

Town of Oak Ridge, North Carolina

Financial Statements as of and for the Year Ended
June 30, 2015, and Independent Auditors' Report

THIS PAGE LEFT INTENTIONALLY BLANK.

Town of Oak Ridge, North Carolina

TABLE OF CONTENTS

		<u>Page No.</u>
INTRODUCTORY SECTION		
	List of Principal Officials	i
FINANCIAL SECTION		
	Independent Auditors' Report	1
	Management's Discussion and Analysis.....	5
<u>Exhibit</u>	<i>Basic Financial Statements</i>	
	<i>Government-Wide Financial Statements:</i>	
1	Statement of Net Position.....	13
2	Statement of Activities.....	14
	<i>Fund Financial Statements:</i>	
3	Balance Sheet - Governmental Fund	15
4	Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Fund.....	16
5	Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	17
	Notes to Financial Statements	19
REQUIRED SUPPLEMENTAL FINANCIAL DATA		
A-1	Schedule of the Proportionate Share of the Net Pension Asset - Local Government Employees' Retirement System.....	40
A-2	Schedule of Contributions - Local Government Employees' Retirement System.....	41
<u>Schedule</u>	<i>Individual Fund Schedules</i>	
1	Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	45
<i>Other Schedules</i>		
2	Schedule of Ad Valorem Taxes Receivable.....	50
3	Analysis of Current Tax Levy	51

THIS PAGE LEFT INTENTIONALLY BLANK.

Town of Oak Ridge, North Carolina

MAYOR

Spencer Sullivan

COUNCIL MEMBERS

Jim Kinneman

George McClellan

Ray Combs

Mike Stone

OFFICIALS

Spencer Sullivan Mayor

Jim Kinneman Mayor Pro-Tem

Bruce Oakley Town Manager

Samuel K. Anders, CPA, MSA Finance Officer

Bill Bruce, AICP Planning Director

Terry Lannon Parks and Recreation Director

J. Michael Thomas Town Attorney

Sandra Smith Town Clerk

THIS PAGE LEFT INTENTIONALLY BLANK.

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and
Members of the Town Council
Town of Oak Ridge
Oak Ridge, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the major fund and the aggregate remaining fund information of the Town of Oak Ridge, North Carolina, 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 the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial statement 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund and the remaining aggregate fund information of the Town of Oak Ridge as of June 30, 2015, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 4 to the financial statements, beginning balances were restated due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, in 2015 and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to these changes.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, and the Local Government Employee's Retirement System's Schedules of the Proportionate Share of the Net Pension Asset and Contributions, on pages 5 through 12 and 40 and 41, respectively, be presented to supplement the basic financial statements. Such information, although not a required 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Town of Oak Ridge, North Carolina. The individual fund statement, budgetary schedules and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund statement, budgetary schedules and other schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit and the procedures performed as described above, the individual fund statement, budgetary schedules and other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Dixon Hughes Goodman LLP

High Point, North Carolina
October 28, 2015

THIS PAGE LEFT INTENTIONALLY BLANK.

Management's Discussion and Analysis Town of Oak Ridge, North Carolina

As management of the Town of Oak Ridge, we offer readers of the Town of Oak Ridge's financial statements this narrative overview and analysis of the financial activities of the Town of Oak Ridge for the fiscal year ended June 30, 2015. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the Town's financial statements, which follow this narrative.

Financial Highlights

- The assets and deferred outflows of resources of the Town of Oak Ridge exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$8,191,551 (net position).
 - The government's total net position increased by \$529,392, primarily due to decreased interest and fiscal charges, as well as increased tax revenue.
- As of the close of the current fiscal year, the Town of Oak Ridge's governmental fund reported a fund balance of \$3,228,003, an increase of \$423,447 in comparison with the prior year. The primary cause for this increase in funds was reduced debt service. Approximately 7.0% of this total amount, or \$227,715, is restricted.
- The Town of Oak Ridge's total debt decreased by \$123,333 (11.1%) during the current fiscal year, primarily due to scheduled debt payments.
- The Town maintained its tax rate of 8.63 cents per hundred dollar tax valuation for the twelfth successive year.

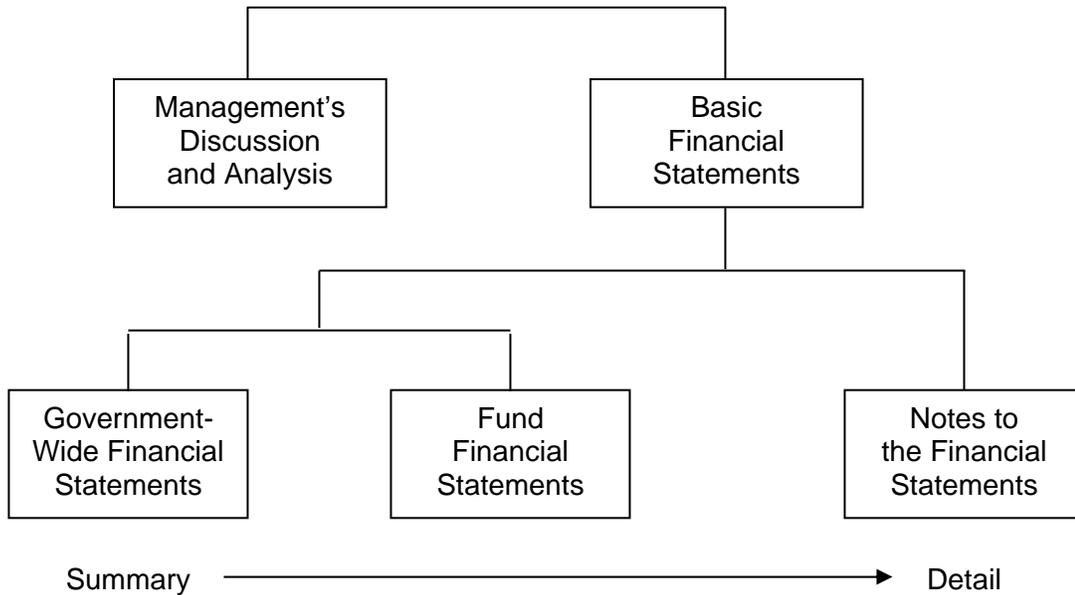
Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the Town of Oak Ridge's basic financial statements. The Town's basic financial statements consist of three components: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the Town through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Town of Oak Ridge.

**Management's Discussion and Analysis
Town of Oak Ridge, North Carolina**

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-Wide Financial Statements**. They provide both short- and long-term information about the Town's financial status.

The next statements (Exhibits 3 through 5) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the Town's government. These statements provide more detail than the government-wide statements. There are two parts to the Fund Financial Statements: (1) the governmental funds statements and (2) the budgetary comparison statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the Town's individual funds. Budgetary information required by the General Statutes also can be found in this part of the statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the Town's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short- and long-term information about the Town's financial status as a whole.

Management's Discussion and Analysis Town of Oak Ridge, North Carolina

The two government-wide statements report the Town's net position and how they have changed. Net position is the difference between the Town's total assets and deferred outflows of resources, and total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the Town's financial condition.

The government-wide statements are comprised of governmental activities. The governmental activities include most of the Town's basic services, such as cultural and recreational, and general administration. Property taxes, charges for services, and unrestricted intergovernmental revenues finance most of these activities.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The fund financial statements (see Figure 1) provide a more detailed look at the Town's most significant activities. 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 Oak Ridge, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or noncompliance) with finance-related legal requirements, such as the General Statutes or the Town's budget ordinance. All of the funds of the Town of Oak Ridge can be placed into one category: governmental funds.

Governmental Funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. All of the Town of Oak Ridge's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the Town's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The Town of Oak Ridge adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the Town, the management of the Town, and the decisions of the Council about which services to provide and how to pay for them. It also authorizes the Town to obtain funds from identified sources to finance these current-period activities. The budgetary statement provided for the General Fund demonstrates how well the Town complied with the budget ordinance and whether or not the Town succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: (1) the original budget as adopted by the council; (2) the final budget as amended by the council; (3) the actual resources, charges to appropriations, and ending balances in the General Fund; and (4) the difference or variance between the final budget and the actual resources and charges.

**Management's Discussion and Analysis
Town of Oak Ridge, North Carolina**

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. The notes to the financial statements are on pages 19 through 38 of this report.

Government-Wide Financial Analysis

The Town of Oak Ridge's Net Position

Figure 2

	<u>Governmental Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 3,346,370	\$ 2,852,389	\$ 3,346,370	\$ 2,852,389
Capital assets	5,970,648	6,004,937	5,970,648	6,004,937
Deferred outflows of resources	<u>23,749</u>	<u>16,923</u>	<u>23,749</u>	<u>16,923</u>
Total assets and deferred outflows of resources	<u>9,340,767</u>	<u>8,874,249</u>	<u>9,340,767</u>	<u>8,874,249</u>
Long-term liabilities outstanding	998,294	1,168,622	998,294	1,168,622
Other liabilities	92,566	43,398	92,566	43,398
Deferred inflows of resources	<u>58,356</u>	<u>70</u>	<u>58,356</u>	<u>70</u>
Total liabilities and deferred inflows of resources	<u>1,149,216</u>	<u>1,212,090</u>	<u>1,149,216</u>	<u>1,212,090</u>
Net position:				
Net investment in capital assets	4,939,291	4,894,937	4,939,291	4,894,937
Restricted	227,715	140,174	227,715	132,070
Unrestricted	<u>3,024,545</u>	<u>2,627,048</u>	<u>3,024,545</u>	<u>2,627,048</u>
Total net position	<u>\$ 8,191,551</u>	<u>\$ 7,662,159</u>	<u>\$ 8,191,551</u>	<u>\$ 7,662,159</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the Town of Oak Ridge exceeded liabilities and deferred inflows by \$8,191,551 as of June 30, 2015. The Town's net position increased by \$529,392 for the fiscal year ended June 30, 2015. However, the largest portion (60.3%) reflects the Town's net investment in capital assets (e.g., land, buildings, machinery and equipment). The Town of Oak Ridge uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of Oak Ridge's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay the debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the Town of Oak Ridge's net position, \$227,715, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$3,024,545 is unrestricted.

Several particular aspects of the Town's financial operations positively influenced the total unrestricted governmental net position: (1) the Town levied the minimum property tax for the 2014-2015 fiscal year that was projected to be sufficient to cover budgeted expenditures and was applied to an increased tax base; and, outside of paying down debt, (2) actual expenditures were less than budgeted expenditures.

**Management's Discussion and Analysis
Town of Oak Ridge, North Carolina**

The Town of Oak Ridge Changes in Net Position

Figure 3

	Governmental Activities		Total	
	2015	2014	2015	2014
Revenues:				
Program revenues:				
Charges for services	\$ 58,291	\$ 95,135	\$ 58,291	\$ 95,135
Operating grants and contributions	-	12,373	-	12,373
General revenues:				
Property taxes	763,852	751,779	763,852	751,779
Other taxes	10,617	10,030	10,617	10,030
Grants and contributions not restricted to specific programs	694,993	569,148	694,993	545,322
Other	10,622	6,616	10,622	6,616
Total revenues	<u>1,538,375</u>	<u>1,445,081</u>	<u>1,538,375</u>	<u>1,445,081</u>
Expenses:				
General government	547,189	506,798	547,189	506,798
Cultural and recreational	436,389	464,022	436,389	464,022
Interest and fiscal charges	25,405	28,461	25,405	28,461
Total expenses	<u>1,008,983</u>	<u>999,281</u>	<u>1,008,983</u>	<u>999,281</u>
Increase in net position	529,392	445,800	529,392	445,800
Net position, July 1, previously reported	7,692,246	7,246,446	7,692,246	7,246,446
Restatement	(30,087)	-	(30,087)	-
Net position, July 1, restated	<u>7,662,159</u>	<u>-</u>	<u>7,662,159</u>	<u>-</u>
Net position, June 30	<u>\$ 8,191,551</u>	<u>\$ 7,692,246</u>	<u>\$ 8,191,551</u>	<u>\$ 7,692,246</u>

Governmental Activities. Governmental activities increased the Town's net position by \$529,392, thereby accounting for the total increase in the net position of the Town of Oak Ridge. Key elements of this increase are as follows:

- Tax revenues increased due to the Town experiencing growth in its tax base.
- Town expenditures were less than budgeted for 2014-2015.

Financial Analysis of the Town's Funds

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

Governmental Funds. The focus of the Town of Oak Ridge's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town of Oak Ridge's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

Management's Discussion and Analysis Town of Oak Ridge, North Carolina

The General Fund is the chief operating fund of the Town of Oak Ridge. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$393,091, while total fund balance reached \$3,228,003. The Town currently has an available fund balance of 268.4% of total General Fund expenditures.

At June 30, 2015, the governmental fund of the Town of Oak Ridge reported a combined fund balance of \$3,228,003, with an increase of \$423,447.

General Fund Budgetary Highlights: During the fiscal year, the Town revised the budget on several occasions. Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as federal and state grants; and (3) increases in appropriations that become necessary to maintain services.

General government expenditures were amended for adjustments to previous budgeted amounts as actual performance differed from the performance estimates used in budget preparation. In addition, capital expenditures were amended for the purchase of software.

Revenues were more than the budgeted amounts primarily because of increased income from continued small increases in the property tax base, much better than expected franchise and sales tax collections and increased investment earnings due to a slight increase in rates and the amounts invested compared to prior years. Planning, zoning, and inspection fee income from new construction decreased this fiscal year due to an excess inventory of buildable lots approved in prior fiscal years. Expenditures were less than budgeted amounts due to continued tightening of operational expenditures and delays in completion of a new capital asset in the town park that was budgeted to be completed prior to year end.

Capital Asset and Debt Administration

Capital Assets. The Town of Oak Ridge's investment in capital assets for its governmental activities as of June 30, 2015, totals \$5,970,648 (net of accumulated depreciation). These assets include land, buildings, and machinery and equipment.

Major capital asset transactions during the year include the following additions:

- Construction in Process Town Park Phase II totaling \$76,298.
- Completion of purchases of software put into service totaling \$26,940.
- Purchases of equipment for the Town Park totaling \$28,261.
- Purchases of land improvements of \$41,678.

**Management's Discussion and Analysis
Town of Oak Ridge, North Carolina**

**The Town of Oak Ridge's Capital Assets
(Net of Depreciation)**

Figure 4

	Governmental Activities		Total	
	2015	2014	2015	2014
Land and other non-depreciable assets	\$ 1,937,590	\$ 1,883,832	\$ 1,937,590	\$ 1,883,832
Land improvements	1,873,545	1,898,432	1,873,545	1,898,432
Buildings and improvements	1,669,050	1,732,654	1,669,050	1,732,654
Computer, equipment, and software	21,577	3,578	21,577	3,578
Furniture, fixtures, equipment and vehicles	468,886	486,441	468,886	486,441
Total	<u>\$ 5,970,648</u>	<u>\$ 6,004,937</u>	<u>\$ 5,970,648</u>	<u>\$ 6,004,937</u>

Additional information on the Town of Oak Ridge's capital assets can be found in Note 2.A.4 of the Basic Financial Statements.

Long-Term Debt. As of June 30, 2015, the Town of Oak Ridge had total long-term obligations of \$986,667.

The Town of Oak Ridge's total debt decreased by \$123,333 during the past fiscal year, primarily due to the Town making the scheduled principal payment on the promissory note on the Town Park.

Additional information regarding the Town of Oak Ridge's long-term debt can be found in Note 2.B.4 beginning on page 36.

Economic Factors and Next Year's Budgets and Rates

Budgets and rates for 2015-2016 were held essentially the same due to the continued stagnant economic environment that has been in effect since late 2007. Revenues have historically been driven by property tax increases based on new residential and some new commercial construction. Due to excess inventories of these properties inside the Town limits, this primary revenue has slowed to historic lows, but is beginning to show some signs of increasing in the near future. In order to retain the same property tax rates, the Town has endeavored to hold down expenditures for operations until the economic environment improves.

Budget Highlights for the Fiscal Year Ending June 30, 2016

Governmental Activities: Due to slight increases in property taxes brought about by the completion of some property and stronger collections of intergovernmental taxes, the Town is expecting a 7.27% increase in budgeted revenue as compared to fiscal year 2014-2015. The Town will handle these increases in revenues by adding to the Town's fund balance, continuing to limit operational expenditures as a safeguard until the current economic client improves, and investigating the possibility of paying off debt.

**Management's Discussion and Analysis
Town of Oak Ridge, North Carolina**

Budgeted expenditures in the General Fund were expected to decrease 25.58% from the original fiscal year 2014-2015 budget to \$1,096,092. However, delays in the completion of construction of Phase II of the Town Park Master Plan during fiscal year 2014-2015 pushed the completion of this project into fiscal year 2015-2016. A budget amendment totaling \$336,434 was adopted at the August 6, 2015 Town Council meeting. This will result in a smaller decrease in the 2015-2016 budget expenditures as compared to the original fiscal year 2014-2015 budget, of 2.7%. The other result of this amendment was to reduce the Appropriation to Fund Balance in the adopted budget to an Appropriation From Fund Balance of \$119,376 in the Amended Budget as of August 6, 2015.

Requests for Information

This report is designed to provide an overview of the Town of Oak Ridge's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Samuel K. Anders, CPA, MSA, c/o Town of Oak Ridge, P. O. Box 374, Oak Ridge, NC 27310, or by telephone at 336-643-7577, or by e-mail at sam@samanderscpa.com.

TOWN OF OAK RIDGE, NORTH CAROLINA
STATEMENT OF NET POSITION
June 30, 2015

Exhibit 1

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and investments	\$ 3,082,088
Receivables:	
Taxes receivable, net	9,266
Accrued interest receivable, property taxes	3,358
Accounts receivable	2,432
Due from other governments	222,360
Restricted cash	2,923
Total current assets	<u>3,322,427</u>
Noncurrent assets:	
Net pension asset	<u>23,943</u>
Capital assets:	
Land and other non-depreciable assets	1,937,590
Other capital assets, net of depreciation	<u>4,033,058</u>
	<u>5,970,648</u>
Total assets	<u>9,317,018</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>23,749</u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	81,800
Accrued interest payable	10,766
Current portion of long-term liabilities	<u>134,960</u>
	227,526
Long-term liabilities:	
Due in more than one year	<u>863,334</u>
Total liabilities	<u>1,090,860</u>
DEFERRED INFLOWS OF RESOURCES	<u>58,356</u>
NET POSITION	
Net investment in capital assets	4,939,291
Restricted for:	
Stabilization by state statute	224,792
Dog park	2,923
Unrestricted	<u>3,024,545</u>
Total net position	<u><u>\$ 8,191,551</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF OAK RIDGE, NORTH CAROLINA
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Exhibit 2

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Revenue (Expense) and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>
Governmental activities:					
General government	\$ 547,189	\$ 18,480	\$ -	\$ -	\$ (528,709)
Cultural and recreational	436,389	39,811	-	-	(396,578)
Debt service:					
Interest and fiscal charges	25,405	-	-	-	(25,405)
Total governmental activities	<u>\$ 1,008,983</u>	<u>\$ 58,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(950,692)</u>
General revenues:					
Taxes:					
Property taxes, levied for general purposes					763,852
Other taxes					10,617
Grants and contributions not restricted to specific programs					694,993
Investment earnings, unrestricted					10,622
Total general revenues					1,480,084
Change in net position					529,392
Net position - beginning, previously reported					7,692,246
Restatement					(30,087)
Net position - beginning, restated					7,662,159
Net position - ending					<u>\$ 8,191,551</u>

The accompanying notes are an integral part of this statement.

**TOWN OF OAK RIDGE, NORTH CAROLINA
BALANCE SHEET - GOVERNMENTAL FUND
June 30, 2015**

Exhibit 3

	Major Fund	Total Governmental Fund
	General	
ASSETS		
Cash and cash equivalents	\$ 3,082,088	\$ 3,082,088
Restricted cash	2,923	2,923
Taxes receivable, net	9,266	9,266
Accounts receivable	2,432	2,432
Due from other governments	222,360	222,360
TOTAL ASSETS	\$ 3,319,069	\$ 3,319,069
LIABILITIES		
Accounts payable	\$ 58,301	\$ 58,301
Accrued liabilities	23,499	23,499
TOTAL LIABILITIES	81,800	81,800
DEFERRED INFLOWS OF RESOURCES		
Ad valorem taxes receivable	9,266	9,266
TOTAL DEFERRED INFLOWS OF RESOURCES	9,266	9,266
FUND BALANCE		
Restricted for:		
Stabilization by state statute	224,792	224,792
Park	2,923	2,923
Committed		
Capital projects	2,487,821	2,487,821
Assigned		
Subsequent year's expenditures	119,376	119,376
Unassigned	393,091	393,091
TOTAL FUND BALANCE	3,228,003	3,228,003
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	\$ 3,319,069	
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds.		5,970,648
Net pension asset		23,943
Contributions to the pension plan in the current fiscal year are deferred outflows of resources on the statement of net position		23,749
Liabilities for earned revenues considered deferred inflows of resources in fund statements.		9,266
Accrued interest receivable from property taxes is not available to pay for current-period expenditures and, therefore, are deferred in the funds		3,358
Some liabilities, including long-term debt, accrued interest, and compensated absences, are not due and payable in the current period and, therefore, are not reported in the funds.		(1,009,060)
Pension-related deferrals		(58,356)
Net position of governmental activities		\$ 8,191,551

The accompanying notes are an integral part of this statement.

TOWN OF OAK RIDGE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUND
For the Fiscal Year Ended June 30, 2015

Exhibit 4

	Major Fund	Total
	General	Governmental
		Fund
REVENUES		
Ad valorem taxes	\$ 767,705	\$ 767,705
Other taxes and licenses	10,617	10,617
Unrestricted intergovernmental	694,993	694,993
Permits and fees	55,067	55,067
Investment earnings	10,622	10,622
Miscellaneous	3,224	3,224
TOTAL REVENUES	1,542,228	1,542,228
EXPENDITURES		
General government	507,545	507,545
Cultural and recreational	461,152	461,152
Debt service	150,084	150,084
TOTAL EXPENDITURES	1,118,781	1,118,781
REVENUES OVER EXPENDITURES	423,447	423,447
FUND BALANCE, BEGINNING OF YEAR	2,804,556	2,804,556
FUND BALANCE, END OF YEAR	\$ 3,228,003	\$ 3,228,003

Reconciliation of the governmental funds statement of revenues, expenditures and changes in fund balance to the statement of activities

Total net change in fund balance - governmental funds	\$ 423,447
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays (\$150,637) as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays were less than depreciation (\$184,926) in the current period.	(34,289)
Contributions to the pension plan in the current fiscal year are not included in the statement of activities	21,491
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:	
Change in unavailable revenue for tax revenues	(4,298)
Change in accrued interest receivable, property taxes	445
The repayment of the principal of long-term debt (\$123,333) consumes the current financial resources of governmental funds. These transactions have no effect on net position. This is the net effect of this difference in the treatment of long-term debt and related items.	123,333
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Change in accrued interest payable	1,346
Pension expense	(2,068)
Compensated absences	(15)
Changes in net position of governmental activities	\$ 529,392

The accompanying notes are an integral part of this statement.

TOWN OF OAK RIDGE, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
For the Fiscal Year Ended June 30, 2015

Exhibit 5

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Ad valorem taxes	\$ 674,000	\$ 674,000	\$ 767,705	\$ 93,705
Other taxes and licenses	11,500	11,500	10,617	(883)
Unrestricted intergovernmental	487,500	487,500	694,993	207,493
Permits and fees	47,175	47,175	55,067	7,892
Investment earnings	4,000	4,000	10,622	6,622
Miscellaneous	-	-	3,224	3,224
	<u>1,224,175</u>	<u>1,224,175</u>	<u>1,542,228</u>	<u>318,053</u>
EXPENDITURES				
General government	529,275	561,985	507,545	54,440
Cultural and recreation	793,461	841,541	461,152	380,389
Debt service	150,000	150,100	150,084	16
	<u>1,472,736</u>	<u>1,553,626</u>	<u>1,118,781</u>	<u>434,845</u>
REVENUES OVER (UNDER) EXPENDITURES	(248,561)	(329,451)	423,447	752,898
APPROPRIATED FROM FUND BALANCE	<u>248,561</u>	<u>329,451</u>	<u>-</u>	<u>(329,451)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>423,447</u>	<u>\$ 423,447</u>
FUND BALANCE, BEGINNING OF YEAR			<u>2,804,556</u>	
FUND BALANCE, END OF YEAR			<u>\$ 3,228,003</u>	

The accompanying notes are an integral part of this statement.

THIS PAGE LEFT INTENTIONALLY BLANK.

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Oak Ridge (the "Town") conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The Town of Oak Ridge is an incorporated town which is governed by a five-member town council. A mayor is elected by the members of the Town Council. For financial reporting purposes, the Town of Oak Ridge includes all funds, agencies, boards, commissions, and authorities which are controlled by or are financially dependent upon the Town.

B. Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial schedules provide information about the Town's funds.

The Town reports the following major governmental fund:

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. The primary revenue sources are ad valorem taxes and state-shared revenues. The primary expenditures are for general government and cultural and recreational services.

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting

In accordance with the North Carolina General Statutes, all funds of the Town are maintained during the year using the modified accrual basis of accounting.

Government-Wide Financial Statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under installment purchase agreements are reported as other financing sources.

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

C. Measurement Focus and Basis of Accounting (Continued)

The Town considers all revenues available if they are collected within 90 days after year end, except for property taxes. Ad valorem taxes receivable are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of September 1, 2013, state law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the state of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that are billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements, and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at year end on behalf of the Town are recognized as revenue. Generally, intergovernmental revenues and sales and services are not susceptible to accrual because they are not measurable until received in cash. Grant revenues which are unearned at year end are recorded as unearned revenues.

D. Budgetary Data

The Town's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund. All annual appropriations lapse at the fiscal year end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Amendments are required for all revisions and must be approved by the governing board. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity

1. Deposits

All deposits of the Town are made in Board-designated official depositories and are secured as required by state law [G.S. 159-31]. The Town may designate, as an official depository, any bank or savings and loan association whose principal office is located in North Carolina. Also, the Town may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

2. Restricted Cash

Cash that represents donations that are restricted by donors for improvements to the dog park.

3. Ad Valorem Taxes Receivable

In accordance with state law [G.S. 105-347 and G.S. 159-13(a)], the Town levies ad valorem taxes on property other than motor vehicles on July 1st, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, interest does not accrue until the following January 6th. These taxes are based on the assessed values as of January 1, 2015. As allowed by state law, the Town has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the Town's General Fund, ad valorem tax revenues are reported net of such discounts.

4. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is established by analyzing the percentage of receivables written off in prior years.

5. Capital Assets

Capital assets are defined by the government as assets with an initial, individual cost of more than a certain amount and an estimated useful life in excess of two years.

Minimum capitalization costs are as follows:

	Cost
Land	\$ 100
Land improvements	500
Buildings and improvements	500
Vehicles, furniture and equipment	500

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity (Continued)

5. Capital Assets (Continued)

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at time of donation. The cost of normal maintenance and repairs that do not add to the value of

Capital assets are depreciated using the straight-line method over their estimated useful lives:

	<u>Useful Life</u>
Land improvements	7 to 40 years
Buildings and improvements	15 to 40 years
Computer equipment and software	3 to 5 years
Furniture, fixtures, equipment and vehicles	5 to 7 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The town's contributions made to the pension plan in the 2015 fiscal year meet this criterion. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Town has the following items that meet the criterion for this category, ad valorem taxes receivable, prepaid taxes, and deferrals of pension expense that result from the implementation of GASB Statement 68.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. In fund financial statements, the face amount of debt issued is reported as other financing sources.

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity (Continued)

8. Compensated Absences

The vacation policy of the Town provides for the accumulation of up to one year's earned vacation leave with such leave being fully vested when earned. The only exception to the terms of this vacation policy will be in the instance of the Town Council hiring an employee under an employment contract. In such an instance, the terms of the contract as negotiated and agreed to will govern the contracted employee's vacation leave. For the Town's government-wide activities, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned. The Town has assumed a first-in, first-out method of using accumulated compensated time. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The Town's sick leave policy provides for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the Town does not have any obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

9. Net Position/Fund Balances

Net position in government-wide financial statements is classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represents constraints on resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through state statute.

Fund Balances

In the governmental fund financial statements, fund balance may be composed of five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance - This classification includes amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact.

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity (Continued)

9. Net Position/Fund Balances (Continued)

Restricted Fund Balance - This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

Restricted for stabilization by state statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

Restricted for dog park - portion of fund balance that is restricted by donors for improvements to the dog park.

Committed Fund Balance - portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of the Town of Oak Ridge's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for capital projects - portion of fund balance that is set aside by the Board for capital projects.

Assigned Fund Balance - portion of fund balance that the Town of Oak Ridge intends to use for specific purposes.

Assigned for subsequent year's expenditures – Portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes.

The Town of Oak Ridge has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: installment proceeds, federal funds, state funds, local non-town funds, town funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and finally, unassigned fund balance. The Finance Officer has the authority to deviate from this policy, if it is in the best interest of the Town.

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Fund Equity (Continued)

10. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Governmental Employee's Retirement System (LGERS) and additions to/deductions from LGERS' fiduciary net position have been determined on the same basis as they are reported by LGERS. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The Town's employer contributions are recognized when due and the Town has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of LGERS. Investments are reported at fair value.

Note 2. Detail Notes on All Funds

A. Assets

1. Deposits

All the deposits of the Town are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits that exceed the federal depository insurance coverage level are collateralized with securities held by the Town's agent in the Town's name. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the Town, these deposits are considered to be held by the Town's agent in the Town's name. The amount of the pledged collateral is based on an approved averaging method for noninterest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the Town or the escrow agent. Because of the inability to measure the exact amounts of collateral pledged for the Town under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The Town has no policy regarding custodial credit risk for deposits, but relies on the State Treasurer to enforce standards of minimum capitalization for all Pooling Method financial institutions and to monitor them for compliance. The Town complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured.

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

1. Deposits (Continued)

At June 30, 2015, the Town's deposits had a carrying amount of \$3,084,911 and bank balance of \$3,114,780. Of the bank balance, \$1,000,000 was covered by federal depository insurance. The Town had \$100 of petty cash on hand at June 30, 2015.

2. Receivables – Allowance for Doubtful Accounts

The amounts presented in the Balance Sheet and Statement of Net Position for the year ended June 30, 2015 are net of the following allowance for doubtful accounts, which is based on historical percentages of receivables not expected to be collected:

General Fund	
Taxes receivable	\$ <u>1,385</u>

3. Due from Other Governments

Amounts due from other governments at June 30, 2015, consist of the following:

	Other	State	Total
General Fund			
ABC distribution	\$ 16,225	\$ -	\$ 16,225
Sales tax refund	-	5,275	5,275
Property taxes	15,522	-	15,522
Utilities franchise, piped natural gas and telecommunication taxes	1,005	128,184	129,189
Local option sales tax	-	56,149	56,149
	<u>\$ 32,752</u>	<u>\$ 189,608</u>	<u>\$ 222,360</u>

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

4. Capital Assets

Capital asset activity for the year ended June 30, 2015, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land and other non-depreciable assets	\$ 1,883,832	\$ 76,298	\$ 22,540	\$ 1,937,590
Total capital assets not being depreciated	<u>1,883,832</u>	<u>\$ 76,298</u>	<u>\$ 22,540</u>	<u>1,937,590</u>
Capital assets being depreciated:				
Land improvements	2,198,285	\$ 41,678	\$ -	2,239,963
Buildings and improvements	2,144,332	-	-	2,144,332
Computer equipment and software	24,792	26,940	8,613	43,119
Furniture, fixtures, equipment and vehicles	<u>733,570</u>	<u>28,261</u>	<u>-</u>	<u>761,831</u>
Total capital assets being depreciated	<u>5,100,979</u>	<u>\$ 96,879</u>	<u>\$ 8,613</u>	<u>5,189,245</u>
Less accumulated depreciation for:				
Land improvements	299,853	\$ 66,565	\$ -	366,418
Buildings and improvements	411,678	63,604	-	475,282
Computer equipment and software	21,214	8,941	8,613	21,542
Furniture, fixtures, equipment and vehicles	<u>247,129</u>	<u>45,816</u>	<u>-</u>	<u>292,945</u>
Total accumulated depreciation	<u>979,874</u>	<u>\$ 184,926</u>	<u>\$ 8,913</u>	<u>1,156,187</u>
Total capital assets being depreciated, net	<u>4,121,105</u>			<u>4,033,058</u>
Governmental activity capital assets, net	<u>\$ 6,004,937</u>			<u>\$ 5,970,648</u>

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

A. Assets (Continued)

4. Capital Assets (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$	58,305
Parks and recreation		<u>126,621</u>
		<u>\$ 184,926</u>

The Town has active construction projects as of June 30, 2015 with the following remaining commitments:

		<u>Spent to Date</u>	<u>Commitment</u>
Town Park - Phase II Construction	\$	<u>44,690</u>	<u>\$ 338,210</u>

B. Liabilities and Deferred Outflows/Inflows of Resources

1. Pension Plan Obligations

Local Government Employees Retirement System

Plan Description. The Town of Oak Ridge is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the state of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the state of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

1. Pension Plan Obligations (Continued)

Local Government Employees Retirement System (Continued)

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Town employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Town's contractually required contribution rate for the year ended June 30, 2015, was 7.07% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the Town were \$21,491 for the year ended June 30, 2015.

Refunds of Contributions – Town employees who have terminated service as a contributing member of LGERS, may file an application for a refund of their contributions. By state law, refunds to members with at least five years of service include 4% interest. State law requires a 60 day waiting period after service termination before the refund may be paid. The acceptance of a refund payment cancels the individual's right to employer contributions or any other benefit provided by LGERS.

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

1. Pension Plan Obligations (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Town reported an asset of \$23,943 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013. The total pension liability was then rolled forward to the measurement date of June 30, 2014 utilizing update procedures incorporating the actuarial assumptions. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2014, the Town's proportion was 0.0041%, which was an increase of 0.0002% from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the Town recognized pension expense of \$2,068. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 2,616
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	55,740
Changes in proportion and differences between Town contributions and proportionate share of contributions	2,258	-
Town contributions subsequent to the measurement date	<u>21,491</u>	<u>-</u>
Total	<u>\$ 23,749</u>	<u>\$ 58,356</u>

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

1. Pension Plan Obligations (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$21,491 of the amount reported as deferred outflows of resources related to Town contributions subsequent to the measurement date that will be recognized as an increase of the net pension asset in the year ended June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2016	\$ (14,025)
2017	(14,025)
2018	(14,025)
2019	(14,023)
2020	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	4.25 to 8.55 percent, including inflation and productivity factor
Investment rate of return	7.25 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2013 valuation were based on the results of an actuarial experience study for the period January 1, 2005 through December 31, 2009.

Future ad hoc COLA amounts are not considered to be substantively automatic and are therefore not included in the measurement.

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

1. Pension Plan Obligations (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	36.0%	2.5%
Global equity	40.5%	6.1%
Real estate	8.0%	5.7%
Alternatives	6.5%	10.5%
Credit	4.5%	6.8%
Inflation protection	<u>4.5%</u>	3.7%
Total	<u>100.0%</u>	

The information above is based on 30-year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.19%. All rates of return and inflation are annualized.

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

1. Pension Plan Obligations (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

A new asset allocation policy was finalized during the fiscal year ended June 30, 2014 to be effective July 1, 2014. The new asset allocation policy utilizes different asset classes, changes in the structure of certain asset classes, and adopts new benchmarks. Using the asset class categories in the preceding table, the new long-term expected arithmetic real rates of return are: Fixed Income 2.2%, Global Equity 5.8%, Real Estate 5.2%, Alternatives 9.8%, Credit 6.8% and Inflation Protection 3.4%.

Discount Rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension asset to changes in the discount rate. The following presents the Town's proportionate share of the net pension asset calculated using the discount rate of 7.25 percent, as well as what the Town's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
Town's proportionate share of the net pension liability (asset)	\$ 81,275	\$ (23,943)	\$ (112,535)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

2. Deferred Outflows and Inflows of Resources

The Town has deferred outflows of resources, which are comprised of \$21,491 of current year LGERS pension contributions and \$2,258 of pension deferrals.

Deferred inflows of resources for the General Fund at June 30, 2015 consists of unavailable revenues arising from property tax receivables of \$9,266 and pension deferrals of \$58,356.

3. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town participates in three self-funded risk-financing pools administered by the North Carolina League of Municipalities. Through these pools, the Town obtains general liability and auto liability coverage of \$1 million per occurrence, property coverage up to the total insurance values of the property policy, workers' compensation coverage up to statutory limits, and employee health coverage up to a \$2 million lifetime limit. The pools are reinsured through commercial companies for single occurrence claims against general liability, auto liability and property liability in excess of \$500,000 and \$300,000 up to statutory limits for workers' compensation. The pools are reinsured for annual employee health claims in excess of \$150,000. The property liability pool has an aggregate limit for the total property losses in a single year, with the reinsurance limit based upon a percentage of the total insurance values.

The Town carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

The Town carries flood insurance through the Interlocal Risk Financing Fund of North Carolina. The Town has coverage of \$5,000,000 for a single occurrence and a \$5,000,000 annual aggregate limit.

In accordance with G.S.159-29, the Town's employees that have access to \$100 or more of the Town's funds at any given time are performance-bonded through a commercial surety bond. The finance officer is bonded for \$50,000 and the remaining employees that have access to funds are bonded under a blanket bond for \$10,000.

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

4. Long-Term Obligations

a. Installment Purchases

The Town entered into an installment purchase contract to finance the construction of the Town Park. The installment purchase note payable at June 30, 2015, is as follows:

\$3,350,000 installment purchase dated January 18, 2008 for the construction of the Town Park due in annual installments of \$123,333, beginning in January of 2009, plus interest at 2.41% through January 18, 2023. The installment purchase is secured by certain land and land improvements. \$ 986,667

The future minimum installment purchase payments as of June 30, 2015 are as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 123,333	\$ 23,779
2017	123,333	20,806
2018	123,333	17,834
2019	123,333	14,862
2020	123,333	11,889
2021 - 2023	<u>370,002</u>	<u>17,834</u>
	<u>\$ 986,667</u>	<u>\$ 107,004</u>

**TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015**

Note 2. Detail Notes on All Funds (Continued)

B. Liabilities and Deferred Outflows/Inflows of Resources (Continued)

4. Long-Term Obligations (Continued)

b. Changes in Long-Term Liabilities

During the year ended June 30, 2015, the following changes occurred in long-term obligations:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Compensated absences	\$ 11,612	\$ 16,310	\$ 16,295	\$ 11,627	\$ 11,627
Net pension liability (LGERS)	47,010	-	47,010	-	-
Installment purchases	<u>1,110,000</u>	-	<u>123,333</u>	<u>986,667</u>	<u>123,333</u>
Total	<u>\$ 1,168,622</u>	<u>\$ 16,310</u>	<u>\$ 186,638</u>	<u>\$ 998,294</u>	<u>\$ 134,960</u>

Compensated absences have typically been liquidated in the General Fund. The LGERS plan had a net pension asset as of June 30, 2015; however, the plan had a net pension liability at the beginning of the fiscal year.

5. Long-Term Contract

The Town has a contract to lease a portion of the Town Park Maintenance Building to the Oak Ridge Youth Association, Inc. The lease term is for a period of ten years and the remaining lease payments are as follows:

Fiscal Year <u>Ending June 30,</u>	
2016	\$ 5,000
2017	4,000
2018	3,000
2019	2,000
2020	1,000
2021	<u>1,000</u>
	<u>\$ 16,000</u>

TOWN OF OAK RIDGE, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2015

Note 2. Detail Notes on All Funds (Continued)

C. Fund Balance

The following schedule provides management and citizens with information on the portion of General Fund balance that is available for appropriation.

Total fund balance, General Fund	\$ 3,228,003
Less:	
Stabilization by state statute	224,792
Dog park	2,923
Capital projects	2,487,821
Appropriated fund balance in 2015 budget	<u>119,376</u>
Remaining fund balance, General Fund	<u>\$ 393,091</u>

Note 3. Jointly Governed Organization

The Town, along with six other municipalities and Forsyth County, is a participating member of the Triad Municipal ABC Board. This organization was established under North Carolina Alcoholic Beverage laws to operate liquor stores. The Town of Oak Ridge appoints one member to a nine-member governing board. The Town also receives a portion of the income distributed by the Board. This distribution amounted to \$97,275 during the fiscal year ended June 30, 2015.

Note 4. Change in Accounting Principles/Restatement

The Town implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*, in fiscal year ending June 30, 2015. The implementation of the statement required the Town to record a beginning net pension liability and the effects on net position of contributions made by the Town during the measurement period (fiscal year ending June 30, 2014). As a result, beginning net position for the governmental activities decreased by \$30,087.

REQUIRED SUPPLEMENTARY FINANCIAL DATA

- **Schedule of Proportionate Share of Net Pension Asset for Local Government Employees' Retirement System**
- **Schedule of Contributions to Local Government Employees' Retirement System**

**TOWN OF OAK RIDGE, NORTH CAROLINA
 PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET)
 REQUIRED SUPPLEMENTARY INFORMATION
 LAST TWO FISCAL YEARS***

Exhibit A-1

Local Government Employees' Retirement System

	<u>2015</u>	<u>2014</u>
Oak Ridge's proportion of the net pension liability (asset) (%)	0.0041%	0.0039%
Oak Ridge's proportion of the net pension liability (asset) (\$)	\$ (23,943)	\$ 47,010
Oak Ridge's covered-employee payroll	\$ 239,364	\$ 222,563
Oak Ridge's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-10.00%	21.12%
Plan fiduciary net position as a percentage of the total pension liability**	102.64%	94.35%

* The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

** This percentage is the same for all participant employers in the LGERS plan.

**TOWN OF OAK RIDGE, NORTH CAROLINA
SCHEDULE OF CONTRIBUTIONS
REQUIRED SUPPLEMENTARY INFORMATION
LAST TWO FISCAL YEARS**

Exhibit A-2

Local Government Employees' Retirement System

	2015	2014
Contractually required contribution	\$ 23,749	\$ 16,923
Contributions in relation to the contractually required contribution	23,749	16,923
Contribution deficiency (excess)	\$ -	\$ -
Oak Ridge's covered-employee payroll	\$ 335,912	\$ 239,364
Contributions as a percentage of covered-employee payroll	7.07%	7.07%

THIS PAGE LEFT INTENTIONALLY BLANK.

INDIVIDUAL FUND SCHEDULES

THIS PAGE LEFT INTENTIONALLY BLANK.

TOWN OF OAK RIDGE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015

Schedule 1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Ad valorem taxes:			
Taxes	\$ 674,000	\$ 767,705	\$ 93,705
Other taxes and licenses:			
Cable franchise fees	11,500	10,617	(883)
Unrestricted intergovernmental:			
Local option sales tax		208,537	
Utilities franchise tax		201,612	
Piped natural gas		57,788	
Telecommunication tax		26,172	
Local video programming		66,865	
Local ABC revenues		97,275	
Solid waste disposal tax		4,379	
Beer and wine excise tax		32,365	
Total	487,500	694,993	207,493
Permits and fees:			
Inspection fee income		18,480	
Park fees		36,587	
Total	47,175	55,067	7,892
Investment earnings	4,000	10,622	6,622
Miscellaneous:			
Dog park donations		1,389	
Other		1,835	
	-	3,224	3,224
TOTAL REVENUES	1,224,175	1,542,228	318,053

**TOWN OF OAK RIDGE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015**

**Schedule 1
(Continued)**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
EXPENDITURES			
General government:			
Advertising		\$ 3,946	
Direct deposit fees		604	
Dues and subscriptions		15,059	
Education		2,444	
Equipment lease		1,509	
Historical committee		5,367	
Insurance - life		1,069	
Insurance - disability		394	
Insurance - health		60,224	
Insurance - liability		5,982	
Insurance - workers compensation		1,305	
Wages		183,795	
Miscellaneous expense		127	
Mileage reimbursement		1,535	
Office supplies		2,938	
Ordinance conversion		4,304	
Planning board		97	
Postage and delivery		340	
Professional fees		135,644	
Property maintenance		7,050	
Retirement contributions		19,636	
Security monitoring		300	
Taxes - Medicare		2,343	
Taxes - property		640	
Taxes - social security		10,019	
Taxes - unemployment		1,033	
Telephone		5,849	
Town Hall		4,064	
Travel and entertainment		384	
Utilities - electricity		21,695	
Utilities - web hosting fees		850	
Capital outlay		6,999	
	<hr/>	<hr/>	<hr/>
Total general government	\$ 561,985	507,545	\$ 54,440

**TOWN OF OAK RIDGE, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2015**

**Schedule 1
(Continued)**

	Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued)			
Cultural and recreation:			
Contributions to other agencies		\$ 4,250	
Wages		136,732	
Retirement matching contribution		12,919	
Insurance - life		841	
Insurance - disability		456	
Insurance - health		34,308	
Insurance - liability		5,642	
Insurance - workers compensation		4,131	
Operations and maintenance		99,933	
Taxes - Medicare		1,982	
Taxes - social security		8,477	
Taxes - unemployment		863	
Special events		6,980	
Capital outlay		143,638	
Total cultural and recreation	\$ 841,541	461,152	\$ 380,389
Debt service:			
Principal		123,333	
Interest		26,751	
Total debt service	150,100	150,084	16
TOTAL EXPENDITURES	1,553,626	1,118,781	434,845
REVENUES OVER (UNDER) EXPENDITURES	(329,451)	423,447	752,898
APPROPRIATED FUND BALANCE	329,451	-	(329,451)
NET CHANGE IN FUND BALANCE	\$ -	423,447	\$ 423,447
FUND BALANCE, BEGINNING OF YEAR		2,804,556	
FUND BALANCE, END OF YEAR		\$ 3,228,003	

THIS PAGE LEFT INTENTIONALLY BLANK.

OTHER SCHEDULES

- **Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**

TOWN OF OAK RIDGE, NORTH CAROLINA
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
GENERAL FUND
Year Ended June 30, 2015

Schedule 2

<u>Fiscal Year</u>	<u>Uncollected Balance at July 1, 2014</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance at June 30, 2015</u>
Year of Levy:				
2014-2015	\$ -	\$ 760,563	\$ 758,281	\$ 2,282
2013-2014	4,112	-	2,615	1,497
2012-2013	2,698	-	789	1,909
2011-2012	2,324	-	686	1,638
2010-2011	994	-	160	834
2009-2010	777	-	199	578
2008-2009	690	-	160	530
2007-2008	631	-	81	550
2006-2007	508	-	34	474
2005-2006	365	-	6	359
2004-2005	465	-	465	-
	<u>13,564</u>	<u>\$ 760,563</u>	<u>\$ 763,476</u>	10,651
Less allowance for uncollectible accounts:				
General Fund	<u>-</u>			<u>(1,385)</u>
	<u>\$ 13,564</u>			<u>\$ 9,266</u>
Reconciliation with revenues:				
Taxes - Ad Valorem - General Fund				\$ 767,705
Reconciling items:				
Discounts, releases and refunds				<u>(4,229)</u>
Total collections and credits				<u>\$ 763,476</u>

TOWN OF OAK RIDGE, NORTH CAROLINA
ANALYSIS OF CURRENT TAX LEVY
TOWN-WIDE LEVY
Year Ended June 30, 2015

Schedule 3

	Town-Wide		Total Levy		
	Property Valuation*	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy Property taxed at current year's rate	<u>\$ 881,301,509</u>	<u>\$ 0.0863</u>	\$ 760,563	\$ 691,204	\$ 69,359
Net levy			760,563	691,204	69,359
Uncollected taxes at June 30, 2015			<u>(2,282)</u>	<u>(2,282)</u>	<u>-</u>
Current year's taxes collected			<u>\$ 758,281</u>	<u>\$ 688,922</u>	<u>\$ 69,359</u>
Current levy collection percentage			<u>99.70%</u>	<u>99.67%</u>	<u>100.00%</u>

* Property tax valuation prior to the discoveries and abatements