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Town of Casco Maine Annual Audit Report 2008

Casco, Me.

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Financial Statements

Town of Casco, Maine

June 30, 2008

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Town of Casco, Maine

June 30, 2008

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Independent Auditors' Report

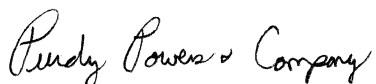
**To the Selectboard
Town of Casco
Casco, Maine**

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Casco, Maine, as of and for the year ended June 30, 2008, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with United States generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Casco, Maine as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund, thereof and for the year then ended, in conformity with United States generally accepted accounting principles.

The Management's Discussion and Analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by United States generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.


Professional Association

**Portland, Maine
March 23, 2009**

¹
Certified Public Accountants & Business Advisors

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Management's Discussion and Analysis

As Town Manager / Treasurer of the Town of Casco, I offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2008. Please read it in conjunction with the Town's financial statements, which begin on page 3.

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 3-4) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 5. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Town as a Whole

The Statement of Net Assets and the Statement of Activities

The analysis of the Town as a whole begins on the next page. One of the most important questions asked about the Town's finances is, "Is the Town as a whole, better off or worse off as a result of the year's activities?" the Statement of Net Assets and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. You can think of the Town's net assets-the difference between assets and liabilities-as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

In the Statement of Net Assets and the Statement of Activities, we divide the Town into its government activities explained as follows:

- Governmental activities-Most of the Town's basic services are reported here, including the general administration, streets, parks, ambulance and fire. Property tax, excise taxes, registration fees, franchise fees, fines, and state and federal grants finance most of these activities.

Reporting the Town's Most Significant Funds Fund Financial Statements

Our analysis of the Town's major funds begins with the fund financial statements on page 6 and provides detailed information about the most significant funds-not the Town as a whole. Some funds are required to be established by State law. However, the Town Selectmen establish many other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- Governmental funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation at the bottom of the fund financial statements.

The Town as Trustee

Reporting the Town's Fiduciary Responsibilities

We exclude these activities from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE TOWN AS A WHOLE

For the year ended June 30, 2008, net assets changed as follows:

	Governmental Activities	
	<i>FY 2008</i>	<i>FY 2007</i>
Beginning net assets	\$ 3,817,380	\$ 3,769,910
Increase (Decrease) in net assets	<u>503,366</u>	<u>47,470</u>
Ending net assets	<u>\$ 4,320,746</u>	<u>\$ 3,817,380</u>

That reflects an increase of approximately 13% compared to a 1% increase in 2007 for governmental activities.

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses, and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense) Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

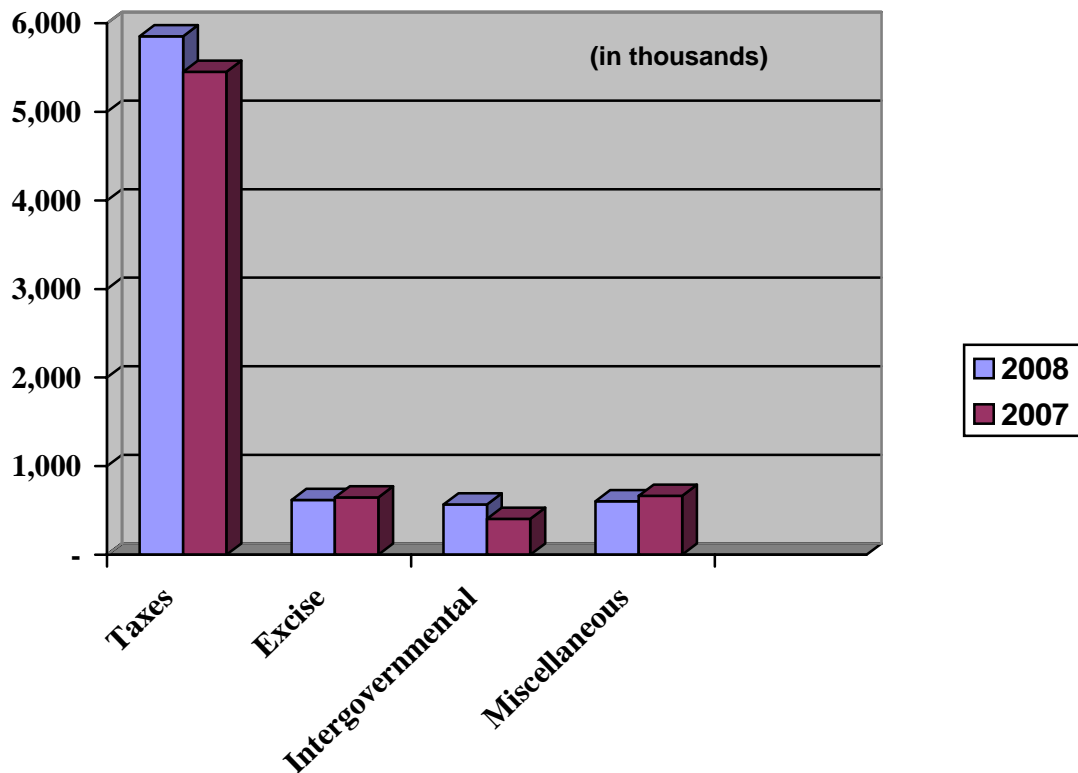
General government	Building permits town clerk fees, license plate fees, land use ordinance fees, and plumbing permits.
Public services	Recreation and library fees, and State general assistance reimbursements.
Public safety	Fire special details, court reimbursements, grants are categorized as operating grants.
Public Works	State highway aid grant.

All other governmental revenues are reported as miscellaneous. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

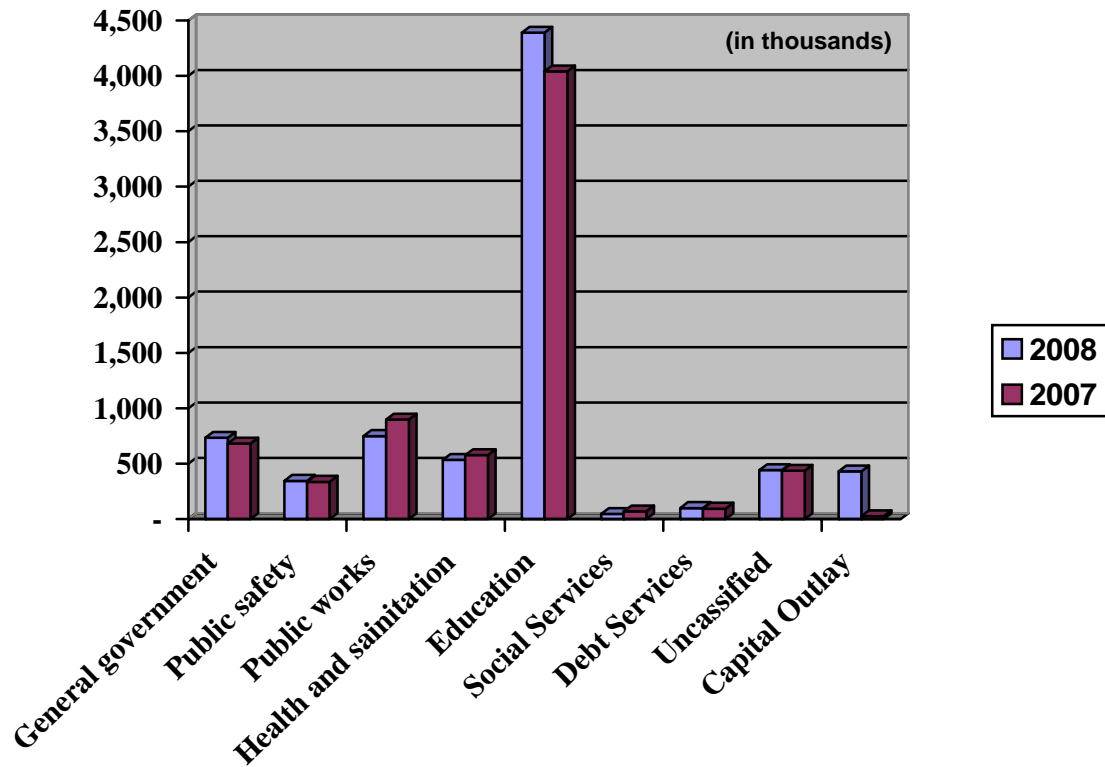
THE TOWN'S FUNDS

The following schedule presents a summary of general fund revenues and expenditures for the fiscal year ended June 30, 2008, and the amount and percentage of increases and decreases in relation to the prior year.

<i>Revenue</i>	<i>FY 2008</i>	<i>FY 2007</i>	<i>Increase (Decrease) from FY 2007</i>	<i>% Increase (Decrease)</i>
	<i>Amount</i>	<i>Amount</i>		
<i>Property Taxes</i>	\$ 5,851,315	\$ 5,450,384	400,931	7%
<i>Excise Taxes</i>	617,790	645,405	(27,615)	(4%)
<i>Intergovernmental</i>	566,932	406,351	160,581	40%
<i>Miscellaneous</i>	602,628	663,443	(60,815)	(9%)
Total Revenue	<u>\$ 7,638,665</u>	<u>\$ 7,165,583</u>	<u>\$ 473,082</u>	<u>7%</u>



<u>Expenditures</u>	<u>FY 2008</u>	<u>FY 2007</u>	<u>Increase</u>	<u>%</u>
	<u>Amount</u>	<u>Amount</u>	<u>(Decrease)</u>	<u>Increase</u>
			<u>from FY 2007</u>	<u>(Decrease)</u>
<i>General government</i>	\$ 734,473	\$ 683,244	\$ 51,229	7%
<i>Public safety</i>	345,696	337,491	8,205	2%
<i>Public works</i>	750,444	898,127	(147,683)	(16%)
<i>Health and sanitation</i>	535,355	579,326	(43,971)	(8%)
<i>Education</i>	4,389,259	4,039,850	349,409	9%
<i>Social services</i>	48,461	71,116	(22,655)	(32%)
<i>Debt service</i>	101,038	94,912	6,126	6%
<i>Capital Outlay</i>	431,642	27,427	404,215	94%
<i>Unclassified</i>	442,655	435,715	6,940	2%
Total Expenditures	\$ 7,779,023	\$ 7,167,208	\$ 611,815	9%



GENERAL FUND BUDGETARY HIGHLIGHTS

The town of Casco continues to maintain a healthy fund balance allowing the town to function without the need to borrow funds in anticipation of taxes, thus saving the tax payer dollars. The fund balance is overseen by the Board of Selectmen. The balance is determined by formula. The town has utilized these funds in the past for emergency appropriations and other required appropriations outside of the normal tax commitment time table.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of June 30, 2008, the Town had \$3.89 million invested in capital assets including fire equipment, buildings, and park facilities. (See table below)

	Governmental Activities	
	<u>2008</u>	<u>2007</u>
Land and improvements	\$ 219,000	\$ 219,000
Buildings and improvements	1,534,499	1,534,499
Vehicles and equipment	2,021,586	1,989,183
Intellectual property	<u>120,000</u>	<u>120,000</u>
TOTALS	<u>\$ 3,895,085</u>	<u>\$ 3,862,682</u>

The Town of Casco finance committee maintains an active inventory of Casco's capital assets. The Finance committee makes recommendation on an annual basis to the Town Meeting regarding appropriations of funds for capital needs. Capital projects may include; new construction, purchase of equipment, repair or upgrade of infrastructure.

Debt

At year-end, the Town had \$405,000 in outstanding bonds and capital leases compared to \$485,000 last year. That is a decrease of 16.5% as shown in the following table:

	Governmental Activities		Increase
	<u>2008</u>	<u>2007</u>	<u>(Decrease)</u>
General obligation bond	\$ 405,000	\$ 485,000	\$ (80,000)

There was no new debt issued this year. Other obligations of the Town include accrued compensated absences for unused vacation time.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A number of issues internal and external to the Town of Casco will affect the Town of Casco budget and resulting tax rate in the next few years. Casco voters will have a responsibility to locally decide many of the future financial and planning decisions that will face our community. In some instances the very ability of the local Town Meeting to decide local financial and planning decisions will be at issue. External political issues including efforts to govern by referendum are a reoccurring theme in the arena of State politics today. Voters should be aware that governance by referendum may affect the ability of local voters to make decisions locally for their community. Governance by referendum is not an issue of good or bad, rather an issue of cause and effect. Voters should make a careful study of each issue as they arise and determine what is in their best interests and the interests of their communities.

Locally Voters have approved repairs to the Casco Community Center in an amount not to exceed \$530,000. The project will be put out to bid and construction will begin sometime in 2009. The Selectmen are authorized to borrow the funds needed requiring pay back in subsequent budget cycles. A local community group has pledged to raise an amount of \$80,000 to reduce the impact to future town budgets.

In addition to the Community Center project the Town will need to decide what the disposition of the former Casco Memorial School property will be. The property is being returned to the Town as the S.A.D. 61 withdraws from the building. A proposal for use of the building for town offices has been discussed; no plans, costs or timelines for the Memorial School property have been established.

Educational costs continue to be a challenge for the Town of Casco. The S.A.D. 61 administration and school board continue to work diligently to hold budget lines and create efficiencies wherever possible in our educational systems. Changes in State policy and funding mechanisms have created a scenario where the S.A.D. 61 continues to lose State Aid to Education thus shifting the tax load to local property tax. The reduction in State Aid to our district, coupled with the increase in property values in the Lakes Region has resulted in a tremendous loss of revenue. As a result in the loss of educational revenues, the taxpayers can expect to see the property tax burden increase in order to continue to provide quality educational opportunities for our children.

Central to the issue of taxes, the budget, and town infrastructure, is the overall economy. The Town is attempting to hold the line on property taxes which necessitates zero increase budgets and in some instances decreased budgets. The inability to adequately invest in our infrastructure such as buildings, roads, and paving will result in a deterioration of those assets over time, and a greater need for financial resources in the future. In the current case of a declining regional, state and national economy, the Town is not realizing an increase in its base value, thus resulting in no increase in funds available to invest in municipal programs without consideration of a tax increase.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, visit the Town Office or call 627-4515.

Statement of Net Assets

Town of Casco, Maine

As of June 30, 2008

	<u>Governmental Activities</u>
Assets	
Cash	\$ 2,162,970
Investments	152,205
Taxes receivable	494,324
Tax liens receivable	173,344
Accounts receivable	36,575
Tax acquired property	37,995
Deposit	429,724
Capital assets, net of accumulated depreciation	<u>1,410,223</u>
Total Assets	4,897,360
Liabilities	
Accounts payable	77,948
Accrued interest payable	8,016
Taxes paid in advance	383
Escrow accounts payable	25,330
Due to other governments	11,999
Long-term liabilities:	
Portion due or payable within one year:	
Bond payable	90,000
Accrued compensated absences	28,929
Portion due or payable after one year:	
Bond payable	315,000
Accrued compensated absences	<u>19,009</u>
Total Liabilities	<u>576,614</u>
Net Assets	
Invested in capital assets, net of related debt	1,005,223
Restricted	13,310
Unrestricted	<u>3,302,213</u>
Total Net Assets	<u>\$ 4,320,746</u>

See accompanying independent auditors' report and notes to financial statements.

Statement of Activities

Town of Casco, Maine

For the Year Ended June 30, 2008

Function/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:				
General government	\$ 748,153	\$ 143,635	\$ -	\$ (604,518)
Public safety	240,557	-	-	(240,557)
Public works	761,029	-	60,288	(700,741)
Health and sanitation	555,449	-	209,985	(345,464)
Education	4,389,259	-	-	(4,389,259)
Social services	48,461	-	2,548	(45,913)
Unclassified	591,632	1,909	-	(589,723)
Interest on long-term debt	19,538	-	-	(19,538)
Capital outlay	1,918	-	-	(1,918)
Total Governmental Activities	\$ 7,355,996	\$ 145,544	\$ 272,821	(6,937,631)
General revenues:				
Taxes:				
Property				6,051,315
Excise				617,790
Intergovernmental				504,096
Interest income				91,107
Gain (loss) on disposal of capital assets				12,933
Miscellaneous				163,756
			Total General Revenues	7,440,997
			Change in Net Assets	503,366
Net assets at beginning of year				3,817,380
			Net Assets at End of Year	\$ 4,320,746

See accompanying independent auditors' report and notes to financial statements.

Balance Sheet - Governmental Funds

Town of Casco, Maine

As of June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash	\$ 1,983,147	\$ 179,823	\$ 2,162,970
Investments	152,205	-	152,205
Taxes receivable	494,324	-	494,324
Tax liens receivable	173,344	-	173,344
Accounts receivable	36,575	-	36,575
Tax acquired property	37,995	-	37,995
Due from other funds	8,205	766,361	774,566
Total Assets	<u>\$ 2,885,795</u>	<u>\$ 946,184</u>	<u>\$ 3,831,979</u>
Liabilities and Fund Balances			
Liabilities			
Accounts payable	\$ 77,948	\$ -	\$ 77,948
Escrow accounts payable	25,330	-	25,330
Due to other funds	766,361	8,205	774,566
Due to other governments	11,999	-	11,999
Taxes paid in advance	383	-	383
Deferred property taxes	500,000	-	500,000
Total Liabilities	<u>1,382,021</u>	<u>8,205</u>	<u>1,390,226</u>
Fund Balances			
Reserved for:			
Endowments	-	13,310	13,310
Unreserved:			
Designated for subsequent expenditures	450,493	924,669	1,375,162
Undesignated	1,053,281	-	1,053,281
Total Fund Balances	<u>1,503,774</u>	<u>937,979</u>	<u>2,441,753</u>
Total Liabilities and Fund Balances	<u>\$ 2,885,795</u>	<u>\$ 946,184</u>	<u>\$ 3,831,979</u>

See accompanying independent auditors' report and notes to financial statements.

**Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Assets**

Town of Casco, Maine

As of June 30, 2008

Total Fund Balances - Governmental Funds \$ 2,441,753

Amounts reported for governmental activities in the Statement of
Net Assets are different because:

Capital assets used in governmental activities are not financial
resources and therefore are not reported as assets in governmental
funds. The cost of capital assets and deposits made on future capital
asset acquisitions, net of accumulated depreciation is:

Capital assets	1,410,223	
Deposit on future capital asset	<u>429,724</u>	
		<u>1,839,947</u>

Property tax revenues are presented on the modified accrual basis
of accounting in the governmental funds but in the Statement of
Activities, property tax revenue is reported under the accrual method.
The balance in deferred property tax revenue in the governmental
funds as a liability is:

500,000

Long-term liabilities are not due and payable in the current period
and therefore are not reported as liabilities in the funds. Long-term
and related liabilities at year-end consist of:

Bond payable	\$ (405,000)	
Accrued interest payable	(8,016)	
Accrued compensated absences	<u>(47,938)</u>	
		<u>(460,954)</u>

Total Net Assets - Governmental Activities \$ 4,320,746

See accompanying independent auditors' report and notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds**

Town of Casco, Maine

For the Year Ended June 30, 2008

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes			
Property	\$ 5,851,315	\$ -	\$ 5,851,315
Excise	617,790	-	617,790
Intergovernmental	566,932	-	566,932
Miscellaneous	602,628	27,764	630,392
Total Revenues	<u>7,638,665</u>	<u>27,764</u>	<u>7,666,429</u>
Expenditures			
Current			
General government	734,473	-	734,473
Public safety	345,696	-	345,696
Public works	750,444	-	750,444
Health and sanitation	535,355	-	535,355
Education	4,389,259	-	4,389,259
Social services	48,461	-	48,461
Unclassified	442,655	146,977	589,632
Debt service - principal	80,000	-	80,000
- interest	21,038	-	21,038
Capital outlay	431,642	-	431,642
Total Expenditures	<u>7,779,023</u>	<u>146,977</u>	<u>7,926,000</u>
Revenues Under Expenditures	(140,358)	(119,213)	(259,571)
Other Financing Sources (Uses)			
Operating transfers in	233,577	236,615	470,192
Operating transfers out	(236,615)	(233,577)	(470,192)
Total Other Financing Sources (Uses)	<u>(3,038)</u>	<u>3,038</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(143,396)	(116,175)	(259,571)
Fund balances at beginning of year	<u>1,647,170</u>	<u>1,054,154</u>	<u>2,701,324</u>
Fund Balances at End of Year	<u>\$ 1,503,774</u>	<u>\$ 937,979</u>	<u>\$ 2,441,753</u>

See accompanying independent auditors' report and notes to financial statements.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Town of Casco, Maine

As of June 30, 2008

Net Change in Fund Balances - Total Governmental Funds \$ (259,571)

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

Property tax revenues are presented on the modified accrual basis of accounting in the governmental funds but in the Statement of Activities, property tax revenue is reported under the accrual method. The current year change in deferred property tax revenue reported in the governmental funds and not in the Statement of Activities is:

200,000

Governmental funds report capital asset additions as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense differed from capital asset additions and deposits made of future capital asset acquisitions in the current period:

Capital asset additions	\$ 138,403	
Deposit on future capital asset	429,724	
Depreciation expense	<u>(87,830)</u>	
		480,297

Governmental funds report the sale of capital assets as revenues. However, in the Statement of Activities, the sale of those assets is recognized as a gain or loss, depending on the sale and accumulated depreciation amounts.

Revenues from sale of property	(20,000)	
Gain on sale of capital assets	<u>12,933</u>	
		(7,067)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the principal portion of debt service payments.

80,000

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 the governmental funds.

Change in accrued interest payable	1,500
Change in accrued compensated absences	<u>8,207</u>

Change in Net Assets of Governmental Activities \$ 503,366

See accompanying independent auditors' report and notes to financial statements.

**Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund (Budgetary Basis)**

Town of Casco, Maine

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(Budgetary Basis)	Final Budget Positive (Negative)
Revenues				
Taxes				
Property	\$ 6,046,656	\$ 6,046,656	\$ 5,851,315	\$ (195,341)
Excise	642,500	642,500	617,790	(24,710)
Intergovernmental	346,058	373,819	566,932	193,113
Miscellaneous	425,208	425,208	602,628	177,420
Total Revenues	7,460,422	7,488,183	7,638,665	150,482
Expenditures				
Current				
General government	831,882	834,382	734,473	99,909
Public safety	417,869	420,369	345,696	74,673
Public works	636,315	703,865	750,444	(46,579)
Health and sanitation	400,649	400,649	535,355	(134,706)
Education	4,389,259	4,389,259	4,389,259	-
Social services	48,699	48,699	48,461	238
Unclassified	527,928	527,928	442,655	85,273
Debt service - principal	80,000	80,000	80,000	-
- interest	21,038	21,038	21,038	-
Capital outlay	430,150	430,150	431,642	(1,492)
Total Expenditures	7,783,789	7,856,339	7,779,023	77,316
Revenues Over (Under) Expenditures	(323,367)	(368,156)	(140,358)	227,798
Other Financing Sources (Uses)				
Operating transfers in	105,723	105,723	233,577	127,854
Operating transfers out	(186,987)	(214,748)	(236,615)	(21,867)
Utilization of designated surplus	307,579	307,579	-	(307,579)
Utilization of undesignated surplus	243,799	316,349	-	(316,349)
Total Other Financing Sources (Uses)	470,114	514,903	(3,038)	(517,941)
Revenues and Other Sources Over Expenditures and Other (Uses)	\$ 146,747	\$ 146,747	(143,396)	\$ (290,143)
Fund balance at beginning of year			1,647,170	
Fund Balance at End of Year			\$ 1,503,774	

See accompanying independent auditors' report and notes to financial statements.

Notes to Financial Statements

Town of Casco, Maine

Note A - Summary of Significant Accounting Policies

The Town of Casco, Maine was incorporated in 1841 and operates under a Selectboard -Town Manager form of government. The accounting policies of the Town of Casco conform to generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. The more significant accounting policies established in GAAP and used by the Town are discussed below.

Principles Determining Scope of Reporting Entity

The basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in GAAP include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Town holds the corporate powers of the organization
- the Town appoints a voting majority of the organization's board
- the Town is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the Town
- there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Casco has no component units.

Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities report information about the reporting government as a whole. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note A - Summary of Significant Accounting Policies - Continued

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures.

Governmental Activities

Governmental funds are identified as either general, special revenue, capital projects, or permanent funds based upon the following guidelines.

The *General Fund* is the operating fund of the Town and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Permanent Funds are used to account for resources legally held in trust. All resources of the fund, including any earnings on invested resources, may be used to support the organization as stipulated by the specific trust instrument.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting is related to the timing of the measurements made, regardless of the measurement focus applied.

Accrual

Governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

Governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt is recognized when due.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note A - Summary of Significant Accounting Policies - Continued

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

The Town follows GASBS No. 31, Accounting and Reporting of Certain Investments and External Investment Pools. Under GASBS No. 31, certain investments held by governments are reported at their fair value in the balance sheet. Unrealized gains and losses are included in the statement of revenues, expenditures and changes in fund balance.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase.

Capital Assets

In the government-wide financial statements, capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line method. Estimated useful lives are as follows: land improvements, 20 years; buildings and improvements, 20 to 50 years; infrastructure, 40 to 50 years; and vehicles and equipment, 10 to 15 years.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets are not capitalized and related depreciation is not reported in the fund financial statements.

Vacation and Sick Leave

Under the terms of personnel policies, vacation and sick leave are granted in varying amounts. Accumulated unused sick leave is not payable upon separation and therefore is not included as part of compensated absences. The Town accrues unpaid vacation when earned (or estimated to be earned) by the employee. The non-current portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentation.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note A - Summary of Significant Accounting Policies - Continued

Budget

The Town of Casco's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The following procedures are followed in establishing budgetary data reflected in the financial statements:

- Early in the second half of the last fiscal year the Town prepared a budget for this fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- A vote of the inhabitants of the Town was then taken for the purpose of adopting the proposed budget after public notice of the vote was given.
- The budget was adopted subsequent to passage by the inhabitants of the Town.

The Town does not adopt budgets for special revenue funds.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Interfund Activity

Interfund activity is reported as either loans, reimbursements, or transfers. Loans are reported as interfund loan receivables and payables as appropriate and are subject to elimination upon consolidation in the government-wide presentation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related costs as a reimbursement. Since not all funds maintain a separate cash account, cash is pooled in the General Fund cash account and activity for individual funds are recorded through the General Fund and each respective individual fund through the recognition of a "due to/due from" as appropriate. The due to/from other funds balances are subject to elimination upon consolidation in the government-wide presentation. All interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note A - Summary of Significant Accounting Policies - Continued

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Debt Issuance Costs

In governmental funds, debt issuance costs are recognized in the current period. For the government-wide financial statements, governmental activity debt issuance costs are amortized over the life of the debt issue.

Revenue Recognition - Property Taxes

The Town's property tax for the current year was levied October 31, 2007, on the assessed value listed as of April 1, 2007, for all real and personal property located in the Town. Taxes were due December 31, 2007 and April 10, 2008. Interest on unpaid taxes commenced on January 1, 2008 and April 11, 2008, at 12.0% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$146,747 (1.9%) for the year ended June 30, 2008.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note B - Cash and Investments

The Town conducts all its banking transactions with its depository banks.

Custodial Credit Risk - Deposits

At June 30, 2008, the carrying amount of the Town's deposits was \$2,162,970, and the bank balance was \$2,178,372. The difference between these balances relates to deposits in transit, outstanding checks and cash on hand at year-end. Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy on custodial credit risk. As of June 30, 2008 the Town's bank balance of \$2,178,372 was exposed to credit risk as follows:

Collateralized with securities held by the pledging financial institution	<u>\$ 1,978,372</u>
---	---------------------

Investments

Maine statutes authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements, certain corporate stocks and bonds and mutual funds. Generally, the Town invests such excess funds in local bank investment accounts which invest in repurchase agreements.

At June 30, 2008, the Town's investment portfolio consisted of stocks and U.S. Government Securities. The carrying amount of the Town's investments was \$152,205 (market).

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at year-end. These categories are defined as follows:

- Category # 1 - Includes investments that are insured or registered, or securities held by the Town or its agent in the Town's name.
- Category # 2 - Includes uninsured and unregistered investments with securities held by the broker, or dealer, or by its trust department or agent but not in the Town's name.
- Category # 3 - Includes uninsured and unregistered investments with securities held by the broker, dealer, bank, or by its trust department or agent but not in the Town's name.

<u>Investment Vehicle</u>	<u>Balance</u>	<u>#1</u>	<u>Category #2</u>	<u>#3</u>
Mutual funds	<u>\$ 152,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Investments in mutual funds are not subject to categorization.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note C - Capital Assets

A summary of capital assets transactions for the year ended June 30, 2008, follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Non-Depreciable Assets:				
Land and improvements	\$ 219,000	\$ -	\$ -	\$ 219,000
Depreciable Assets:				
Buildings and improvements	1,534,499	-	-	1,534,499
Vehicles and equipment	1,989,183	138,403	(106,000)	2,021,586
Intellectual property	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
Totals at historical cost	3,862,682	138,403	(106,000)	3,895,085
Less accumulated depreciation:				
Buildings and improvements	593,127	39,612	-	632,739
Vehicles and equipment	1,854,838	36,218	(98,933)	1,792,123
Intellectual property	<u>48,000</u>	<u>12,000</u>	<u>-</u>	<u>60,000</u>
Total accumulated depreciation	<u>2,495,965</u>	<u>87,830</u>	<u>(98,933)</u>	<u>2,484,862</u>
Capital Assets, Net	<u>\$ 1,366,717</u>	<u>\$ 50,573</u>	<u>\$ (7,067)</u>	<u>\$ 1,410,223</u>

Depreciation expense was charged to the following functions:

Governmental activities:

General government	\$ 21,481
Public safety	33,264
Public works	10,585
Health and sanitation	20,500
Unclassified	<u>2,000</u>
Total governmental activities depreciation expense	<u>\$ 87,830</u>

Notes to Financial Statements - Continued

Town of Casco, Maine

Note D - Interfund Receivables and Payables

Interfund balances at June 30, 2008 consisted of the following individual fund receivables and payables:

	Receivables <u>Due from</u>	Payables <u>Due to</u>	Net Internal <u>Balances</u>
Governmental Activities			
<u>General Fund:</u>			
<i>Other Governmental Funds:</i>			
Special Revenue:			
State Revenue Sharing	\$ 7,618	\$ -	
Municipal Revenue	-	100,356	
Highway Block Grant	-	75,940	
Rescue Equipment	-	32,169	
Tank 6 Retrofit	-	2,000	
Future Land Acquisition	-	23,000	
Firefighter Fund	-	3,095	
Ladder Truck Repairs	-	25,376	
Pipeline TIF	-	180,192	
Municipal Building Repair	-	83,481	
Land Futures	-	90,000	
Public Safety Buildings	-	33,236	
Capital Improvement Undesignated	-	32,234	
Highway Improvement	-	7,500	
Fire Truck Pumper	-	7,000	
Plummer Park	-	6,092	
Recreation - Tennis Courts	-	4,690	
Recreation	-	20,000	
Road Improvements	-	35,000	
Municipal equipment	-	5,000	
	<u>7,618</u>	<u>766,361</u>	
Trust Fund - Cemetery	<u>586</u>	<u>-</u>	
Total General Fund	<u>8,205</u>	<u>766,361</u>	

Notes to Financial Statements - Continued

Town of Casco, Maine

Note D - Interfund Receivables and Payables - Continued

	Receivables <u>Due from</u>	Payables <u>Due to</u>	Net Internal <u>Balances</u>
<u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
General Fund:			
State Revenue Sharing	\$ -	\$ 7,618	
Municipal Revenue	100,356	-	
Highway Block Grant	75,940	-	
Rescue Equipment	32,169	-	
Tank 6 Retrofit	2,000	-	
Future Land Acquisition	23,000	-	
Firefighter Fund	3,095	-	
Ladder Truck Repairs	25,376	-	
Pipeline TIF	180,192	-	
Municipal Building Repair	83,481	-	
Land Futures	90,000	-	
Public Safety Buildings	33,236	-	
Capital Improvement Undesignated	32,234	-	
Highway Improvement	7,500	-	
Fire Truck Pumper	7,000	-	
Plummer Park	6,092	-	
Recreation - Tennis Courts	4,690	-	
Recreation	20,000	-	
Road Improvements	35,000	-	
	<u>5,000</u>	<u>-</u>	
	<u>766,361</u>	<u>7,618</u>	
<i>Trust Fund:</i>			
General Fund:			
Cemetery	-	586	
Total Other Governmental Funds	<u>766,361</u>	<u>8,205</u>	
Total Governmental Activities	<u>\$ 774,566</u>	<u>\$ 774,566</u>	<u>\$ -</u>

All interfund balances resulted from (1) the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note E - Interfund Transfers

Interfund transfers for the year ended June 30, 2008 consisted of the following amounts:

	Transfers <u>In</u>	Transfers <u>Out</u>	Net <u>Transfers</u>
Governmental Activities			
<u>General Fund:</u>			
<i>Other Governmental Funds:</i>			
Special Revenue	\$ 233,577	\$ (236,615)	\$ (3,038)
<u>Other Governmental Funds:</u>			
<i>Special Revenue:</i>			
General Fund	<u>236,615</u>	<u>(233,577)</u>	<u>3,038</u>
Total Interfund Transfers	<u>\$ 470,192</u>	<u>\$ (470,192)</u>	<u>\$ -</u>

Transfers are used to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note F - Long-Term Debt

Long-term liability activity for the year ended June 30, 2008, was as follows:

	Beginning <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due within <u>One Year</u>
Governmental Activities:					
General obligation debt	\$ 485,000	\$ -	\$ 80,000	\$ 405,000	\$ 90,000
Compensated absences	<u>56,145</u>	<u>25,675</u>	<u>33,882</u>	<u>47,938</u>	<u>28,929</u>
Total Governmental	<u>\$ 541,145</u>	<u>\$ 25,675</u>	<u>\$ 113,882</u>	<u>\$ 452,938</u>	<u>\$ 118,929</u>

Notes to Financial Statements - Continued

Town of Casco, Maine

Note F - Long-Term Debt - Continued

At June 30, 2008 long-term debt consisted of the following individual issue:

2001 General Obligation Bond for equipment and capital improvements with Cede & Co., due in annual principal and interest installments through July 2011. Interest began at 3.25% and escalates to 5.5%. \$ 405,000

The annual requirements to amortize long-term debt are as follows:

Year ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 90,000	\$ 18,700	\$ 108,700
2010	100,000	14,063	114,063
2011	105,000	8,806	113,806
2012	<u>110,000</u>	<u>3,025</u>	<u>113,025</u>
Total	<u>\$ 405,000</u>	<u>\$ 44,594</u>	<u>\$ 449,594</u>

Note G - Pension Plan

International City Management Association Retirement Corp.

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and maintained by International City Management Association Retirement Corporation (ICMARC). The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are solely the property and rights of the participants. All assets are protected by a trust arrangement from any claims on the Town and from any use by the Town other than paying benefits to employees and their beneficiaries in accordance with the plan.

Notes to Financial Statements - Continued

Town of Casco, Maine

Note H - Designated Fund Balance

At June 30, 2008, the designated fund balance applicable to future periods was as follows:

General government	\$ 165,657
Public works	179,930
Public safety:	
Fire department	51,656
Rescue department	7,061
Other public safety	1,000
Social services	431
Unclassified:	
Sebago LK CM	250
Parks and recreation	17,300
WEB	4,805
GIS	15,016
Other unclassified	<u>7,387</u>
	<u>\$ 450,493</u>

Note I - 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; and natural disasters for which the Town either carries commercial insurance, participates in a public entity risk pool, or is effectively self-insured. Currently, the Town participates in several public entity and self-insured risk pools sponsored by the Maine Municipal Association. Based on the coverage provided by the pools described above, as well as coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities that should be recorded at June 30, 2008.

Note J - Joint Venture

The Town is a participant with the Town of Naples in two joint ventures to operate the Lake Region Bulky Waste Facility (LRBWF) and the Casco-Naples Solid Waste Transfer Station (CNTS). On dissolution of the entities, the net assets will be shared equally by Casco and Naples. Other municipalities can obtain joint use rights on a contractual basis. Each entity is governed by the same Advisory Board consisting of: a member of the Board of Selectmen of each municipality; two popularly elected citizens of each municipality; and the respective Town Managers as ex-officio members. The Towns pay appropriate tipping fees for accepted waste delivered to the facilities and are financially responsible for each facility's operations. Complete financial statements for the LRBWF and CNTS are available at the office of each municipality.

Independent Auditors' Report on Supplemental Information

**To the Selectboard
Town of Casco
Casco, Maine**

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental information contained in the following schedules for the year ended June 30, 2008, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Professional Association

**Portland, Maine
March 23, 2009**

Combining Balance Sheet
Nonmajor Governmental Funds - Other Governmental Funds

Town of Casco, Maine

As of June 30, 2008

	Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
Assets			
Cash	\$ 99,329	\$ 80,494	\$ 179,823
Due from other funds	<u>766,361</u>	<u>-</u>	<u>766,361</u>
Total Assets	<u>\$ 865,690</u>	<u>\$ 80,494</u>	<u>\$ 946,184</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 7,619	\$ 586	\$ 8,205
Total Liabilities	<u>7,619</u>	<u>586</u>	<u>8,205</u>
Fund Balances			
Reserved for:			
Endowments	-	13,310	13,310
Unreserved:			
Designated	<u>858,071</u>	<u>66,598</u>	<u>924,669</u>
Total Fund Balances	<u>858,071</u>	<u>79,908</u>	<u>937,979</u>
Total Liabilities and Fund Balances	<u>\$ 865,690</u>	<u>\$ 80,494</u>	<u>\$ 946,184</u>

See accompanying independent auditors' report on supplemental financial information.

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - Other Governmental Funds**

Town of Casco, Maine

For the Year Ended June 30, 2008

	Special Revenue	Permanent Fund	Total Nonmajor Governmental Funds
Revenues			
Investment income	\$ 24,545	\$ 3,219	\$ 27,764
Net Revenues	24,545	3,219	27,764
Expenditures			
Program	146,977	-	146,977
Total Expenditures	146,977	-	146,977
Revenues Over (Under) Expenditures	(122,432)	3,219	(119,213)
Other Financing Sources (Uses)			
Operating transfers in	236,615	-	236,615
Operating transfers out	(233,577)	-	(233,577)
Total Other Sources (Uses)	3,038	-	3,038
Revenues and Other Sources Over (Under) Expenditures and Other Uses	(119,394)	3,219	(116,175)
Fund balances at beginning of year	977,465	76,689	1,054,154
Fund Balances at End of Year	<u>\$ 858,071</u>	<u>\$ 79,908</u>	<u>\$ 937,979</u>

See accompanying independent auditors' report on supplemental financial information.

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances Special Revenue Fund

Town of Casco, Maine

For the Year Ended June 30, 2008

	Fund Balance (Deficit) July 1, 2007	Revenues	Expenditures	Transfers In	Transfers Out	Fund Balance (Deficit) June 30, 2008
State Revenue Sharing	\$ (31,592)	\$ -	\$ -	\$ 23,973	\$ -	\$ (7,619)
Municipal Revenue	100,356	-	-	-	-	100,356
Highway Block Grant	72,152	-	-	3,788	-	75,940
Rescue replacement	171,418	22,118	138,404	30,000	-	85,132
Community center kitchen	3,424	143	-	-	-	3,567
Tank 6 retrofit	2,000	-	-	-	-	2,000
Future land acquisition	23,000	-	-	-	-	23,000
Firefighter fund	3,095	-	-	-	-	3,095
Ladder truck repairs	25,376	-	-	-	-	25,376
Pipeline TIF	181,193	-	-	126,854	127,854	180,193
Municipal building repair	83,482	-	-	-	-	83,482
Land futures	127,086	1,545	-	-	-	128,631
Public safety building	33,236	-	-	-	-	33,236
Capital improvement undesignated	32,234	-	-	-	-	32,234
Highway improvement	7,500	-	-	-	-	7,500
Fire equipment	105,723	-	-	-	105,723	-
Fire truck pumper	7,000	-	-	-	-	7,000
Plummer park	6,092	-	-	-	-	6,092
Tennis courts	4,690	-	-	-	-	4,690
Road improvements	10,000	-	-	25,000	-	35,000
Recreation	10,000	-	-	10,000	-	20,000
Municipal equipment	-	-	-	5,000	-	5,000
Veterans funds	-	739	8,573	12,000	-	4,166
	<u>\$ 977,465</u>	<u>\$ 24,545</u>	<u>\$ 146,977</u>	<u>\$ 236,615</u>	<u>\$ 233,577</u>	<u>\$ 858,071</u>

See accompanying independent auditors' report on supplemental financial information.

Combining Balance Sheet
Permanent Funds - Trust Funds

Town of Casco, Maine

As of June 30, 2008

	Cemeteries	School/ Road	Total
Assets			
Cash	\$ 20,979	\$ 59,515	\$ 80,494
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 20,979</u>	<u>\$ 59,515</u>	<u>\$ 80,494</u>
Liabilities and Fund Balances			
Liabilities			
Due to other funds	\$ 586	\$ -	\$ 586
Total Liabilities	586	-	586
Fund Balances			
Reserved for endowments	3,810	9,500	13,310
Unreserved - designated	<u>16,583</u>	<u>50,015</u>	<u>66,598</u>
Total Fund Balances	<u>20,393</u>	<u>59,515</u>	<u>79,908</u>
Total Liabilities and Fund Balances	<u>\$ 20,979</u>	<u>\$ 59,515</u>	<u>\$ 80,494</u>

See accompanying independent auditors' report on supplemental financial information.

Combining Schedule of Revenues, Expenses and Changes in Fund Balances
Permanent Funds - Trust Funds

Town of Casco, Maine

For the Year Ended June 30, 2008

	Fund Balance	Revenues			Fund Balance
	June 30, 2007	Principal	Interest	Expenses	June 30, 2008
Cemetery Funds -					
Minnie Curran	\$ 753	\$ -	\$ 31	\$ -	\$ 784
Ernest Watkins	1,100	-	50	-	1,150
Annie Mitchell	251	-	12	-	263
Sammuel Sylvester	617	-	26	-	643
Mary Wright	723	-	30	-	753
Alpheus & Ellen Gould	2,194	-	92	-	2,286
Frank & Callie Harmon	731	-	30	-	761
Cpt. Richard Mayberry	581	-	24	-	605
Mrs. George Murch	4,423	-	203	-	4,626
Henry & Lena Watkins	8,181	-	341	-	8,522
School/Road Funds -					
Cyrus Mayberry	57,135	-	2,380	-	59,515
	<u>\$ 76,689</u>	<u>\$ -</u>	<u>\$ 3,219</u>	<u>\$ -</u>	<u>\$ 79,908</u>

See accompanying independent auditors' report on supplemental financial information.

Schedule of Departmental Expenditures (1 of 3)

Town of Casco, Maine

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Expenditures				
General Government:				
Operations	\$ 114,390	\$ 116,890	\$ 107,907	\$ 8,983
Office salaries	305,161	305,161	285,143	20,018
Contingency	30,000	30,000	3,673	26,327
Insurance	134,089	134,089	90,534	43,555
Legal	25,000	25,000	18,319	6,681
Assessing	60,304	60,304	60,799	(495)
Assessing - Revaluation	-	-	77,988	(77,988)
Planning/Appeals	23,683	23,683	10,985	12,698
Retirement	92,309	92,309	55,757	36,552
Unemployment compensation	24,044	24,044	9,660	14,384
Building maintenance	<u>22,902</u>	<u>22,902</u>	<u>13,708</u>	<u>9,194</u>
Total General Government	<u>831,882</u>	<u>834,382</u>	<u>734,473</u>	<u>99,909</u>
 Public Safety:				
Summer security	6,569	6,569	5,667	902
Rescue unit	142,174	142,174	134,489	7,685
Fire department	182,055	182,055	114,383	67,672
Animal control	11,957	11,957	14,092	(2,135)
Street lights	13,972	13,972	12,949	1,023
Dispatch	51,745	51,745	51,745	-
Fire and rescue fuel	6,500	9,000	8,828	172
Civil emergency	2,175	2,175	3,543	(1,368)
Fire/Rescue auxillary	<u>722</u>	<u>722</u>	<u>-</u>	<u>722</u>
Total Public Safety	<u>417,869</u>	<u>420,369</u>	<u>345,696</u>	<u>74,673</u>

See accompanying independent auditors' report on supplemental financial information.

Schedule of Departmental Expenditures (2 of 3)

Town of Casco, Maine

For the Year Ended June 30, 2008

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
Health and Sanitation:				
Septic disposal	-	-	250	(250)
Bulky waste	142,186	142,186	241,107	(98,921)
Casco Naples transfer station	258,463	258,463	293,998	(35,535)
Total Health and Sanitation	<u>400,649</u>	<u>400,649</u>	<u>535,355</u>	<u>(134,706)</u>
 Social Services:				
General assistance	26,720	26,720	26,613	107
Community Health Services	4,500	4,500	4,500	-
Family Crisis	1,100	1,100	1,100	-
Tri-County Counseling	6,248	6,248	6,248	-
PROP	5,800	5,800	5,800	-
Christmas fund	131	131	-	131
Meal site	4,200	4,200	4,200	-
Total Social Services	<u>48,699</u>	<u>48,699</u>	<u>48,461</u>	<u>238</u>
 Public Works:				
Road maintenance	144,766	144,766	320,882	(176,116)
Winter roads	335,213	402,763	393,499	9,264
Road construction	-	-	9,457	(9,457)
Paving	123,497	123,497	-	123,497
Private road maintenance	2,600	2,600	1,100	1,500
Cemetery maintenance	30,239	30,239	25,506	4,733
Total Public Works	<u>636,315</u>	<u>703,865</u>	<u>750,444</u>	<u>(46,579)</u>
 Education:				
MSAD 61	<u>4,389,259</u>	<u>4,389,259</u>	<u>4,389,259</u>	<u>-</u>

See accompanying independent auditors' report on supplemental financial information.

Schedule of Departmental Expenditures (3 of 3)

Town of Casco, Maine

For the Year Ended June 30, 2008

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
Debt Service:				
Principal	80,000	80,000	80,000	-
Interest	21,038	21,038	21,038	-
Total Debt Service	<u>101,038</u>	<u>101,038</u>	<u>101,038</u>	<u>-</u>
Unclassified:				
County tax	266,867	266,867	266,867	-
Recreation	101,437	101,437	69,307	32,130
Library	37,140	37,140	37,140	-
Grange hall	5,581	5,581	4,188	1,393
Memorial Day	300	300	300	-
Council of governments	3,469	3,469	3,469	-
Maine Municipal Association	7,374	7,374	3,687	3,687
Abatements	-	-	17,644	(17,644)
Lake Region Development Committee	2,700	2,700	-	2,700
Lake associations	7,664	7,664	4,000	3,664
Website design	4,805	4,805	1,200	3,605
Global information system	16,811	16,811	1,795	15,016
Comprehensive plan	65,280	65,280	8,670	56,610
Other	8,500	8,500	24,388	(15,888)
Total Unclassified	<u>527,928</u>	<u>527,928</u>	<u>442,655</u>	<u>85,273</u>
Capital Outlays:				
New Town office	-	-	1,918	(1,918)
Fire Department Vehicle	430,150	430,150	429,724	426
Total Capital Outlays	<u>430,150</u>	<u>430,150</u>	<u>431,642</u>	<u>(1,492)</u>
Total Departmental Expenditures	<u>\$ 7,783,789</u>	<u>\$ 7,856,339</u>	<u>\$ 7,779,023</u>	<u>\$ 77,316</u>

See accompanying independent auditors' report on supplemental financial information.

Schedule of Valuation, Assessment and Collection of Taxes

Town of Casco, Maine

For the Year Ended June 30, 2008

Valuation

Real estate	\$ 611,037,950
Personal property	<u>15,558,565</u>
Total Valuation	<u><u>\$ 626,596,515</u></u>

Assessment

Valuation x Rate - \$626,596,515 x .00965	\$ 6,046,656
Supplemental taxes	<u>4,657</u>
Total Assessment Charged to Collector	\$ 6,051,313

Collection and Credits

Cash collections	5,573,138
Tax abatements	<u>9,336</u>
Total Collection and Credits	<u>5,582,474</u>
2008 Taxes Receivable - June 30, 2008	<u><u>\$ 468,839</u></u>

See accompanying independent auditors' report on supplemental financial information.