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Audited Financial Statements

Town of Casco, Maine

June 30, 2016



Proven Expertise and Integrity

TOWN OF CASCO, MAINE

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JUNE 30, 2016

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Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

Board of Selectmen
Town of Casco
Casco, Maine

Report on the Financial Statements

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, 2016, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund and the aggregate remaining fund information of the Town of Casco, Maine as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 10 and 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Casco, Maine's basic financial statements. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and related 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, Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund Revenues, Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2017, on our consideration of the Town of Casco, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Casco, Maine's internal control over financial reporting and compliance

RHR Smith & Company

Buxton, Maine
February 17, 2017

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

(UNAUDITED)

The following management's discussion and analysis of the Town of Casco's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2016. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have one column for the Town's activity. The type of activity presented for the Town is:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities and include general government, public safety, health and sanitation, public works, social services, parks, recreation, and cemeteries, education and unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental funds financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town presents only two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund

balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town of Casco. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting.

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 the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Fiduciary Net Position - Fiduciary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position increased by \$608,793 from \$5,873,421 to \$6,482,214.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased to a balance of \$3,639,290 at the end of this year.

Table 1
Town of Casco, Maine
Net Position
June 30,

	<u>2016</u>	<u>2015</u>
Assets:		
Current Assets	\$ 4,590,868	\$ 3,986,356
Capital Assets	<u>2,621,405</u>	<u>2,051,877</u>
Total Assets	<u>7,212,273</u>	<u>6,038,233</u>
Liabilities:		
Current Liabilities	712,222	157,295
Long-term Debt Outstanding	<u>-</u>	<u>-</u>
Total Liabilities	<u>712,222</u>	<u>157,295</u>
Deferred Inflows of Resources:		
Prepaid Taxes	<u>17,837</u>	<u>7,517</u>
Total Deferred Inflows of Resources	<u>17,837</u>	<u>7,517</u>
Net Position:		
Net Investment in Capital Assets	2,621,405	2,051,877
Restricted:		
Special Revenue Funds	132,522	141,060
Permanent Funds	88,997	88,874
Unrestricted	<u>3,639,290</u>	<u>3,591,610</u>
Total Net Position	<u>\$ 6,482,214</u>	<u>\$ 5,873,421</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 4.15%, while total expenses increased by 4.49%.

Table 2
Town of Casco, Maine
Changes in Net Position
For the Years Ended June 30,

	<u>2016</u>	<u>2015</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 281,773	\$ 224,448
Operating grants and contributions	82,178	86,534
<i>General Revenues:</i>		
Taxes	9,515,634	9,182,407
Grants and contributions not restricted to specific programs	296,425	282,253
Miscellaneous	187,211	174,904
Total Revenues	<u>10,363,221</u>	<u>9,950,546</u>
Expenses		
General government	802,449	782,907
Public safety	474,285	510,520
Health and sanitation	257,665	247,385
Public works	715,918	618,763
Social services	63,145	94,708
Parks, recreation, and cemeteries	123,499	135,633
County tax	438,764	404,562
Education	6,402,869	6,286,155
Unclassified	322,704	234,819
Capital outlay	153,130	13,537
Interest on long-term debt	-	6,178
Total Expenses	<u>9,754,428</u>	<u>9,335,167</u>
Change in Net Position	608,793	615,379
Net Position - July 1	<u>5,873,421</u>	<u>5,258,042</u>
Net Position - June 30	<u>\$ 6,482,214</u>	<u>\$ 5,873,421</u>

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial

requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Casco, Maine
Fund Balances - Governmental Funds
June 30,

	<u>2016</u>	<u>2015</u>
General Fund:		
Nonspendable	\$ 37,995	\$ 37,995
Committed	384,462	175,400
Unassigned	2,225,320	1,971,387
Total General Fund	<u>\$ 2,647,777</u>	<u>\$ 2,184,782</u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 132,522	\$ 141,060
Committed	116	16,781
Assigned	10,962	17,148
Capital Projects Funds:		
Committed	415,903	732,354
Assigned	16,682	21,372
Unassigned	(136,454)	-
Permanent Funds:		
Restricted	88,997	88,874
Total Nonmajor Funds	<u>\$ 528,728</u>	<u>\$ 1,017,589</u>

The general fund total fund balance increased by \$462,995 from the prior fiscal year. The nonmajor funds total fund balances decreased by \$488,861 from the prior fiscal year.

Budgetary Highlights

There was no major difference between the original and final budget for the general fund.

The general fund actual revenues exceeded budgeted amounts by \$225,797. This was mostly a result of all receipt categories being receipted in excess of budgeted amounts with the exception of property taxes and charges for services.

The general fund actual expenditures were under budget by \$516,598. All expenditure categories were under budget.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2016, the net book value of capital assets recorded by the Town increased by \$569,528 from the prior year. This increase was the result of current year additions of \$668,869 less current year depreciation expense of \$99,341.

Table 4
Town of Casco, Maine
Capital Assets (Net of Depreciation)
June 30,

	2016	2015
Land	\$ 219,000	\$ 219,000
Construction in progress	247,753	-
Buildings and Improvements	1,027,841	1,080,488
Vehicles and equipment	475,809	74,889
Infrastructure	651,002	677,500
Total	<u>\$ 2,621,405</u>	<u>\$ 2,051,877</u>

Debt

At June 30, 2016, the Town had no bonds outstanding. Other obligations include accrued sick and vacation time. Refer to Note 6 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has maintained a sufficient level of unassigned fund balance to sustain government operations for a period of approximately two months, while also maintaining significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors 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, contact the Town Office at 635 Meadow Road, Casco, Maine 04015.

STATEMENT A

TOWN OF CASCO, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 3,346,985
Investments	212,196
Accounts receivable (net of allowance for uncollectibles):	
Taxes	569,795
Liens	212,090
Other	105,893
Due from other governments	105,914
Tax acquired property	37,995
Total current assets	<u>4,590,868</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	466,753
Assets being depreciated, net of accumulated depreciation	2,154,652
Total noncurrent assets	<u>2,621,405</u>
TOTAL ASSETS	<u><u>\$ 7,212,273</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 51,816
Short-term note payable	600,000
Escrows payable	710
Current portion of long-term obligations	59,696
Total current liabilities	<u>712,222</u>
TOTAL LIABILITIES	<u>712,222</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	17,837
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>17,837</u>
NET POSITION	
Net investment in capital assets	2,621,405
Restricted: Special revenue funds	132,522
Permanent funds	88,997
Unrestricted	3,639,290
TOTAL NET POSITION	<u>6,482,214</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 7,212,273</u></u>

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

STATEMENT B

TOWN OF CASCO, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 802,449	\$ 79,648	\$ -	\$ -	\$ (722,801)
Public safety	474,285	176,691	-	-	(297,594)
Health and sanitation	257,665	-	-	-	(257,665)
Public works	715,918	-	49,712	-	(666,206)
Social services	63,145	-	32,466	-	(30,679)
Parks, recreation, and cemeteries	123,499	25,434	-	-	(98,065)
County tax	438,764	-	-	-	(438,764)
Education	6,402,869	-	-	-	(6,402,869)
Unclassified	322,704	-	-	-	(322,704)
Capital outlay	153,130	-	-	-	(153,130)
Total government	<u>\$ 9,754,428</u>	<u>\$ 281,773</u>	<u>\$ 82,178</u>	<u>\$ -</u>	<u>(9,390,477)</u>

STATEMENT B (CONTINUED)

TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(9,390,477)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	8,788,513
Excise taxes	727,121
Grants and contributions not restricted to specific programs	296,425
Miscellaneous	<u>187,211</u>
Total general revenues	<u>9,999,270</u>
Change in net position	608,793
NET POSITION - JULY 1	<u>5,873,421</u>
NET POSITION - JUNE 30	<u><u>\$ 6,482,214</u></u>

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

TOWN OF CASCO, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 3,346,985	\$ -	\$ 3,346,985
Investments	26,188	186,008	212,196
Accounts receivable (net of allowance for uncollectibles):			
Taxes	569,795	-	569,795
Liens	212,090	-	212,090
Other	105,893	-	105,893
Due from other governments	105,914	-	105,914
Tax acquired property	37,995	-	37,995
Due from other funds	61,565	1,004,285	1,065,850
TOTAL ASSETS	<u>\$ 4,466,425</u>	<u>\$ 1,190,293</u>	<u>\$ 5,656,718</u>
LIABILITIES			
Accounts payable	\$ 51,816	\$ -	\$ 51,816
Short-term note payable	-	600,000	600,000
Due to other funds	1,004,285	61,565	1,065,850
Escrows payable	710	-	710
TOTAL LIABILITIES	<u>1,056,811</u>	<u>661,565</u>	<u>1,718,376</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	17,837	-	17,837
Deferred property tax	744,000	-	744,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>761,837</u>	<u>-</u>	<u>761,837</u>
FUND BALANCES			
Nonspendable	37,995	-	37,995
Restricted	-	221,519	221,519
Committed	384,462	416,019	800,481
Assigned	-	27,644	27,644
Unassigned	2,225,320	(136,454)	2,088,866
TOTAL FUND BALANCES	<u>2,647,777</u>	<u>528,728</u>	<u>3,176,505</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 4,466,425</u>	<u>\$ 1,190,293</u>	<u>\$ 5,656,718</u>

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

TOWN OF CASCO, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 3,176,505
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 are not reported in the funds, net of accumulated depreciation	2,621,405
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	744,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	<u>(59,696)</u>
Net position of governmental activities	<u><u>\$ 6,482,214</u></u>

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

TOWN OF CASCO, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 8,746,513	\$ -	\$ 8,746,513
Excise taxes	727,121	-	727,121
Intergovernmental revenues	373,603	5,000	378,603
Interest income	59,004	686	59,690
Charges for services	281,773	-	281,773
Miscellaneous	115,437	12,084	127,521
TOTAL REVENUES	<u>10,303,451</u>	<u>17,770</u>	<u>10,321,221</u>
EXPENDITURES			
Current:			
General government	820,890	-	820,890
Public safety	445,339	-	445,339
Health and sanitation	237,165	-	237,165
Public works	685,747	-	685,747
Social services	63,145	-	63,145
Parks, recreation, and cemeteries	108,465	-	108,465
County tax	438,764	-	438,764
Education	6,402,869	-	6,402,869
Unclassified	295,360	27,344	322,704
Capital outlay	-	821,999	821,999
TOTAL EXPENDITURES	<u>9,497,744</u>	<u>849,343</u>	<u>10,347,087</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>805,707</u>	<u>(831,573)</u>	<u>(25,866)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	380,799	380,799
Transfers (out)	(342,712)	(38,087)	(380,799)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(342,712)</u>	<u>342,712</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	462,995	(488,861)	(25,866)
FUND BALANCES - JULY 1	<u>2,184,782</u>	<u>1,017,589</u>	<u>3,202,371</u>
FUND BALANCES - JUNE 30	<u><u>\$ 2,647,777</u></u>	<u><u>\$ 528,728</u></u>	<u><u>\$ 3,176,505</u></u>

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

TOWN OF CASCO, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (25,866)</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:	
Capital asset purchases capitalized	668,869
Depreciation expense	<u>(99,341)</u>
	<u>569,528</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:	
Taxes and liens receivable	<u>42,000</u>
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:	
Accrued compensated absences	<u>23,131</u>
Change in net position of governmental activities (Statement B)	<u>\$ 608,793</u>

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

	<u>Agency Funds</u> <u>Joint Venture</u> <u>Lake Region Bulky</u> <u>Waste Facility</u>
ASSETS	
Accounts receivable (net of allowance for uncollectibles)	\$ 105,914
TOTAL ASSETS	<u>\$ 105,914</u>
LIABILITIES	
Due to other governments	\$ 105,914
TOTAL LIABILITIES	<u>\$ 105,914</u>

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Casco, Maine was incorporated under the laws of the State of Maine. The Town provides the following services: general government, public safety, health and sanitation, public works, social services, parks and recreation, education and unclassified.

The Town's financial statements are prepared in accordance with 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).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended June 30, 2016, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 72, "*Fair Value Measurement and Application*". The objective of the Statement is to expand comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. This Statement also will improve fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 73, "*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*". The objective of the Statement is to improve financial reporting by instituting a single framework for the presentation of information about pensions, thereby expanding the comparability of pension-related information reported by state and local governments. Management has determined that this Statement is not applicable.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Statement No. 76, "*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*". The objective of this Statement is to identify-in the context of the current governmental financial reporting environment-the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 79, "*Certain External Investment Pools and Pool Participants*". This Statement establishes specific criteria used to determine whether a qualifying external investment pool may elect to use an amortized cost exception to fair value measurement. Those criteria will provide qualifying external investment pools and participants in those pools with consistent application of an amortized cost-based measurement for financial reporting purposes. That measurement approximates fair value and mirrors the operations of external investment pools that transact with participants at a stable net asset value per share.

This Statement also establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals. Management has determined the impact of this Statement is not material to the financial statements.

Government – Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. All activities of the Town are categorized as governmental.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the government-wide Statement of Net Position, the governmental activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, charges for services, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

- a. 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.

Nonmajor Funds

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

The Town's fiduciary funds are presented in the fiduciary fund financial statements by type (agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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 relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

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

2. Modified Accrual

The governmental fund 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 soon enough thereafter to be used to pay liabilities of the current period. 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, if any, is recognized when due.

Budget

The Town'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:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

Deposits and Investments

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.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Casco has no formal investment policy but instead follows the State of Maine Statutes.

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for ambulance accounts receivables is estimated to be \$9,936 as of June 30, 2016.

Capital Assets

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. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Machinery and equipment	5 - 10 years
Vehicles	3 - 25 years
Infrastructure	40 - 50 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of accrued compensated absences.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2016, the Town's liability for compensated absences is \$59,696.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Board of Selectmen.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of assigned funds, and then unassigned funds, as needed.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows of resources.

In addition to liabilities, the statement of financial position and or balance sheet will at times 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 16, 2015 on the assessed value listed as of April 1, 2015, for all real and personal property located in the Town. Taxes were due on in two installments on October 7, 2015 and April 7, 2016. Interest on unpaid taxes commenced on October 8, 2015 and April 8, 2016, at 7% 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 \$124,926 for the year ended June 30, 2016.

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.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services, or privileges provided, operating or capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 – DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, require that all investments be made considering the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2016, the Town's cash balances amounting to \$3,346,985 were comprised of bank deposits of \$3,476,710. Of these bank deposits, \$250,000 were covered by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining bank deposits of \$3,226,710 were collateralized with irrevocable stand-by letters of credit.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	<u>\$ 3,476,710</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. The Town's investment in certificates of deposits, for \$212,196 are fully insured by federal depository insurance

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

and consequently were not exposed to custodial credit risk.

At June 30, 2016, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Certificates of deposit	\$ 212,196	\$ -	\$ -	\$ 212,196

Credit risk – Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various insured certificates of deposit.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2016 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 61,565	\$ 1,004,285
Nonmajor Special Revenue Funds	141,480	-
Nonmajor Capital Projects Funds	857,517	61,565
Nonmajor Permanent Funds	5,288	-
	<u>\$ 1,065,850</u>	<u>\$ 1,065,850</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2016:

	Balance 7/1/15	Additions	Disposals	Balance 6/30/16
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 219,000	\$ -	\$ -	\$ 219,000
Construction in progress	-	247,753		247,753
	<u>219,000</u>	<u>247,753</u>	<u>-</u>	<u>466,753</u>
Depreciated assets:				
Buildings & improvements	2,080,848	-	-	2,080,848
Vehicles & equipment	2,487,305	421,116	-	2,908,421
Intellectual property	120,000	-	-	120,000
Infrastructure	715,948	-	-	715,948
	<u>5,404,101</u>	<u>421,116</u>	<u>-</u>	<u>5,825,217</u>
Less accumulated depreciation:				
Buildings & improvements	(1,000,360)	(52,647)	-	(1,053,007)
Vehicles & equipment	(2,412,416)	(20,196)	-	(2,432,612)
Intellectual property	(120,000)	-	-	(120,000)
Infrastructure	(38,448)	(26,498)	-	(64,946)
	<u>(3,571,224)</u>	<u>(99,341)</u>	<u>-</u>	<u>(3,670,565)</u>
Net depreciated assets	<u>1,832,877</u>	<u>321,775</u>	<u>-</u>	<u>2,154,652</u>
Net capital assets	<u>\$ 2,051,877</u>	<u>\$ 569,528</u>	<u>\$ -</u>	<u>\$ 2,621,405</u>
<u>Current year depreciation</u>				
General government				\$ 4,690
Public safety				28,946
Public works				30,171
Waste management				20,500
Parks, recreation, and cemeteries				15,034
				<u>\$ 99,341</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 5 – SHORT-TERM DEBT

On June 21, 2016, the Town issued a bond anticipation note through TD Bank, N.A. in anticipation of bond revenues for the town office project. The principal amount of the note is for \$600,000 at 1.75% interest with a maturity date of June 21, 2017. Short-term debt activity for the year ended June 30, 2016, was as follows:

	Balance, 7/1/15	Additions	Repayments	Balance, 6/30/16
Bond anticipation note	\$ -	\$ 600,000	\$ -	\$ 600,000

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2016:

	Balance 7/1/15	Additions	Reductions	Balance 6/30/16	Current Year Portion
Accrued compensated absences	\$ 82,827	\$ -	\$ (23,131)	\$ 59,696	\$ 59,696
Totals	\$ 82,827	\$ -	\$ (23,131)	\$ 59,696	\$ 59,696

NOTE 7 – OPERATING LEASES

Leasing arrangements where the Town is lessor:

The Town of Casco leases a facility at 942 Meadow Road to the United States Postal Service, the lessee, for its postal operations in Casco, Maine. This is a fifteen year lease with (3) five-year renewal provisions. Rental income of \$27,749 was received in fiscal year 2016.

Operating leases do not give rise to property rights and therefore the results of the lease agreements are not reflected in the Town's capital assets. The lessees are responsible for paying all executor costs such as maintenance and insurance.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 8 – OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2016, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Amount</u>
County of Cumberland	\$ 35,920,000	2.89%	\$ 1,038,088
RSU No. 61	1,570,906	22.99%	361,151
			<u>\$ 1,399,239</u>

NOTE 9 – NONSPENDABLE FUND BALANCES

At June 30, 2016, the Town had the following nonspendable fund balances:

General Fund:

Tax acquired property	<u>\$ 37,995</u>
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NOTE 10 – RESTRICTED FUND BALANCES

At June 30, 2016, the Town had the following restricted fund balances:

Nonmajor Special Revenue Funds (Schedule E)	\$ 132,522
Nonmajor Permanent Funds (Schedule I)	88,997
	<u>\$ 221,519</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 11 – COMMITTED FUND BALANCES

At June 30, 2016, the Town had the following committed fund balances:

General Fund:	
General government	\$ 108,354
Public safety	35,000
Streets/highways	166,753
Social services and welfare	5,600
Unclassified:	
Building maintenance	45,000
Website	1,250
GIS	2,505
Dangerous building	20,000
Subtotal General Fund	<u>384,462</u>
Nonmajor Special Revenue Funds (Schedule E)	116
Nonmajor Capital Projects Funds (Schedule G)	285,258
	<u>\$ 669,836</u>

NOTE 12 – ASSIGNED FUND BALANCES

At June 30, 2016, the Town had the following assigned fund balances:

Nonmajor Special Revenue Funds (Schedule E)	\$ 10,962
Nonmajor Capital Projects Funds (Schedule G)	16,682
	<u>\$ 27,644</u>

NOTE 13 - EXPENDITURES OVER APPROPRIATIONS

The Town did not have any expenditures that exceeded appropriations at June 30, 2016.

NOTE 14 – DEFICIT FUND BALANCES

At June 30, 2016, the Town had the following deficit fund balance:

Nonmajor Capital Projects Funds (Schedule G):	
Rescue replacement	\$ 5,809
Municipal offices	130,645
	<u>\$ 136,454</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 15 - DEFERRED COMPENSATION PLAN

International City Management Association Retirement Corporation

Plan Description

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 (ICMA-RC). The plan permits employees to defer a portion of their salary, in addition to Town contributions, 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.

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

Funding Policy

The contribution requirements of plan members and the Town are established and may be amended by the Town's Board of Selectmen. Generally, the Town will contribute 3% of annual salary for full-time employees that participate in the Town's deferred compensation plan. For a certain employee group, the Town will contribute 6% of annual salary due to a one-time increase in the match given in lieu of a salary increase. For both employee groups, match provisions of 3.00% apply to receive the Town's contributions. The employee's and the Town's matching contribution vests 100% with the employee when contributed.

The Town's contributions to the plan including employee contributions for 2016, 2015, and 2014 were \$70,457, \$68,549, and \$63,385, respectively.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 16 – RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The Town is a member of the Maine Municipal Association – Property and Casualty Pool (“Pool”). The Town pays an annual premium for its property and liability coverage. Under the property coverage portion of the Pool, coverage is provided after the deductible is met, and is based on replacement cost. Under the liability portion of the Pool, coverage is provided after the deductible is met, to \$1,000,000.

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 which should be recorded at June 30, 2016. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 17 – JOINT VENTURES

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 facilities operation. The Town of Casco pays the costs of wage and benefits for the employees who work at either the Lake Region Bulky Waste Facility (LRBWF) or Casco-Naples Transfer Station (CNTS). They are employees of the Town of Casco and subject to the personnel policies as the other employees. Casco is reimbursed 100% by the Town of Naples who acts as the fiscal agent. During fiscal 2016, the Town paid \$237,165 for wages and benefits and received the same. Complete financial statements for the LRBWF and CNTS are available at the office of each municipality.

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of Casco and twenty other member communities owns and controls the corporation. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced with the community to ecomaine for processing, and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 17 – JOINT VENTURES (CONTINUED)

asset in the financial statements in connection with its participation in ecomaine. The Town of Casco has an owner membership of 1.86% in ecomaine as of June 30, 2016.

Ecomaine has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine, or a pledge of the full faith and credit of a political subdivision of the State of Maine. ecomaine has no taxing power. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2016, (the most current period available), ecomaine had no outstanding debt. Additionally, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$311,494.

NOTE 18 - CONTINGENCIES

The Town participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2016 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

NOTE 19 – IRREVOCABLE STAND-BY LETTERS OF CREDIT

At June 30, 2016, the Town of Casco has an outstanding irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. This letter of credit, which expires at the close of business on July 11, 2016, authorizes one draw only up to the amount of \$3,000,000. There were no draws for the year ended June 30, 2016.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 19 – IRREVOCABLE STAND-BY LETTERS OF CREDIT (CONTINUED)

At June 30, 2016, the Town of Casco has an outstanding irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. This letter of credit, which expires at the close of business on August 2, 2016, authorizes one draw only up to the amount of \$1,000,000. There were no draws for the year ended June 30, 2016.

NOTE 20 – COMMITMENTS

The Town of Casco, Maine, has entered into a contract for snow removal and sanding services with C. Pond Plowing, Inc. The contract term is for five years beginning September 1, 2015 and ending May 30, 2019. The annual contract cost is calculated on a per mile basis on 58.7 miles as follows:

Fiscal Years Ending June 30,	Amount
2016	\$ 323,311
2017	336,243
2018	349,693
2019	363,681

For the twelve months ended June 30, 2016, the Town had a contract with R.N. Wiley & Sons Excavating, Inc. to provide the snow removal and sanding services. The total contract cost was \$391,103. All future contract amounts are subject to annual appropriation by the Town of Casco.

NOTE 21 – COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund

TOWN OF CASCO, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance - July 1	\$ 2,184,782	\$ 2,184,782	\$ 2,184,782	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	8,757,613	8,757,613	8,746,513	(11,100)
Excise taxes	582,000	582,000	727,121	145,121
Intergovernmental revenues	279,129	283,841	373,603	89,762
Charges for services	300,150	308,150	281,773	(26,377)
Interest income	39,000	39,000	59,004	20,004
Other revenue	107,050	107,050	115,437	8,387
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>12,249,724</u>	<u>12,262,436</u>	<u>12,488,233</u>	<u>225,797</u>
Charges to Appropriations (Outflows):				
General government	976,146	976,146	820,890	155,256
Public safety	540,760	540,760	445,339	95,421
Health and sanitation	240,000	240,000	237,165	2,835
Public works	854,100	854,100	685,747	168,353
Social services	79,156	79,156	63,145	16,011
Parks, recreation, and cemeteries	102,713	110,713	108,465	2,248
County tax	438,764	438,764	438,764	-
Education	6,402,869	6,402,869	6,402,869	-
Unclassified	371,834	371,834	295,360	76,474
Transfers to other funds	259,000	342,712	342,712	-
Total Charges to Appropriations	<u>10,265,342</u>	<u>10,357,054</u>	<u>9,840,456</u>	<u>516,598</u>
Budgetary Fund Balance - June 30	<u>\$ 1,984,382</u>	<u>\$ 1,905,382</u>	<u>\$ 2,647,777</u>	<u>\$ 742,395</u>
Utilization of unassigned fund balance	<u>\$ 200,400</u>	<u>\$ 279,400</u>	<u>\$ -</u>	<u>\$ (279,400)</u>

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

Other Supplementary Information

Other supplementary information includes financial statements not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule – Budgetary Basis - Budget and Actual – General Fund Revenues
- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

SCHEDULE A

TOWN OF CASCO, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 8,757,613	\$ 8,757,613	\$ 8,746,513	\$ (11,100)
Auto excise	570,000	570,000	707,865	137,865
Boat excise	12,000	12,000	19,256	7,256
Intergovernmental revenues:				
State revenue sharing	131,938	131,938	142,761	10,823
Homestead reimbursement	57,812	57,812	57,812	-
LRAP	45,000	49,712	49,712	-
Tree growth	-	-	38,799	38,799
General assistance	16,000	16,000	32,466	16,466
Other	28,379	28,379	52,053	23,674
Charges for services:				
Building permits	28,000	28,000	40,748	12,748
Plumbing permits	5,500	5,500	11,680	6,180
Other licenses and permits	5,050	5,050	9,370	4,320
Motor vehicle agent fees	13,000	13,000	12,834	(166)
Dog agent fees	700	700	1,967	1,267
Administration	2,400	2,400	5,016	2,616
Public safety	230,000	230,000	174,724	(55,276)
Parks and recreation	15,500	23,500	25,434	1,934
Interest income:				
Tax/lien interest	39,000	39,000	59,004	20,004
Miscellaneous revenues:				
Building rentals	29,000	29,000	27,749	(1,251)
Franchise fee	29,000	29,000	28,355	(645)
Lien fees	8,500	8,500	13,157	4,657
LRBW surplus	5,000	5,000	-	(5,000)
CNTS surplus	10,000	10,000	-	(10,000)
Misc. other	25,550	25,550	46,176	20,626
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>\$ 10,064,942</u>	<u>\$ 10,077,654</u>	<u>\$ 10,303,451</u>	<u>\$ 225,797</u>

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

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Operations	\$ 128,400	\$ -	\$ 128,400	\$ 131,711	\$ (3,311)
Salaries	392,520	-	392,520	361,956	30,564
Contingency	15,000	-	15,000	14,023	977
Insurance	145,000	-	145,000	151,253	(6,253)
Legal fees	30,000	-	30,000	17,871	12,129
Assessing	137,672	-	137,672	61,872	75,800
Planning/appeals	21,700	-	21,700	11,747	9,953
Open space	7,663	-	7,663	-	7,663
Retirement	64,500	-	64,500	70,457	(5,957)
Employee benefit liability	13,167	-	13,167	-	13,167
Unemployment	20,524	-	20,524	-	20,524
Totals	<u>976,146</u>	<u>-</u>	<u>976,146</u>	<u>820,890</u>	<u>155,256</u>
PUBLIC SAFETY					
Fire department	502,771	-	502,771	415,508	87,263
Rescue	-	-	-	135	(135)
Civil emergency preparedness	4,375	-	4,375	6,901	(2,526)
Animal control	25,114	-	25,114	13,563	11,551
Street lights	8,500	-	8,500	9,232	(732)
Totals	<u>540,760</u>	<u>-</u>	<u>540,760</u>	<u>445,339</u>	<u>95,421</u>
HEALTH & SANITATION					
Lake Region Bulky Waste	100,000	-	100,000	100,000	-
Casco-Naples Transfer Station	140,000	-	140,000	137,165	2,835
Totals	<u>240,000</u>	<u>-</u>	<u>240,000</u>	<u>237,165</u>	<u>2,835</u>

SCHEDULE B (CONTINUED)

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
PUBLIC WORKS					
Road maintenance	321,000	-	321,000	218,595	102,405
Winter roads	410,500	-	410,500	391,103	19,397
Paving	120,000	-	120,000	75,049	44,951
Private road maintenance	2,600	-	2,600	1,000	1,600
Totals	854,100	-	854,100	685,747	168,353
SOCIAL SERVICES					
General assistance	52,800	-	52,800	42,539	10,261
Home Health Visiting Nurses	4,000	-	4,000	-	4,000
VNA Home Health	500	-	500	-	500
Family Crisis	1,100	-	1,100	-	1,100
Bus service	9,656	-	9,656	9,906	(250)
Tri-County Counseling Service	2,000	-	2,000	2,000	-
PROP	5,000	-	5,000	5,000	-
Senior meals program	3,700	-	3,700	3,700	-
Memorial Day	400	-	400	-	400
Totals	79,156	-	79,156	63,145	16,011
PARKS, RECREATION, AND CEMETERIES	102,713	8,000	110,713	108,465	2,248
COUNTY TAX	438,764	-	438,764	438,764	-

SCHEDULE B (CONTINUED)

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
EDUCATION	6,402,869	-	6,402,869	6,402,869	-
UNCLASSIFIED					
GP Council of Governments	3,742	-	3,742	3,742	-
Maine Municipal Assoc.	4,618	-	4,618	4,794	(176)
Building maintenance	74,084	-	74,084	23,470	50,614
Grange Hall	2,500	-	2,500	5,335	(2,835)
Library	68,774	-	68,774	68,773	1
Pleasant Lk/Parker Pd Assoc	4,000	-	4,000	4,000	-
Thompson Lake Environ. Ac.	2,500	-	2,500	2,500	-
Raymond-Casco Hist. Soc.	1,800	-	1,800	1,800	-
Crescent Lk Watershed Assoc.	1,000	-	1,000	1,000	-
Crooked River Snowmobile Club	1,500	-	1,500	-	1,500
Lake Region Television	2,000	-	2,000	2,000	-
Bridgton LR Chamb. of Comm.	1,250	-	1,250	1,250	-
Website	6,580	-	6,580	5,330	1,250
GIS	9,060	-	9,060	6,555	2,505
Volunteer lake monitoring	1,500	-	1,500	1,500	-
Broadcasting	17,000	-	17,000	20,745	(3,745)
Dangerous building	20,000	-	20,000	-	20,000
CRSG groomer	25,000	-	25,000	25,000	-
Abatements	-	-	-	107,507	(107,507)
Overlay	124,926	-	124,926	-	124,926
Tax writeoff	-	-	-	10,059	(10,059)
Totals	371,834	-	371,834	295,360	76,474
TRANSFERS TO OTHER FUNDS					
Nonmajor capital projects funds	259,000	83,712	342,712	342,712	-
Totals	259,000	83,712	342,712	342,712	-
TOTAL EXPENDITURES	\$ 10,265,342	\$ 91,712	\$ 10,357,054	\$ 9,840,456	\$ 516,598

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

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Investments	\$ 2,120	\$ 100,179	\$ 83,709	\$ 186,008
Due from other funds	141,480	857,517	5,288	1,004,285
TOTAL ASSETS	<u>\$ 143,600</u>	<u>\$ 957,696</u>	<u>\$ 88,997</u>	<u>\$ 1,190,293</u>
LIABILITIES				
Short-term note payable	\$ -	\$ 600,000	\$ -	\$ 600,000
Due to other funds	-	61,565	-	61,565
TOTAL LIABILITIES	<u>-</u>	<u>661,565</u>	<u>-</u>	<u>661,565</u>
FUND BALANCES (DEFICITS)				
Restricted	132,522	-	88,997	221,519
Committed	116	415,903	-	416,019
Assigned	10,962	16,682	-	27,644
Unassigned	-	(136,454)	-	(136,454)
TOTAL FUND BALANCES (DEFICITS)	<u>143,600</u>	<u>296,131</u>	<u>88,997</u>	<u>528,728</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 143,600</u>	<u>\$ 957,696</u>	<u>\$ 88,997</u>	<u>\$ 1,190,293</u>

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

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ -	\$ 563	\$ 123	\$ 686
Intergovernmental	-	5,000	-	5,000
Other income	11,684	400	-	12,084
TOTAL REVENUES	<u>11,684</u>	<u>5,963</u>	<u>123</u>	<u>17,770</u>
EXPENDITURES				
Capital outlay	-	821,999	-	821,999
Other	23,935	3,409	-	27,344
TOTAL EXPENDITURES	<u>23,935</u>	<u>825,408</u>	<u>-</u>	<u>849,343</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(12,251)</u>	<u>(819,445)</u>	<u>123</u>	<u>(831,573)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,974	375,825	-	380,799
Transfers (out)	<u>(24,112)</u>	<u>(13,975)</u>	<u>-</u>	<u>(38,087)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(19,138)</u>	<u>361,850</u>	<u>-</u>	<u>342,712</u>
NET CHANGE IN FUND BALANCES	(31,389)	(457,595)	123	(488,861)
FUND BALANCES (DEFICITS) - JULY 1	<u>174,989</u>	<u>753,726</u>	<u>88,874</u>	<u>1,017,589</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 143,600</u>	<u>\$ 296,131</u>	<u>\$ 88,997</u>	<u>\$ 528,728</u>

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

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	DEP Grant Tenney Hill Reparations	AED Grant	LRAP	Firefighter Fund	Pipeline TIF	Wilma Avery Fund	Recreation Donation	Business Showcase	CFRD Radio Grant
ASSETS									
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	86,800	-	38,936	3,357	-	65	4,158	180	-
TOTAL ASSETS	<u>\$ 86,800</u>	<u>\$ -</u>	<u>\$ 38,936</u>	<u>\$ 3,357</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 4,158</u>	<u>\$ 180</u>	<u>\$ -</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted	86,800	-	38,936	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	3,357	-	65	4,158	180	-
TOTAL FUND BALANCES	<u>86,800</u>	<u>-</u>	<u>38,936</u>	<u>3,357</u>	<u>-</u>	<u>65</u>	<u>4,158</u>	<u>180</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 86,800</u>	<u>\$ -</u>	<u>\$ 38,936</u>	<u>\$ 3,357</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 4,158</u>	<u>\$ 180</u>	<u>\$ -</u>

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Plummer Park	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Casco Fire Donations	Playground Grant	CFD ATV Trailer Grant	Total
ASSETS									
Investments	\$ -	\$ 2,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,120
Due from other funds	-	885	116	197	6,058	-	728	-	141,480
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 3,005</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 6,058</u>	<u>\$ -</u>	<u>\$ 728</u>	<u>\$ -</u>	<u>\$ 143,600</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES									
Restricted	-	-	-	-	6,058	-	728	-	132,522
Committed	-	-	116	-	-	-	-	-	116
Assigned	-	3,005	-	197	-	-	-	-	10,962
TOTAL FUND BALANCES	<u>-</u>	<u>3,005</u>	<u>116</u>	<u>197</u>	<u>6,058</u>	<u>-</u>	<u>728</u>	<u>-</u>	<u>143,600</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 3,005</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 6,058</u>	<u>\$ -</u>	<u>\$ 728</u>	<u>\$ -</u>	<u>\$ 143,600</u>

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

TOWN OF CASCO, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	DEP Grant Tenney Hill Reparations	AED Grant	LRAP	Firefighter Fund	Pipeline TIF	Wilma Avery Fund	Recreation Donation	Business Showcase	CFRD Radio Grant
REVENUES									
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	3,123	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,123</u>	<u>-</u>	<u>-</u>
EXPENDITURES									
Other	13,200	-	-	-	-	-	2,186	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>13,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,186</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>937</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	4,712	262	-	-	-	-	-
Transfers (out)	-	(1,043)	-	-	(16,665)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(1,043)</u>	<u>4,712</u>	<u>262</u>	<u>(16,665)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(13,200)	(1,043)	4,712	262	(16,665)	-	937	-	-
FUND BALANCES - JULY 1	<u>100,000</u>	<u>1,043</u>	<u>34,224</u>	<u>3,095</u>	<u>16,665</u>	<u>65</u>	<u>3,221</u>	<u>180</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 86,800</u>	<u>\$ -</u>	<u>\$ 38,936</u>	<u>\$ 3,357</u>	<u>\$ -</u>	<u>\$ 65</u>	<u>\$ 4,158</u>	<u>\$ 180</u>	<u>\$ -</u>

TOWN OF CASCO, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Plummer Park	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Casco Fire Donations	Playground Grant	CFD ATV Trailer Grant	Total
REVENUES									
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-	-
Other income	-	2	-	-	-	10	8,549	-	11,684
TOTAL REVENUES	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>8,549</u>	<u>-</u>	<u>11,684</u>
EXPENDITURES									
Other	-	-	-	-	-	-	8,549	-	23,935
Capital outlay	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,549</u>	<u>-</u>	<u>23,935</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>(12,251)</u>
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	4,974
Transfers (out)	(6,092)	-	-	-	-	(262)	-	(50)	(24,112)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(6,092)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(262)</u>	<u>-</u>	<u>(50)</u>	<u>(19,138)</u>
NET CHANGE IN FUND BALANCES	(6,092)	2	-	-	-	(252)	-	(50)	(31,389)
FUND BALANCES - JULY 1	<u>6,092</u>	<u>3,003</u>	<u>116</u>	<u>197</u>	<u>6,058</u>	<u>252</u>	<u>728</u>	<u>50</u>	<u>174,989</u>
FUND BALANCES - JUNE 30	<u>\$ -</u>	<u>\$ 3,005</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 6,058</u>	<u>\$ -</u>	<u>\$ 728</u>	<u>\$ -</u>	<u>\$ 143,600</u>

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

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

JUNE 30, 2016

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Ladder Truck Repairs	Recreation Department	Public Safety Building
ASSETS						
Investments	\$ 55,756	\$ 3,756	\$ 40,667	\$ -	\$ -	\$ -
Due from other funds	-	2,623	80,000	-	48,293	7,629
TOTAL ASSETS	<u>\$ 55,756</u>	<u>\$ 6,379</u>	<u>\$ 120,667</u>	<u>\$ -</u>	<u>\$ 48,293</u>	<u>\$ 7,629</u>
LIABILITIES						
Short-term note payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	61,565	-	-	-	-	-
TOTAL LIABILITIES	<u>61,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Committed	-	6,379	120,667	-	48,293	7,629
Assigned	-	-	-	-	-	-
Unassigned	(5,809)	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>(5,809)</u>	<u>6,379</u>	<u>120,667</u>	<u>-</u>	<u>48,293</u>	<u>7,629</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 55,756</u>	<u>\$ 6,379</u>	<u>\$ 120,667</u>	<u>\$ -</u>	<u>\$ 48,293</u>	<u>\$ 7,629</u>

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	Capital Improvements	Tax Equalization	Fire Equipment	Tennis Courts	Grange Hall	Electric Vehicle Charger	Municipal Offices
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	37,082	113,837	66,106	-	15,000	-	469,355
TOTAL ASSETS	<u>\$ 37,082</u>	<u>\$ 113,837</u>	<u>\$ 66,106</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 469,355</u>
LIABILITIES							
Short-term note payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,000</u>
FUND BALANCES (DEFICITS)							
Committed	37,082	113,837	66,106	-	-	-	-
Assigned	-	-	-	-	15,000	-	-
Unassigned	-	-	-	-	-	-	(130,645)
TOTAL FUND BALANCES (DEFICITS)	<u>37,082</u>	<u>113,837</u>	<u>66,106</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>(130,645)</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 37,082</u>	<u>\$ 113,837</u>	<u>\$ 66,106</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ 469,355</u>

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2016

	Road Improvements	Municipal Equipment	Community Center	Memorial School	Town Hall	Pleasant Lake Dam	Total
ASSETS							
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,179
Due from other funds	2,628	-	1,682	10,000	-	3,282	857,517
TOTAL ASSETS	<u>\$ 2,628</u>	<u>\$ -</u>	<u>\$ 1,682</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 3,282</u>	<u>\$ 957,696</u>
LIABILITIES							
Short-term note payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,000
Due to other funds	-	-	-	-	-	-	61,565
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>661,565</u>
FUND BALANCES (DEFICITS)							
Committed	2,628	-	-	10,000	-	3,282	415,903
Assigned	-	-	1,682	-	-	-	16,682
Unassigned	-	-	-	-	-	-	(136,454)
TOTAL FUND BALANCES (DEFICITS)	<u>2,628</u>	<u>-</u>	<u>1,682</u>	<u>10,000</u>	<u>-</u>	<u>3,282</u>	<u>296,131</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 2,628</u>	<u>\$ -</u>	<u>\$ 1,682</u>	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 3,282</u>	<u>\$ 957,696</u>

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

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Ladder Truck Repairs	Recreation Department	Public Safety Building
REVENUES						
Interest income	\$ 82	\$ 6	\$ 60	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Other income	-	400	-	-	-	-
TOTAL REVENUES	<u>82</u>	<u>406</u>	<u>60</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	168,279	-	-	-	950	47,079
Other	-	-	-	-	3,409	-
TOTAL EXPENDITURES	<u>168,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,359</u>	<u>47,079</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(168,197)</u>	<u>406</u>	<u>60</u>	<u>-</u>	<u>(4,359)</u>	<u>(47,079)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	93,665	-	-	-	6,092	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>93,665</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,092</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>(74,532)</u>	<u>406</u>	<u>60</u>	<u>-</u>	<u>1,733</u>	<u>(47,079)</u>
FUND BALANCES (DEFICITS) - JULY 1	<u>68,723</u>	<u>5,973</u>	<u>120,607</u>	<u>-</u>	<u>46,560</u>	<u>54,708</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ (5,809)</u>	<u>\$ 6,379</u>	<u>\$ 120,667</u>	<u>\$ -</u>	<u>\$ 48,293</u>	<u>\$ 7,629</u>

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Capital Improvements	Tax Equalization	Fire Equipment	Tennis Courts	Grange Hall	Electric Vehicle Charger	Municipal Offices
REVENUES							
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	-	-
EXPENDITURES							
Capital outlay	-	-	252,837	4,690	-	3,039	218,620
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	252,837	4,690	-	3,039	218,620
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(252,837)	(4,690)	-	(3,039)	(218,620)
OTHER FINANCING SOURCES (USES)							
Transfers in	4,848	-	51,093	-	-	152	87,975
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	4,848	-	51,093	-	-	152	87,975
NET CHANGE IN FUND BALANCES	4,848	-	(201,744)	(4,690)	-	(2,887)	(130,645)
FUND BALANCES (DEFICITS) - JULY 1	32,234	113,837	267,850	4,690	15,000	2,887	-
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 37,082</u>	<u>\$ 113,837</u>	<u>\$ 66,106</u>	<u>\$ -</u>	<u>\$ 15,000</u>	<u>\$ -</u>	<u>\$ (130,645)</u>

SCHEDULE H (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	Road Improvements	Municipal Equipment	Community Center	Memorial School	Town Hall	Pleasant Lake Dam	Total
REVENUES							
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 415	\$ 563
Intergovernmental	-	-	-	5,000	-	-	5,000
Other income	-	-	-	-	-	-	400
TOTAL REVENUES	-	-	-	5,000	-	415	5,963
EXPENDITURES							
Capital outlay	97,372	-	-	-	-	29,133	821,999
Other	-	-	-	-	-	-	3,409
TOTAL EXPENDITURES	97,372	-	-	-	-	29,133	825,408
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(97,372)	-	-	5,000	-	(28,718)	(819,445)
OTHER FINANCING SOURCES (USES)							
Transfers in	100,000	-	-	-	-	32,000	375,825
Transfers (out)	-	(5,000)	-	-	(8,975)	-	(13,975)
TOTAL OTHER FINANCING SOURCES (USES)	100,000	(5,000)	-	-	(8,975)	32,000	361,850
NET CHANGE IN FUND BALANCES	2,628	(5,000)	-	5,000	(8,975)	3,282	(457,595)
FUND BALANCES (DEFICITS) - JULY 1	-	5,000	1,682	5,000	8,975	-	753,726
FUND BALANCES (DEFICITS) - JUNE 30	\$ 2,628	\$ -	\$ 1,682	\$ 10,000	\$ -	\$ 3,282	\$ 296,131

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

Permanent Funds

Permanent funds are used to account for assets held by the Town of Casco, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended, and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2016

	Cemetery Fund	Cyrus Mayberry Road/School	Total
ASSETS			
Investments	\$ 21,057	\$ 62,652	\$ 83,709
Due from other funds	5,288	-	5,288
TOTAL ASSETS	<u>\$ 26,345</u>	<u>\$ 62,652</u>	<u>\$ 88,997</u>
LIABILITIES			
Due to others funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Restricted	26,345	62,652	88,997
TOTAL FUND BALANCES	<u>26,345</u>	<u>62,652</u>	<u>88,997</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,345</u>	<u>\$ 62,652</u>	<u>\$ 88,997</u>

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

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Cemetery Fund	Cyrus Mayberry Road/School	Total
REVENUES			
Interest income	\$ 31	\$ 92	\$ 123
TOTAL REVENUES	<u>31</u>	<u>92</u>	<u>123</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>31</u>	<u>92</u>	<u>123</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	31	92	123
FUND BALANCES - JULY 1	<u>26,314</u>	<u>62,560</u>	<u>88,874</u>
FUND BALANCES - JUNE 30	<u>\$ 26,345</u>	<u>\$ 62,652</u>	<u>\$ 88,997</u>

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

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

TOWN OF CASCO, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2016

	Land and Non-depreciable Assets	Buildings and Improvements	Machinery, Equipment & Vehicles	Infrastructure	Total
General Government	\$ 218,620	\$ 187,599	\$ 179,534	\$ -	\$ 585,753
Public Safety	-	350,000	2,677,410	-	3,027,410
Public Works	29,133	146,900	41,477	715,948	933,458
Waste Management	-	820,000	130,000	-	950,000
Parks, Recreation, and Cemeteries	219,000	576,349	-	-	795,349
Total General Capital Assets	466,753	2,080,848	3,028,421	715,948	6,291,970
Less: Accumulated Depreciation	-	(1,053,007)	(2,552,612)	(64,946)	(3,670,565)
Net General Capital Assets	<u>\$ 466,753</u>	<u>\$ 1,027,841</u>	<u>\$ 475,809</u>	<u>\$ 651,002</u>	<u>\$ 2,621,405</u>

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

TOWN OF CASCO, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2016

	General Capital Assets 7/1/15	Additions	Deletions	General Capital Assets 6/30/16
General Government	\$ 367,133	\$ 218,620	\$ -	\$ 585,753
Public Safety	2,606,294	421,116	-	3,027,410
Public Works	904,325	29,133	-	933,458
Waste Management	950,000	-	-	950,000
Parks, Recreation, and Cemeteries	795,349	-	-	795,349
Total General Capital Assets	5,623,101	668,869	-	6,291,970
Less: Accumulated Depreciation	(3,571,224)	(99,341)	-	(3,670,565)
Net General Capital Assets	<u>\$ 2,051,877</u>	<u>\$ 569,528</u>	<u>\$ -</u>	<u>\$ 2,621,405</u>

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



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Selectmen
Town of Casco
Casco, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2016, and the related notes to the financial statements, which collectively comprise the Town of Casco, Maine's basic financial statements, and have issued our report thereon dated February 17, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Casco, Maine's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Casco, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Casco, Maine's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Casco, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
February 17, 2017