

**TOWN OF OAKLAND, MAINE**  
**INDEPENDENT AUDITORS' REPORT AND**  
**FINANCIAL STATEMENTS**

**JUNE 30, 2015**

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# Maine Municipal Audit Services, PA

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Mindy J. Cyr, CPA

## Independent Auditors' Report

To the Town Council  
Town of Oakland  
Oakland, Maine

We have audited the accompanying financial statements of the governmental activities and the business-type activities of Town of Oakland, Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town'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 preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### AUDITOR'S 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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.

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 and the business-type activities of the Town of Oakland, Maine, as of June 30, 2015, and the respective changes in financial position 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 on pages 5-11 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.

The budgetary comparison information on page 32 is required by accounting principles generally accepted in the United States of America. This 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. The budgetary comparison schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements.

### *Other Information*

The other supplemental information section is the responsibility of management and the schedules 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 to the basic financial statements. In our opinion, the other supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Maine Municipal Audit Services, PA*

Levant, Maine  
September 11, 2015

## **Management Discussion and Analysis for the Year Ended June 30, 2015**

As management of the Town of Oakland we offer readers of the Town's financial statements this narrative overview and analysis of our financial statements. The Town of Oakland is reporting its financial information in compliance with Governmental Accounting Standards Board (GASB) #34. This statement is now the reporting model for governmental entities.

### **Financial Highlights**

- The assets of the Town of Oakland exceeded its liabilities at the close of the most recent fiscal year by \$15,605,869. Of this amount, \$3,183,717 (unrestricted net assets) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Oakland's total net position decreased by \$64,171.
- At the close of the current fiscal year, the Town of Oakland's governmental fund reported combined ending fund balances of \$2,873,325 an increase of \$303,996 as compared with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,018,508 or 10.6% of total general fund expenditures.
- The Town of Oakland's long term debt decreased from \$2,394,897 to \$2,339,144. \$55,753 of debt was retired. State law limits municipal debt to 15% of property valuation. \$77,944,815 is the debt ceiling for the Town of Oakland.
- At the close of the current fiscal year, 97.4% of the 2014-2015 tax commitment was collected. The state average is 92%.
- Motor Vehicle Excise Taxes increased 7.5%. The current year's collections were \$1,182,959, up from \$1,100,736 the previous year.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of Oakland's basic financial statements. The Town's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Town of Oakland's finances, in a manner similar to a private sector business.

The statement of net assets presents information on all of the Town's assets and liabilities, with the differences between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation time).

Both of the government-wide financial statements distinguish functions of the Town of Oakland that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their cost through user fees and charges (business-type activities). The government activities of the Town include general government, public safety, public works, solid waste disposal, recreation, library and other activities. The Town has one business type activity, its wastewater pumping operation.

**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 Oakland, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of expendable resources as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between funds and governmental activities.

The Town of Oakland adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The Town of Oakland maintains an enterprise fund to report the same functions presented as business-type activities in the government-wide financial statements. The enterprise fund is used to account for wastewater pumping operations.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the Town. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of Oakland's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**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 fund financial statements.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of Oakland assets exceeded liabilities by \$15,605,869 at the close of the most recent fiscal year.

By far the largest portion of the Town of Oakland's net assets (79.6%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment,) less any related debt used to acquire those assets. The Town of Oakland used these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

#### Town of Oakland's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current and other assets	\$ 3,128,635	\$ 3,466,176	\$ 314,976	\$ 205,780	\$ 3,443,611	\$ 3,671,956
Capital assets	<u>6,240,916</u>	<u>6,075,702</u>	<u>8,865,461</u>	<u>8,685,595</u>	<u>15,106,377</u>	<u>14,761,297</u>
Total assets	\$ 9,369,551	\$ 9,541,878	\$ 9,180,437	\$ 8,891,375	\$ 18,549,988	\$ 18,433,253
Long-term liabilities outstanding	97,637	101,470	2,347,904	2,281,511	2,445,541	2,382,981
Other liabilities	<u>306,305</u>	<u>335,651</u>	<u>128,101</u>	<u>108,752</u>	<u>434,406</u>	<u>444,403</u>
Total liabilities	\$ 403,942	\$ 437,121	\$ 2,476,005	\$ 2,390,263	\$ 2,879,947	\$ 2,827,384
Net assets:						
Invested in capital assets net of related debt	6,240,916	6,075,702	6,470,565	6,346,450	12,711,481	12,422,152
Unrestricted	<u>2,724,692</u>	<u>3,029,055</u>	<u>233,867</u>	<u>154,662</u>	<u>2,958,559</u>	<u>3,183,717</u>
Total net assets	\$ 8,965,608	\$ 9,104,757	\$ 6,704,432	\$ 6,501,112	\$ 15,670,040	\$ 15,605,869

## Financial Analysis of the Government's Funds

As noted earlier, the Town of Oakland uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

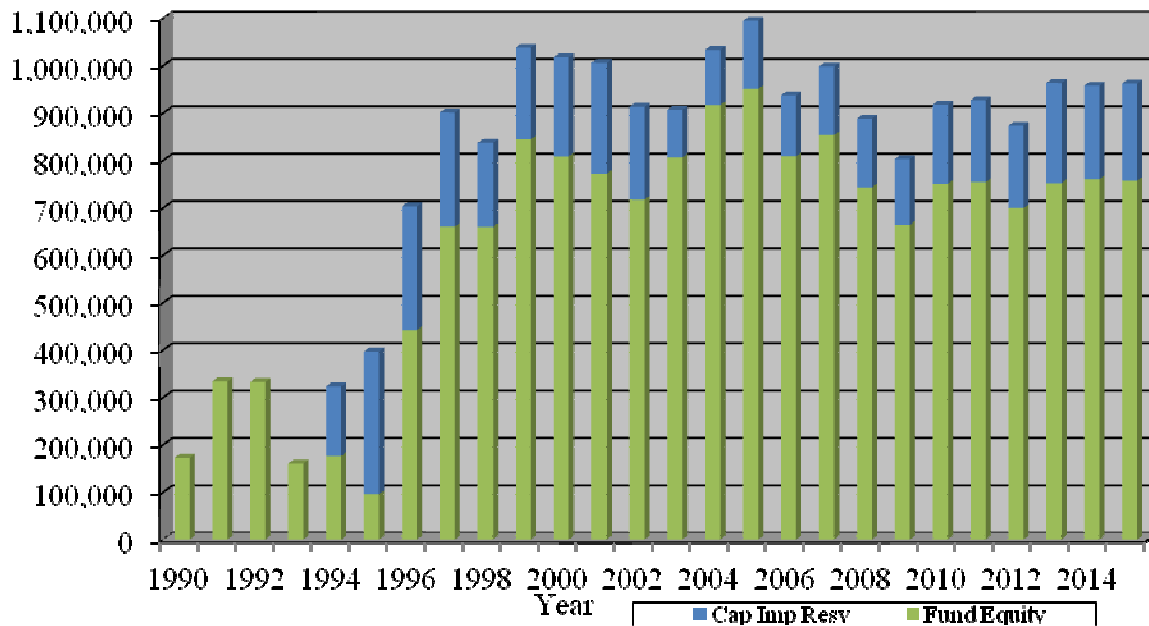
**Governmental funds.** The focus of the Town of Oakland's governmental funds is to provide information on near-term inflows, outflows and balances of expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year of the fiscal year

At the end of the current fiscal year, the Town of Oakland's governmental funds reported combined ending fund balances of \$2,873,325, an increase of \$303,996 over the prior year.

The general fund unassigned fund equity balance decreased from \$925,331, as of June 30, 2014, to \$917,037 as of June 30, 2015. Unspent appropriations, excess revenues and the overlay balance contributed \$168,885 to this account. \$165,000 of fund equity was used to fund the 2014-2015 budget.

The capital improvement reserve balance moved from \$247,509 last year to \$245,081 as of June 30, 2014. \$50,000 of this account was used to offset the 2014-2015 budget. This account is funded by allocating 25% of unspent appropriations and 25% of excess revenues from each year's budget. That totaled \$47,572 in 2014-2015.

Fund Equity & Capital Impr. Resv. (After Budget)





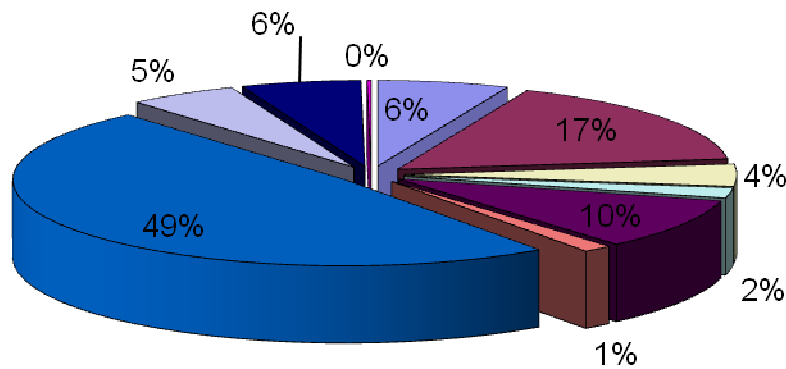
## General Fund Budgetary Highlights

### Expenditures

The 2014-2015 budget included appropriations of \$4,327,438 for municipal services, \$4,658,779 for RSU #18 costs and \$510,437 for Kennebec County government services. The municipal services budget increased 2.0%. The Kennebec County budget assessment increased 1.5% and the RSU #18 assessment was up 11.6%. 94% of the total budget was spent and 6.0% or \$621,509 remained unspent at year end. \$539,901 was carried forward into the 2014-2015 fiscal year. \$81,608 was returned to fund equity and reserve for capital improvements.

Excepting the Transfer Station, all operating departments finished the year under budget.

### 2014-2015 General Fund Expenditures



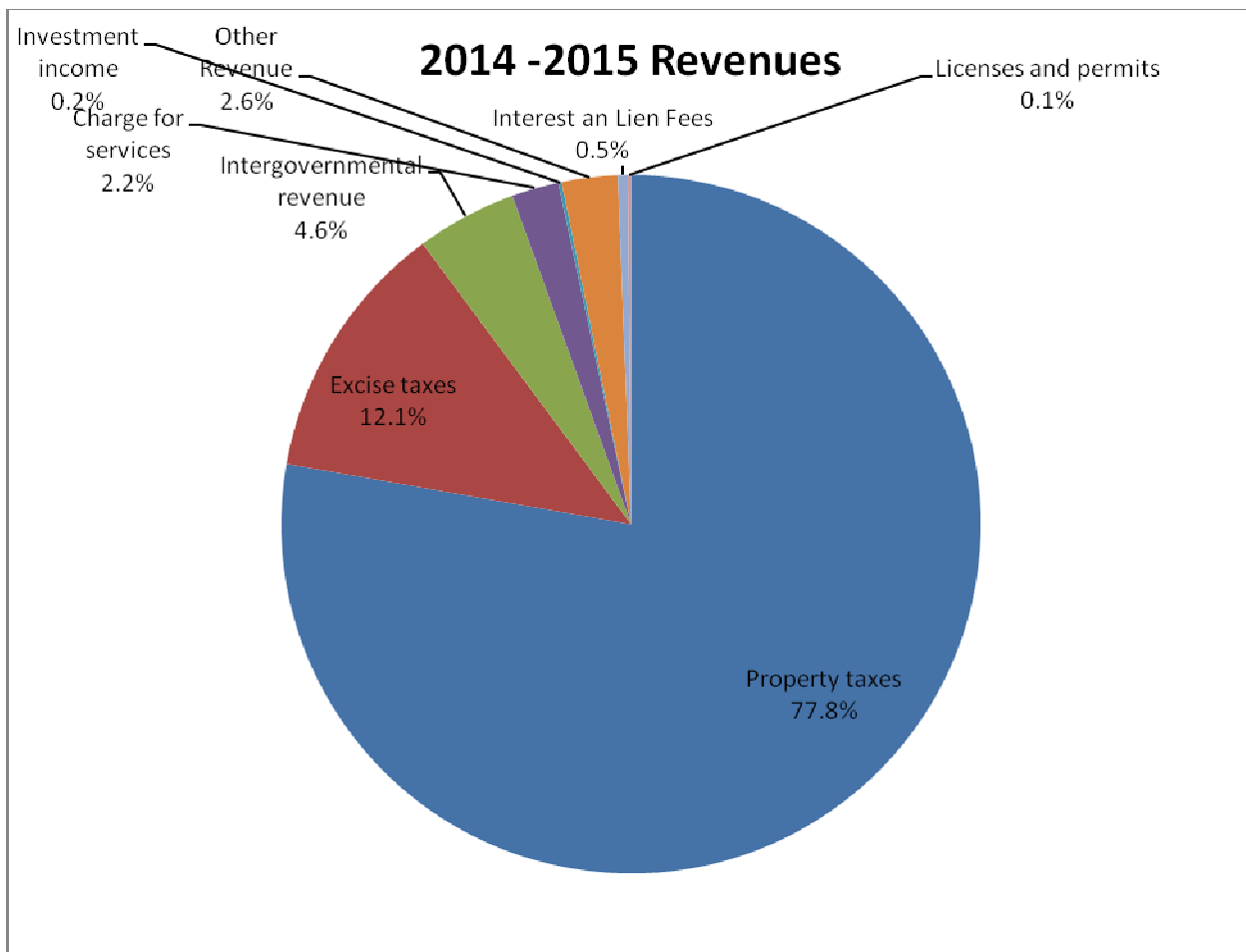
General Government - 6.4%	Protection - 16.7%
Sanitation - 4.2%	Town Property Maint - 1.9%
Public Works - 9.6%	Recreation - 1.4%
Education - 48.6%	County Tax - 5.3%
Special Appropriation - 5.8%	Unclassified - 0.2%

### Revenues

Revenues for 2014-2015 were budgeted at \$2,077,778. Included in this was \$165,000 from fund equity and \$50,000 from capital improvements reserve. Total revenue collections were \$2,186,455; \$108,677 or 5.2% more than budgeted.

Motor Vehicle Excise Tax collections increased this year, from \$1,100,736 last year to \$1,182,983, up 7.5%. State Revenue Sharing has declined from \$571,498 in 2007-2008 to \$518,225 in 2008-2009 to \$386,269 in 2009-2010 to \$354,086 in 2010-2011 to \$339,975 in 2011-2012. In 2012-2013, it increased slightly to \$345,938. The decline continued in 2013-14 to \$247,980 and to \$240,829 in 2014-2015.

The current year property tax collection rate increased from 97.3% to 97.4%.



#### Capital Assets

Spending on capital assets decreased this year compared to the prior year. In 2014-2015 \$179,512 was spent, down from \$336,012 last year. Total capital assets, net of depreciation, decreased from \$15,106,378 last year to \$14,761,297 this year.

#### Debt Service

\$55,753 of the Town's debt was retired in 2014-2015. The beginning debt balance was \$2,394,897. The ending balance decreased to \$2,339,144.

#### Property Valuations

Total real estate and personal property valuation increased by 1.4%, from \$512,488,100 last year to \$519,632,100 in 2014-2015. The mil rate increased from 13.80 in 2013-2014 to 14.75 in 2014-2015.

## **Proprietary Funds.**

The unrestricted net position of the Town's wastewater pumping fund decreased from \$233,867 last year to \$154,662 this year. This enterprise fund generates its' revenues from user fees.

## **Economic Factors and Next Year's Budgets and Rates**

- The residential property market has started to strengthen. Home prices remain down slightly from the peak of 2005-2007.
- Motor vehicle excise tax revenue collections continued upward in 2014-2015, increasing 7.5%.
- Oakland's financial health continues to be good. In 2014-2015 actual expenditures were less than budgeted and revenue collections exceeded the budget. Uncollected taxes remain below the state average. Capital spending was funded adequately to meet the operational needs of the Town of Oakland.
- LD1, passed in January 2005, limits future municipal tax levy increases to the increase in the percentage of disposable income, as calculated by the State Economist, added to the percentage increase in valuation. The 2015-2016 budget, passed at the May 2015 town meeting, was under the tax levy limit.
- State revenue sharing has decreased from \$571,498 in 2007-2008 to \$240,829 in 2014-2015. The current projection for 2015-2016 is \$231,242. Some personal property valuations will be phased out over a five year, or longer period.
- Construction of the sewer line sending wastewater to the Waterville Sewerage District was completed in May 2013. The project, which cost about \$6,400,000, went on line in August 2012. A forgivable loan of \$1.7 million in American Reinvestment and Recovery funds was received from MEDEP to fund a portion of the project. The remainder of the project was funded thru a loan/grant package with the USDA.
- Sewer user fees were increased 35% effective July 2015 to meet the increased costs of pumping sewerage to Waterville.
- The current recession has affected the Town of Oakland with decreased revenue sharing funds. Motor vehicle excise tax collections continued to increase in 2014-15.
- Construction of the main natural gas pipeline from Pittston to Madison was completed in 2014. A Tax Increment Financing district was created for the construction in Oakland. \$90,148 of tax revenue was generated in 2015-16.

Respectfully submitted,  
Douglas J. Mather  
Finance Director

Town of Oakland, Maine  
Statement of Net Position  
June 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,847,248.12	\$ 155,499.90	\$ 2,002,748.02
Investments	1,247,063.10	-	1,247,063.10
Due from other governments	36,890.00	-	36,890.00
Accounts receivable	3,468.99	50,280.49	53,749.48
Prepaid expenses	9,907.00	-	9,907.00
Taxes receivable	8,374.07	-	8,374.07
Tax liens receivable	313,224.34	-	313,224.34
<b>Total current assets</b>	<b>3,466,175.62</b>	<b>205,780.39</b>	<b>3,671,956.01</b>
<b>Non-current assets:</b>			
Capital assets, net of accumulated depreciation	6,075,702.00	8,685,594.55	14,761,296.55
<b>Total non-current assets</b>	<b>6,075,702.00</b>	<b>8,685,594.55</b>	<b>14,761,296.55</b>
<b>TOTAL ASSETS</b>	<b>\$ 9,541,877.62</b>	<b>\$ 8,891,374.94</b>	<b>\$ 18,433,252.56</b>
<b>LIABILITIES:</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 75,660.69	\$ 49,341.49	\$ 125,002.18
Due to other governments	17,243.13	-	17,243.13
Accrued payroll	55,913.00	1,500.00	57,413.00
Accrued compensated absences - short term	12,091.00	277.00	12,368.00
Other accrued expenses	7,143.54	-	7,143.54
Current portion of long-term debt	-	57,633.87	57,633.87
Interfund payable	138,981.45	-	138,981.45
<b>Total current liabilities</b>	<b>307,032.81</b>	<b>108,752.36</b>	<b>415,785.17</b>
<b>Non-current liabilities:</b>			
Non-current portion of long-term debt:			
Bonds payable	-	2,281,510.61	2,281,510.61
Accrued compensated absences - long term	101,470.00	-	101,470.00
<b>Total non-current liabilities</b>	<b>101,470.00</b>	<b>2,281,510.61</b>	<b>2,382,980.61</b>
<b>TOTAL LIABILITIES</b>	<b>408,502.81</b>	<b>2,390,262.97</b>	<b>2,798,765.78</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Prepaid property taxes	28,617.89	-	28,617.89
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>28,617.89</b>	<b>-</b>	<b>28,617.89</b>
<b>NET POSITION:</b>			
Invested in capital assets, net of related debt	6,075,702.00	6,346,450.07	12,422,152.07
Unrestricted	3,029,054.92	154,661.90	3,183,716.82
<b>TOTAL NET POSITION</b>	<b>9,104,756.92</b>	<b>6,501,111.97</b>	<b>15,605,868.89</b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b>\$ 9,541,877.62</b>	<b>\$ 8,891,374.94</b>	<b>\$ 18,433,252.56</b>

The accompanying notes are an integral part of this statement.

Town of Oakland, Maine  
Statement of Activities  
For the Year Ended June 30, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
<b>Governmental activities:</b>							
General government	\$ 615,690.80	\$ 9,480.20	\$ -	\$ -	\$ (606,210.60)	\$ -	\$ (606,210.60)
Protection	1,569,597.18	104,872.85	-	-	(1,464,724.33)	-	(1,464,724.33)
Public works	771,665.51	-	-	41,736.00	(729,929.51)	-	(729,929.51)
Sanitation	398,928.64	100,655.85	-	-	(298,272.79)	-	(298,272.79)
Education	4,658,779.32	-	-	-	(4,658,779.32)	-	(4,658,779.32)
County tax	510,186.65	-	-	-	(510,186.65)	-	(510,186.65)
Special appropriations	559,673.36	-	-	-	(559,673.36)	-	(559,673.36)
Town property maintenance	181,363.38	-	-	-	(181,363.38)	-	(181,363.38)
Recreation	134,834.00	-	3,329.01	-	(131,504.99)	-	(131,504.99)
Other	18,345.86	-	5,512.73	-	(12,833.13)	-	(12,833.13)
Depreciation	364,814.00	-	-	-	(364,814.00)	-	(364,814.00)
<b>Total governmental activities</b>	<b>9,783,878.70</b>	<b>215,008.90</b>	<b>8,841.74</b>	<b>41,736.00</b>	<b>(9,518,292.06)</b>	<b>-</b>	<b>(9,518,292.06)</b>
<b>Business-Type activities:</b>							
Sewer	614,970.13	411,518.87	-	-	-	(203,451.26)	(203,451.26)
<b>Total business-type activities</b>	<b>614,970.13</b>	<b>411,518.87</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(203,451.26)</b>	<b>(203,451.26)</b>
<b>Total primary government</b>	<b>10,398,848.83</b>	<b>626,527.77</b>	<b>8,841.74</b>	<b>41,736.00</b>	<b>(9,518,292.06)</b>	<b>(203,451.26)</b>	<b>(9,721,743.32)</b>
<b>General revenues:</b>							
Property taxes, levied for general purposes					7,702,469.63	-	7,702,469.63
Motor vehicle excise taxes					1,195,456.96	-	1,195,456.96
Interest and lien fees					15,930.35	-	15,930.35
Licenses and permits					45,573.66	-	45,573.66
<b>Grants and contributions not restricted to specific programs:</b>							
State revenue sharing					240,829.32	-	240,829.32
Homestead exemption					126,211.00	-	126,211.00
Other					41,652.20	-	41,652.20
Unrestricted investment earnings					14,549.60	130.80	14,680.40
Miscellaneous revenues					254,679.89	-	254,679.89
<b>Total general revenues and transfers</b>					<b>9,637,352.61</b>	<b>130.80</b>	<b>9,637,483.41</b>
<b>Changes in net position</b>					<b>119,060.55</b>	<b>(203,320.46)</b>	<b>(84,259.91)</b>
<b>NET POSITION - BEGINNING</b>					<b>8,965,608.37</b>	<b>6,704,432.43</b>	<b>15,670,040.80</b>
<b>PRIOR PERIOD ADJUSTMENT - SEE FOOTNOTES</b>					<b>20,088.00</b>	<b>-</b>	<b>20,088.00</b>
<b>NET POSITION - BEGINNING - RESTATED</b>					<b>8,985,696.37</b>	<b>6,704,432.43</b>	<b>15,690,128.80</b>
<b>NET POSITION - ENDING</b>					<b>\$ 9,104,756.92</b>	<b>\$ 6,501,111.97</b>	<b>\$ 15,605,868.89</b>

The accompanying notes are an integral part of this statement.

Town of Oakland, Maine  
Balance Sheet  
Governmental Funds  
June 30, 2015

	General Fund	Total Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,847,248.12	\$ 1,847,248.12
Investments	1,247,063.10	1,247,063.10
Due from other governments	36,890.00	36,890.00
Accounts receivable	3,468.99	3,468.99
Prepaid expenses	9,907.00	9,907.00
Taxes receivable, net	8,374.07	8,374.07
Tax liens receivable	313,224.34	313,224.34
<b>TOTAL ASSETS</b>	<b>\$ 3,466,175.62</b>	<b>\$ 3,466,175.62</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>		
<i>Liabilities:</i>		
Accounts payable	\$ 75,660.69	\$ 75,660.69
Due to other governments	17,243.13	17,243.13
Due to Fiduciary Fund	138,981.45	138,981.45
Accrued payroll	55,913.00	55,913.00
Accrued compensated absences - short term	12,091.00	12,091.00
Other accrued expenses	7,143.54	7,143.54
<i>Total liabilities</i>	<i>307,032.81</i>	<i>307,032.81</i>
<i>Deferred inflows of resources:</i>		
Prepaid property taxes	28,617.89	28,617.89
Deferred property tax revenue	257,200.00	257,200.00
<i>Total deferred inflows of resources</i>	<i>285,817.89</i>	<i>285,817.89</i>
<i>Fund balances:</i>		
Assigned	539,901.00	539,901.00
Committed	1,314,916.39	1,314,916.39
Unassigned	1,018,507.53	1,018,507.53
<i>Total fund balances</i>	<i>2,873,324.92</i>	<i>2,873,324.92</i>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 3,466,175.62</b>	
<i>Amounts reported for governmental activities in the statement of net position (Stmt. 1) are different because:</i>		
Depreciable and non-depreciable capital assets as reported in Stmt. 1		6,075,702.00
Long-term liabilities, including bonds payable, as reported on Stmt. 1		(101,470.00)
Deferred property taxes not reported on Stmt. 1		257,200.00
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b>9,104,756.92</b>

The accompanying notes are an integral part of this statement.

**Town of Oakland, Maine**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	General Fund	Total Governmental Funds
<b>REVENUES:</b>		
Property taxes	\$ 7,698,269.63	\$ 7,698,269.63
Excise taxes	1,195,456.96	1,195,456.96
Intergovernmental revenue	459,270.26	459,270.26
Charges for services	215,008.90	215,008.90
Licenses and permits	14,549.60	14,549.60
Investment income	15,930.35	15,930.35
Interest and lien fees	45,573.66	45,573.66
Other revenue	254,679.89	254,679.89
<i>Total revenues</i>	9,898,739.25	9,898,739.25
<b>EXPENDITURES:</b>		
General government	611,857.80	611,857.80
Protection	1,599,495.18	1,599,495.18
Public works	921,279.51	921,279.51
Sanitation	398,928.64	398,928.64
Education	4,658,779.32	4,658,779.32
County tax	510,186.65	510,186.65
Special appropriations	559,673.36	559,673.36
Town property maintenance	181,363.38	181,363.38
Recreation	134,834.00	134,834.00
Unclassified	18,345.86	18,345.86
<i>Total expenditures</i>	9,594,743.70	9,594,743.70
<i>Excess (deficiency) of revenues over (under) expenditures</i>	303,995.55	303,995.55
<b><i>Net change in fund balances</i></b>	303,995.55	303,995.55
<b>FUND BALANCES - BEGINNING</b>	2,569,329.37	2,569,329.37
<b>FUND BALANCES - ENDING</b>	<b>\$ 2,873,324.92</b>	<b>\$ 2,873,324.92</b>

**Town of Oakland, 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, 2015**

<b>Net change in fund balances - total governmental funds (Statement 4)</b>	<b>\$ 303,995.55</b>
<p>Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:</p>	
<p>Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditures on Governmental Funds Report</p>	(364,814.00)
<p>Capital outlays expensed on the Governmental Funds Report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2)</p>	179,512.00
<p>Revenues in the Statement of Activities (Stmt 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes and other deferred revenue.</p>	4,200.00
<p>Change in accrued absences expense as reported on the Statement of Net Position (Stmt. 1)</p>	(3,833.00)
<b>Changes in net position of governmental activities (see Stmt. 2)</b>	<b>\$ 119,060.55</b>

The accompanying notes are an integral part of this statement.



**Town of Oakland, Maine**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	<b>Business-type activities</b>
	<b>Enterprise Funds</b>
	<b>Sewer</b>
<b>ASSETS:</b>	
<i>Current assets:</i>	
Cash and cash equivalents	\$ 155,499.90
Accounts receivable	50,280.49
<i>Total current assets</i>	205,780.39
 <i>Non-current assets:</i>	
<i>Capital assets:</i>	
Property, plant, and equipment	11,266,489.84
Less accumulated depreciation	(2,580,895.29)
<i>Total non-current assets</i>	8,685,594.55
 <b>TOTAL ASSETS</b>	<b>\$ 8,891,374.94</b>
 <b>LIABILITIES:</b>	
<i>Current liabilities:</i>	
Accounts payable	\$ 49,341.49
Accrued payroll	1,500.00
Other accrued expenses	277.00
Bonds payable - current portion	57,633.87
<i>Total current liabilities</i>	108,752.36
 <i>Non-current liabilities:</i>	
Bonds payable - net of current portion	2,281,510.61
<i>Total non-current liabilities</i>	2,281,510.61
<b>TOTAL LIABILITIES</b>	<b>2,390,262.97</b>
 <b>NET POSITION:</b>	
Invested in capital assets, net of related debt	6,346,450.07
Unrestricted	154,661.90
<b>TOTAL NET POSITION</b>	<b>6,501,111.97</b>
 <b>TOTAL NET POSITION OF BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 8,891,374.94</b>

The accompanying notes are an integral part of this statement.

Town of Oakland, Maine  
Statement of Revenues, Expenses, and Changes in Net Position  
Proprietary Funds  
For the Year Ended June 30, 2015

		<u>Business-type activities</u> <u>Enterprise Funds</u> <u>Sewer</u>
<b>Operating revenues:</b>		
Charges for services	\$	402,609.36
Lien collections		4,165.94
Interest on user fees		4,006.77
Miscellaneous		736.80
<i>Total operating revenues</i>		411,518.87
<b>Operating expenses:</b>		
Personnel costs		89,717.26
Contract services		226,689.63
Supplies & materials		4,228.78
Depreciation		179,867.00
Other expenses		33,639.70
<i>Total operating expenses</i>		534,142.37
<i>Operating income (loss)</i>		(122,623.50)
<b>Non-operating revenues (expenses):</b>		
Interest income		130.80
Interest expense		(80,827.76)
<i>Total non-operating revenues (expenses)</i>		(80,696.96)
<i>Net income (loss)</i>		(203,320.46)
<b>NET POSITION - BEGINNING</b>		6,704,432.43
<b>NET POSITION - ENDING</b>	\$	<b>6,501,111.97</b>

The accompanying notes are an integral part of this statement.

Town of Oakland, Maine  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2015

	Business-type activities Enterprise Funds	
	Sewer	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$	420,598.78
Other income		736.80
Payments to employees		(99,007.26)
Payments to suppliers		(285,258.11)
<i>Net cash provided (used) by operating activities:</i>		37,070.21
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Bond repayments		(55,752.24)
Interest expense on bonds payable		(80,827.76)
<i>Net cash provided (used) in non-capital financing activities:</i>		(136,580.00)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest on investments		130.80
<i>Net cash provided (used) by investing activities:</i>		130.80
<i>Net increase (decrease) in cash and cash equivalents:</i>		(99,378.99)
<b>CASH BALANCES - BEGINNING OF YEAR</b>		254,878.89
<b>CASH BALANCES - END OF YEAR</b>		<b>\$ 155,499.90</b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income (loss)	\$	(122,623.50)
<i>Adjustments to reconcile operating income to net cash provided (used) in operating activities</i>		
Depreciation expense		179,867.00
<i>Change in net assets and liabilities:</i>		
Accounts receivable		9,816.71
Accounts payable		(20,700.00)
Accrued payroll		20.00
Other accrued expenses		(9,310.00)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		<b>\$ 37,070.21</b>

The accompanying notes are an integral part of this statement.

**Town of Oakland, Maine**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

	<b>Private Purpose Trust Fund</b>
<b>ASSETS</b>	
Due from the General Fund	\$ 138,981.45
<i>Total assets</i>	<b>\$ 138,981.45</b>
 <b>NET POSITION</b>	
<i>Restricted for:</i>	
Cemeteries	\$ 75,681.45
Distressed persons	7,500.00
Library	5,800.00
Clarissa Greenough library	50,000.00
<b>FIDUCIARY NET POSITION</b>	<b>\$ 138,981.45</b>

The accompanying notes are an integral part of this statement.

**Town of Oakland, Maine**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2015**

	<b>Private Purpose Trust Fund</b>
<hr/>	
<b>Additions:</b>	
Contributions	\$ 1,500.00
<hr/>	
<i>Change in Net Position</i>	1,500.00
<b>NET POSITION - BEGINNING OF YEAR</b>	137,481.45
<hr/>	
<b>NET POSITION - END OF YEAR</b>	<b>\$ 138,981.45</b>
<hr/>	

The accompanying notes are an integral part of this statement.

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Town of Oakland, Maine (the Town) was incorporated on February 26, 1873. The Town operates under a town council – town manager form of government and is incorporated under the laws of the State of Maine.

The accounting policies of the Town conform to U.S. generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, and its amendments, established new financial reporting requirements for governments and caused the Town to restructure much of the information presented in the past. The more significant of the government’s accounting policies are described below.

In evaluating how to define the Town for financial purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth in GASB Statement No. 14 *The Financial Reporting Entity* as amended by GASB Statement No. 39. The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body’s ability to exercise oversight responsibility. Based on the criteria, it was determined that no other entities should be included in the Town’s financial statements.

Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 1989 that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB-pronouncements issued after that date to its business-type activities, the Town has chosen not to do so.

**B. Basis of Presentation**

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.

Government-Wide Financial Statements

The Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reports information on all of the non-fiduciary activities of the Town as a whole.

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Basis of Presentation (Continued)**

The Statement of Net Position reports all financial and capital resources of the Town and reports the difference between assets and liabilities, as “net position” not fund balance or equity. The Statement of Activities shows the degree to which the direct expenses of a given function or segment are offset by program revenue and reflects the “net (expense) revenue” of the Town’s individual functions before applying general revenues. The Town has elected not to allocate indirect costs among programs. Program revenues include 1) charges to customers for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. The focus of governmental and proprietary fund financial statements is on major funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column. The General Fund is always a major fund.

Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

**C. Measurement Focus and Basis of Accounting**

Governmental Fund Types

*General Fund* – 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.

Proprietary Fund Type

*Sewer Fund* – The sewer fund is a business-type fund used to account for the activities related to the operations of the Town’s sewer system.

Fiduciary Fund Types

*Fiduciary funds* account for assets held by the Town in a trustee capacity. Non-expendable trust funds are held for investment with the interest only available for cemetery and other specified expenditures.

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting is a conceptual description of the timing of the accounting measurements made.

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The Government-wide financial statements use the economic resources measurement focus and the accrual basis of accounting in accordance with GASB #34. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the grantor have been met.

As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements.

Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis concept, revenues are recognized when they become measurable (estimable as to the net amount to be collected) and available as current assets. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

When both restricted and unrestricted resources are available, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

**D. Budgets and Budgetary Accounting**

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised at the selectmen level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

**E. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses**

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with financial institutions, and other accounts with an original maturity of three months or less when purchased. Investments are recorded at fair value.

Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts.



**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The Town defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical costs or estimated historical costs if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 5 to 100 years.

Net Position and Fund Balances

In the Government-wide financial statements, the difference between the Town's total assets and total liabilities represents net position. Net position displays three components – invested in capital assets, net of related debt; restricted (distinguished between major categories of restrictions); and unrestricted. Unrestricted net position represents the net assets available for future operations.

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. These designations are categorized as follows:

*Assigned* – Funds intended to be used for specific purposes set by the Town Council.

*Committed* – Funds that can only be used for a specific purpose pursuant to constraints imposed by residents through voting for the articles proposed during a Town meeting. The constraints on these amounts may only be modified or rescinded by a vote of the residents at a Town meeting.

*Unassigned* – Funds available for any purpose.

Deferred Revenue

Deferred revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenue arises when resources are received by the Town before it has legal claim to them. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Property Taxes

Property taxes for the current year were committed on July 2, 2014, on the assessed value listed as of April 1, 2014, for all real and personal property located in the Town. Payment of taxes was due in four installments; August 14, 2014, October 17, 2014, January 16, 2015 and March 13, 2015, with interest at 7% on all tax bills unpaid as of the due dates.

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 \$36,095.56 for the year ended June 30, 2015.

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.

Compensated Absences

The Town allows employees to carry forward compensated absences. At June 30, 2015 the long-term accrued compensated absences for the Town totals \$101,470.00.

Risk Management

The Town pays insurance premiums to certain agencies to cover risks that may occur in normal operations. The Town purchases employee fidelity bond coverage. There have been no significant reductions in insurance coverage from the prior year. No settlements of claims have exceeded insurance coverage in the current year.

The Town is 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 compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the Fund for its workers 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, individual stop loss coverage for member Towns’ claims in excess of \$400,000, with an excess limit of \$2,000,000.

The Town is a member of the Maine Municipal Association – Property Casualty Pool (“Pool”). The Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided, after the deductible is met, to \$200,000,000. Under the liability portion of the Pool, coverage is provided, after the deductible is met, to \$1,000,000.

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense. Actual results could differ from those estimates.

**2. DEPOSITS AND INVESTMENTS**

Deposits

Custodial credit risk of deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. GASB Statement No. 40 directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized or collateralized by securities held by the pledging financial institution's trust department but not in the Town's name. At June 30, 2015, cash deposits totaled \$2,013,489.53 and had a carrying value of \$2,002,748.02. Of the deposited amounts, \$250,000 of demand deposits and \$250,000 of savings deposits per bank were covered by federal depository insurance. Deposits above FDIC are covered by collateral held by the pledging financial institution's trust department or agent in the Town's name. Accordingly, the Town was not exposed to credit risk at June 30, 2015.

Investments

The Town's investment policies, which follow state statutes, 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. These investment policies apply to all Town funds. At June 30, 2015, the Town had the following investments:

Government bonds	\$ 1,139,469.61
Money market funds	96,925.18
Accrued interest	10,643.31
Certificates of deposit	25.00
	<hr/>
	\$ 1,247,063.10

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**3. CAPITAL ASSETS**

<b>Governmental activities:</b>	<b>Balance 7/1/14</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/15</b>
Capital assets being depreciated:				
Land & easements	\$ 1,507,253	\$ -	\$ -	\$ 1,507,253
Buildings	2,227,742	-	-	2,227,742
Equipment	1,323,231	3,999	-	1,327,230
Vehicles	2,411,217	29,898	(26,608)	2,414,507
Infrastructure	2,679,998	145,615	-	2,825,613
<i>Total capital assets</i>	10,149,441	179,512		10,302,345
Less accumulated depreciation	(3,888,436)	(364,814)	26,608	(4,226,642)
<b>Governmental activities Capital assets, net</b>	<b>\$ 6,261,005</b>	<b>\$ (185,302)</b>	<b>\$ -</b>	<b>\$ 6,075,703</b>

Depreciation expense can be allocated to departments as follows:

General government	\$ 2,800
Protection	103,397
Public works	185,253
Property maintenance	37,178
Recreation	2,260
Sanitation	33,926
	<b>\$364,814</b>

<b>Business-type activities:</b>	<b>Balance 7/1/14</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 6/30/15</b>
Capital assets being depreciated:				
Land & easements	\$ 500	\$ -	\$ -	\$ 500
Buildings	1,963,133	-	-	1,963,133
Transmission lines	8,204,488	-	-	8,204,488
Equipment	1,098,369	-	-	1,098,369
<i>Total capital assets</i>	11,266,490	-	-	11,266,490
Less accumulated depreciation	(2,401,028)	(179,867)	-	(2,580,895)
<b>Governmental activities Capital assets, net</b>	<b>\$ 8,865,462</b>	<b>\$ (179,867)</b>	<b>\$ -</b>	<b>\$ 8,685,595</b>

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**4. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2015, was as follows:

Description	Balance 7/1/2014	Additions	(Reductions)	Balance 6/30/2015
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Rural development, issued 2011, due annually through 2040, 3.375%	\$ 2,394,897	\$ -	\$ (55,752)	\$ 2,339,145
<b>Total</b>	<b>\$ 2,394,897</b>	<b>\$ -</b>	<b>\$ (55,752)</b>	<b>\$ 2,339,145</b>

The annual future principal payment requirement for bonds payable outstanding as of June 30, 2015, is as follows:

Year ending June 30,	Business-type Activities
2016	\$ 57,634
2017	59,579
2018	61,590
2019	63,668
2020	65,817
2021-2025	363,944
2026-2030	429,648
2031-2035	507,213
2036-2040	598,781
2041	<u>131,271</u>
<b>Total</b>	<b><u>\$ 2,339,145</u></b>

**5. PENDING LITIGATION**

According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town through the date of the audit report.

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**6. SUBSEQUENT EVENTS**

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**7. FUND BALANCES**

*Assigned Balances:*

The Town Council has the authority to assign amounts for specific future expenditures. Approved assigned balances at June 30, 2015, consist of:

Administration	\$ 11,822
Protection	3,023
Contingency	104,466
Recreation	5,000
Road improvements	66,577
Capital improvements	<u>349,013</u>
<b>Total</b>	<b><u>\$ 539,901</u></b>

**8. DEFERRED COMPENSATION PLAN**

The Town offers full-time employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 through ICMA Retirement Corporation. The plan permits salary deferral to future years. Participation in the plan is optional. As of June 30, 2015, twenty-eight employees were enrolled in the plan. The deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

The Town has amended its plan in accordance with Internal Revenue Section 457(g); therefore, the Town no longer owns the deferred amounts and they have been removed from the Town's financial statements.

Investments are managed by the plan's trustee under one of two investment options or a combination thereof. The choice of investment options is made by the participants.

The Town's policy states the Town shall match 6.5%. Total Town contributions for the year ended June 30, 2015 was \$110,866.

**TOWN OF OAKLAND, MAINE  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2015**

**9. FUND BALANCES (CONTINUED)**

*Committed Balances:*

Capital improvement reserve	\$ 245,080.41
Drug forfeiture funds	2,131.05
Memorial hall	3,579.12
Demolition debris reserve	107,769.14
Digital mapping reserve	28,387.00
Learning for life reserve	117.12
Cascade Mill funds	75,479.77
Swim area reserve	62,031.44
Cemetery trust – income portion	111,407.53
Efficiency Maine grant	611.09
SRO association grant	1,088.47
Underage drinking grant	3,940.93
Distressed persons trust fund – income	17,789.27
Municipal building reserve	80,189.60
Chris Curato memorial trust	223.89
DARE contribution reserve	1,911.38
Tax acquired property reserve	113,385.25
Wellness grant	670.21
Firstpark reserve	221,307.01
Library gifts reserve	16,610.32
Library building improvements fund	38,389.72
Loader replacement	6,750.00
Library trust fund – income portion	421.21
Don Borman donation	3,194.98
TIF reserve	41,560.62
Septic system replacement reserve	5,766.93
Phoebe Folsom recreation reserve	35,458.09
Road improvement reserve	88,164.87
Clarissa Greenough book trust - income	1,499.97
<b>Total</b>	<b>\$ 1,314,916.39</b>

**10. PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment was made to correct the accumulated depreciation beginning balances. The adjustment for the Governmental Activities can be found on Statement 2 – *Statement of Activities* with an increase of \$20,088.00 to beginning net position of the governmental activities.

Town of Oakland, Maine  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final		Final Budget- Positive (negative)
<b>REVENUES:</b>				
Property taxes	\$ 7,664,573.48	\$ 7,664,573.48	\$ 7,698,269.63	\$ 33,696.15
Excise taxes	1,062,000.00	1,062,000.00	1,195,456.96	133,456.96
Intergovernmental revenue	447,682.58	447,682.58	459,270.26	11,587.68
Charges for services	252,912.00	252,912.00	215,008.90	(37,903.10)
Licenses and permits	13,000.00	13,000.00	14,549.60	1,549.60
Investment income	25,000.00	25,000.00	15,930.35	(9,069.65)
Interest and lien fees	38,000.00	38,000.00	45,573.66	7,573.66
Other revenues	208,050.00	208,050.00	254,679.89	46,629.89
<i>Total revenues</i>	<i>9,711,218.06</i>	<i>9,711,218.06</i>	<i>9,898,739.25</i>	<i>187,521.19</i>
<b>EXPENDITURES:</b>				
General government	621,806.00	634,217.00	611,857.80	22,359.20
Protection	1,634,348.00	1,635,536.00	1,599,495.18	36,040.82
Public works	987,635.00	1,003,087.00	921,279.51	81,807.49
Sanitation	396,569.00	396,569.00	398,928.64	(2,359.64)
Education	4,658,779.35	4,658,779.35	4,658,779.32	0.03
County tax	510,436.65	510,436.65	510,186.65	250.00
Special appropriations	519,278.50	519,278.50	559,673.36	(40,394.86)
Town property maintenance	192,425.00	192,425.00	181,363.38	11,061.62
Recreation	141,845.00	146,345.00	134,834.00	11,511.00
Unclassified	23,000.00	122,743.00	18,345.86	104,397.14
Capital outlay	154,000.00	348,850.00	-	348,850.00
<i>Total expenditures</i>	<i>9,840,122.50</i>	<i>10,168,266.50</i>	<i>9,594,743.70</i>	<i>573,522.80</i>
<i>Net changes in fund balances</i>	<i>(128,904.44)</i>	<i>(457,048.44)</i>	<i>303,995.55</i>	<i>(386,001.61)</i>
<b>FUND BALANCES - BEGINNING</b>			<u>2,569,329.37</u>	
<b>FUND BALANCES - ENDING</b>			<u>\$ 2,873,324.92</u>	



**Town of Oakland, Maine**  
**Schedule of Property Valuation, Assessments, and Appropriations**  
**General Fund**  
**For the Year Ended June 30, 2015**

<i>Assessed Valuation:</i>	
Real estate valuation	\$ 504,893,100.00
Personal property valuation	<u>14,739,000.00</u>
<b>Total valuation</b>	<u>519,632,100.00</u>
<i>Tax Commitment:</i>	
Tax assessment at \$14.75 per thousand	<u>7,664,573.48</u>
<i>Reconciliation of Commitment with Appropriation:</i>	
Current year tax commitment, as above	7,664,573.48
Appropriated from surplus and carryovers	165,000.00
Estimated revenues	<u>2,046,644.58</u>
<b>Appropriations per original budget</b>	<u>9,876,218.06</u>
<i>Overlay</i>	<u>(36,095.56)</u>
<b>TOTAL APPROPRIATIONS</b>	<u><u>\$ 9,840,122.50</u></u>

**Town of Oakland, Maine  
Schedule of Taxes Receivable  
General Fund  
June 30, 2015**

<i>Taxes receivable:</i>		
Personal property	<u>\$ 8,374.07</u>	\$ 8,374.07
 <i>Tax liens receivable:</i>		
2014-2015	199,961.74	
2013-2014	105,653.76	
2012-2013	2,932.20	
2011-2012	3,120.27	
2010-2011	<u>1,556.37</u>	<u>313,224.34</u>
 <b>TOTAL TAXES RECEIVABLE AND TAX LIENS RECEIVABLE</b>	 <b><u>\$ 321,598.41</u></b>	