

Town of Buckfield, Maine

**Independent Auditors' Report
and
Management's Financial Statements**

June 30, 2020

Ron L. Beaulieu & Company

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Select Board of
Town of Buckfield, Maine
Buckfield, Maine

We were engaged to audit the financial statements of the governmental activities each major fund, and the aggregate remaining fund information of the Town of Buckfield, Maine, as of and for the year ended June 30, 2020, and the related notes to the financial statements. These financial statements collectively comprise the Town of Buckfield, Maine's basic financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 conducting the 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. Because of the matters described in the "Basis for Disclaimer of Opinion" paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion on the Financial Statements

- 1). Management did not provide an aged listing by account as of June 30, 2020 for ambulance receivable and an aged listing by account as of June 30, 2020 for miscellaneous receivable. As a result, we were unable to confirm the individual account balances.
- 2). Management did not provide an aged listing by account as of June 30, 2020 for tax acquired property. As a result, we were unable to perform auditing procedures.
- 3). Management did not provide copies of the Town of Buckfield, Maine's loan agreements. As a result, we were unable to assess the current / long-term liability portions, and the disclosures to the financial statements.
- 4). Management did not provide us with an actuary report on the Town of Buckfield, Maine's Other Post Employment Benefit Plan. As a result, we were unable to perform audit procedures in that area or assess the disclosures to the financial statements.

5). Management did not provide us with the subsequent to year end detailed general ledger, detailed revenue report, and detailed expenditure report. As a result, we were unable to perform subsequent events auditing procedures.

6). Management did not provide us with the collateral agreements with banks for cash accounts. As a result, we were unable to assess the disclosures to the financial statements.

7). Management repeatedly delayed fulfilling our audit documentation requests and provided incomplete or incorrect backup. Further, management informed us that it will not provide any further documentation and wants the audit done.

Disclaimer of Opinion

Because of the significance of the matters described in the “Basis for Disclaimer of Opinion on the Financial Statements” paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements of the Town of Buckfield, Maine. Accordingly, we do not express an opinion on these financial statements.

Other Matters

The Town of Buckfield, Maine has experienced serious difficulties resulting from management turnover. From the time of audit engagement to this report date, the Town of Buckfield, Maine had two Town Managers who each resigned. The Town is presently operating under its second Interim Town Manager. Additionally, during this time, the Town of Buckfield, Maine’s Treasurer of over thirty-six years submitted (via 3 day notice) her resignation. Currently, the various town employees are “filling in” and trying to perform some of the duties previously held by that position.

Our difficulty in obtaining audit documentation and evidence was communicated to the Select Board, as well as the reporting consequences. One Board member wrote to us “I do understand you can only audit what the management gives you. But this management is struggling”.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2021, on our consideration of the Town of Buckfield, Maine’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Buckfield, Maine’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governance Auditing Standards* in considering the Town of Buckfield, Maine’s internal control over financial reporting and compliance.

Ron L. Beaulieu & Co.

Portland, Maine
August 12, 2021

TOWN OF BUCKFIELD, MAINE
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>Major</u>	
	<u>General</u>	<u>Total</u>
ASSETS		
Cash	\$ 1,550,091	\$ 1,550,091
Investments	-	-
Accounts receivable (net)	130,641	130,641
Due from other governments	-	-
Tax receivable (net)	222,733	222,733
Tax liens receivable (net)	43,586	43,586
Tax aquired property	11,325	11,325
Due from other funds	-	-
TOTAL ASSETS	<u>\$ 1,958,376</u>	<u>\$ 1,958,376</u>
LIABILITIES		
Accounts payable	\$ -	\$ -
Payroll related payables	7,853	7,853
Accrued expenses	10,000	10,000
Due to other governments	-	-
Due to other funds	13,308	13,308
TOTAL LIABILITIES	<u>31,161</u>	<u>31,161</u>
DEFERRED INFLOW OF RESOURCES		
Prepaid property taxes	-	-
Deferred property tax revenue	208,000	208,000
TOTAL DEFERRED INFLOW OF RESOURCES	<u>208,000</u>	<u>208,000</u>
FUND BALANCES		
Nonspendable	11,325	11,325
Restricted	1,000,000	1,000,000
Committed	250,000	250,000
Assigned	-	-
Unassigned	457,890	457,890
TOTAL FUND BALANCES	<u>1,719,215</u>	<u>1,719,215</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,958,376</u>	<u>\$ 1,958,376</u>

See accompanying independent auditors' report.

TOWN OF BUCKFIELD, MAINE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	<u>Major</u>	
	<u>General</u>	<u>Total</u>
REVENUES		
Property taxes	\$ 2,542,230	\$ 2,542,230
Excise taxes	320,920	320,920
Intergovernmental revenue	700,620	700,620
Charges for services	366,644	366,644
Licenses and permits	33,234	33,234
Investment income	-	-
Interest and lien fees	26,839	26,839
Other revenue	11,077	11,077
TOTAL REVENUES	<u>4,001,564</u>	<u>4,001,564</u>
EXPENDITURES		
Current:		
General government	297,345	297,345
Public safety	293,931	293,931
Fire department	91,028	91,028
Public works	854,646	854,646
Solid waste	-	-
Recreation	62,415	62,415
Community programs	-	-
Education	1,651,739	1,651,739
County tax	133,842	133,842
Insurance	-	-
Debt Service		
Principal retirement	165,423	165,423
Interest expense	-	-
Capital outlay	471,277	471,277
TOTAL EXPENDITURES	<u>\$ 4,021,646</u>	<u>\$ 4,021,646</u>

See accompanying independent auditors' report.

TOWN OF BUCKFIELD, MAINE
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 YEAR ENDED JUNE 30, 2020

	<u>Major</u>	
	<u>General</u>	<u>Total</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>\$ (20,082)</u>	<u>\$ (20,082)</u>
OTHER FINANCING SOURCES (USES)		
Issuance of bonds	-	-
Proceeds from capital leases	-	-
Transfer in	-	-
Transfer out	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(20,082)</u>	<u>(20,082)</u>
FUND BALANCE - JULY 1 - ORIGINAL	<u>1,739,297</u>	<u>1,739,297</u>
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>
FUND BALANCE - JULY 1 - REVISED	<u>1,739,297</u>	<u>1,739,297</u>
FUND BALANCE - JUNE 30	<u><u>\$ 1,719,215</u></u>	<u><u>\$ 1,719,215</u></u>

See accompanying independent auditors' report.

TOWN OF BUCKFIELD, MAINE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
REVENUES				
Property taxes	\$ 2,542,093	\$ 2,542,093	\$ 2,542,230	\$ 137
Excise taxes	286,100	286,100	320,920	34,820
Intergovernmental revenue	348,065	348,065	700,620	352,555
Charges for services	284,949	284,949	366,644	81,695
Licenses and permits	40,145	40,145	33,234	(6,911)
Investment income	-	-	-	-
Interest and lien fees	18,000	18,000	26,839	8,839
Other revenue	6,605	6,605	11,077	4,472
TOTAL REVENUES	3,525,957	3,525,957	4,001,564	475,607
EXPENDITURES				
Current:				
General government	324,725	324,725	297,345	27,380
Public safety	288,605	288,605	293,931	(5,326)
Fire department	99,505	99,505	91,028	8,477
Public works	920,054	920,054	854,646	65,408
Solid waste	-	-	-	-
Recreation	76,315	76,315	62,415	13,900
Community programs	-	-	-	-
Education	1,651,739	1,651,739	1,651,739	-
County tax	137,789	137,789	133,842	3,947
Insurance	-	-	-	-
Debt service:				
Principal retirement	187,225	187,225	165,423	21,802
Interest expense	-	-	-	-
Capital outlay	-	-	471,277	(471,277)
TOTAL EXPENDITURES	3,685,957	3,685,957	4,021,646	(335,689)
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES BEFORE OTHER				
FINANCING SOURCES (USES)	(160,000)	(160,000)	(20,082)	139,918
OTHER FINANCING SOURCES (USES)				
Prior year fund balance utilization	160,000	160,000	-	(160,000)
Issuance of bonds	-	-	-	-
Proceeds from capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	160,000	160,000	-	(160,000)
NET CHANGE IN FUND BALANCES	\$ -	\$ -	\$ (20,082)	\$ (20,082)

See accompanying independent auditors' report.