

Audited Financial Statements and
Other Financial Information

Town of Wayne, Maine

June 30, 2020



Proven Expertise & Integrity

TOWN OF WAYNE, MAINE

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JUNE 30, 2020

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INDEPENDENT AUDITORS' REPORT

Selectboard
Town of Wayne
Wayne, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wayne, Maine, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of Wayne, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wayne, Maine as of June 30, 2020 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison and OPEB information on pages 4 through 11 and 50 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 18, 2021, on our consideration of the Town of Wayne, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Wayne, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
May 18, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

(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, 2020. 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, 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 regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

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

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

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, highways and roads, 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, a Schedule of Changes in Net OPEB Liability, a Schedule of Changes in Net OPEB Liability and Related Ratios, a 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 regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental funds is \$4,290,212 compared to \$4,217,016 in the prior year, an increase of \$73,196.

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 \$1,217,295 at the end of this year for governmental activities.

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

	Governmental Activities	
	2020	2019
Assets:		
Current Assets	\$ 1,338,249	\$ 1,570,994
Noncurrent Assets - Capital Assets	3,480,964	3,580,686
Total Assets	4,819,213	5,151,680
Deferred Outflows of Resources:		
Deferred Outflows Related to OPEB	13,799	986
Total Deferred Outflows of Resources	13,799	986
Liabilities:		
Current Liabilities	241,880	459,946
Noncurrent Liabilities	296,159	470,554
Total Liabilities	538,039	930,500
Deferred Inflows of Resources:		
Prepaid Taxes	3,680	3,853
Deferred Inflows Related to OPEB	1,081	1,297
Total Deferred Inflows of Resources	4,761	5,150
Net Position:		
Net Investment in Capital Assets	3,025,164	2,873,686
Restricted	47,753	59,346
Unrestricted	1,217,295	1,283,984
Total Net Position	\$ 4,290,212	\$ 4,217,016

Revenues and Expenses

Revenues increased by 6.03% and expenses increased by 6.84% from the prior year. The increase in revenues was primarily due to an increase in tax revenue. The increase in expenditures was primarily due to increases in highways and roads and education.

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

	<u>2020</u>	<u>2019</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 20,691	\$ 29,359
Operating grants and contributions	31,684	30,924
<i>General Revenues:</i>		
Taxes	3,533,974	3,376,601
Grants and contributions not restricted to specific programs	164,958	136,921
Miscellaneous	181,427	135,427
Total Revenues	<u>3,932,734</u>	<u>3,709,232</u>
Expenses		
General government	309,573	315,122
Public safety	118,183	110,398
Highways and roads	513,001	440,021
Sanitation	76,646	87,487
Cobbossee watershed	2,697	2,612
Recreation	49,310	30,693
Organizations and social services	27,478	28,499
Unclassified	171,371	158,724
Education	2,363,049	2,218,997
County tax	206,355	198,029
Overlay	1,852	6,323
Interest on long-term debt	20,023	15,664
Total Expenses	<u>3,859,538</u>	<u>3,612,569</u>
Change in Net Position	73,196	96,663
Net Position - July 1	<u>4,217,016</u>	<u>4,120,353</u>
Net Position - June 30	<u>\$ 4,290,212</u>	<u>\$ 4,217,016</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>2020</u>	<u>2019</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 3,508	\$ -	\$ 3,508
Committed	-	100,000	(100,000)
Unassigned	475,166	434,928	40,238
Total Major Funds	<u>\$ 478,674</u>	<u>\$ 534,928</u>	<u>\$ (56,254)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Assigned	\$ 36,736	\$ 33,632	\$ 3,104
Unassigned	(1,424)	(10,042)	8,618
Capital Projects Funds:			
Assigned	586,194	615,983	(29,789)
Unassigned	-	(12,815)	12,815
Permanent Funds:			
Restricted	47,753	59,346	(11,593)
Total Nonmajor Funds	<u>\$ 669,259</u>	<u>\$ 686,104</u>	<u>\$ (16,845)</u>

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

Budgetary Highlights

The difference between the original and final budget for the general fund was due to the use of unassigned fund balance.

The general fund actual revenues were under budgeted amounts by \$12,170. This was primarily due to all categories being receipted at or under budgeted amounts except interest income and other revenues.

The general fund actual expenditures were over budget by \$24,124. All expenditure categories were at or over budget with the exception of sanitation, Cobbossee watershed, organizations and social services, education, overlay and debt service - interest.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2020, the net book value of capital assets recorded by the Town decreased by \$99,722. This decrease was a result of capital additions of \$112,625 less current year depreciation expense of \$212,347.

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

	<u>2020</u>	<u>2019</u>
Land	\$ 712,919	\$ 705,000
Buildings and improvements	253,787	230,639
Machinery and equipment	24,075	30,562
Vehicles	323,265	297,423
Infrastructure	<u>2,166,918</u>	<u>2,317,062</u>
Total	<u>\$ 3,480,964</u>	<u>\$ 3,580,686</u>

Debt

At June 30, 2020, the Town had \$455,800 in bonds outstanding versus \$707,000 last year. Refer to Note 6 of Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

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, 2020

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,073,500
Accounts receivable (net of allowance for uncollectibles):	
Taxes	162,861
Liens	75,475
Other	22,905
Prepaid items	3,508
Total current assets	1,338,249
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	712,919
Buildings, equipment and infrastructure net of accumulated	2,768,045
Total noncurrent assets	3,480,964
TOTAL ASSETS	4,819,213
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	13,799
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,799
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 4,833,012
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 21,198
Payroll liabilities	1,475
Due to other governments	6,273
Current portion of long-term obligations	212,934
Total current liabilities	241,880
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	264,600
Net OPEB liability	31,559
Total noncurrent liabilities	296,159
TOTAL LIABILITIES	538,039
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	3,680
Deferred inflows related to OPEB	1,081
TOTAL DEFERRED INFLOWS OF RESOURCES	4,761
NET POSITION	
Net investment in capital assets	3,025,164
Restricted	47,753
Unrestricted	1,217,295
TOTAL NET POSITION	4,290,212
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 4,833,012

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

STATEMENT B

TOWN OF WAYNE, MAINE
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 309,573	\$ 8,347	\$ -	\$ -	\$ (301,226)
Public safety	118,183	-	-	-	(118,183)
Highways and roads	513,001	-	31,684	-	(481,317)
Sanitation	76,646	-	-	-	(76,646)
Cobbossee watershed	2,697	-	-	-	(2,697)
Recreation	49,310	12,344	-	-	(36,966)
Organizations and social services	27,478	-	-	-	(27,478)
Unclassified	171,371	-	-	-	(171,371)
Education	2,363,049	-	-	-	(2,363,049)
County tax	206,355	-	-	-	(206,355)
Overlay	1,852	-	-	-	(1,852)
Interest on long-term debt	20,023	-	-	-	(20,023)
Total government	<u>\$ 3,859,538</u>	<u>\$ 20,691</u>	<u>\$ 31,684</u>	<u>\$ -</u>	<u>(3,807,163)</u>

STATEMENT B (CONTINUED)
TOWN OF WAYNE, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(3,807,163)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	3,268,416
Excise taxes	265,558
Grants and contributions not restricted to specific programs	164,958
Miscellaneous	181,427
Total general revenues	3,880,359
Change in net position	73,196
NET POSITION - JULY 1	4,217,016
NET POSITION - JUNE 30	\$ 4,290,212

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

TOWN OF WAYNE, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 885,922	\$ 187,578	\$ 1,073,500
Accounts receivable (net of allowance for uncollectibles):			
Taxes	162,861	-	162,861
Liens	75,475	-	75,475
Other	22,905	-	22,905
Prepaid items	3,508	-	3,508
Due from other funds	7,723	493,432	501,155
TOTAL ASSETS	<u>\$ 1,158,394</u>	<u>\$ 681,010</u>	<u>\$ 1,839,404</u>
LIABILITIES			
Accounts payable	\$ 18,010	\$ 3,188	\$ 21,198
Payroll liabilities	1,475	-	1,475
Due to other governments	6,273	-	6,273
Due to other funds	492,592	8,563	501,155
TOTAL LIABILITIES	<u>518,350</u>	<u>11,751</u>	<u>530,101</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred tax revenue	157,690	-	157,690
Prepaid taxes	3,680	-	3,680
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>161,370</u>	<u>-</u>	<u>161,370</u>
FUND BALANCES			
Nonspendable	3,508	-	3,508
Restricted	-	47,753	47,753
Committed	-	-	-
Assigned	-	622,930	622,930
Unassigned	475,166	(1,424)	473,742
TOTAL FUND BALANCES	<u>478,674</u>	<u>669,259</u>	<u>1,147,933</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,158,394</u>	<u>\$ 681,010</u>	<u>\$ 1,839,404</u>

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

TOWN OF WAYNE, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020

	Total Governmental Funds
Total Fund Balances	\$ 1,147,933
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	3,480,964
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	157,690
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds:	
OPEB	13,799
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(455,800)
Accrued compensated absences	(21,734)
Net OPEB liability	(31,559)
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(1,081)
Net position of governmental activities	\$ 4,290,212

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

TOWN OF WAYNE, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	\$ 3,266,361	\$ -	\$ 3,266,361
Excise	265,558	-	265,558
Intergovernmental	195,142	1,500	196,642
Charges for services	8,347	12,344	20,691
Miscellaneous revenues	42,904	138,523	181,427
TOTAL REVENUES	<u>3,778,312</u>	<u>152,367</u>	<u>3,930,679</u>
EXPENDITURES			
Current:			
General government	290,850	-	290,850
Public safety	97,222	-	97,222
Highways and roads	345,803	-	345,803
Sanitation	76,646	-	76,646
Cobbossee watershed	2,697	-	2,697
Recreation	37,967	-	37,967
Organizations and social services	27,478	-	27,478
Unclassified	8,942	162,429	171,371
Education	2,363,049	-	2,363,049
County tax	206,355	-	206,355
Overlay	1,852	-	1,852
Capital outlay	-	111,265	111,265
Debt service:			
Principal	251,200	-	251,200
Interest	20,023	-	20,023
TOTAL EXPENDITURES	<u>3,730,084</u>	<u>273,694</u>	<u>4,003,778</u>
EXCESS REVENUES OVER (UNDER) EXPENDITURES	<u>48,228</u>	<u>(121,327)</u>	<u>(73,099)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	6,344	214,212	220,556
Transfers (out)	(110,826)	(109,730)	(220,556)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(104,482)</u>	<u>104,482</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(56,254)	(16,845)	(73,099)
FUND BALANCES - JULY 1	<u>534,928</u>	<u>686,104</u>	<u>1,221,032</u>
FUND BALANCES - JUNE 30	<u>\$ 478,674</u>	<u>\$ 669,259</u>	<u>\$ 1,147,933</u>

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

TOWN OF WAYNE, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (73,099)</u>
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	112,625
Depreciation expense	<u>(212,347)</u>
	<u>(99,722)</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>2,055</u>
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>12,813</u>
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>251,200</u>
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>216</u>
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	(3,462)
Net OPEB liability	<u>(16,805)</u>
	<u>(20,267)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 73,196</u></u>

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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.

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. As of the date of this report, the state of emergency was extended to May 13, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, Town facilities were temporarily closed to the public and all nonessential services to its inhabitants were suspended from March 31, 2020 to May 31, 2020.

Unemployment rates

Despite closures of Town facilities and staff hour reductions; the Board committed to compensating all town employees at their regular budgeted rates. No employee was laid off or furloughed during the pandemic. There was no impact on unemployment rates.

Tax and excise tax 60-day deferred revenue extended

Closures and/or reduced hours of Town facilities have provided limited ability for some taxpayers to remit payments for property and excise taxes that generally would have occurred during the current fiscal year. Executive Order 53, issued by the Governor of Maine on May 12, 2020 (and corrected on May 26 and June 26) allowed municipal officers to extend both tax due dates and interest dates for the fiscal year 2020 property taxes due as well as the option to delay property tax lien filing dates until after the state of emergency has expired. The Town of Wayne extended tax and/or interest due dates from April 1 to May 1. In consideration of the Town's actions in accordance with this Executive Order, the Town determined that revenue recognition for these revenues, as well as certain excise taxes, will be extended for this one fiscal year from the normal 60-day period to a 90-day period from the date of the fiscal year end.

Impact on Finances

The Town does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act funding and applicable Federal and /or State programs.

Expected Federal/State Support

The Town may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Town expects that if those actions are necessary, that the Town would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Town and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

Implementation of New Accounting Standards

During the year ended June 30, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 & 5)." The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

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

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Basis of Accounting

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

1. Accrual

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

2. Modified Accrual

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

Budget

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

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the 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.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Wayne has no formal investment policy but instead follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$22,905 for the year ended June 30, 2020.

Prepaid Items

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Transactions Between Funds

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

Capital Assets

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

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

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

Estimated useful lives are as follows:

Buildings 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, 2020

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 bonds payable, 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, 2020

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, 2020

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 July 23, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Taxes were due in three installments on October 1, 2019, January 31, 2020 and April 1, 2020. Interest on unpaid taxes commenced on October 2, 2019, February 1, 2020 and April 2, 2020, at 7% per annum.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$10,575 for the year ended June 30, 2020.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating or capital grants and contributions, including special assessments).

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, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2020, the Town's deposits amounting to \$1,073,500 were comprised of bank deposits of \$1,286,366. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these deposits, \$402,026 were fully insured by federal depository insurance and consequently was not exposed to custodial credit risk. The remaining deposits of \$884,340 were collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 35,800
Sweep accounts	1,098,540
Savings accounts	<u>152,026</u>
	<u>\$ 1,286,366</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 December 31, 2019, the Town had \$0 of 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, 2020

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 7,723	\$ 492,592
Nonmajor Special Revenue Funds	39,340	840
Nonmajor Capital Projects Funds	454,092	-
Nonmajor Permanent Funds	-	7,723
	<u>\$ 501,155</u>	<u>\$ 501,155</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, 2020 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 110,826	\$ 6,344
Nonmajor Special Revenue Funds	2,530	34,678
Nonmajor Capital Projects Funds	87,190	179,534
Nonmajor Permanent Funds	20,010	-
	<u>\$ 220,556</u>	<u>\$ 220,556</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, 2020

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Disposals	Balance, 6/30/20
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 705,000	\$ -	\$ -	\$ 705,000
Construction in progress	-	7,919	-	7,919
	<u>705,000</u>	<u>7,919</u>	<u>-</u>	<u>712,919</u>
Depreciated assets:				
Buildings and improvements	708,159	38,910	-	747,069
Equipment, vehicles furniture and fixtures	775,977	37,475	-	813,452
Infrastructure	6,018,244	28,321	-	6,046,565
	<u>7,502,380</u>	<u>104,706</u>	<u>-</u>	<u>7,607,086</u>
Less: accumulated depreciation	<u>(4,626,694)</u>	<u>(212,347)</u>	<u>-</u>	<u>(4,839,041)</u>
	<u>2,875,686</u>	<u>(107,641)</u>	<u>-</u>	<u>2,768,045</u>
Net capital assets	<u>\$ 3,580,686</u>	<u>\$ (99,722)</u>	<u>\$ -</u>	<u>\$ 3,480,964</u>
<u>Current year depreciation</u>				
General government				\$ 11,485
Public safety				22,321
Highways and roads				167,198
Recreation				11,343
Total depreciation expense				<u>\$ 212,347</u>

NOTE 6 - LONG-TERM OBLIGATIONS

The following is a summary of changes in the long-term debt for the year ended June 30, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Portion
Bonds payable	<u>\$ 707,000</u>	<u>\$ -</u>	<u>\$ (251,200)</u>	<u>\$ 455,800</u>	<u>\$ 191,200</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of the bonds outstanding as of June 30, 2020:

\$300,000 - 2015 Bond with Camden National Bank due in annual principal and interest payments through September of 2020. The interest rate is fixed at 2.16% per annum.	\$ 60,000
\$235,000 - 2016 Bond with Camden National Bank due in annual principal and interest payments through October of 2021. The interest rate is fixed at 2.10% per annum.	94,000
\$175,000 - 2017 Bond with Camden National Bank due in annual principal and interest payments through September of 2022. The interest rate is fixed at 2.49% per annum.	105,000
\$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.	<u>196,800</u>
Total bonds payable	<u><u>\$ 455,800</u></u>

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

Year Ending June 30,	Principal	Interest	Total Debt Service
2021	\$ 191,200	\$ 13,666	\$ 204,866
2022	131,200	8,514	139,714
2023	84,200	4,715	88,915
2024	49,200	1,916	51,116
	<u>\$ 455,800</u>	<u>\$ 28,811</u>	<u>\$ 484,611</u>

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, 2020:

	Balance, 7/1/19	Additions	Deletions	Balance, 6/30/20	Current Portion
Accrued compensated absences	\$ 18,272	\$ 3,462	\$ -	\$ 21,734	\$ 21,734
Net OPEB Liability	14,754	17,395	(590)	31,559	-
	<u>\$ 33,026</u>	<u>\$ 20,857</u>	<u>\$ (590)</u>	<u>\$ 53,293</u>	<u>\$ 21,734</u>

Please see Notes 8 and 15 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 long-term obligations 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, 2020, the Town's liability for compensated absences is \$21,734.

NOTE 9 - NONSPENDABLE FUND BALANCE

At June 30, 2020, the Town had the following nonspendable fund balance:

General fund:	
Prepaid items	<u>\$ 3,508</u>

NOTE 10 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2020, the Town had the following restricted net position and restricted fund balances:

Nonmajor permanent funds:	
Jaworksi fund	\$ 1,172
Ladd recreation fund	30,510
Ruth Lee fund	8,710
Ladd special fund	7,361
	<u>\$ 47,753</u>

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - ASSIGNED FUND BALANCES

At June 30, 2020, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 36,736
Nonmajor capital projects funds (Schedule F)	586,194
	<u>\$ 622,930</u>

NOTE 12 - DEFICIT FUND BALANCES

At June 30, 2020, the Town had the following deficit fund balances:

Ladd Improvements	\$ 840
Ladd Rec Center Operations	584
	<u>\$ 1,424</u>

NOTE 13 - 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, 2020.

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

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 13 - RISK MANAGEMENT - PARTICIPATION IN A PUBLIC ENTITY RISK POOL (CONTINUED)

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, 2020. 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, 2020

NOTE 14 - OVERLAPPING DEBT

The Town is responsible for its proportionate share of County and Regional School Unit #38 debt. At June 30, 2020, the County of Kennebec had no outstanding debt. The Town's share of school debt was as follows:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Total Share</u>
RSU #38	\$ 6,906,143	17.45%	<u>\$ 1,205,122</u>

NOTE 15 - 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 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, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Employees Covered by Benefit Terms

At January 1, 2020, 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	\$1,064.91	\$2,388.71
POS C	\$1,118.55	\$2,509.07
<u>Medicare</u>		
Medicare-Eligible Retirees	\$589.25	\$1,178.50

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

At June 30, 2020, the Town reported a liability of \$31,559 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2020 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, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For the year ended June 30, 2020, the Town recognized OPEB expense of \$3,776. At June 30, 2020, 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	\$ 6,438	\$ -
Changes of assumptions	7,143	1,081
Contributions subsequent to the measurement date	218	-
	<u>13,799</u>	<u>1,081</u>
Total	<u>\$ 13,799</u>	<u>\$ 1,081</u>

\$218 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, 2021. 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:	
2021	\$ 2,114
2022	2,114
2023	2,114
2024	2,112
2025	1,916
Thereafter	2,130

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, 2020. 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 2.74% per annum for June 30, 2020 was based upon a measurement date of December 26, 2019. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 36,968	\$ 31,559	\$ 27,174
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 36,968</u>	<u>\$ 31,559</u>	<u>\$ 27,174</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	\$ 26,843	\$ 31,559	\$ 37,474
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 26,843</u>	<u>\$ 31,559</u>	<u>\$ 37,474</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, 2020, 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2019. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment 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.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2020 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic 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, 2020, they are as follows:

Discount Rate - 2.74% per annum for year end 2020 reporting. 4.10% per annum for 2019 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 2020_b was used for this valuation. The following assumptions were input into this model:

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capital 2029+	1.50%
Extra Trend due to Taste/Technology 2029+	1.20%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

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.

The trends selected from 2020 to 2023 were based on plan design, population weighting, renewal projections and market analysis. For years 2024 to 2028, these are interpolated from 2023 to 2029 (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, 2020, 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, 2016.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

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.

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 - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC _2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120, and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 15 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

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, 2020 was \$6,857.

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 June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. 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.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 16 - DEFERRED COMPENSATION PLAN

INTERNATIONAL CITY MANAGERS ASSOCIATION RETIREMENT CORPORATION

A. Plan Description

The Town contributes to a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 through the International City Management Association Retirement Corporation (ICMA-RC). The plan, available to all full-time Town employees, permits them to defer a portion of their salary, in addition to Town contributions, until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency. The plan is being maintained by ICMA Retirement Corporation.

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

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

B. Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's 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 2020 were \$15,569 and the Town's contributions to the plan for 2019 and 2018 were \$3,445 and \$2,410, respectively.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures for the year ended June 30, 2020:

	<u>Excess</u>
General Administration (Article 17)	\$ 10,275
Contingency (Article 32)	2,153
Hearings and Elections (Article 19)	626
Animal Control (Article 23)	735
Public Safety (Article 25)	2,467
Roads (Article 26)	36,020
County Tax	405
Recreation (Article 29)	1,632
Land and Buildings (Article 30)	910
	<u>\$ 55,223</u>

NOTE 18 - CONTINGENCIES AND COMMITMENTS

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

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

On January 24, 2017, the Town entered into a contract with Bruen Construction for highway maintenance for fiscal years 2017 through 2021 with a renewal option for 2022. The total remaining amount of these contracts are \$350,381.

On January 10, 2017, the Town entered into a contract with Bruen Construction for winter lot maintenance for fiscal years 2019 through 2021 with a renewal option for 2022. The total remaining amount of the contract is \$5,700.

On December 17, 2018, the Town entered into a contract with Robert J. Duplisea Jr. for assessing services for fiscal years ending 2020 through 2022. The total remaining amount of the contract is for \$44,700.

TOWN OF WAYNE, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - CONTINGENCIES AND COMMITMENTS (CONTINUED)

On November 1, 2016, the Town entered into a contract with Norton's Lawncare for mowing, trimming and lawn care maintenance. The contract is for the period of April 1, 2018 through October 30, 2020. The total remaining amount of the contract is \$5,817.

On May 15, 2019, the Town entered into a contract with Somerset County for PSAP Call Handling. The contract is for the period of July 1, 2019 through June 30, 2021. The total amount of the contract is \$2,973.

On April 10, 2019, the Town entered into a contract with the State of Maine, Department of Public Safety, for rural patrol dispatch. The contract is for the period of July 1, 2019 through June 30, 2021. The total amount of the contract is \$10,344.

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

Fiscal Year Ending	Bruen Const. Winter lot maintenance	Bruen Const. Highway maintenance	Robert J. Duplisea Jr. Assesor's agent	Norton Landscape	Somerset County PSAP Calls	State of Maine Rural Dispatch
2021	\$ 2,800	\$ 174,968	\$ 22,000	\$ 5,817	\$ 2,973	\$ 10,344
2022	2,900	175,413	22,700	-	-	-
	<u>\$ 5,700</u>	<u>\$ 350,381</u>	<u>\$ 44,700</u>	<u>\$ 5,817</u>	<u>\$ 2,973</u>	<u>\$ 10,344</u>

NOTE 19 - RELATED PARTIES

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

The fire chief is also the Town's Treasurer.

NOTE 20 - COMPARATIVE DATA/RECLASSIFICATIONS

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

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the 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, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1,	\$ 534,928	\$ 534,928	\$ 534,928	\$ -
Resources (Inflows):				
Property taxes	3,269,916	3,269,916	3,266,361	(3,555)
Excise taxes	280,000	280,000	265,558	(14,442)
Intergovernmental	199,161	199,161	195,142	(4,019)
Charge for services	10,155	10,155	8,347	(1,808)
Interest on taxes	13,200	13,200	7,014	(6,186)
Interest income	4,000	4,000	10,291	6,291
Other revenues	14,050	14,050	25,599	11,549
Transfers from other funds	6,344	6,344	6,344	-
Amounts Available for Appropriation	4,331,754	4,331,754	4,319,584	(12,170)
Charges to Appropriations (Outflows):				
General government	289,448	288,351	290,850	(2,499)
Public safety	102,449	94,020	97,222	(3,202)
Highways and roads	309,783	309,783	345,803	(36,020)
Sanitation	87,143	87,143	76,646	10,497
Cobboossee watershed	2,750	2,750	2,697	53
Recreation	40,635	36,335	37,967	(1,632)
Organizations and social services	27,978	27,978	27,478	500
Unclassified	8,757	8,757	8,942	(185)
Education	2,363,050	2,363,050	2,363,049	1
County tax	205,950	205,950	206,355	(405)
Overlay	10,575	10,575	1,852	8,723
Debt service:				
Principal	251,200	251,200	251,200	-
Interest	20,068	20,068	20,023	45
Transfers to other funds	77,000	110,826	110,826	-
Total Charges to Appropriations	3,796,786	3,816,786	3,840,910	(24,124)
Budgetary Fund Balance, June 30	\$ 534,968	\$ 514,968	\$ 478,674	\$ (36,294)
Utilization of Unassigned Fund Balance	\$ -	\$ 20,000	\$ -	\$ (20,000)

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

TOWN OF WAYNE, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 14,754	\$ -	\$ 14,754
Changes for the year:			
Service cost	1,789	-	1,789
Interest	678	-	678
Changes of benefits	(587)	-	(587)
Differences between expected and actual experience	6,857	-	6,857
Changes of assumptions	8,071	-	8,071
Contributions - employer	-	3	(3)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(3)	(3)	-
Administrative expense	-	-	-
Net changes	<u>16,805</u>	<u>-</u>	<u>16,805</u>
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 31,559</u>	<u>\$ -</u>	<u>\$ 31,559</u>

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

TOWN OF WAYNE, MAINE

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

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	\$ 1,789	\$ 1,945	\$ 1,797
Interest (includes interest on service cost)	678	541	452
Changes of benefit terms	(587)	-	-
Differences between expected and actual experience	6,857	-	981
Changes of assumptions	8,071	(1,513)	396
Benefit payments, including refunds of member contributions	(3)	(3)	-
Net change in total OPEB liability	<u>\$ 16,805</u>	<u>\$ 970</u>	<u>\$ 3,626</u>
Total OPEB liability - beginning	\$ 14,754	\$ 13,784	\$ 10,158
Total OPEB liability - ending	<u>\$ 31,559</u>	<u>\$ 14,754</u>	<u>\$ 13,784</u>
<u>Plan fiduciary net position</u>			
Contributions - employer	3	3	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(3)	(3)	-
Administrative expense	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 31,559</u>	<u>\$ 14,754</u>	<u>\$ 13,784</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered payroll	\$ 122,052	\$ 82,552	\$ 82,552
Net OPEB liability as a percentage of covered payroll	25.9%	17.9%	16.7%

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

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

TOWN OF WAYNE, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ 3	\$ 3	\$ -
Benefit payments	(3)	(3)	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 122,052	\$ 82,552	\$ 82,552
Contributions as a percentage of covered payroll	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 auditors' report and notes to financial statements.

TOWN OF WAYNE, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Changes of Assumptions

MMEHT OPEB Plan:

There was a change in the discount rate from 4.10% to 2.74% per GASB 75 discount rate selection. The repeal of the “Cadillac Tax” was reflected in this valuation by removing the previously planned excise tax.

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

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the 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 DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Administration	\$ 241,305	\$ (1,097)	\$ 240,208	\$ 250,483	\$ (10,275)
Contingency	4,000	-	4,000	6,153	(2,153)
Code enforcement	18,466	-	18,466	8,311	10,155
Assessing	24,100	-	24,100	23,700	400
Elections/hearings	1,577	-	1,577	2,203	(626)
	<u>289,448</u>	<u>(1,097)</u>	<u>288,351</u>	<u>290,850</u>	<u>(2,499)</u>
Public safety:					
Ambulance	12,009	-	12,009	12,009	-
Law enforcement	14,008	-	14,008	12,706	1,302
Fire department	57,425	(8,429)	48,996	48,996	-
Animal control	6,467	-	6,467	7,202	(735)
PSAP/Dispatch	5,220	-	5,220	7,900	(2,680)
Street lights	7,320	-	7,320	8,409	(1,089)
	<u>102,449</u>	<u>(8,429)</u>	<u>94,020</u>	<u>97,222</u>	<u>(3,202)</u>
Highways and roads:					
Roads	309,783	-	309,783	345,803	(36,020)
	<u>309,783</u>	<u>-</u>	<u>309,783</u>	<u>345,803</u>	<u>(36,020)</u>
Sanitation:					
Transfer station	87,143	-	87,143	76,646	10,497
	<u>87,143</u>	<u>-</u>	<u>87,143</u>	<u>76,646</u>	<u>10,497</u>
Cobbossee watershed	2,750	-	2,750	2,697	53

TOWN OF WAYNE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
County tax	205,950	-	205,950	206,355	(405)
Recreation	40,635	(4,300)	36,335	37,967	(1,632)
Organizations and social services:		-	-	-	-
Humane Society	-	-	-	-	-
Cemetery Association	3,500	-	3,500	3,500	-
Library	6,000	-	6,000	6,000	-
Messenger	3,000	-	3,000	3,000	-
Archival Board	500	-	500	-	500
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	-
	<u>27,978</u>	<u>-</u>	<u>27,978</u>	<u>27,478</u>	<u>500</u>

TOWN OF WAYNE, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Unclassified:					
General assistance	5,634	-	5,634	4,909	725
Land and buildings	3,123	-	3,123	4,033	(910)
	<u>8,757</u>	<u>-</u>	<u>8,757</u>	<u>8,942</u>	<u>(185)</u>
Education	<u>2,363,050</u>	<u>-</u>	<u>2,363,050</u>	<u>2,363,049</u>	<u>1</u>
Debt service:					
Principal	251,200	-	251,200	251,200	-
Interest	20,068	-	20,068	20,023	45
	<u>271,268</u>	<u>-</u>	<u>271,268</u>	<u>271,223</u>	<u>45</u>
Transfers to other funds:					
Special revenue funds	-	4,300	4,300	4,300	-
Capital projects funds	77,000	29,526	106,526	106,526	-
	<u>77,000</u>	<u>33,826</u>	<u>110,826</u>	<u>110,826</u>	<u>-</u>
Overlay	<u>10,575</u>	<u>-</u>	<u>10,575</u>	<u>1,852</u>	<u>8,723</u>
Total Departmental Operations	<u>\$ 3,796,786</u>	<u>\$ 20,000</u>	<u>\$ 3,816,786</u>	<u>\$ 3,840,910</u>	<u>\$ (24,124)</u>

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

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	\$ 132,102	\$ 55,476	\$ 187,578
Due from other funds	39,340	454,092	-	493,432
TOTAL ASSETS	<u>\$ 39,340</u>	<u>\$ 586,194</u>	<u>\$ 55,476</u>	<u>\$ 681,010</u>
LIABILITIES				
Accounts payable	\$ 3,188	\$ -	\$ -	\$ 3,188
Due to other funds	840	-	7,723	8,563
TOTAL LIABILITIES	<u>4,028</u>	<u>-</u>	<u>7,723</u>	<u>11,751</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	47,753	47,753
Committed	-	-	-	-
Assigned	36,736	586,194	-	622,930
Unassigned	(1,424)	-	-	(1,424)
TOTAL FUND BALANCES	<u>35,312</u>	<u>586,194</u>	<u>47,753</u>	<u>669,259</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 39,340</u>	<u>\$ 586,194</u>	<u>\$ 55,476</u>	<u>\$ 681,010</u>

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Charges for services	\$ 12,344	\$ -	\$ -	\$ 12,344
Interest income	-	1,041	617	1,658
Intergovernmental	1,500	-	-	1,500
Other income	118,730	-	18,135	136,865
TOTAL REVENUES	<u>132,574</u>	<u>1,041</u>	<u>18,752</u>	<u>152,367</u>
EXPENDITURES				
Capital outlay	39,150	72,115	-	111,265
Other	113,850	38,244	10,335	162,429
TOTAL EXPENDITURES	<u>153,000</u>	<u>110,359</u>	<u>10,335</u>	<u>273,694</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(20,426)</u>	<u>(109,318)</u>	<u>8,417</u>	<u>(121,327)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	34,678	179,534	-	214,212
Transfers (out)	(2,530)	(87,190)	(20,010)	(109,730)
TOTAL OTHER FINANCING SOURCES (USES)	<u>32,148</u>	<u>92,344</u>	<u>(20,010)</u>	<u>104,482</u>
NET CHANGE IN FUND BALANCES	11,722	(16,974)	(11,593)	(16,845)
FUND BALANCES - JULY 1	<u>23,590</u>	<u>603,168</u>	<u>59,346</u>	<u>686,104</u>
FUND BALANCES - JUNE 30	<u>\$ 35,312</u>	<u>\$ 586,194</u>	<u>\$ 47,753</u>	<u>\$ 669,259</u>

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

Special Revenue Funds

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

SCHEDULE D

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUES FUNDS
JUNE 30, 2020

	Animal Control	Farmers Market	Wayne History Project	Boat Launch	Wayne Athletic League (WAL)	Wilson Pond Lot
ASSETS						
Due from other funds	\$ 1,019	\$ 1,114	\$ 3,973	\$ -	\$ 4,171	\$ 600
TOTAL ASSETS	\$ 1,019	\$ 1,114	\$ 3,973	\$ -	\$ 4,171	\$ 600
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	1,019	1,114	3,973	-	4,171	600
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,019	1,114	3,973	-	4,171	600
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 1,019	\$ 1,114	\$ 3,973	\$ -	\$ 4,171	\$ 600

SCHEDULE D (CONTINUED)

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUES FUNDS
JUNE 30, 2020

	Cemetery Lot Sales	Community Directory	North Wayne School House	Water Quality	Aging at Home	Professional
ASSETS						
Due from other funds	\$ 275	\$ 155	\$ 4,005	\$ 1,025	\$ 3,644	\$ 5,000
TOTAL ASSETS	<u>\$ 275</u>	<u>\$ 155</u>	<u>\$ 4,005</u>	<u>\$ 1,025</u>	<u>\$ 3,644</u>	<u>\$ 5,000</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	275	155	4,005	1,025	3,644	5,000
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>275</u>	<u>155</u>	<u>4,005</u>	<u>1,025</u>	<u>3,644</u>	<u>5,000</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 275</u>	<u>\$ 155</u>	<u>\$ 4,005</u>	<u>\$ 1,025</u>	<u>\$ 3,644</u>	<u>\$ 5,000</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUES FUNDS
 JUNE 30, 2020

	Insurance Claim	Ladd Improvements	Broadband Franchise Fees	Ladd Rec Center Operations	Total
ASSETS					
Due from other funds	\$ -	\$ -	\$ 11,755	\$ 2,604	\$ 39,340
TOTAL ASSETS	\$ -	\$ -	\$ 11,755	\$ 2,604	\$ 39,340
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 3,188	3,188
Due to other funds	-	840	-	-	840
TOTAL LIABILITIES	-	840	-	3,188	4,028
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	11,755	-	36,736
Unassigned	-	(840)	-	(584)	(1,424)
TOTAL FUND BALANCES (DEFICITS)	-	(840)	11,755	(584)	35,312
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ 11,755	\$ 2,604	\$ 39,340

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Animal Control	Farmers Market	Wayne History Project	Boat Launch	Wayne Athletic League (WAL)	Wilson Pond Lot
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Other income	-	185	-	-	1,207	600
TOTAL REVENUES	-	185	-	-	1,207	600
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	411	-	-	-	-
TOTAL EXPENDITURES	-	411	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(226)	-	-	1,207	600
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	368	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	368	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	(226)	-	368	1,207	600
FUND BALANCES (DEFICITS) - JULY 1	1,019	1,340	3,973	(368)	2,964	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 1,019	\$ 1,114	\$ 3,973	\$ -	\$ 4,171	\$ 600

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, 2020

	Cemetery Lot Sales	Community Directory	North Wayne School House	Water Quality	Aging at Home	Professional
REVENUES						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	1,500	-
Other income	-	-	125	-	3,395	-
TOTAL REVENUES	-	-	125	-	4,895	-
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	-	-	-	7,722	-
TOTAL EXPENDITURES	-	-	-	-	7,722	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	125	-	(2,827)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	5,000
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	5,000
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	125	-	(2,827)	5,000
FUND BALANCES (DEFICITS) - JULY 1	275	155	3,880	1,025	6,471	-
FUND BALANCES (DEFICITS) - JUNE 30	\$ 275	\$ 155	\$ 4,005	\$ 1,025	\$ 3,644	\$ 5,000

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Insurance Claim	Ladd Improvements	Broadband Franchise Fees	Ladd Rec Center Operations	Total
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ 12,344	\$ 12,344
Intergovernmental	-	-	-	-	1,500
Other income	-	19,200	-	94,018	118,730
TOTAL REVENUES	<u>-</u>	<u>19,200</u>	<u>-</u>	<u>106,362</u>	<u>132,574</u>
EXPENDITURES					
Capital outlay	-	39,150	-	-	39,150
Other	-	-	3,245	102,472	113,850
TOTAL EXPENDITURES	<u>-</u>	<u>39,150</u>	<u>3,245</u>	<u>102,472</u>	<u>153,000</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(19,950)</u>	<u>(3,245)</u>	<u>3,890</u>	<u>(20,426)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	20,010	5,000	4,300	34,678
Transfers (out)	(2,530)	-	-	-	(2,530)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,530)</u>	<u>20,010</u>	<u>5,000</u>	<u>4,300</u>	<u>32,148</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(2,530)	60	1,755	8,190	11,722
FUND BALANCES (DEFICITS) - JULY 1	<u>2,530</u>	<u>(900)</u>	<u>10,000</u>	<u>(8,774)</u>	<u>23,590</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ (840)</u>	<u>\$ 11,755</u>	<u>\$ (584)</u>	<u>\$ 35,312</u>

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

Capital Projects Funds

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

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	Transfer Station	Road Reserve	Fire Truck Reserve	Sand/Salt Shed
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 132,102	\$ -
Due from other funds	24,919	326,588	6,154	-
TOTAL ASSETS	\$ 24,919	\$ 326,588	\$ 138,256	\$ -
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	24,919	326,588	138,256	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	24,919	326,588	138,256	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,919	\$ 326,588	\$ 138,256	\$ -

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	Former Pettengill Property	Fire Equipment	Road Maintenance	Foot Bridge
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	23,980	-	2,565
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 23,980</u>	<u>\$ -</u>	<u>\$ 2,565</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	23,980	-	2,565
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>23,980</u>	<u>-</u>	<u>2,565</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 23,980</u>	<u>\$ -</u>	<u>\$ 2,565</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	Lovejoy Pond Dam	Land and Buildings	Cemetery Stone Cleaning	Future Town Office
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other funds	11,623	40,146	9,900	-
TOTAL ASSETS	<u>\$ 11,623</u>	<u>\$ 40,146</u>	<u>\$ 9,900</u>	<u>\$ -</u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	11,623	40,146	9,900	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>11,623</u>	<u>40,146</u>	<u>9,900</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 11,623</u>	<u>\$ 40,146</u>	<u>\$ 9,900</u>	<u>\$ -</u>

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2020

	<u>Village Improvements</u>	<u>Technology</u>	<u>Emergency Management</u>	<u>Fire Pond</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 132,102
Due from other funds	-	6,614	-	1,603	454,092
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 6,614</u>	<u>\$ -</u>	<u>\$ 1,603</u>	<u>\$ 586,194</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	6,614	-	1,603	586,194
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>6,614</u>	<u>-</u>	<u>1,603</u>	<u>586,194</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 6,614</u>	<u>\$ -</u>	<u>\$ 1,603</u>	<u>\$ 586,194</u>

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Transfer Station	Road Reserve	Fire Truck Reserve	Sand/Salt Shed
REVENUES				
Interest income	\$ -	\$ -	\$ 1,041	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,041</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	28,321	35,876	7,918
Other	-	18,400	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>46,721</u>	<u>35,876</u>	<u>7,918</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(46,721)</u>	<u>(34,835)</u>	<u>(7,918)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	67,695	30,000	5,000
Transfers (out)	(6,344)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,344)</u>	<u>67,695</u>	<u>30,000</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(6,344)	20,974	(4,835)	(2,918)
FUND BALANCES (DEFICITS) - JULY 1	<u>31,263</u>	<u>305,614</u>	<u>143,091</u>	<u>2,918</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 24,919</u>	<u>\$ 326,588</u>	<u>\$ 138,256</u>	<u>\$ -</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, 2020

	Former Pettengill Property	Fire Equipment	Road Maintenance	Foot Bridge
REVENUES				
Interest income	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	-	-	-	996
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>996</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>(996)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,097	8,429	-	-
Transfers (out)	-	-	(17,695)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,097</u>	<u>8,429</u>	<u>(17,695)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	1,097	8,429	(17,695)	(996)
FUND BALANCES (DEFICITS) - JULY 1	<u>(1,097)</u>	<u>15,551</u>	<u>17,695</u>	<u>3,561</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 23,980</u>	<u>\$ -</u>	<u>\$ 2,565</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, 2020

	Lovejoy Pond Dam	Land and Buildings	Cemetery Stone Cleaning	Future Town Office
REVENUES				
Interest income	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Capital outlay	-	-	-	-
Other	2,174	12,925	-	-
TOTAL EXPENDITURES	<u>2,174</u>	<u>12,925</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,174)</u>	<u>(12,925)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	65,157	-	-
Transfers (out)	-	(524)	-	(62,428)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>64,633</u>	<u>-</u>	<u>(62,428)</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(2,174)	51,708	-	(62,428)
FUND BALANCES (DEFICITS) - JULY 1	<u>13,797</u>	<u>(11,562)</u>	<u>9,900</u>	<u>62,428</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 11,623</u>	<u>\$ 40,146</u>	<u>\$ 9,900</u>	<u>\$ -</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, 2020

	Village Improvements	Technology	Emergency Management	Fire Pond	Total
REVENUES					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 1,041
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,041</u>
EXPENDITURES					
Capital outlay	-	-	-	-	72,115
Other	-	3,749	-	-	38,244
TOTAL EXPENDITURES	<u>-</u>	<u>3,749</u>	<u>-</u>	<u>-</u>	<u>110,359</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(3,749)</u>	<u>-</u>	<u>-</u>	<u>(109,318)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	2,000	156	-	179,534
Transfers (out)	(199)	-	-	-	(87,190)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(199)</u>	<u>2,000</u>	<u>156</u>	<u>-</u>	<u>92,344</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	(199)	(1,749)	156	-	(16,974)
FUND BALANCES (DEFICITS) - JULY 1	<u>199</u>	<u>8,363</u>	<u>(156)</u>	<u>1,603</u>	<u>603,168</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ -</u>	<u>\$ 6,614</u>	<u>\$ -</u>	<u>\$ 1,603</u>	<u>\$ 586,194</u>

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

Permanent Funds

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

TOWN OF WAYNE, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2020

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
ASSETS					
Cash and cash equivalents	\$ 1,172	\$ 30,510	\$ 8,710	\$ 15,084	\$ 55,476
TOTAL ASSETS	<u>\$ 1,172</u>	<u>\$ 30,510</u>	<u>\$ 8,710</u>	<u>\$ 15,084</u>	<u>\$ 55,476</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 7,723	\$ 7,723
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,723</u>	<u>7,723</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	1,172	30,510	8,710	7,361	47,753
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>1,172</u>	<u>30,510</u>	<u>8,710</u>	<u>7,361</u>	<u>47,753</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,172</u>	<u>\$ 30,510</u>	<u>\$ 8,710</u>	<u>\$ 15,084</u>	<u>\$ 55,476</u>

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

TOWN OF WAYNE, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Jaworksi Fund	Ladd Recreation	Ruth Lee	Ladd Special	Total
REVENUES					
Interest income	\$ 11	\$ 283	\$ 85	\$ 238	\$ 617
Other income	-	14,710	-	3,425	18,135
TOTAL REVENUES	<u>11</u>	<u>14,993</u>	<u>85</u>	<u>3,663</u>	<u>18,752</u>
EXPENDITURES					
Other	-	-	-	10,335	10,335
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,335</u>	<u>10,335</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>11</u>	<u>14,993</u>	<u>85</u>	<u>(6,672)</u>	<u>8,417</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers (out)	-	(20,010)	-	-	(20,010)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(20,010)</u>	<u>-</u>	<u>-</u>	<u>(20,010)</u>
NET CHANGE IN FUND BALANCES	11	(5,017)	85	(6,672)	(11,593)
FUND BALANCES - JULY 1	<u>1,161</u>	<u>35,527</u>	<u>8,625</u>	<u>14,033</u>	<u>59,346</u>
FUND BALANCES - JUNE 30	<u>\$ 1,172</u>	<u>\$ 30,510</u>	<u>\$ 8,710</u>	<u>\$ 7,361</u>	<u>\$ 47,753</u>

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

General Capital Assets

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

TOWN OF WAYNE, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2020

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 190,000	\$ 132,380	\$ -	\$ 574,240	\$ 896,620
Public safety	40,000	263,497	790,835	-	1,094,332
Highways and roads	-	3,316	-	5,472,325	5,475,641
Recreation	107,919	347,876	22,617	-	478,412
Cemeteries	210,000	-	-	-	210,000
Town-wide	165,000	-	-	-	165,000
Total General Capital Assets	712,919	747,069	813,452	6,046,565	8,320,005
Less: Accumulated Depreciation	-	(493,282)	(466,112)	(3,879,647)	(4,839,041)
Net General Capital Assets	<u>\$ 712,919</u>	<u>\$ 253,787</u>	<u>\$ 347,340</u>	<u>\$ 2,166,918</u>	<u>\$ 3,480,964</u>

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

TOWN OF WAYNE, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2020

	General Capital Assets 7/1/19	Additions	Deletions	General Capital Assets 6/30/20
General government	\$ 896,620	\$ -	\$ -	\$ 896,620
Public safety	1,056,857	37,475	-	1,094,332
Highways and roads	5,447,320	28,321	-	5,475,641
Recreation	431,583	46,829	-	478,412
Cemeteries	210,000	-	-	210,000
Town-wide	165,000	-	-	165,000
Total General Capital Assets	8,207,380	112,625	-	8,320,005
Less: Accumulated Depreciation	(4,626,694)	(212,347)	-	(4,839,041)
Net General Capital Assets	<u>\$ 3,580,686</u>	<u>\$ (99,722)</u>	<u>\$ -</u>	<u>\$ 3,480,964</u>

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



Proven Expertise & Integrity

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

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, 2020 and the related notes to the financial statements, which collectively comprise the Town of Wayne, Maine's basic financial statements, and have issued our report thereon dated May 18, 2021.

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 April 26, 2021.

Purpose of this Report

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

RHR Smith & Company

Buxton, Maine
May 18, 2021