ 5,673	\$ -	\$ (225,792)
Public safety	77,199	-	-	(77,199)
Health and welfare	22,057	-	1,079	(20,978)
Recreation and culture	28,054	-	-	(28,054)
Education	1,730,301	18,745	178,814	(1,532,742)
Public works	502,619	-	47,359	(455,260)
Unclassified	213,637	-	-	(213,637)
Interest on long-term debt	16,378	-	-	(16,378)
<b>Total Governmental Activities</b>	<b>\$ 2,821,710</b>	<b>\$ 24,418</b>	<b>\$ 227,252</b>	<b>(2,570,040)</b>

General revenues:

Taxes:

Property	2,270,658
Excise	201,729
Intergovernmental	187,470
Interest income	42,501
Miscellaneous	45,442

**Total General Revenues** 2,747,800

**Change in Net Assets** 177,760

Net assets at beginning of year 3,720,650

**Net Assets at End of Year** \$ 3,898,410

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

## Balance Sheet - Governmental Funds

### Town of Wayne, Maine

As of June 30, 2008

	General	Fire Truck	Pond Road Reconstruction	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash ( <i>note B</i> )	\$ 641,311	\$ -	\$ -	\$ 41,094	\$ 682,405
Investments ( <i>note B</i> )	236,579	216,285	-	102,949	555,813
Taxes receivable	67,918	-	-	-	67,918
Tax liens receivable	16,309	-	-	-	16,309
Intergovernmental receivable	16,661	-	-	-	16,661
Due from other funds ( <i>note D</i> )	450	-	35,718	75,167	111,335
<b>Total Assets</b>	<b>\$ 979,228</b>	<b>\$ 216,285</b>	<b>\$ 35,718</b>	<b>\$ 219,210</b>	<b>\$ 1,450,441</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 40,774	\$ -	\$ -	\$ -	\$ 40,774
Retainage payable	8,669	-	-	-	8,669
Taxes paid in advance	456	-	-	-	456
Accrued wages	41,095	-	-	-	41,095
Due to government agencies	7,066	-	-	-	7,066
Due to other funds ( <i>note D</i> )	110,885	-	-	450	111,335
Deferred property taxes	73,000	-	-	-	73,000
<b>Total Liabilities</b>	<b>281,945</b>	<b>-</b>	<b>-</b>	<b>450</b>	<b>282,395</b>
<b>Fund Balances</b>					
Unreserved:					
Designated ( <i>note G</i> )	88,272	216,285	35,718	218,760	559,035
Undesignated	609,011	-	-	-	609,011
<b>Total Fund Balances</b>	<b>697,283</b>	<b>216,285</b>	<b>35,718</b>	<b>218,760</b>	<b>1,168,046</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 979,228</b>	<b>\$ 216,285</b>	<b>\$ 35,718</b>	<b>\$ 219,210</b>	<b>\$ 1,450,441</b>

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

**Reconciliation of Governmental Funds Balance Sheet  
to the Statement of Net Assets**

**Town of Wayne, Maine**

**As of June 30, 2008**

**Total Fund Balances - Governmental Funds** \$ 1,168,046

Amounts reported for governmental activities in the Statement of  
Net Assets are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported as assets in governmental  
funds. The cost of capital assets, net of accumulated depreciation is: 3,119,945

Property tax revenues are presented on the modified accrual basis  
of accounting in the governmental funds but in the Statement of  
Activities, property tax revenue is reported under the accrual method.  
The balance in deferred property tax revenue in the governmental  
funds as a liability is: 73,000

Long-term liabilities are not due and payable in the current period  
and therefore are not reported as liabilities in the funds. Long-term  
and related liabilities at year-end consist of:

Bonds payable	\$ (422,486)	
Accrued interest payable	(11,510)	
Accrued vacation	<u>(28,585)</u>	
		<u>(462,581)</u>

**Total Net Assets - Governmental Activities** \$ 3,898,410

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

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

	General	Fire Truck	Pond Road Reconstruction	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes					
Property	\$ 2,256,658	\$ -	\$ -	\$ -	\$ 2,256,658
Excise	201,729	-	-	-	201,729
Intergovernmental	433,467	-	-	-	433,467
MSRS on behalf payments	62,200	-	-	-	62,200
Miscellaneous	57,519	7,661	4,110	24,326	93,616
<b>Total Revenues</b>	<b>3,011,573</b>	<b>7,661</b>	<b>4,110</b>	<b>24,326</b>	<b>3,047,670</b>
<b>Expenditures</b>					
Current					
General government	216,451	-	-	-	216,451
Public safety	114,826	-	-	-	114,826
Health and welfare	22,057	-	-	-	22,057
Recreation and culture	21,578	-	-	-	21,578
Education	1,712,479	-	-	-	1,712,479
MSRS on behalf payments	62,200	-	-	-	62,200
Public works	460,187	-	-	178,300	638,487
Unclassified	181,221	-	-	32,416	213,637
Debt service - principal	56,519	-	-	-	56,519
- interest	6,697	-	-	-	6,697
Capital outlay	-	-	453,556	-	453,556
<b>Total Expenditures</b>	<b>2,854,215</b>	<b>-</b>	<b>453,556</b>	<b>210,716</b>	<b>3,518,487</b>
<b>Revenues Over (Under) Expenditures</b>	<b>157,358</b>	<b>7,661</b>	<b>(449,446)</b>	<b>(186,390)</b>	<b>(470,817)</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	-	25,000	491,935	6,500	523,435
Operating transfers out	(511,782)	-	-	(11,653)	(523,435)
Proceeds from borrowing	250,000	-	-	-	250,000
<b>Total Other Financing Sources (Uses)</b>	<b>(261,782)</b>	<b>25,000</b>	<b>491,935</b>	<b>(5,153)</b>	<b>250,000</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(104,424)</b>	<b>32,661</b>	<b>42,489</b>	<b>(191,543)</b>	<b>(220,817)</b>
Fund balances at beginning of year	801,707	183,624	(6,771)	410,303	1,388,863
<b>Fund Balances at End of Year</b>	<b>\$ 697,283</b>	<b>\$ 216,285</b>	<b>\$ 35,718</b>	<b>\$ 218,760</b>	<b>\$ 1,168,046</b>

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

# Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

## Town of Wayne, Maine

As of June 30, 2008

**Net Change in Fund Balances - Total Governmental Funds** \$ (220,817)

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

Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense differed from capital asset additions in the current period:

Capital asset additions	\$ 742,540	
Depreciation expense	<u>(149,796)</u>	
		592,744

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method.

The current year change in deferred property tax revenue reported in the governmental funds and not in the statement of activities is: 14,000

Bond proceeds provide current resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which additions to debt obligations exceeded debt repayments in the current period.

Proceeds from borrowing	(250,000)	
Principal portion of debt payments	<u>56,519</u>	
		(193,481)

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 the governmental funds.

Change in accrued interest payable	(9,681)	
Change in accrued vacation	<u>(5,005)</u>	
		<u>(14,686)</u>

**Change in Net Assets of Governmental Activities** \$ 177,760

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



**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual - General Fund (Budgetary Basis)**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes				
Property	\$ 2,270,656	\$ 2,270,656	\$ 2,256,658	\$ (13,998)
Excise	200,000	200,000	201,729	1,729
Intergovernmental				
State revenue sharing	75,000	75,000	90,905	15,905
Local road assistance	34,476	34,476	37,512	3,036
Other	154,998	215,978	305,050	89,072
MSRS on behalf payments	-	-	62,200	62,200
Miscellaneous	-	-	57,519	57,519
<b>Total Revenues</b>	<b>2,735,130</b>	<b>2,796,110</b>	<b>3,011,573</b>	<b>215,463</b>
<b>Expenditures</b>				
Current				
General government	270,162	270,162	216,451	53,711
Public safety	67,448	128,428	114,826	13,602
Health and welfare	24,105	24,105	22,057	2,048
Recreation and culture	23,300	23,300	21,578	1,722
Education	1,670,642	1,670,642	1,712,479	(41,837)
MSRS on behalf payments	-	-	62,200	(62,200)
Public works	503,813	528,813	460,187	68,626
Unclassified	181,312	181,312	181,221	91
Debt service - principal	57,700	57,700	56,519	1,181
- interest	6,800	6,800	6,697	103
<b>Total Expenditures</b>	<b>2,805,282</b>	<b>2,891,262</b>	<b>2,854,215</b>	<b>37,047</b>
<b>Revenues Over (Under) Expenditures</b>	<b>(70,152)</b>	<b>(95,152)</b>	<b>157,358</b>	<b>252,510</b>
<b>Other Financing Sources (Uses)</b>				
Operating transfers out	(526,935)	(501,935)	(511,782)	(9,847)
Proceeds from borrowing	250,000	250,000	250,000	-
Utilization of designated surplus	64,483	64,483	-	(64,483)
Utilization of undesignated surplus	309,615	309,615	-	(309,615)
<b>Total Other Financing Sources (Uses)</b>	<b>97,163</b>	<b>122,163</b>	<b>(261,782)</b>	<b>(383,945)</b>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>\$ 27,011</b>	<b>\$ 27,011</b>	<b>(104,424)</b>	<b>\$ (131,435)</b>
Fund balance at beginning of year			801,707	
<b>Fund Balance at End of Year</b>			<b>\$ 697,283</b>	

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

**Statement of Net Assets**  
**Fiduciary Funds - Agency Fund**

**Town of Wayne, Maine**

**As of June 30, 2008**

	<u>Student Activity Accounts</u>
<b>Assets</b>	
Cash	\$ 1,474
<b>Total Assets</b>	<u>1,474</u>
<b>Liabilities</b>	
Held for student activities and other purposes	<u>1,474</u>
<b>Total Liabilities</b>	<u>1,474</u>
<b>Net Assets</b>	<u><u>\$ -</u></u>

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

## Notes to Financial Statements

### Town of Wayne, Maine

#### Note A - Summary of Significant Accounting Policies

The Town of Wayne, Maine was incorporated in 1798 and currently operates under a Selectboard – Manager form of government. The accounting policies of the Town of Wayne conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

#### Principles Determining Scope of Reporting Entity

The basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Wayne has no component units.

#### Basis of Presentation

##### Government-wide Financial Statements

The statement of net assets and statement of activities report information about the reporting government as a whole. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

##### Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures.

##### Governmental Activities

Governmental funds are identified as either general, special revenue, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

*Special Revenue Funds* are used to account for the proceeds of specific sources (other than expendable trusts) that are legally restricted to expenditures for specified purposes.

*Permanent Funds* are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization as stipulated by the specific trust instrument.

##### Fiduciary Funds (not included in Government-wide statements)

The Town's fiduciary funds are presented in the fiduciary fund statements by type. Since by definition these assets are being held for the benefit of a third party and can not be used to address activities or obligations of the Town, these funds are not incorporated into the Government-wide statements.

*Agency Funds* are used to account for assets held by the Town as an agent for individuals, private organizations, and/or other government units.

##### **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 is related to the timing of the measurements made, regardless of the measurement focus applied.

## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### Accrual

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

##### Modified Accrual

Governmental funds 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 within 60 days after year end. 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 is recognized when due.

##### Cash and Cash Equivalents

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.

##### Investments

The Town follows GASBS No. 31, Accounting and Reporting of Certain Investments and External Investment Pools. Under GASBS No. 31, certain investments held by governments are reported at their fair value in the balance sheet. Unrealized gains and losses are included in the statement of revenues, expenditures and changes in fund balance.

##### Inventories

Inventories of supplies are considered to be expenditures at the time of purchase.

##### Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: buildings and improvements, 20 to 40 years; infrastructure, 5 to 50 years; and vehicles and equipment, 3 to 25 years.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### Budget

The Town of Wayne'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:

- Early in the second half of the last fiscal year the Town prepared a budget for this fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the inhabitants of the Town of Wayne was then called for the purpose of adopting the proposed budget after public notice of the meeting was given.
- The budget was adopted subsequent to passage by the inhabitants of the Town.

The Town does not adopt budgets for special revenue funds.

##### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### Interfund Activity

Interfund activity is reported as loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Since not all funds maintain a separate cash account, cash is pooled in the General Fund cash account and activity for individual funds are recorded through the General Fund and each respective individual fund through the recognition of a "due to/due from" as appropriate. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note A - Summary of Significant Accounting Policies - Continued

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

##### Debt Issuance Costs

In governmental funds, debt issuance costs are recognized in the current period. For the government-wide financial statements, governmental activity debt issuance costs are amortized over the life of the debt issue.

##### Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied July 24, 2007, on the assessed value listed as of April 1, 2007, for all real and personal property located in the Town. Taxes were due October 1, 2007, January 31, 2008 and April 1, 2008. Interest on unpaid taxes commenced on October 2, 2007, February 1, 2008 and April 2, 2008 at 7.00% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$27,011 (1.19%) for the year ended June 30, 2008.

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

## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note B - Cash and Investments

The Town conducts all its banking and investment transactions with its depository banks and investment firm.

#### Custodial Credit Risk

At June 30, 2008, the carrying amount of the Town's deposits was \$683,879, and the bank balance was \$741,501. The difference between the carrying amount and the bank balance relates to deposits in transit, outstanding checks and cash on hand at year-end.

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy on custodial credit risk. At June 30, 2008, \$541,086 of the Town's bank balance of \$741,501 was exposed to credit risk as follows:

Uninsured and uncollateralized	<u>\$ 541,086</u>
--------------------------------	-------------------

#### Certificates of Deposit

Certificates of deposits totaling \$8,923 are included in cash in the accompanying financial statements. The certificates bear interest at varying rates and have maturities ranging from one to two years, with penalties for early withdrawal. Any penalties for early withdrawal would not have a material effect on the financial statements.

#### Investments

The Town's investments consist of mutual funds holding a portfolio of U.S. government obligations and commercial paper. At June 30, 2008, the carrying amount of the Town's investments was \$555,813, which approximates market.

Investments in mutual funds are not subject to categorization.



## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note C - Capital Assets

A summary of capital asset activity for the year ended June 30, 2008, follows:

	Beginning <u>Balance</u>	<u>Additions</u>	Retirements/ <u>completed</u>	Ending <u>Balance</u>
<b>Governmental Activities:</b>				
Non-Depreciable Assets:				
Land	\$ 805,000	\$ -	\$ -	\$ 805,000
Construction in progress	33,657	453,556	14,386	472,827
Depreciable Assets:				
Buildings	1,218,039	-	-	1,218,039
Equipment	342,012	63,899	-	405,911
Infrastructure				
Roads	3,636,796	239,471	-	3,876,267
Dams	<u>574,240</u>	<u>-</u>	<u>-</u>	<u>574,240</u>
Totals at historical cost	6,609,744	756,926	14,386	7,352,284
Less Accumulated Depreciation:				
Buildings	689,932	29,282	-	719,214
Equipment	213,570	20,109	-	233,679
Infrastructure				
Roads	3,001,357	88,920	-	3,090,277
Dams	<u>177,684</u>	<u>11,485</u>	<u>-</u>	<u>189,169</u>
Total accumulated depreciation	<u>4,082,543</u>	<u>149,796</u>	<u>-</u>	<u>4,232,339</u>
Capital Assets, Net	<u>\$ 2,527,201</u>	<u>\$ 607,130</u>	<u>\$ (14,386)</u>	<u>\$ 3,119,945</u>

Depreciation expense was charged to the following functions:

General government	\$ 13,753
Public safety	26,272
Recreation and culture	6,476
Education	14,078
Public works	<u>89,217</u>
Total governmental activities depreciation expense	<u>\$ 149,796</u>

## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note D - Interfund Receivables and Payables

Interfund balances at June 30, 2008 consisted of the following individual fund receivables and payables:

	<u>Receivables</u> <u>Due from</u>	<u>Payables</u> <u>Due to</u>	<u>Net Internal</u> <u>Balances</u>
<b>Governmental Activities</b>			
<u>General Fund:</u>			
Special Revenue Fund:			
Municipal Building Engineering Analysis	\$ -	(800)	
Fire Station Addition	-	(1,592)	
Salt and Sand Shed	-	(3,800)	
Land	-	(12,800)	
Town House	-	(12,000)	
Footbridge	-	(5,331)	
Cemetery Stone Cleaning	-	(1,800)	
Lord Road Paving	-	(33,144)	
Hardscrabble Road Upgrade	-	(3,900)	
Pond Road Reconstruction	-	(35,718)	
Trust Fund:			
Playground	450	-	
	<u>450</u>	<u>(110,885)</u>	<u>\$ (110,435)</u>
<u>Special Revenue Fund:</u>			
General Fund:			
Municipal Building Engineering Analysis	800	-	
Fire Station Addition	1,592	-	
Salt and Sand Shed	3,800	-	
Land	12,800	-	
Town House	12,000	-	
Footbridge	5,331	-	
Cemetery Stone Cleaning	1,800	-	
Lord Road Paving	33,144	-	
Hardscrabble Road Upgrade	3,900	-	
Pond Road Reconstruction	<u>35,718</u>	<u>-</u>	
	<u>110,885</u>	<u>-</u>	<u>110,885</u>

**Notes to Financial Statements - Continued**

**Town of Wayne, Maine**

**Note D - Interfund Receivables and Payables - Continued**

Trust Fund:

General Fund:

Playground	-	(450)	
	<u>-</u>	<u>(450)</u>	<u>(450)</u>

**Total Governmental Activities**    \$ 111,335    \$ (111,335)    \$ -

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

**Note E - Interfund Transfers**

Interfund transfers for the year ended June 30, 2008 consisted of the following amounts:

<b>Governmental Activities</b>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
<u>General Fund:</u>			
<i>Other Governmental Funds:</i>			
Special Revenue:			
Roads	\$ -	\$ (9,847)	
Fire Truck	-	(25,000)	
Land	-	(2,500)	
Footbridge	-	(1,500)	
Cemetery Stone Cleaning	-	(2,500)	
Pond Road Reconstruction	-	(470,435)	
	<u>-</u>	<u>(511,782)</u>	<u>(511,782)</u>
 <u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
General Fund:	<u>511,782</u>	<u>-</u>	<u>511,782</u>
 <b>Total Interfund Transfers</b>	 <u>\$ 511,782</u>	 <u>\$ (511,782)</u>	 <u>\$ -</u>

Transfers are used to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**Notes to Financial Statements - Continued**

**Town of Wayne, Maine**

**Note F - Long-Term Liabilities**

Long-term liability activity for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due within One Year</u>
<b>Governmental Activities:</b>					
General obligation debt	\$ 229,005	\$ 250,000	\$ 56,519	\$ 422,486	\$ 102,486
Compensated absences	<u>23,580</u>	<u>6,490</u>	<u>1,485</u>	<u>28,585</u>	<u>7,000</u>
<b>Total Governmental</b>	<u>\$ 252,585</u>	<u>\$ 256,490</u>	<u>\$ 58,004</u>	<u>\$ 451,071</u>	<u>\$ 109,486</u>

The following is a summary of debt outstanding at June 30, 2008:

General Long-Term Debt:

\$300,000 - 2002 Municipal Bond with the Maine Municipal Bond Bank. Due in annual installments of \$30,000 plus semi-annual interest payments through November of 2012. Interest begins at 2.5% and escalates to 3.45% over the term of the bond. \$ 150,000

\$128,341 - 2004 General Obligation Bond with Androscoggin Savings Bank. Due in annual installments of \$25,668 plus interest at 3.02% through March 2009. 22,486

\$250,000 - 2007 General Obligation Bond with Androscoggin Savings Bank. Due in annual installments of \$50,000 plus interest at 4.64% through July 2012. 250,000  
\$ 422,486

**Notes to Financial Statements - Continued**

**Town of Wayne, Maine**

**Note F - Long-Term Liabilities - Continued**

The annual requirements to amortize debt payable are as follows:

Year ending <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 102,486	\$ 16,183	\$ 118,669
2010	80,000	12,790	92,790
2011	80,000	9,514	89,514
2012	80,000	6,181	86,181
2013	<u>80,000</u>	<u>2,844</u>	<u>82,844</u>
	<u>\$ 422,486</u>	<u>\$ 47,512</u>	<u>\$ 469,998</u>

**Note G - Designated for Subsequent Year's Expenditures**

At June 30, 2008, the following general fund account balances were carried forward:

Elementary School	\$ -
Fire ponds	1,633
Comprehensive plan	125
Maine State perambulate	966
ADA compliance	1,450
Animal control	1,183
Transfer Station	69,158
Pandemic supplies	5,000
Voting machine	6,500
Town Parks	1,721
Conservation Committee	<u>536</u>
	<u>\$ 88,272</u>

## Notes to Financial Statements - Continued

### Town of Wayne, Maine

#### Note H - Pension Plan

School teachers contribute to the Maine State Retirement System (system), an agent multiple-employer public retirement system that acts as a common investment and administrative agent for public school teachers, state employees and political subdivisions. Teachers are required to contribute 7.65% of their annual salary to the system. For the year ended June 30, 2008, total employee contributions amounted to \$25,446. The State of Maine, Department of Education is required, by the same statute, to contribute the employer contribution which amounted to 18.71% for fiscal year ended June 30, 2008. As required by accounting standards, the amounts paid on behalf of the Wayne School Department by the State of Maine have been recorded as intergovernmental revenue and as an expenditure and amounted to approximately \$62,200.

All other information regarding this pension plan can be obtained from the Superintendent of Schools for School Union 42.

#### Note I - Risk Management

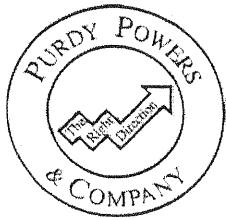
The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the Town either carries commercial insurance, or is effectively self-insured. Currently, the Town carries commercial insurance for any risks of loss to which it may be exposed.

Based on the coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2008.

#### Note J - Commitments

The Town has entered into the following contracts: a contract for winter road sanding and snow removal with an independent contractor - two years remain with contract amounts escalating from approximately \$137,000 to \$140,000; a contract for winter plowing with an independent contractor - two years remain with contract amounts escalating from approximately \$4,600 to \$4,800; and also a contract for clean-up, branch removal, mowing & trash removal with an independent contractor - two years remain with contract amounts escalating from approximately \$2,600 to \$3,000.

<u>Contract Year</u>	<u>Consideration</u>
2008-2009	\$ 144,405
2009-2010	<u>148,579</u>
	<u>\$ 292,984</u>



# PURDY POWERS & COMPANY

## Certified Public Accountants

Marc J. Powers, CPA, CVA

David J. Shorette, CPA, CVA

Bruce D. Moir, CPA, JD, MPA

Richard E. Emerson, Jr., CPA, CVA

Dana O. Dakers, CPA, MST, MBA

Raymond G. Hamlin, CPA

Stephen H. Purdy, CPA, CVA  
Founder

### Independent Auditors' Report on Supplemental Information

**To the Selectboard  
Town of Wayne  
Wayne, Maine**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information for the year ended June 30, 2008, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Purdy Powers & Company*

Professional Association

**Portland, Maine  
December 24, 2008**

**Combining Balance Sheet  
Nonmajor Governmental Funds - Other Governmental Funds**

**Town of Wayne, Maine**

As of June 30, 2008

	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Assets</b>			
Cash	\$ -	\$ 41,094	\$ 41,094
Investments	73,482	29,467	102,949
Due from other funds	<u>75,167</u>	<u>-</u>	<u>75,167</u>
<b>Total Assets</b>	<b><u>\$ 148,649</u></b>	<b><u>\$ 70,561</u></b>	<b><u>\$ 219,210</u></b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Due to other funds	<u>\$ -</u>	<u>\$ 450</u>	<u>\$ 450</u>
<b>Total Liabilities</b>	<b>-</b>	<b>450</b>	<b>450</b>
<b>Fund Balances</b>			
Unreserved:			
Designated	<u>148,649</u>	<u>70,111</u>	<u>218,760</u>
<b>Total Fund Balances</b>	<b><u>148,649</u></b>	<b><u>70,111</u></b>	<b><u>218,760</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 148,649</u></b>	<b><u>\$ 70,561</u></b>	<b><u>\$ 219,210</u></b>

See accompanying independent auditors' report on supplemental financial information.



**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds - Other Governmental Funds**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

	<u>Special Revenue</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues</b>			
Contributions	\$ -	\$ 20,937	\$ 20,937
Interest	985	1,603	2,588
Miscellaneous	801	-	801
<b>Net Revenues</b>	<u>1,786</u>	<u>22,540</u>	<u>24,326</u>
<b>Expenditures</b>			
Current	187,102	23,614	210,716
<b>Total Expenditures</b>	<u>187,102</u>	<u>23,614</u>	<u>210,716</u>
<b>Revenues Over (Under) Expenditures</b>	(185,316)	(1,074)	(186,390)
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	6,500	-	6,500
Operating transfers out	(11,653)	-	(11,653)
<b>Total Other Financing Sources (Uses)</b>	<u>(5,153)</u>	<u>-</u>	<u>(5,153)</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	(190,469)	(1,074)	(191,543)
Fund balances at beginning of year	<u>339,118</u>	<u>71,185</u>	<u>410,303</u>
<b>Fund Balances at End of Year</b>	<u>\$ 148,649</u>	<u>\$ 70,111</u>	<u>\$ 218,760</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Special Revenue Funds (1 of 2)**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

	Roads	Salt Shed and Landfill	Land	Snowmobile	Footbridge	Paving	Cemetery Cleaning
<b>Revenues</b>							
Interest	\$ 793	\$ 24	\$ 15	\$ 147	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	801	-	-	-
<b>Total Revenues</b>	<u>793</u>	<u>24</u>	<u>15</u>	<u>948</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>							
	20,186	-	3,102	-	-	101,400	5,700
<b>Revenues Over (Under) Expenditures</b>	<u>(19,393)</u>	<u>24</u>	<u>(3,087)</u>	<u>948</u>	<u>-</u>	<u>(101,400)</u>	<u>(5,700)</u>
<b>Other Financing Sources (Uses)</b>							
Operating transfers in	-	-	2,500	-	1,500	-	2,500
Operating transfers out	(11,653)	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>(11,653)</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>2,500</u>
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<u>(31,046)</u>	<u>24</u>	<u>(587)</u>	<u>948</u>	<u>1,500</u>	<u>(101,400)</u>	<u>(3,200)</u>
Fund balances at beginning of year	99,171	4,378	13,761	3,299	3,831	101,400	5,000
<b>Fund Balances at End of Year</b>	<u>\$ 68,125</u>	<u>\$ 4,402</u>	<u>\$ 13,174</u>	<u>\$ 4,247</u>	<u>\$ 5,331</u>	<u>\$ -</u>	<u>\$ 1,800</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Special Revenue Funds (2 of 2)**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

	Town House	Building Maintenance	Fire Station Addition	Municipal Building Engineering Analysis	Lord Road Paving	Hardscrabble Road Upgrade	Total
<b>Revenues</b>							
Interest	\$ -	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ 985
Miscellaneous	-	-	-	-	-	-	801
<b>Total Revenues</b>	-	6	-	-	-	-	1,786
<b>Expenditures</b>							
	-	-	-	-	-	56,714	187,102
<b>Revenues Over (Under) Expenditures</b>	-	6	-	-	-	(56,714)	(185,316)
<b>Other Financing Sources (Uses)</b>							
Operating transfers in	-	-	-	-	-	-	6,500
Operating transfers out	-	-	-	-	-	-	(11,653)
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-	-	(5,153)
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>							
	-	6	-	-	-	(56,714)	(190,469)
Fund balances at beginning of year	12,000	127	1,592	800	33,145	60,614	339,118
<b>Fund Balances at End of Year</b>	\$ 12,000	\$ 133	\$ 1,592	\$ 800	\$ 33,145	\$ 3,900	\$ 148,649

See accompanying independent auditors' report on supplemental financial information.

**Combining Balance Sheet  
Permanent Funds - Trust Funds**

**Town of Wayne, Maine**

**As of June 30, 2008**

	Playground	Jaworski Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
<b>Assets</b>						
Cash	\$ -	\$ -	\$ 41,094	\$ -	\$ -	\$ 41,094
Investments	-	1,097	-	8,259	20,111	29,467
Due from other funds	-	-	-	-	-	-
<b>Total Assets</b>	\$ -	\$ 1,097	\$ 41,094	\$ 8,259	\$ 20,111	\$ 70,561
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Due to other funds	\$ 450	\$ -	\$ -	\$ -	\$ -	\$ 450
<b>Total Liabilities</b>	450	-	-	-	-	450
<b>Fund Balances</b>						
Unreserved - designated (deficit)	(450)	1,097	41,094	8,259	20,111	70,111
<b>Total Fund Balances (Deficits)</b>	(450)	1,097	41,094	8,259	20,111	70,111
<b>Total Liabilities and Fund Balances (Deficits)</b>	\$ -	\$ 1,097	\$ 41,094	\$ 8,259	\$ 20,111	\$ 70,561

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances  
Permanent Funds - Trust Funds**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

	Playground	Jaworski Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
<b>Revenues</b>						
Contributions	\$ -	\$ -	\$ 20,937	\$ -	\$ -	\$ 20,937
Interest	-	44	401	329	829	1,603
<b>Total Revenues</b>	-	44	21,338	329	829	22,540
<b>Expenditures</b>						
	-	-	20,364	-	3,250	23,614
<b>Revenues Over (Under) Expenditures</b>	-	44	974	329	(2,421)	(1,074)
<b>Other Financing Sources (Uses)</b>						
Operating transfers in	-	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	-	-	-	-	-	-
<b>Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	-	44	974	329	(2,421)	(1,074)
Fund balances at beginning of year	(450)	1,053	40,120	7,930	22,532	71,185
<b>Fund Balances (Deficits) at End of Year</b>	<b>\$ (450)</b>	<b>\$ 1,097</b>	<b>\$ 41,094</b>	<b>\$ 8,259</b>	<b>\$ 20,111</b>	<b>\$ 70,111</b>

See accompanying independent auditors' report on supplemental financial information.

**Schedule of Valuation, Assessment and Collection of Taxes**

**Town of Wayne, Maine**

**For the Year Ended June 30, 2008**

**Valuation**

Real estate	\$	170,496,700
Personal property		<u>873,600</u>
<b>Total Valuation</b>	<b>\$</b>	<b><u><u>171,370,300</u></u></b>

**Assessment**

Valuation x Rate	\$171,370,300 x .01325	\$ 2,270,656
Supplemental taxes		<u>-</u>

**Total Assessment Charged to Collector** \$ 2,270,656

**Collection and Credits**

Cash collections	2,204,345
Tax abatements	<u>1,381</u>

**Total Collection and Credits** 2,205,726

**2008 Taxes Receivable - June 30, 2008** \$ 64,930

See accompanying independent auditors' report on supplemental financial information.