

Town of Oakland, Maine

**ANNUAL FINANCIAL STATEMENTS**  
**(with required and other supplementary information)**

For the Year Ended June 30, 2021

## CONTENTS

	<b>Statement</b>	<b>Page</b>
Independent Auditor's Report		4-5
Required Supplementary Information		
Management's Discussion and Analysis		6-12
Basic Financial Statements		
Government-wide Financial Statements		
Statement of net position	1	13
Statement of activities	2	14
Fund Financial Statements		
Balance sheet – governmental funds	3	15
Reconciliation of the governmental funds balance sheet to the statement of net position	3A	16
Statement of revenues, expenditures and changes in fund balances – governmental funds	4	17
Reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities	4A	18
Statement of net position – proprietary fund	5	19
Statement of revenues, expenses and changes in fund balances – proprietary fund	6	20
Statement of cash flows – proprietary fund	7	21
Statement of fiduciary net position – fiduciary funds	8	22
Statement of changes in fiduciary net position – fiduciary funds	9	23
Notes to basic financial statements		24-41
	<b>Exhibit</b>	
Required Supplementary Information		
Budget and actual (with variances) – general fund	1	42
Schedule of changes in total health plan OPEB liability and related ratios	2	43
	<b>Schedule</b>	
Other Supplementary Information		
Taxes receivable, tax liens receivable, and tax acquired property	1	44

## Independent Auditor's Report

Board of Selectmen  
Town of Oakland, Maine

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oakland, Maine as of and for the year ended June 30, 2021, 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 the 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 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Oakland, Maine, as of June 30, 2021 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 information, and OPEB information on pages 6 through 12 and pages 42 through 43 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*

The other supplementary information on Schedule 1 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, Schedule 1 is 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 December 28, 2021, on our consideration of the Town of Oakland, 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 Oakland, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Oakland, Maine's internal control over financial reporting and compliance.

*Brantron Whibodan & Associates*

Bangor, Maine  
December 28, 2021



## **Management Discussion and Analysis for the Year Ended June 30, 2021 (Unaudited)**

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 \$17,567,231. Of this amount, \$4,616,728 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town of Oakland's total net position increased by \$954,619 with a restatement of \$36,866.
- At the close of the current fiscal year, the Town of Oakland's governmental fund reported combined ending fund balances of \$4,498,913 a increase of \$656,075 as compared with the prior year mostly from spending on new fire station construction.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,321,261 or 19% of total general fund expenditures.
- The Town of Oakland's long term debt decreased from \$5,105,448 to \$4,922,833. \$182,615 of debt was retired. State law limits municipal debt to 15% of property valuation. \$86,102,340 is the debt ceiling for the Town of Oakland.
- At the close of the current fiscal year, 99% of the 2020-2021 tax commitment was collected. The state average is 92%.
- Motor Vehicle Excise Taxes increased 14%. The current year's collections were \$1,536,561, up from \$1,352,592 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 position presents information on all of the Town's assets and liabilities, with the differences between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 governmental-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 position 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 \$16,612,612 at the close of the most recent fiscal year.

By far the largest portion of the Town of Oakland's net assets (76%) 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.

### **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.

The governmental funds are comprised of the general fund and capital projects fund.

At the end of the current fiscal year, the Town of Oakland's governmental funds reported combined ending fund balances of \$4,498,913, an increase of \$656,075 over the prior year.

The general fund unassigned fund equity balance increased from \$1,553,205, as of June 30, 2020, to \$2,321,261 as of June 30, 2021. Unspent appropriations, excess revenues and the overlay balance contributed \$1,271,897 to this account. \$312,313 of fund equity was used to fund the 2020-21 budget.

The capital improvement reserve balance moved from \$375,747 last year to \$300,747 as of June 30, 2021. \$75,000 of this account was used to offset the 2020-2021 budget. This account is funded by allocating 25% of unspent appropriations and 25% of excess revenues from each year's budget. That totaled \$209,645 in 2020-2021 and is added after year end.



## FUND EQUITY & CAPITAL IMPROVEMENT RESERVE ( AFTER BUDGET)



### Town of Oakland's Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 4,952,823	\$ 4,226,405	\$ 389,915	\$ 373,609	\$ 5,342,738	\$ 4,600,014
Capital assets	<u>10,153,429</u>	<u>9,819,931</u>	<u>7,663,254</u>	<u>7,831,912</u>	<u>17,816,683</u>	<u>17,651,843</u>
<b>Total assets</b>	<b>\$ 15,106,252</b>	<b>\$ 14,040,322</b>	<b>\$ 8,053,169</b>	<b>\$ 8,375,888</b>	<b>\$ 23,159,421</b>	<b>\$ 22,416,210</b>
Deferred Inflows related to OPEB	75,195	66,354			75,195	66,354
Long-term liabilities outstanding	3,355,754	3,416,460	1,961,606	2,028,378	5,317,360	5,444,838
Other liabilities	<u>207,937</u>	<u>238,478</u>	<u>50,714</u>	<u>122,374</u>	<u>258,651</u>	<u>360,852</u>
<b>Total liabilities</b>	<b>\$ 3,563,691</b>	<b>\$ 3,548,429</b>	<b>\$ 2,012,320</b>	<b>\$ 2,083,979</b>	<b>\$ 5,576,011</b>	<b>\$ 5,632,408</b>
Deferred Inflows of Resources						
Deferred Inflows related to OPEB	38,618	45,790			38,618	45,790
Prepaid Taxes	52,756	27,401			52,756	27,401
<b>Net assets:</b>						
Invested in capital assets						
net of related debt	7,192,201	6,741,809	5,701,648	5,804,586	12,893,849	12,546,395

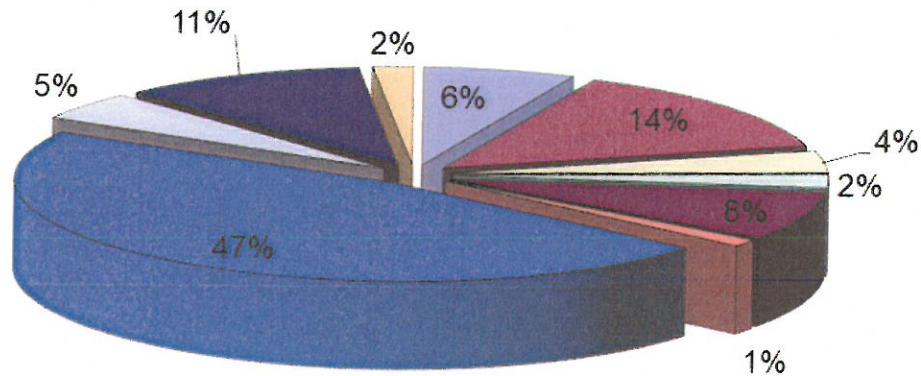
Restricted	56,654	2,320,316			56,654	2,320,316
Unrestricted	<u>4,277,527</u>	<u>976,814</u>	<u>339,201</u>	<u>278,483</u>	<u>4,616,728</u>	<u>1,255,297</u>
Total net position	\$ 11,526,382	\$ 10,491,070	\$ 6,040,849	\$ 6,121,542	\$ 17,567,231	\$ 16,612,612

### General Fund Budgetary Highlights

#### Expenditures

The 2020-2021 budget included appropriations of \$6,484,421 for municipal services, \$5,852,009 for RSU #18 costs and \$592,641 for Kennebec County government services. The municipal services budget increased 15.0%. The Kennebec County budget assessment increased 12.0% and the RSU #18 assessment was up .3%. 96% of the total budget was spent and 4% or \$605,964 remained unspent at year end. \$433,319 was carried forward into the 2021-20202 fiscal year. \$312,827 was returned to fund equity and reserve for other purposes.

**2020-2021  
General Fund Expenditures**



■ General Government - 6.47%	■ Public Safety - 14.2%
□ Sanitation - 3.6%	□ Town Property Maint - 2.2%
■ Public Works - 8.3%	■ Leisure Services - 1.1%
■ Education - 47.1%	□ County Tax - 4.8%
■ Special Appropriations - 10.54%	□ Debt Service - 1.74%

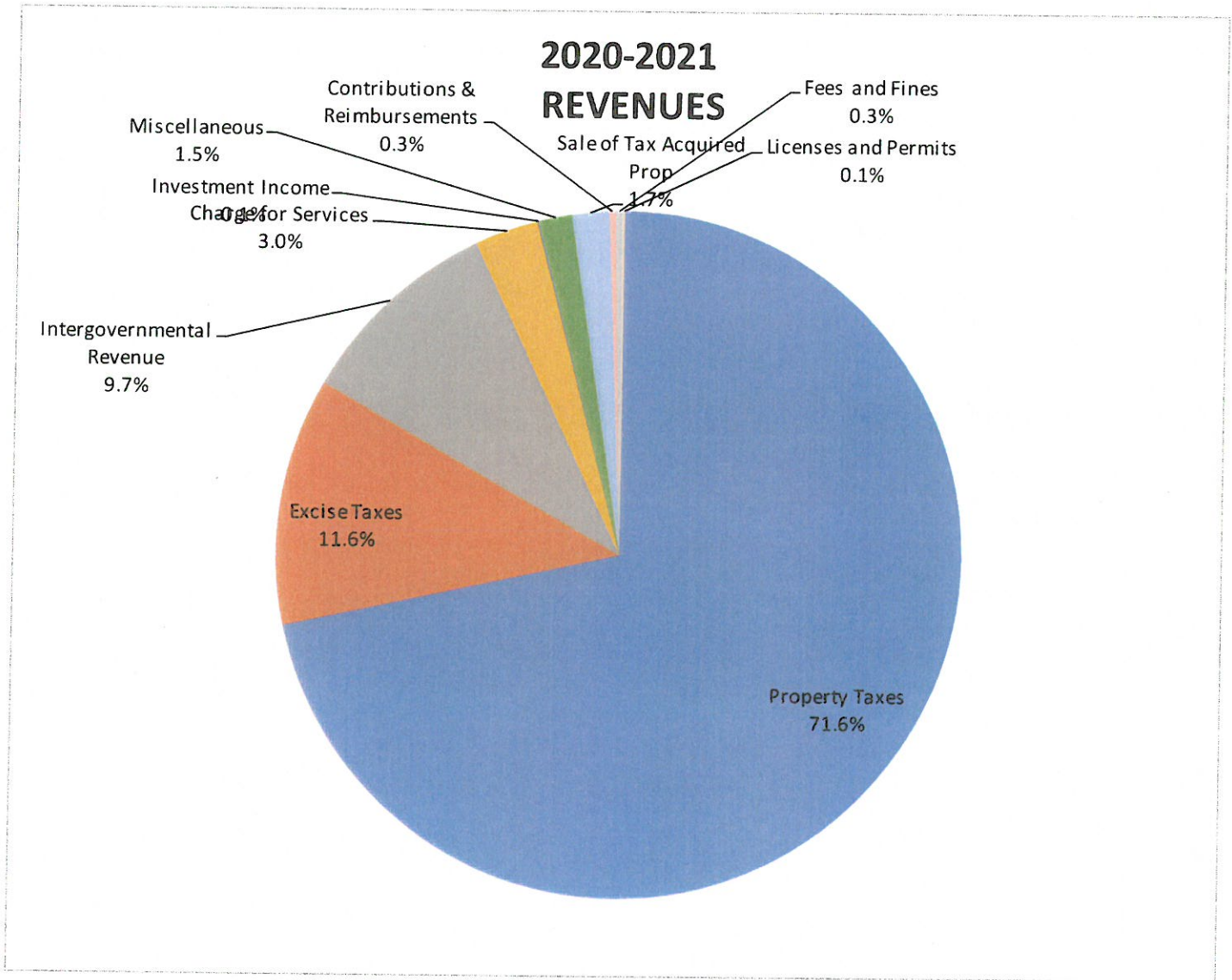


**Revenues**

Revenues for 2020-21 were budgeted at \$3,119,826. Included in this was \$275,000 from fund equity and \$75,000 from capital improvements reserve. Total revenue collections were \$3,497,542; \$633,023 or 6% more than budgeted.

Motor Vehicle Excise Tax collections increased, from \$1,342,365 last year to \$1,352,592, up 2.0%. State Revenue Sharing has increased from \$275,635 in 2018-19 to \$510,439 in 2019-20.

The current year property tax collection rate increased from 98.35% to 99.0%.



**Capital Assets**

Spending on capital assets increased this year compared to the prior year. In 2020-21 \$765,658 was spent, down from \$2,378,852 last year. The Fire Station accounted for \$179,087 of 2020-21 spending. Total capital assets, net of depreciation, increased from \$17,651,843 last year to \$17,816,683 this year.

### **OPEB Liability**

The Total Health Plan Other Pension Employer Liability (OPEB) increased from \$268,572 to \$309,923 as of 6/30/2021.

### **Debt Service**

\$182,615 of the Town's debt was retired in 2020-21. The beginning debt balance was \$5,105,448. The ending balance was \$4,922,834.

### **Property Valuations**

Total real estate and personal property valuation increased by 2.2%, from \$552,931,100 last year to \$574,015,600 in 2020-2021. The mil rate remained unchanged at 16.40 in 2020-21.

### **Proprietary Funds.**

The unrestricted net position of the Town's wastewater pumping fund increased from \$312,592 last year to \$339,201 this year. The year-end cash balance increased from \$312,575 a year ago to \$341,512 in the current year. This enterprise fund generates its' revenues from user fees.

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

- The residential property market has strengthened over this past year. New economic business growth continues to strengthen Oakland's tax base.
- Motor vehicle excise tax revenue collections continued upward in 2020-2021, overall revenues exceeded the budgeted revenues by 22%.
- Oakland's financial health continues to strengthen. Uncollected taxes remain below the state average and declined from the previous year. Capital spending was increased over prior years and funded adequately the operational needs of the Town of Oakland. In April budgets were held due to the Covid-19 pandemic, it was a strategic decision made not knowing what the outcome of expenses and revenues would be.
- 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 2021-22 budget passed at the May 2021 town meeting, was under the tax levy limit.
- State revenue sharing finished the year at \$675,258.13 which was more than what was budgeted. The current projection for 2021-2022 is \$685,000.
- 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. The loan portion was \$2,501,000. In August 2021 the 10<sup>th</sup> annual bond payment of \$136,580 was made. 19 years remain on this bond.
- The financial position of the sewer fund has improved significantly since this increase in rates in 2015. The sewer fund net position increased from \$154,662 in June 2015 to \$339,201 in June 2021.
- 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. In the Fall of 2021 natural gas pipeline was extended in First Park.
- The Town of Oakland council approved to accept \$666,289.96 in American Rescue Plan Act Funds (ARPA) which will be used to replace old clay sewer pipes in Oakland.

Respectfully submitted,  
Kelly Pinney-Michaud  
Finance Director

**Town of Oakland, Maine**  
**Statement of Net Position**  
**June 30, 2021**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,913,626	\$ 341,512	\$ 2,255,138
Cash - restricted	79,086	-	79,086
Investments	2,597,065	-	2,597,065
Taxes receivable, net	220,006	-	220,006
Sewer fees receivable	-	48,403	48,403
Due from other governmental agencies	141,761	-	141,761
Prepaid expenses	1,279	-	1,279
Capital assets not being depreciated	1,593,854	500	1,594,354
Capital assets being depreciated, net	8,559,575	7,662,754	16,222,329
	<u>15,106,252</u>	<u>8,053,169</u>	<u>23,159,421</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to OPEB	75,195	-	75,195
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	147,077	49,113	196,190
Due to other governmental agencies	9,024	-	9,024
Due to fiduciary fund	4,125	-	4,125
Accrued compensated absences	47,711	1,601	49,312
Long-term liabilities			
Due within one year			
Bonds and notes payable	117,904	70,335	188,239
Due in more than one year			
Bonds and notes payable	2,843,324	1,891,271	4,734,595
Net OPEB liability	309,923	-	309,923
Accrued compensated absences	84,603	-	84,603
	<u>3,563,691</u>	<u>2,012,320</u>	<u>5,576,011</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to OPEB	38,618	-	38,618
Prepaid taxes	52,756	-	52,756
	<u>91,374</u>	<u>-</u>	<u>91,374</u>
<b>NET POSITION</b>			
Net investment in capital assets	7,192,201	5,701,648	12,893,849
Restricted, expendable for			
Capital projects	56,654	-	56,654
Unrestricted	4,277,527	339,201	4,616,728
	<u>\$ 11,526,382</u>	<u>\$ 6,040,849</u>	<u>\$ 17,567,231</u>

Town of Oakland, Maine  
Statement of Activities  
For the Year Ended June 30, 2021

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
<b>Primary government</b>							
Governmental activities							
General government	\$ 812,441	\$ 95,180	\$ 5,054	\$ -	\$ (712,207)	\$ -	\$ (712,207)
Town properties	283,624	35,795	-	-	(247,829)	-	(247,829)
Public safety	1,912,054	135,525	-	12,645	(1,763,884)	-	(1,763,884)
Public works	1,138,284	-	-	40,064	(1,098,220)	-	(1,098,220)
Sanitation	454,907	118,230	-	-	(336,677)	-	(336,677)
Education	5,852,008	-	-	-	(5,852,008)	-	(5,852,008)
Leisure services	142,415	13,610	44,472	-	(84,333)	-	(84,333)
County tax	592,641	-	-	-	(592,641)	-	(592,641)
Cemeteries	-	7,300	-	-	7,300	-	7,300
Special appropriations	850,436	-	53,550	-	(796,886)	-	(796,886)
Interest and other charges on long-term debt	99,030	-	-	-	(99,030)	-	(99,030)
Capital outlay	48,958	-	-	52,150	3,192	-	3,192
Total governmental activities	12,186,798	405,640	103,076	104,859	(11,573,223)	-	(11,573,223)
Business-type activities							
Sewer fund	637,020	555,721	-	-	-	(81,299)	(81,299)
Total primary government	\$ 12,186,798	\$ 405,640	\$ 103,076	\$ 104,859	(11,573,223)	(81,299)	(11,654,522)
<b>General revenues</b>							
Taxes							
Property taxes					9,405,445		9,405,445
Excise taxes, permits, licenses and other fees					1,536,561		1,536,561
Interest and lien costs					42,273		42,273
Grants and contributions not restricted to specific programs					1,226,396		1,226,396
Unrestricted investment earnings and interest					(9,645)	606	(9,039)
Miscellaneous					140,531		140,531
<b>Special item - gain on disposal of assets</b>					230,108		230,108
Total general revenues					12,571,669	606	12,572,275
Change in net position					998,446	(80,693)	917,753
<b>NET POSITION - BEGINNING</b>					10,491,070	6,121,542	16,612,612
Reclassification of fiduciary funds					36,866	-	36,866
<b>NET POSITION - BEGINNING, RESTATED</b>					10,527,936	6,121,542	16,649,478
<b>NET POSITION - ENDING</b>					\$ 11,526,382	\$ 6,040,849	\$ 17,567,231

See accompanying notes to basic financial statements.

**Town of Oakland, Maine**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	General Fund	Capital Projects Fund	Total Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 1,913,626	\$ -	\$ 1,913,626
Cash - restricted	-	79,086	79,086
Investments	2,597,065	-	2,597,065
Taxes receivable, net	220,006	-	220,006
Due from other governmental agencies	141,761	-	141,761
Due from other funds	22,432	-	22,432
Prepaid expenses	1,279	-	1,279
	<u>4,896,169</u>	<u>79,086</u>	<u>4,975,255</u>
Total assets	<u>\$ 4,896,169</u>	<u>\$ 79,086</u>	<u>\$ 4,975,255</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>Liabilities</b>			
Accounts payable	\$ 118,260	\$ -	\$ 118,260
Due to other funds	4,125	22,432	26,557
Payable to other governments	9,024	-	9,024
Accrued payroll	28,817	-	28,817
Accrued compensated absences	47,711	-	47,711
Other accrued liabilities	-	-	-
	<u>207,937</u>	<u>22,432</u>	<u>230,369</u>
Total liabilities	<u>207,937</u>	<u>22,432</u>	<u>230,369</u>
<b>Deferred inflows of resources</b>			
Prepaid taxes	52,756	-	52,756
Unavailable property taxes	193,217	-	193,217
	<u>245,973</u>	<u>-</u>	<u>245,973</u>
Total deferred inflows of resources	<u>245,973</u>	<u>-</u>	<u>245,973</u>
<b>Fund balances</b>			
Nonspendable for			
Prepaid expenses	1,279	-	1,279
Restricted for			
Capital projects	-	56,654	56,654
Committed for			
Other purposes	1,686,400	-	1,686,400
Assigned for			
Other purposes	433,319	-	433,319
Unassigned	2,321,261	-	2,321,261
	<u>4,442,259</u>	<u>56,654</u>	<u>4,498,913</u>
Total fund balances	<u>4,442,259</u>	<u>56,654</u>	<u>4,498,913</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,896,169</u>	<u>\$ 79,086</u>	<u>\$ 4,975,255</u>

See accompanying notes to  
basic financial statements.



**Town of Oakland, Maine**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2021**

Total fund balance, governmental funds	\$ 4,498,913
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	10,153,429
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds.	
Deferred inflows related to property taxes	193,217
Certain deferred outflows of resources and deferred inflows of resources related to OPEB are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.	36,577
Some liabilities, (such as Accrued interest, Capital Lease Contract Payable, Accrued Compensated Absences, Other Postemployment Benefit Obligation, and Bonds and Notes Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.	<u>(3,355,754)</u>
Net Position of Governmental Activities in the Statement of Net Position	<u>\$ 11,526,382</u>

See accompanying notes to  
basic financial statements.

**Town of Oakland, Maine**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Property taxes	\$ 9,446,766	\$ -	\$ 9,446,766
Excise and miscellaneous taxes	1,536,561	-	1,536,561
Fees and fines	42,273	-	42,273
Licenses and permits	11,754	-	11,754
Intergovernmental	1,277,227	51,828	1,329,055
Charges for services	393,887	-	393,887
Investment and interest earnings (loss)	(9,645)	322	(9,323)
Contributions and reimbursements	41,903	-	41,903
Miscellaneous	203,582	-	203,582
	<u>12,944,308</u>	<u>52,150</u>	<u>12,996,458</u>
<b>EXPENDITURES</b>			
Current			
General government	804,239	-	804,239
Public safety	1,766,586	-	1,766,586
Public works	1,028,028	-	1,028,028
Sanitation	449,687	-	449,687
Leisure services	141,278	-	141,278
Education	5,852,008	-	5,852,008
County tax	592,641	-	592,641
Town properties	267,970	-	267,970
Special appropriations	1,309,910	-	1,309,910
Debt service			
Principal	116,893	-	116,893
Interest and loan fees	99,030	-	99,030
Capital outlay	-	179,087	179,087
	<u>12,428,270</u>	<u>179,087</u>	<u>12,607,357</u>
Excess (deficiency) of revenues over expenditures	<u>516,038</u>	<u>(126,937)</u>	<u>389,101</u>
<b>SPECIAL ITEM</b>			
Proceeds from sale of tax acquired property	230,108	-	230,108
Net change in fund balances	746,146	(126,937)	619,209
<b>FUND BALANCES - BEGINNING</b>	3,659,247	183,591	3,842,838
Reclassification from fiduciary funds	36,866	-	36,866
<b>FUND BALANCES - BEGINNING, RESTATED</b>	<u>3,696,113</u>	<u>183,591</u>	<u>3,879,704</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 4,442,259</u>	<u>\$ 56,654</u>	<u>\$ 4,498,913</u>

See accompanying notes to basic financial statements.

**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, 2021**

Net change in fund balances - total governmental funds: \$ 619,209

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

Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period.

Capital outlays	\$ 752,682	
Depreciation	<u>(419,184)</u>	333,498

Revenues in the Statement of Activities 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. (41,321)

Some deferred outflows of resources and deferred inflows of resources related to pensions reported in the statement of activities do not require the use of current financial resources and these are not reported in governmental funds:

Deferred outflows related to OPEB	8,841
Deferred inflows related to OPEB	7,172

Governmental funds report bond proceeds as current financial resources. In contrast, the Statement of Activities treats such issuance of debt as a liability. Governmental funds report repayment of bond principal as an expenditure. In contrast, the Statement of Activities treats such repayments as a reduction in long-term liabilities. This is the amount by which repayments exceeded proceeds.

Debt payments	116,893
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Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:

Change in net OPEB liability	(41,351)
Change in accrued compensated absences	<u>(4,495)</u>

Change in net position of governmental activities	<u>\$ 998,446</u>
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**Town of Oakland, Maine  
Statement of Net Position  
Proprietary Fund  
June 30, 2021**

	<b>Enterprise Fund Sewer Fund</b>
<b>ASSETS</b>	
Current assets	
Cash and cash equivalents	\$ 341,512
Accounts receivable, net	48,403
Total current assets	389,915
Non-current assets	
Property, plant and equipment	11,334,720
Less accumulated depreciation	(3,671,466)
Total non-current assets	7,663,254
Total assets	8,053,169
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	47,743
Salaries payable	1,370
Compensated absences	1,601
Bond payable	70,335
Total current liabilities	121,049
Noncurrent liabilities	
Bond payable	1,891,271
Total liabilities	2,012,320
<b>NET POSITION</b>	
Net investment in capital assets	5,701,648
Unrestricted	339,201
Total net position	\$ 6,040,849

**Town of Oakland, Maine**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2021**

	<b>Enterprise Fund</b>
	<b>Sewer Fund</b>
<b>REVENUES</b>	
Charges for services	\$ 547,240
Interest and liens on user fees	4,848
Total operating revenues	552,088
<b>OPERATING EXPENSES</b>	
Administration	100,183
Contracted services	231,967
Supplies and materials	1,165
Plant maintenance and equipment	51,212
Depreciation	181,634
Total operating expenses	566,161
Operating income (loss)	(14,073)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest and investment revenue	606
Miscellaneous revenue	3,633
Interest expense	(70,859)
Total net non-operating revenues (expenses)	(66,620)
Change in net position	(80,693)
<b>TOTAL NET POSITION - BEGINNING</b>	6,121,542
<b>TOTAL NET POSITION - ENDING</b>	\$ 6,040,849



**Town of Oakland, Maine**  
**Statement of Cash Flows - Proprietary Fund**  
**For the Year ended June 30, 2021**

	<b>Enterprise Fund Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from user charges	\$ 559,871
Interest and lien charges	4,848
Payments to suppliers for goods and services	(290,243)
Payments for administrative services	(100,223)
	174,253
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Interest payments	(70,859)
Capital expenditures	(12,976)
Bond and note payments	(65,720)
	(149,555)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income and other	4,239
	28,937
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>28,937</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<b>312,575</b>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<b>\$ 341,512</b>
<b>Reconciliation of operating income to net cash provided by operating activities</b>	
Operating income (loss)	\$ (14,073)
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	181,634
Decrease in the following assets	
Accounts receivable	12,631
Increase (decrease) in the following liabilities	
Accounts payable	(5,899)
	188,326
Total adjustments to income	188,326
Net cash provided by operating activities	<b>\$ 174,253</b>

See accompanying notes to basic financial statements.

**Town of Oakland, Maine**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	<u>Private Purpose Trust Funds</u>
<b>ASSETS</b>	
Investments	\$ 330,957
Due from other funds	<u>4,125</u>
Total assets	<u>335,082</u>
<b>NET POSITION</b>	
Held in trust for benefits and other purposes	<u>\$ 335,082</u>

See accompanying notes to basic financial statements.

**Town of Oakland, Maine**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>	
Income	
Interest and investment income	\$ 8,420
Contributions	<u>32,456</u>
Change in net position	40,876
<b>NET POSITION - BEGINNING</b>	331,072
<b>Reclassification to general fund</b>	<u>(36,866)</u>
<b>NET POSITION - BEGINNING (RESTATED)</b>	<u>294,206</u>
<b>NET POSITION - ENDING</b>	<u><u>\$ 335,082</u></u>

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Oakland, Maine was incorporated in 1883 under the laws of the State of Maine. The Town operates under a Council-manager form of government and provides the following services: general government, public safety, sanitation, public works, town property maintenance, leisure services, and education.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units* and the Financial Accounting Standards Board, when applicable. The more significant accounting policies of the Town are described below.

**A. FINANCIAL REPORTING ENTITY**

In evaluating the Town as a reporting entity, management has addressed all potential component units for which the Town may be financially accountable and, as such, should be included within the Town's financial statements. In accordance with GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, the Town is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefits or to impose specific financial burdens on the Town. Additionally, the Town is required to consider other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the reporting entity's financial statements to be misleading. Based on the application of these criteria, there are no entities that should be included as part of these financial statements.

**B. BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE STATEMENTS**

The government-wide financial statements report information of all the activities of the Town, except for fiduciary funds. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The business-type activities of the Town include the sewer fund.

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS**

The Town segregates transactions related to certain functions or activities in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental, proprietary, and fiduciary activities. The governmental and proprietary statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column, when applicable. The fiduciary statements aggregate and present each fund type as a separate column on the fund financial statements.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (CONTINUED)**

**1. Governmental Funds**

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Town has presented the following major governmental fund:

*General Fund*

The general fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Capital Projects Fund*

The capital projects fund is used to account for the construction of the new fire station.

**2. Proprietary Fund**

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting, in essentially the same manner as a private entity. The accounting objectives are determinations of net income, financial position and cash flow.

The Town has presented the following major proprietary fund:

*Enterprise Fund – Sewer Fund*

The enterprise fund is used to account for the operations of the waste water treatment plant. Activities of the fund include administration, operations and maintenance of the sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of long-term debt for the sewer fund. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel, contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.



**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

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

**C. BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS (CONTINUED)**

**3. Fiduciary Funds (not included in government-wide statements)**

The Town has presented the following fiduciary fund:

*Private Purpose Trust Funds*

Private purpose funds are funds held by the Town in a trustee capacity and are accounted for in essentially the same manner as a private entity. Capital maintenance of private purpose funds is critical. The Town accounts for the activities of endowments whose purpose benefits individuals or entities outside the government using this fund type.

**D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING**

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and the fund financial statements for proprietary funds and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities, whether current or non-current, are included on the statement of net position and the operating statements present increases, revenues, and decreases, expenses, in net total position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures and compensated absence expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, intergovernmental revenues, and charges for services. All other governmental fund revenues are recognized when received.

**E. BUDGETS AND BUDGETARY ACCOUNTING**

The Town utilizes a formal budgetary accounting system to control revenues accounted for in the general fund. These budgets are established in accordance with the various laws which govern the Town's operations. In May, the budget is voted on by taxpayers. If approved, the budget becomes legal.

Generally, appropriations for the general fund lapse at year end, except for balances approved to be carried forward by the Town Council.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

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

**E. BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)**

Formal budgets are not adopted for the other funds.

**F. FINANCIAL STATEMENT AMOUNTS**

**1. Cash, Cash Equivalents and Investments**

For purposes of the statements of net position and cash flows, the Town consider all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash equivalents include certificates of deposits with a longer maturity. Additional information is presented in Note 2.

Investments are carried at fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties. Additional information, including the composition of investments, is presented in Note 2.

**2. Interfund Receivables and Payables**

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide financial statement of net position. Any residual balances between the governmental activities and fiduciary funds are reported in the statement of net position as "due to/from fiduciary funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the statement of net position as "due to fiduciary fund".

**3. Interfund Transfers**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of the governmental funds on the fund financial statements. For the purposes of the government-wide statement of activities, all interfund transfers between individual funds within governmental activities and individual funds within business-type activities have been eliminated.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

Assets capitalized have an original cost of over \$5,000 and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

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

**F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)**

**4. Capital Assets (Continued)**

Estimated useful lives are as follows:

Buildings	40 years
Vehicles	5-10 years
Equipment	5-10 years
Infrastructure	20-50 years

The Town elected to utilize the infrastructure transition option in the implementation of GASB Statement #34 which does not require the Town to retroactively capitalize certain infrastructure assets.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

**5. Long-term Debt**

The accounting treatment of long-term debt 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 debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of direct borrowing notes and bonds payable, net current portion of direct borrowing notes and bonds, net OPEB liability and compensated absences 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 fund is the same in the fund statements as it is in the government-wide statements.

The Town's policies do not permit employees to carryover unused vacation. Full time employees will be permitted to accumulate up to 120 days of sick leave. Upon separation or retirement, an employee hired prior to February 12, 2003, will be paid for 33% of his/her then-accrued sick leave at the employees' last current hourly rate of pay. Employees hired after February 12, 2003, will not receive any payment for unused sick leave at separation. Compensated absences liability is reported in the government-wide financial statements. Governmental funds report only vacation time owed to the end of each calendar year or matured compensated absences payable to currently terminating employees.

**6. Use of Estimates**

Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

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

**F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)**

**7. Government-wide Net Position**

Net position represents the difference between assets and liabilities in the government-wide financial statements.

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 the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The remaining net position is reported as unrestricted. For expenditures that qualify for either classification, amounts will be first spent from restricted net position then from unrestricted net position.

**8. Governmental Fund Balances**

Fund balance represents the difference between assets and liabilities in the fund financial statements. Fund balance must be properly reported within one of the five fund balance categories listed below:

*Nonspendable* such as fund balances associated with inventories or prepaid expenses. The nonspendable fund balance may also include amounts that are required to be maintained intact, such as the corpus of an endowment fund.

*Restricted* fund balance classification includes amounts that can be used only for the specific purposes stipulated by constitution, grantors or through enabling legislation.

*Committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Town's highest level of decision-making authority, which is a Council vote in the Town's Council-manager form of government.

*Assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The Town Council is authorized to assign amounts for a particular purpose under authority granted by the Town Charter.

*Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

The Town has formally adopted a fund balance policy that addresses the requirements of GASB 54. For expenditures that qualify for multiple categories, amounts will be first spent from restricted fund balance, followed by committed fund balance, then assigned fund balance, and finally unassigned fund balance. It is the goal of the Town to achieve and maintain a minimum unassigned general fund balance equal to 10% of annual expenditures.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

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

**F. FINANCIAL STATEMENT AMOUNTS (CONTINUED)**

**9. Revenue Recognition - Property Taxes**

Property taxes were levied on assessed values of April 1, 2020 and were due in full or in installments on August 14, 2020, October 16, 2020, January 15, 2021 and March 12, 2021. Interest was charged at 9% per annum on amounts not paid by the due date. Upon the expiration of eight months, and within one year from the date of the original commitment, a tax lien is recorded for all delinquent taxes on real estate.

For purposes of the fund financial statements, property taxes assessed and collected during the year ended June 30, 2021, and during the first sixty days of the next fiscal year are recognized as revenue in 2021. Receivables estimated to be collectible after the sixty-day period are recorded as deferred inflows of resources in the general fund.

Assessed value	
Real estate	\$ 548,214,800
Personal property	<u>25,800,800</u>
	574,015,600
Tax rate (per \$1,000)	<u>16.40</u>
Commitment	9,413,856
Less: collections and abatements	<u>(9,287,924)</u>
Receivable at June 30, 2021	<u>\$ 125,932</u>
Collection rate	99%

**10. Recent Accounting Pronouncements and Standards**

In the year ended June 30, 2021 the Town implemented Governmental Accounting Standards Board (GASB) issued GASB Statement No. 84, *Fiduciary Activities*. This statement improves financial reporting by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

**Cash and Cash Equivalents**

*Custodial Credit Risk:* Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2021, the Town reported deposits of \$2,334,224 with bank balances of \$2,417,137. Of the Town's total bank balance of \$2,417,137, \$0 was exposed to custodial credit risk.

Deposits in the primary government have been reported as follows:

Reported in governmental funds	\$1,992,712
Reported in proprietary funds	<u>341,512</u>
Total deposits	<u>\$2,334,224</u>

The Town had restricted cash in the capital projects fund of \$79,086 for fire station project.

**Investments**

Statutes authorize the Town to invest in certificates of deposit, repurchase agreements, and other available bank investments. In addition, the Town can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law.

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments of the Town reported in the governmental and fiduciary funds as of June 30, 2021 are as follows:

	Fair Value	Level
Negotiable CDs	\$ 245,725	I
Money market mutual funds	697,043	I
IShares – Bonds	764,565	I
U.S. Agency treasury securities	331,280	II
U.S. Agency debt securities (FFCB, FHLB, FHLMC, FNMA)	<u>889,409</u>	II
Total investments	<u>\$ 2,928,022</u>	

*Concentration of Credit Risk:* The Town does not have any investments that meet the criteria to be classified as a concentration of credit risk investment.

*Interest Rate Risk:* The Town does not have a policy related to investment rate risk. The Town is required to disclose the interest rate risk of its investments as follows:

	Due in less than one year	Due in 1-5 years	Due in more than five years
Negotiable CDs	\$ -	\$ 245,725	\$ -
Money market mutual funds	697,043	-	-
U.S. Treasury securities	50,727	183,878	96,676
U.S. Agency debt securities	<u>257,540</u>	<u>675,557</u>	<u>97,810</u>
Total investments	<u>\$ 1,005,310</u>	<u>\$1,105,160</u>	<u>\$ 194,486</u>

The Town reported investments of \$2,597,065 in governmental funds and \$330,957 in fiduciary funds.



**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 3. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2021, was as follows:

	Balance June 30, 2020	Additions	Disposals	Balance June 30, 2021
<b>Governmental activities</b>				
<i>Capital assets not being depreciated</i>				
Land and construction in progress	\$ 1,518,854	\$ 75,000	\$ -	\$ 1,593,854
<i>Capital assets being depreciated</i>				
Buildings	5,599,917	-	-	5,599,917
Vehicles	2,803,069	384,502	(126,581)	3,060,990
Equipment	1,483,326	77,736	(5,758)	1,555,304
Infrastructure	3,777,102	215,444	-	3,992,546
Total	<u>13,663,414</u>	<u>677,682</u>	<u>(132,339)</u>	<u>14,208,757</u>
<i>Less accumulated depreciation for</i>				
Buildings	(1,136,987)	(125,579)	-	(1,263,566)
Vehicles	(2,026,209)	(159,639)	126,581	(2,059,267)
Equipment	(1,285,993)	(36,275)	5,758	(1,316,510)
Infrastructure	(913,148)	(96,691)	-	(1,009,839)
Total accumulated depreciation	<u>(5,362,337)</u>	<u>(419,184)</u>	<u>132,339</u>	<u>(5,649,182)</u>
Total capital assets being depreciated, net	<u>8,301,077</u>	<u>258,498</u>	<u>-</u>	<u>8,559,575</u>
Total governmental activities, net	<u>\$ 9,819,931</u>	<u>\$ 333,498</u>	<u>\$ -</u>	<u>\$ 10,153,429</u>
<b>Business-type activities</b>				
<i>Capital assets not being depreciated</i>				
Land	\$ 500	\$ -	\$ -	\$ 500
<i>Capital assets being depreciated</i>				
Buildings	1,963,133	-	-	1,963,133
Transmission lines	8,227,499	-	-	8,227,499
Equipment	1,130,612	12,976	-	1,143,588
Total	<u>11,321,244</u>	<u>12,976</u>	<u>-</u>	<u>11,334,220</u>
<i>Less accumulated depreciation for</i>				
Buildings	(1,065,980)	(24,640)	-	(1,090,620)
Transmission lines	(1,319,349)	(155,387)	-	(1,474,736)
Equipment	(1,104,503)	(1,607)	-	(1,106,110)
Total accumulated depreciation	<u>(3,489,832)</u>	<u>(181,634)</u>	<u>-</u>	<u>(3,671,466)</u>
Total capital assets being depreciated, net	<u>7,831,412</u>	<u>(168,658)</u>	<u>-</u>	<u>7,662,754</u>
Total business-type activities, net	<u>\$ 7,831,912</u>	<u>\$ (168,658)</u>	<u>\$ -</u>	<u>\$ 7,663,254</u>

Depreciation was charged to the following activities as follows:

<i>Governmental activities:</i>	
Public safety	\$136,592
Public works	264,753
Property maintenance	13,804
Sanitation	4,035
Total depreciation expense – Governmental activities	<u>\$419,184</u>
 <i>Business-type activities</i>	
Sewer fund	<u>\$181,634</u>

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 4. LONG-TERM LIABILITIES**

The following is a summary of long-term liabilities for the year ended June 30, 2021:

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021	Portion due within one year
<b>Governmental Fund-Type Liabilities</b>					
<b>General Obligation Bonds</b>					
Police Building, issued 2016 due 2031, principal and interest due annually. Interest rate at 2.39%	\$ 600,010	\$ -	\$ (60,042)	\$ 539,968	\$ 60,000
Fire Building, issued 2019 due 2048, principal and interest due annually. Interest rate at 1.72-4.2%	<u>2,478,112</u>	<u>-</u>	<u>(56,852)</u>	<u>2,421,260</u>	<u>57,904</u>
Total direct borrowing bonds payable	3,078,122	-	(116,894)	2,961,228	117,904
<b>Net OPEB liability</b>	268,572	42,340	(989)	309,923	N/A
<b>Compensated absences</b>	<u>80,108</u>	<u>4,495</u>	<u>-</u>	<u>84,603</u>	N/A
Total governmental long-term liabilities	<u>3,426,802</u>	<u>46,835</u>	<u>(117,883)</u>	<u>3,355,754</u>	<u>117,904</u>
<b>Proprietary Fund Liabilities</b>					
<b>Direct Borrowing Note payable</b>					
Rural Development Loan, Issued 2011, due in annual principal and interest payments to 2040. interest rate at 3.375%	<u>2,027,326</u>	<u>-</u>	<u>(65,721)</u>	<u>1,961,605</u>	<u>70,335</u>
Total governmental fund and proprietary fund long-term liabilities	<u>\$ 5,454,128</u>	<u>\$ 46,835</u>	<u>\$ (183,604)</u>	<u>\$ 5,317,359</u>	<u>\$ 188,239</u>

Future maturities of direct borrowing general obligation bonds and notes are as follows:

Fiscal year ended	Governmental Activities		
	Principal	Interest	Total
2022	\$ 117,904	\$ 93,384	\$ 211,288
2023	118,997	90,857	209,854
2024	120,141	88,279	208,420
2025	121,347	85,662	207,009
2026	122,609	82,943	205,552
2027-2031	574,605	371,622	946,227
2032-2036	384,791	307,123	691,914
2037-2041	457,763	234,151	691,914
2042-2046	553,044	138,869	691,913
2047-2050	<u>390,027</u>	<u>25,121</u>	<u>415,148</u>
	<u>\$2,961,228</u>	<u>\$1,518,011</u>	<u>\$4,779,239</u>



**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 4. LONG-TERM LIABILITIES (CONTINUED)**

Future maturities of direct borrowing notes payable are as follows:

Fiscal year ended	Proprietary Activities		
	Principal	Interest	Total
2022	\$ 70,335	\$ 66,245	\$ 136,580
2023	72,709	63,871	136,580
2024	75,163	61,417	136,580
2025	77,699	58,881	136,580
2026	80,322	56,258	136,580
2027-2031	444,148	238,752	682,900
2032-2036	524,331	158,569	682,900
2037-2041	<u>616,898</u>	<u>66,001</u>	<u>682,899</u>
	<u>\$1,961,605</u>	<u>\$ 769,994</u>	<u>\$2,731,599</u>

In accordance with Maine law, no municipality shall incur debt for specific purposes in excess of certain percentages of State valuation of such municipality. The Town was in compliance with these limitations.

**Overlapping Debt**

Town is contingently responsible for a proportionate share of the overlapping debt of RSU 18's debt. At June 30, 2021, the Town's share of the total debt outstanding of share was \$6,898,146.

**NOTE 5. INTERFUND TRANSACTIONS**

During the course of normal operations, the Town has transactions between funds including expenditures and transfers.

Individual fund transfers at June 30, 2021 arising from these transactions were as follows:

	Due from	Due to
General fund	\$ 22,432	\$ 4,125
Capital projects fund	-	22,432
Fiduciary fund	<u>4,125</u>	<u>-</u>
	<u>\$ 26,557</u>	<u>\$ 26,557</u>

**NOTE 6. NET INVESTMENT IN CAPITAL ASSETS**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and leases payable, adding back any unspent proceeds. The Town's net investment in capital assets was calculated as follows at June 30, 2021:

Capital assets	\$ 27,137,331
Accumulated depreciation	(9,320,648)
Related bonds payable	<u>(4,932,834)</u>
Total balance	<u>\$ 12,893,849</u>

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 7. FUND BALANCE – GENERAL FUND – COMMITTED**

At June 30, 2021, the Town maintained committed fund balances for the following purposes:

Capital improvement reserve	\$ 300,747
Drug forfeiture reserve	1,073
Memorial hall	319
Demolition debris reserve	112,449
Digital mapping reserve	42,982
Assistance to firefighters	2,122
Learning for life reserve	182
Swim area reserve	61,910
Pheobe Folsom recreation reserve	36,546
Flower fund	1,152
Underage drinking grant	5,084
Chris Curato memorial reserve	147
Military banner program	339
DARE contribution reserve	573
Wellness grant	123
Firstpark reserve	361,223
Fire equipment	2,044
Summer concert series	7,895
Field hockey reserve	1,000
Library gifts reserve	12,042
Library building improvements reserve	24,281
Loader replacement	3,818
Don Borman donation	2,871
TIF reserve	49,600
Municipal property reserve	362,197
Septic system replacement reserve	5,767
Summit gas road opening reserve	45,744
Fire equipment reserve	6,184
Safety equipment	1,309
Downtown broadband	15,000
Road improvement reserve	<u>219,677</u>
 Total	 <u>\$ 1,686,400</u>

**NOTE 8. NET POSITION – FIDUCIARY FUNDS**

At June 30, 2021, the Town maintained net positions in its' fiduciary funds for the following purposes:

Cemeteries	\$213,861
Distressed persons	26,066
Library trust	6,002
Schmaltz Library trust	36,775
Greenough book trust	<u>52,378</u>
	<u>\$335,082</u>

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 9. FUND BALANCE – GENERAL FUND – ASSIGNED**

At June 30, 2021, the Town maintained assigned fund balances for the following purposes:

Voting machines	\$ 8,276
Election expenses	6,403
Employee separation costs	84,881
Fire department equipment	4,000
Fuel – police department	6,011
Fuel – public works	3,029
Memorials maintenance	2,797
Heating oil reserve	2,321
150 <sup>th</sup> anniversary	4,453
Solid waste	14,738
Paving	200,372
Miscellaneous road improvements	15,395
Transfer station scale	20,000
B&G truck	1,932
Public works truck	26,084
Building property maintenance	1,183
Contracted service Town property	4,755
Cemetery maintenance	5,212
Messalonskee trail	10,013
Fire truck	1,964
Memorial day	500
Memorial hall improvements	<u>9,000</u>
 Total	 <u>\$433,319</u>

**NOTE 10. DEFERRED COMPENSATION PLAN**

The Town provides a 401 and 457 Deferred Compensation Plan through ICMA Retirement Corporation. The plan permits salary deferral to future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

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

The Town's policy states the Town shall match 6.5%. The Town contribution for the year ended June 30, 2021 was \$106,057.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 11. OTHER POST RETIREMENT BENEFIT PLAN**

**Plan Description**

The Town sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The Town Council has the authority to establish and amend the benefit terms and financing requirements.

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*.

Changes in the discount rate affect the measurement of the Total OPEB Liability (TOL). Lower discount rates produce higher TOL and higher discount rates produce a lower TOL. The table below shows the sensitivity of the TOL to the discount rate.

**Benefits Provided**

Under the Health Plan, MMEHT provides healthcare and life insurance benefits for retirees and their dependents. Town employees over the age of 55 with 5 years of continuous service are allowed to participate in the plan. Retirees that are designated in a plan pay 100% of the single coverage premium and 100% of the family coverage premium. For those Town employees eligible for Medicare (post-65 Retiree Plan), the plan is offered in conjunction with Medicare Parts A and B and the Companion Plan B.

*Employees Covered by Benefit Terms* – At June 30, 2021, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	-
Inactive employee entitled to but not yet receiving benefits	-
Active employees	<u>63</u>
Total	<u>63</u>

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 11. OTHER POST RETIREMENT BENEFIT PLAN (CONTINUED)**

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

The Town's total Health Plan OPEB liability of \$309,923 was measured as of January 1, 2021, and was determined by an actuarial valuation as of that date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2020	\$ 268,572
Changes for the year:	
Service Cost	14,842
Interest	7,752
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	19,761
Benefit payments	<u>(1,004)</u>
Net changes	<u>41,351</u>
 Balance at June 30, 2021	 <u>\$ 309,923</u>

Change in assumptions reflects a change in the discount rate from 2.74% to 2.12% and also a change in valuation method from Projected Unit Credit funding to the Entry Age Normal funding method.

For the year ended June 30, 2021, The Town recognized OPEB expense of \$28,376 related to the Health Plan. At June 30, 2021, The Town reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$22,798
Changes in assumptions or other inputs	72,172	15,820
Contributions subsequent to measurement date	<u>3,023</u>	<u>-</u>
Total	<u>\$75,195</u>	<u>\$38,618</u>

\$3,023 reported as deferred outflows related to OPEB 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, 2022. Deferred outflows of resources and deferred inflows of resources related to the Health Plan will be recognized in OPEB expense as follows:

Year ended June 30:	
2022	\$ 5,782
2023	5,782
2024	5,782
2025	5,783
2026	2,394
Thereafter	<u>8,031</u>
Total	<u>\$33,554</u>

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 11. OTHER POST RETIREMENT BENEFIT PLAN (CONTINUED)**

**Actuarial Assumptions - Health Plan** - The total OPEB liability in the January 1, 2020 actuarial valuation for the Health Plan was determined using the following assumptions and other inputs, based on the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007, and version 2020\_b , applied to all periods included in the measurement, unless otherwise specified:

Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capita 2029+	1.25%
Extra Trend due to Taste/Technology 2029+	1.10%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth costs	2040

Rates of mortality are based on 104% and 120% of the RP-2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP-2014 Total Dataset Employee Mortality Table for ages prior to 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% of ages 111-120, and convergence to the ultimate rate in the year 2020.

As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2016.

**Discount Rate - Health Plan** - The rate used to measure the total OPEB liability for the Health plan was 2.12% per annum. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax- exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

**Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate** - The following presents the Town's total OPEB liability related to the Health Plan calculated using the discount rate of 2.12%, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.12%) or 1 percentage-point higher (3.12%) than the current rate:

	1% Decrease 1.12%	Discount Rate 2.12%	1% Increase 3.12%
Total OPEB Liability	\$ 364,492	\$ 309,923	\$ 265,492
Plan Fiduciary Net Position	-	-	-
Net OPEB Liability	<u>\$ 364,492</u>	<u>\$ 309,923</u>	<u>\$ 265,492</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%	0.00%

A one percent decrease in the discount rate increases the Net OPEB Liability (NOL) by approximately 17.6%. A one percent increase in the discount rate decreases the NOL by approximately 14.3%.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 11. OTHER POST RETIREMENT BENEFIT PLAN (CONTINUED)**

**Sensitivity of Net OPEB Liability to Changes in Healthcare Cost Trend Rates** - The table below presents the Town's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Trend	1% Increase
Total OPEB Liability	<u>\$ 260,976</u>	<u>\$ 309,923</u>	<u>\$ 371,918</u>

A one percent decrease in the healthcare trend rate decreases the NOL by approximately 15.8%. A one percent increase in the healthcare trend rate increases the NOL by approximately 20.0%.

**NOTE 12. INSURANCES AND PARTICIPATION IN PUBLIC ENTITY RISK POOL**

The Town is exposed to various risks of losses related to torts, theft, damage, and destruction of assets, injuries to employees, and natural disasters. The Town maintains various commercial insurance policies to mitigate these risks to an acceptable level and to limit the Town's exposure to losses.

The Town is also a member of the Maine Municipal Association - Property and Casualty Pool ("Pool"). As with the Fund above, the Pool was created to obtain lower rates for its members. The Town pays an annual premium for its property and liability coverage. There were no deductible claims for the fiscal year.

The Town also a member of the Maine Municipal Association - Workers Compensation 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 workers compensation coverage and develop a comprehensive loss control program.

**NOTE 13. TAX ABATEMENT TAX INCREMENT FINANCING AGREEMENT**

The Town has a property tax abatement or tax increment financing agreement with the Kennebec Regional Development Authority (KRDA) which operates FirstPark, a business park located in the Town. Under this agreement, taxes generated by a base valuation of \$178,000 is retained by the Town for their property. The remainder of the valuation on the property is transferred to KRDA. However, this agreement does not result in any net loss of tax revenue for the Town.

**NOTE 14. CONTINGENCIES**

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. The Town believes there are no significant contingent liabilities relating to compliance or pending legal claims or lawsuits at this time.

**Town of Oakland, Maine**  
**Notes to Basic Financial Statements**  
**June 30, 2021**

**NOTE 15. EVALUATION OF SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 28, 2021, the date on which the financial statements were available to be issued.



**Town of Oakland, Maine**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2021**

	Budgeted Amounts			Actual	Variance with Final Budget - Positive (Negative)
	Original*	Changes**	Final		
<b>REVENUES</b>					
Property taxes	\$ 9,413,856	\$ -	\$ 9,413,856	\$ 9,446,766	\$ 32,910
Excise and miscellaneous taxes	1,262,500	-	1,262,500	1,536,561	274,061
Interest and lien costs	40,000	-	40,000	42,273	2,273
Licenses, permits and fines	16,500	-	16,500	11,754	(4,746)
Intergovernmental	1,026,145	7,116	1,033,261	1,277,227	243,966
Charges for services	253,730	23,495	277,225	393,887	116,662
Investment and interest earnings (loss)	15,000	-	15,000	(9,645)	(24,645)
Sale of tax acquired property	-	-	-	-	-
Contributions and reimbursements	3,000	41,903	44,903	41,903	(3,000)
Miscellaneous	227,951	(52,821)	175,130	203,582	28,452
Total revenues	<u>12,258,682</u>	<u>19,693</u>	<u>12,278,375</u>	<u>12,944,308</u>	<u>665,933</u>
<b>EXPENDITURES</b>					
<b>Current</b>					
General government	840,268	6,115	846,383	804,239	42,144
Protection	1,823,100	5,529	1,828,629	1,766,586	62,043
Public works	1,286,254	93,519	1,379,773	1,028,028	351,745
Sanitation	447,709	-	447,709	449,687	(1,978)
Leisure services	162,473	-	162,473	141,278	21,195
Education	5,852,009	-	5,852,009	5,852,008	1
County tax	592,641	-	592,641	592,641	-
Town properties	293,379	-	293,379	267,970	25,409
Special appropriations	1,414,255	-	1,414,255	1,309,910	104,345
Debt service	-	-	-	-	-
Principal	116,851	-	116,851	116,851	-
Interest and other charges	100,132	-	100,132	99,072	1,060
Total expenditures	<u>12,929,071</u>	<u>105,163</u>	<u>13,034,234</u>	<u>12,428,270</u>	<u>605,964</u>
Excess (deficiency) of revenues over expenditures	<u>(670,389)</u>	<u>(85,470)</u>	<u>(755,859)</u>	<u>516,038</u>	<u>1,271,897</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Use of carryover unrestricted and committed fund balance	312,313	-	312,313	-	(312,313)
Use of committed fund balances	-	85,470	85,470	-	(85,470)
Use of assigned fund balances	612,502	-	612,502	-	(612,502)
Overlay	(254,426)	-	(254,426)	-	254,426
Total other financing sources and (uses)	<u>670,389</u>	<u>85,470</u>	<u>755,859</u>	<u>-</u>	<u>(755,859)</u>
<b>SPECIAL ITEM</b>					
Proceeds from sale of capital assets	-	-	-	230,108	230,108
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>746,146</u>	<u>\$ 746,146</u>
<b>FUND BALANCES - BEGINNING</b>				3,659,247	
<b>Reclassification from fiduciary funds</b>				36,866	
<b>FUND BALANCES - BEGINNING, RESTATED</b>				<u>3,696,113</u>	
<b>FUND BALANCES - ENDING</b>				<u>\$ 4,442,259</u>	

\* includes assigned carryover accounts

\*\* reclassification of budget and use of additional revenues

**Town of Oakland, Maine**  
**Schedule of Changes in the Town's Total Health Plan OPEB Liability and Related Ratios**  
**Participating Local Districts Plan**  
**Last 10 Fiscal Years\***  
**For the years ended June 30,**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Service cost	\$ 14,842	\$ 8,641	\$ 9,919	\$ 10,653
Interest	7,752	9,859	8,619	7,848
Changes of benefit terms	-	(5,419)	-	-
Differences between expected and actual experience	-	(27,092)	-	(4,964)
Changes of assumptions or other inputs	19,761	51,798	(25,312)	32,069
Benefit payments	(1,004)	(2,061)	(1,982)	(1,866)
Net change in total OPEB Liability	<u>41,351</u>	<u>35,726</u>	<u>(8,756)</u>	<u>43,740</u>
Total OPEB liability- beginning	<u>268,572</u>	<u>232,846</u>	<u>241,602</u>	<u>197,862</u>
Total OPEB liability- ending	<u>\$ 309,923</u>	<u>\$ 268,572</u>	<u>\$ 232,846</u>	<u>\$ 241,602</u>
Town's covered-employee payroll	\$ 1,551,341	\$ 1,551,341	\$ 1,366,888	\$ 1,366,888
Total OPEB liability as a percentage of its covered-employee payroll	20.0%	17.3%	17.0%	17.7%

\* The amounts presented for each fiscal year available were determined as of June 30 of the previous year

**Notes to Schedule**

**Net OPEB Liability**

**Changes of Benefit Terms - None**

**Changes of Assumptions** - Under the Health Plan, changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

<u>Fiscal Year</u>	<u>Discount Rate</u>
2021	2.12%
2020	2.74%
2019	4.10%
2018	3.44%
2017	3.78%

Additionally, the valuation method was changed from the Projected Unit Credit funding method in 2018 to the Entry Age Normal funding method in 2019. Also in 2020 the claim curves, trend assumptions and the repeal of the ACA Cadillac tax caused changes.

**Town of Oakland, Maine**  
**Taxes Receivable, Tax Liens and Tax Acquired Property**  
**General Fund**  
**June 30, 2021**

Taxes receivable	
2021	\$ 4,275
2020	1,459
2019 and prior	<u>16,003</u>
Total taxes receivable	<u>21,737</u>
Tax liens and tax acquired property	
2021	121,657
2020	64,503
2019 and prior	<u>12,109</u>
Total tax liens and tax acquired property	<u>198,269</u>
Total taxes receivable, tax liens and tax acquired property	<u>\$ 220,006</u>