

James W. Wadman

Certified Public Accountant

Telephone 207-667-6500

Facsimile 207-667-3636

James W. Wadman, C.P.A.

Ronald C. Bean, C.P.A.

Kellie M. Bowden, C.P.A.

Wanese L. Lynch, C.P.A.

Amy E. Atherton, C.P.A.

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Verona Island
Verona Island, ME

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 Verona Island, Maine (the Town) as of and for the fiscal year ended December 31, 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 Statement

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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 Verona Island, Maine, as of December 31, 2015, and the respective

changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

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 pension disclosure schedules on pages 3 through 6 and 23 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Verona Island, Maine's financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully Submitted,

James W. Wadman, C.P.A.

James W. Wadman, C.P.A.
February 8, 2016

TOWN OF VERONA ISLAND, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Department</u>	<u>Beginning Balance</u>	<u>Appropriations</u>	<u>Cash Receipts</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Lapsed Unexpended (Overdraft)</u>	<u>Ending Balance</u>
<u>General Government:</u>							
Administrative	\$0	\$69,000	\$4,012	\$73,012	\$69,514	\$3,498	
Town Hall Account	\$0	\$5,600	\$3,450	\$9,050	\$10,065	(\$1,015)	
Contingency	\$0	\$10,000		\$10,000	\$7,240	\$2,760	
Telephone	\$0	\$1,300		\$1,300	\$1,299	\$1	
	\$0	\$85,900	\$7,462	\$93,362	\$88,118	\$5,244	\$0
<u>Protection:</u>							
Fire Department - Bucksport	\$0	\$30,599		\$30,599	\$28,442	\$2,157	
Street Lights	\$0	\$900		\$900	\$931	(\$31)	
	\$0	\$31,499	\$0	\$31,499	\$29,373	\$2,126	\$0
<u>Highways & Bridges:</u>							
Snow Removal	\$0	\$55,000		\$55,000	\$48,363	\$0	\$6,637
Paving Reserve	\$12,635	\$0	\$10	\$12,645		\$0	\$12,645
State Road Assistance	\$107,027	\$0	\$10,644	\$117,671	\$59,026	\$0	\$58,645
	\$119,662	\$55,000	\$10,654	\$185,316	\$107,389	\$0	\$77,927
<u>Health & Sanitation:</u>							
Bucksport Ambulance	\$0	\$12,180		\$12,180	\$10,102	\$2,078	
Animal Control	\$2,195	\$0	\$1,785	\$3,980	\$619	\$0	\$3,361
Solid Waste	\$4,949	\$45,000	\$6,485	\$56,434	\$51,400	\$0	\$5,034
	\$7,144	\$57,180	\$8,270	\$72,593	\$62,121	\$2,078	\$8,395
<u>Education:</u>							
Education	\$0	\$488,155		\$488,155	\$482,997	\$5,158	\$0
	\$0	\$488,155	\$0	\$488,155	\$482,997	\$5,158	\$0

TOWN OF VERONA ISLAND, MAINE
SCHEDULE OF DEPARTMENTAL OPERATIONS - (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2015

<u>Department</u>	<u>Beginning Balance</u>	<u>Appropriations</u>	<u>Cash Receipts</u>	<u>Total Available</u>	<u>Expenditures</u>	<u>Lapsed Unexpended (Overdraft)</u>	<u>Ending Balance</u>
<u>Culture and Recreation:</u>							
Recreation	\$1,187	\$2,978	\$488	\$4,654	\$3,099	\$0	\$1,555
	\$1,187	\$2,978	\$488	\$4,654	\$3,099	\$0	\$1,555
<u>Unclassified:</u>							
Charitable Organizations	\$0	\$1,625		\$1,625	\$1,625	\$0	
General Assistance	\$3,658	\$3,000	\$956	\$7,613	\$2,833	\$0	\$4,781
Cemetery Care	\$0	\$500		\$500	\$135	\$365	
Maine Municipal Association Dues	\$0	\$1,483		\$1,483	\$1,483	\$0	
Planning Board	\$0	\$500		\$500		\$500	
Plumbing Inspection	\$0	\$0	\$1,560	\$1,560	\$1,632	(\$72)	
Building Fees	\$0	\$0	\$1,138	\$1,138	\$783	\$355	
Code Enforcement	\$0	\$0		\$0	\$1,100	(\$1,100)	
Land Use / Planning	\$2,124	\$800		\$2,924	\$800	\$0	\$2,124
	\$5,782	\$7,908	\$3,653	\$17,343	\$10,391	\$47	\$6,904
<u>Assessments and Debt Service:</u>							
Hancock County Assessment Overlay	\$0	\$21,799		\$21,799	\$21,799	\$0	
	\$0	\$11,663		\$11,663		\$11,663	
	\$0	\$33,461	\$0	\$33,461	\$21,799	\$11,663	\$0
<u>TOTALS</u>	\$133,775	\$762,081	\$30,527	\$926,383	\$805,287	\$26,316	\$94,780

TOWN OF VERONA ISLAND, MAINE
TREASURER'S CASH/INVESTMENTS RECONCILIATION - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015

(Exhibit A-2)

Beginning Cash Balance - General Fund \$389,034

Receipts:

Tax Collections - Current Year	\$578,705
Tax Collections - Prior Year, including sale of tax acquired property	\$104,659
Excise Taxes	\$94,267
State Municipal Revenue Sharing	\$18,831
Licenses and Registrations	\$41,390
State Road Assistance	\$10,644
Homestead Exemption	\$8,950
Interest Earned & Collected	\$5,460
Hall Rent	\$3,750
Agent Fees	\$3,486
Solid Waste	\$6,485
Other State Reimbursements	\$2,024
Wastewater Salary Reimbursement	\$750
Plumbing & Building Permits	\$2,698
Franchise Fees	\$48
Copier / Fax	\$33
Weapons Permits	\$205
Property & Casualty Insurance Refund	\$294
Workers Compensation Refund	\$216
Sewer Office Expenses	\$100
Accounts Receivable Collections	\$93
Other	\$617

Total Receipts \$883,703

Total Available \$1,272,737

Disbursements:

Warrants Drawn & Fees \$857,867

Total Disbursements \$857,867

Ending Cash Balance - General Fund \$414,870

Cash Consist of:

Checking Account	\$12,996
Money Market Account	\$401,850
Cash on Hand	\$25

Ending Cash Balance - General Fund \$414,870