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## Town of Casco Maine Annual Audit Report 2018

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Audited Financial Statements and  
Other Financial Information

Town of Casco, Maine

June 30, 2018



*Proven Expertise and Integrity*

TOWN OF CASCO, MAINE

CONTENTS

JUNE 30, 2018

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT A - STATEMENT OF NET POSITION	12
STATEMENT B - STATEMENT OF ACTIVITIES	13 - 14

FUND FINANCIAL STATEMENTS

STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	15
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	16
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	17
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	18
STATEMENT G - STATEMENT OF NET POSITION - FIDUCIARY FUNDS	19
NOTES TO FINANCIAL STATEMENTS	20 - 40

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	41
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	42

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	43
SCHEDULE A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS BUDGET AND ACTUAL - GENERAL FUND REVENUES	44
-	
SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	45 - 47
SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	48
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	49
SPECIAL REVENUE FUNDS DESCRIPTION	50
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	51 - 52
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	53 - 54
CAPITAL PROJECTS FUNDS DESCRIPTION	55
SCHEDULE G - COMBINING BALANCE SHEET - MAJOR CAPITAL PROJECTS FUNDS	56 - 58
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR CAPITAL PROJECTS FUNDS	59 - 61
PERMANENT FUNDS DESCRIPTION	62
SCHEDULE I - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	63
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	64
GENERAL CAPITAL ASSETS DESCRIPTION	65

SCHEDULE K - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION 66

SCHEDULE L - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY  
FUNCTION 67

FEDERAL COMPLIANCE

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* 68 - 69



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**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 Town of Casco, Maine as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town of Casco, Maine'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

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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 Town of Casco, Maine as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information on pages 4 through 11 and 42 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 Town of Casco, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual major and 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 Schedule of Departmental Operations - General Fund, combining and individual major and 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, the Schedule of Departmental Operations - General Fund, combining and individual major and 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 November 30, 2018 on our consideration of Town of Casco, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Town of Casco's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
November 30, 2018



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**(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, 2018. 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 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 fund 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 three columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major funds are the general fund and the capital projects funds. 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. 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 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 major and 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 decreased by \$410,789 from \$7,189,510 to \$6,778,721.

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 \$1,488,197 at the end of this year.

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

	<b>2018</b>	<b>2017</b>
<b>Assets:</b>		
Current Assets	\$ 6,791,311	\$ 7,270,656
Capital Assets	3,562,020	3,688,272
Total Assets	<u>10,353,331</u>	<u>10,958,928</u>
<b>Liabilities:</b>		
Current Liabilities	401,542	395,471
Long-term Debt Outstanding	3,148,791	3,357,355
Total Liabilities	<u>3,550,333</u>	<u>3,752,826</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	24,277	16,592
Total Deferred Inflows of Resources	<u>24,277</u>	<u>16,592</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	3,562,020	3,688,272
Restricted:		
Capital Projects Funds	1,615,526	2,299,706
Special Revenue Funds	99,078	231,947
Permanent Funds	13,900	13,900
Unrestricted	1,488,197	955,685
Total Net Position	<u>\$ 6,778,721</u>	<u>\$ 7,189,510</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.90%, while total expenses increased by 13.25%. The increase in revenues was due increases in taxes and miscellaneous, partially offset by decreases in charges for services and operating grants and contributions and grants and contributions not restricted to specific programs. The largest increase in expenses was public works.

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

	<u>2018</u>	<u>2017</u>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 231,384	\$ 271,033
Operating grants and contributions	52,670	56,886
<i>General Revenues:</i>		
Taxes	9,760,935	9,629,921
Grants and contributions not restricted to specific programs	351,935	476,265
Miscellaneous	483,422	242,929
Total Revenues	<u>10,880,346</u>	<u>10,677,034</u>
<b>Expenses</b>		
General government	902,460	819,172
Public safety	758,934	691,471
Health and sanitation	276,074	252,416
Public works	1,422,290	753,306
Social services	36,353	30,144
Parks, recreation, and cemeteries	138,692	134,907
County tax	442,722	433,703
Education	6,625,836	6,470,752
Unclassified	587,704	368,026
Debt service bond expenses	-	15,841
Interest on long-term debt	100,070	-
Total Expenses	<u>11,291,135</u>	<u>9,969,738</u>
Change in Net Position	(410,789)	707,296
Net Position - July 1	<u>7,189,510</u>	<u>6,482,214</u>
Net Position - June 30	<u><u>\$ 6,778,721</u></u>	<u><u>\$ 7,189,510</u></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>2018</u>	<u>2017</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 37,995	\$ 37,995
Assigned	581,760	564,384
Unassigned	3,231,140	3,126,649
Subtotal General Fund	<u>3,850,895</u>	<u>3,729,028</u>
Capital Projects Funds:		
Restricted	1,615,526	2,299,706
Committed	555,388	386,002
Unassigned	(49,694)	(42,938)
Subtotal Capital Projects Funds	<u>2,121,220</u>	<u>2,642,770</u>
Total Major Funds	<u><u>\$ 5,972,115</u></u>	<u><u>\$ 6,371,798</u></u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 99,078	\$ 231,947
Committed	11,020	116
Assigned	12,140	7,762
Unassigned	(946)	(951)
Permanent Funds:		
Restricted	13,900	13,900
Assigned	73,784	75,246
Total Nonmajor Funds	<u><u>\$ 208,976</u></u>	<u><u>\$ 328,020</u></u>

The general fund total fund balance increased by \$121,867 from the prior fiscal year due to revenues exceeding expenditures. The capital projects funds total fund balance decreased by \$521,550 from the prior fiscal year primarily due to capital outlay expenditures. The nonmajor funds total fund balance decreased by \$119,044 from the prior fiscal year as a result of expenditures exceeding revenues.

## Budgetary Highlights

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

The general fund actual revenues exceeded budgeted amounts by \$229,493. This was the result of all revenue categories being receipted in excess of budgeted amounts with the exception of charges for services and interest income.

The general fund actual expenditures were under budget by \$470,079. All expenditure categories were within or under budget with the exception of health and sanitation, county tax, debt service - interest and transfers to other funds.

## Capital Asset and Long-Term Debt Activity

### Capital Assets

As of June 30, 2018, the Town's capital assets decreased by \$126,252. This decrease was due to current year additions of \$39,452 less depreciation expense of \$165,704. Refer to Note 4 of Notes to Financial Statements for detailed information.

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

	<u>2018</u>	<u>2017</u>
Land	\$ 656,021	\$ 656,021
Construction in progress	341,219	1,038,642
Buildings	929,297	977,194
Vehicles and equipment	1,037,477	391,911
Infrastructure	<u>598,006</u>	<u>624,504</u>
Total	<u>\$ 3,562,020</u>	<u>\$ 3,688,272</u>

### Debt

At June 30, 2018, the Town had \$3,205,000 in a bond payable versus \$3,440,000 in the prior fiscal year. Other obligations include bond premium payable and accrued compensated absences. Refer to Note 6 of the Notes to Financial Statements for 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 three 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, 2018

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 6,045,692
Accounts receivable (net of allowance for uncollectibles):	
Taxes	427,070
Liens	143,204
Other	34,527
Due from other governments	102,823
Tax acquired property	37,995
Total current assets	<u>6,791,311</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	997,240
Assets being depreciated, net of accumulated depreciation	2,564,780
Total noncurrent assets	<u>3,562,020</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 10,353,331</u></u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 151,943
Current portion of long-term obligations	249,599
Total current liabilities	<u>401,542</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	2,970,000
Bond premium payable	141,473
Accrued compensated absences	37,318
Total noncurrent liabilities	<u>3,148,791</u>
<b>TOTAL LIABILITIES</b>	<u>3,550,333</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	24,277
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>24,277</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,562,020
Restricted:	
Capital projects funds	1,615,526
Special revenue funds	99,078
Permanent funds	13,900
Unrestricted	1,488,197
<b>TOTAL NET POSITION</b>	<u>6,778,721</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 10,353,331</u></u>

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

## TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
General government	\$ 902,460	\$ 67,742	\$ -	\$ -	\$ (834,718)
Public safety	758,934	134,530	-	-	(624,404)
Health and sanitation	276,074	-	-	-	(276,074)
Public works	1,422,290	-	50,272	-	(1,372,018)
Social services	36,353	-	2,398	-	(33,955)
Parks, recreation, and cemeteries	138,692	29,112	-	-	(109,580)
County tax	442,722	-	-	-	(442,722)
Education	6,625,836	-	-	-	(6,625,836)
Unclassified	587,704	-	-	-	(587,704)
Interest on long-term debt	100,070	-	-	-	(100,070)
Total government	<u>\$ 11,291,135</u>	<u>\$ 231,384</u>	<u>\$ 52,670</u>	<u>\$ -</u>	<u>(11,007,081)</u>

STATEMENT B (CONTINUED)

TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(11,007,081)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	8,972,012
Excise taxes	788,923
Grants and contributions not restricted to specific programs	351,935
Miscellaneous	<u>483,422</u>
Total general revenues	<u>10,596,292</u>
Change in net position	(410,789)
NET POSITION - JULY 1	<u>7,189,510</u>
NET POSITION - JUNE 30	<u><u>\$ 6,778,721</u></u>

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

## STATEMENT C

## TOWN OF CASCO, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2018

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,860,560	\$ 100,607	\$ 84,525	\$ 6,045,692
Accounts receivable (net of allowance for uncollectibles):				
Taxes	427,070	-	-	427,070
Liens	143,204	-	-	143,204
Other	34,527	-	-	34,527
Due from other governments	102,823	-	-	102,823
Tax acquired property	37,995	-	-	37,995
Due from other funds	60,090	2,077,628	127,526	2,265,244
TOTAL ASSETS	<u>\$ 6,666,269</u>	<u>\$ 2,178,235</u>	<u>\$ 212,051</u>	<u>\$ 9,056,555</u>
LIABILITIES				
Accounts payable	\$ 151,943	\$ -	\$ -	\$ 151,943
Due to other funds	2,205,154	57,015	3,075	2,265,244
TOTAL LIABILITIES	<u>2,357,097</u>	<u>57,015</u>	<u>3,075</u>	<u>2,417,187</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	24,277	-	-	24,277
Deferred property tax	434,000	-	-	434,000
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>458,277</u>	<u>-</u>	<u>-</u>	<u>458,277</u>
FUND BALANCES				
Nonspendable	37,995	-	-	37,995
Restricted	-	1,615,526	112,978	1,728,504
Committed	-	555,388	11,020	566,408
Assigned	581,760	-	85,924	667,684
Unassigned	3,231,140	(49,694)	(946)	3,180,500
TOTAL FUND BALANCES	<u>3,850,895</u>	<u>2,121,220</u>	<u>208,976</u>	<u>6,181,091</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 6,666,269</u>	<u>\$ 2,178,235</u>	<u>\$ 212,051</u>	<u>\$ 9,056,555</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, 2018

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 6,181,091
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	3,562,020
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	434,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(3,205,000)
Bond premium payable	(152,355)
Accrued compensated absences	<u>(41,035)</u>
Net position of governmental activities	<u>\$ 6,778,721</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, 2018

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 9,017,012	\$ -	\$ -	\$ 9,017,012
Excise taxes	788,923	-	-	788,923
Intergovernmental revenues	394,605	10,000	-	404,605
Interest income	47,433	251	214	47,898
Charges for services	231,384	-	-	231,384
Miscellaneous	219,057	12,074	204,393	435,524
TOTAL REVENUES	<u>10,698,414</u>	<u>22,325</u>	<u>204,607</u>	<u>10,925,346</u>
EXPENDITURES				
Current:				
General government	944,710	-	-	944,710
Public safety	658,875	-	-	658,875
Health and sanitation	255,574	-	-	255,574
Public works	694,696	-	-	694,696
Social services	36,353	-	-	36,353
Parks, recreation, and cemeteries	125,658	-	-	125,658
County tax	442,722	-	-	442,722
Education	6,625,836	-	-	6,625,836
Unclassified	258,781	-	328,923	587,704
Capital outlay	-	736,875	-	736,875
Debt service:				
Principal	235,000	-	-	235,000
Interest	100,070	-	-	100,070
TOTAL EXPENDITURES	<u>10,378,275</u>	<u>736,875</u>	<u>328,923</u>	<u>11,444,073</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>320,139</u>	<u>(714,550)</u>	<u>(124,316)</u>	<u>(518,727)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	877,180	5,272	882,452
Transfers (out)	(198,272)	(684,180)	-	(882,452)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(198,272)</u>	<u>193,000</u>	<u>5,272</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	121,867	(521,550)	(119,044)	(518,727)
FUND BALANCES - JULY 1	<u>3,729,028</u>	<u>2,642,770</u>	<u>328,020</u>	<u>6,699,818</u>
FUND BALANCES - JUNE 30	<u>\$ 3,850,895</u>	<u>\$ 2,121,220</u>	<u>\$ 208,976</u>	<u>\$ 6,181,091</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, 2018

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (518,727)</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	736,875
Capital asset disposals	(697,423)
Depreciation expense	<u>(165,704)</u>
	<u>(126,252)</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>(45,000)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
	<u>235,000</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:	
Bond premium payable	10,882
Accrued compensated absences	<u>33,308</u>
	<u>44,190</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ (410,789)</u></u>

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

## TOWN OF CASCO, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
JUNE 30, 2018

	Agency Funds
	Joint Venture
	Lake Region Bulky
	Waste Facility
ASSETS	
Accounts receivable (net of allowance for uncollectibles)	\$ 28,922
TOTAL ASSETS	<u>\$ 28,922</u>
LIABILITIES	
Due to other governments	\$ 28,922
TOTAL LIABILITIES	<u>\$ 28,922</u>

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



# TOWN OF CASCO, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

### 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 cemeteries, 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, 2018, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*." The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 81, "*Irrevocable Split-Interest Agreements*". The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts or other legally enforceable agreements with characteristics that are equivalent to split-interest

# TOWN OF CASCO, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

agreements in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. As such, this Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 85, "Omnibus 2017." The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 86, "Certain Debt Extinguishment Issues." The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. 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 and nonmajor funds).

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

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column, and (b) is 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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 (general government, public safety, etc) excluding fiduciary 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. 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:

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:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
- b. The Capital Projects Funds are used to account for the acquisition or construction of major capital facilities or equipment.

Nonmajor Funds

- c. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- 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 the Town's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

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.

The emphasis in fund financial statements is on the major funds in the governmental activity category. 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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. The budget was adopted subsequent to passage by the inhabitants of the Town.

**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, Maine has no formal investment policy but instead follows the State of Maine Statutes.

**Receivables**

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. Allowances for uncollectible accounts netted with accounts receivable were \$166,272 for the year ended June 30, 2018. The allowance for uncollectible accounts is estimated to be \$8,806 as of June 30, 2018.

**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, 2018

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.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 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.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 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 a bond payable, bond premium payable and accrued compensated absences.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

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 the proprietary funds is the same in the fund statements as it is in the government-wide statements.

**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 Balance**

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.

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 Board of Selectmen 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.



TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Selectmen meeting vote has provided otherwise in its commitment or assignment actions.

**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 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. Deferred tax revenues, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and the governmental funds balance sheet. All items in this category are deferred and recognized as inflows 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 August 23, 2017 on the assessed value listed as of April 1, 2017, for all real and personal property located in

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

the Town. Taxes were due on in two installments on October 11, 2017 and April 4, 2018. Interest on unpaid taxes commenced on October 25, 2017 and April 18, 2018, 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 \$81,075 for the year ended June 30, 2018.

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.

**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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 2 - DEPOSITS AND INVESTMENTS

**Deposits:**

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.

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 or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk. 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, 2018, the Town's cash balances amounting to \$6,045,692 were comprised of bank deposits of \$6,118,161. Of these bank deposits, \$461,430 were covered by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining bank deposits of \$5,656,731 were collateralized with irrevocable stand-by letters of credit.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 5,906,731
Savings accounts	211,430
	<u>\$ 6,118,161</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.

At June 30, 2018, the Town had no investments.

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

# TOWN OF CASCO, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

### NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2018 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ 60,090	\$ 2,205,154
Capital Projects Funds	2,077,628	57,015
Nonmajor Special Revenue Funds	122,238	3,075
Nonmajor Permanent Funds	5,288	-
	<u>\$ 2,265,244</u>	<u>\$ 2,265,244</u>

# TOWN OF CASCO, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

### NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Balance 7/1/17	Additions	Disposals	Balance 6/30/18
Non-depreciated assets:				
Land	\$ 656,021	\$ -	\$ -	\$ 656,021
Construction in progress	1,038,642	-	(697,423)	341,219
	<u>1,694,663</u>	<u>-</u>	<u>(697,423)</u>	<u>997,240</u>
Depreciated assets:				
Buildings	2,080,848	-	(4,480)	2,076,368
Vehicles & equipment	2,914,902	736,875	-	3,651,777
Intellectual property	120,000	-	-	120,000
Infrastructure	715,948	-	-	715,948
	<u>5,831,698</u>	<u>736,875</u>	<u>(4,480)</u>	<u>6,564,093</u>
Less accumulated depreciation:				
Buildings	(1,103,654)	(47,897)	4,480	(1,147,071)
Vehicles & equipment	(2,522,991)	(91,309)	-	(2,614,300)
Intellectual property	(120,000)	-	-	(120,000)
Infrastructure	(91,444)	(26,498)	-	(117,942)
	<u>(3,838,089)</u>	<u>(165,704)</u>	<u>4,480</u>	<u>(3,999,313)</u>
Net depreciated assets	<u>1,993,609</u>	<u>571,171</u>	<u>-</u>	<u>2,564,780</u>
Net capital assets	<u>\$ 3,688,272</u>	<u>\$ 571,171</u>	<u>\$ (697,423)</u>	<u>\$ 3,562,020</u>
<u>Current year depreciation</u>				
General government				\$ 1,940
Public safety				100,059
Public works				30,171
Waste management				20,500
Parks, recreation and cemeteries				13,034
				<u>\$ 165,704</u>

# TOWN OF CASCO, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

### NOTE 5 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2018 is as follows:

	Balance 7/1/17	Additions	Reductions	Balance 6/30/18	Current Year Portion
Bond payable	\$ 3,440,000	\$ -	\$ (235,000)	\$ 3,205,000	\$ 235,000
Bond premium payable	163,237	-	(10,882)	152,355	10,882
Accrued compensated absences	74,343	-	(33,308)	41,035	3,717
	<u>\$ 3,677,580</u>	<u>\$ -</u>	<u>\$ (279,190)</u>	<u>\$ 3,398,390</u>	<u>\$ 249,599</u>

The following is a description of the outstanding bond payable:

\$3,440,000, 2017 General Obligation Bond due in annual principal installments and semiannual interest installments through October of 2031. Interest is charged at a varying rate from 2% to 4% per annum. Annual principal installments range from \$235,000 to \$225,000.

\$ 3,205,000

The following is a summary of outstanding bond principal and interest requirements for the fiscal years ending June 30:

	Principal	Interest	Total Debt Service
2019	\$ 235,000	\$ 96,813	\$ 331,813
2020	235,000	89,762	324,762
2021	235,000	80,363	315,363
2022	235,000	70,962	305,962
2023	230,000	61,663	291,663
2024-2028	1,135,000	211,469	1,346,469
2029-2033	900,000	54,000	954,000
	<u>\$ 3,205,000</u>	<u>\$ 665,032</u>	<u>\$ 3,870,032</u>

# TOWN OF CASCO, MAINE

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

### NOTE 6 - OPERATING LEASE

#### Leasing arrangements where the Town is the 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 three five-year renewal provisions. Rental income of \$29,930 was received in fiscal year 2018.

The Town of Casco leases a facility at 7 Leach Hill Road to Robyn Russell-Kimball (aka Ravan Salon and Vintage Boutique), the lessee, for its business operations. This is a ten - year lease with a single ten-year renewal provision. Rental income of \$500 was received in fiscal year 2018.

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.

### NOTE 7 - 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, 2018, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Amount</u>
County of Cumberland	\$ 35,585,000	2.57%	\$ 914,535
MSAD #61	10,586,443	19.63%	2,078,119
			<u>\$ 2,992,653</u>

### NOTE 8 - NONSPENDABLE FUND BALANCE

At June 30, 2018, the Town had the following nonspendable fund balance:

General Fund:

Tax acquired property	<u>\$ 37,995</u>
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TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 9 - RESTRICTED FUND BALANCES

At June 30, 2018, the Town had the following restricted fund balances:

Capital Project Funds (Schedule G)	\$ 1,615,526
Nonmajor Special Revenue Funds (Schedule E)	99,078
Nonmajor Permanent Funds (Schedule I)	13,900
	<u>\$ 1,728,504</u>

NOTE 10 - COMMITTED FUND BALANCES

At June 30, 2018, the Town had the following committed fund balances:

Nonmajor Special Revenue Funds (Schedule E)	11,020
Capital Project Funds (Schedule G)	555,388
	<u>\$ 566,408</u>

NOTE 11 - ASSIGNED FUND BALANCES

At June 30, 2018, the Town had the following assigned fund balances:

General Fund:	
General government	\$ 48,724
Public safety	61,442
Streets/highways	386,791
Parks, recreation and cemeteries	14,857
Unclassified:	
Building maintenance	11,757
Grange Hall	16,490
Website	1,730
GIS	5,000
Veterans' committee	2,500
Dangerous building	21,819
Thompson Lake Environ. Assoc.	2,500
Raymond-Casco Hist. Society	1,800
Crescent Lake Watershed Assoc.	1,000
Lake monitoring program	1,500
Sebago LR Co	250
Pleasant Lk/Parker Pd Assoc	3,600
Subtotal General Fund	<u>581,760</u>
Nonmajor Special Revenue Funds (Schedule E)	12,140
Nonmajor Permanent Funds (Schedule I)	73,784
	<u>\$ 667,684</u>



TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 12 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following expenditures that exceeded appropriations at June 30, 2018:

Health and sanitation	\$ 11,854
County tax	20,000
Debt service - interest	1,828
Transfers to other funds	198,272
	<u>\$ 231,954</u>

NOTE 13 - DEFICIT FUND BALANCES

At June 30, 2018, the Town had the following deficit fund balances:

Capital Project Funds (Schedule G):	
Memorial school	\$ 49,694
Nonmajor Special Revenue Funds (Schedule E):	
Veterans' fund	946
	<u>\$ 50,640</u>

NOTE 14 - DEFINED 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 14 - DEFINED COMPENSATION PLAN (CONTINUED)

**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 2018, 2017, and 2016 were \$61,139, \$59,873 and \$70,457, respectively.

NOTE 15 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations, and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2018.

The Town is a member of the Maine Municipal Association – Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a "claims made" form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

## TOWN OF CASCO, MAINE

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018

#### NOTE 15 - RISK MANAGEMENT (CONTINUED)

The Town is also a member of the Maine Municipal Association – Worker Compensation Trust Fund (“Fund”). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund’s membership, obtain lower costs for worker’s compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker’s compensation coverage. The Town’s agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies’ reinsurance contracts, coverage for claims in excess of \$1,000,000.

#### NOTE 16 - 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 2018, the Town paid \$255,574 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 asset in the financial statements in connection with its participation in ecomaine. The Town of Casco has an owner membership of 1.46% in ecomaine as of June 30, 2018.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018

NOTE 16 - JOINT VENTURES (CONTINUED)

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, 2018, (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 \$115,364.

NOTE 17 - 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, 2018 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. established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 18 - IRREVOCABLE STAND-BY LETTER OF CREDIT

At June 30, 2018, 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 6, 2018, authorizes one draw only up to the amount of \$7,000,000. There were no draws for the year ended June 30, 2018.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

NOTE 19 - COMMITMENT

The Town of Casco 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 Year Ending June 30,	Amount
2019	\$ 363,681

NOTE 20 - 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, 2018

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance - July 1	\$ 3,729,028	\$ 3,729,028	\$ 3,729,028	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	8,960,802	8,960,802	9,017,012	56,210
Excise taxes	690,000	690,000	788,923	98,923
Intergovernmental revenues	335,119	335,119	394,605	59,486
Charges for services	319,500	319,500	231,384	(88,116)
Interest income	60,000	60,000	47,433	(12,567)
Other revenue	103,500	103,500	219,057	115,557
Amounts Available for Appropriation	<u>14,197,949</u>	<u>14,197,949</u>	<u>14,427,442</u>	<u>229,493</u>
Charges to Appropriations (Outflows):				
General government	1,069,667	1,069,667	944,710	124,957
Public safety	719,484	719,484	658,875	60,609
Health and sanitation	243,720	243,720	255,574	(11,854)
Public works	1,081,969	1,081,969	694,696	387,273
Social services	80,056	80,056	36,353	43,703
Parks, recreation, and cemeteries	130,733	130,733	125,658	5,075
County tax	422,722	422,722	442,722	(20,000)
Education	6,625,836	6,625,836	6,625,836	-
Unclassified	339,197	339,197	258,781	80,416
Debt service:				
Principal	235,000	235,000	235,000	-
Interest	98,242	98,242	100,070	(1,828)
Transfers to other funds	-	-	198,272	(198,272)
Total Charges to Appropriations	<u>11,046,626</u>	<u>11,046,626</u>	<u>10,576,547</u>	<u>470,079</u>
Budgetary Fund Balance - June 30	<u>\$ 3,151,323</u>	<u>\$ 3,151,323</u>	<u>\$ 3,850,895</u>	<u>\$ 699,572</u>
Utilization of unassigned fund balance	\$ 70,000	\$ 70,000	\$ -	\$ (70,000)
Utilization of assigned fund balance	508,161	508,161	-	(508,161)
	<u>\$ 578,161</u>	<u>\$ 578,161</u>	<u>\$ -</u>	<u>\$ (578,161)</u>

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

### Other Supplementary Information

Other supplementary information includes financial statements and schedules 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 - Major Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Major 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, 2018

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 8,960,802	\$ 8,960,802	\$ 9,017,012	\$ 56,210
Auto excise	675,000	675,000	769,288	94,288
Boat excise	15,000	15,000	19,635	4,635
Intergovernmental revenues:				
State revenue sharing	125,000	125,000	155,132	30,132
Homestead reimbursement	111,905	111,905	111,905	-
LRAP	45,000	45,000	50,272	5,272
BETE	31,914	31,914	31,941	27
Tree growth	-	-	38,948	38,948
General assistance	18,000	18,000	2,398	(15,602)
Other	3,300	3,300	4,009	709
Charges for services:				
Building permits	35,000	35,000	34,261	(739)
Plumbing permits	10,000	10,000	8,483	(1,517)
Other licenses and permits	5,500	5,500	5,306	(194)
Motor vehicle agent fees	12,000	12,000	12,801	801
Dog agent fees	-	-	308	308
Administration	8,500	8,500	6,891	(1,609)
Public safety	231,000	231,000	134,222	(96,778)
Parks and recreation	17,500	17,500	29,112	11,612
Interest income:				
Tax/lien interest	60,000	60,000	47,433	(12,567)
Miscellaneous revenues:				
Building rentals	27,400	27,400	32,480	5,080
Franchise fee	28,000	28,000	31,342	3,342
Lien fees	10,000	10,000	13,725	3,725
LRBW surplus	15,000	15,000	-	(15,000)
Proceeds-tax sale	15,000	15,000	56,897	41,897
Misc. other	8,100	8,100	84,613	76,513
Amounts Available for Appropriation	<u>\$ 10,468,921</u>	<u>\$ 10,468,921</u>	<u>\$ 10,698,414</u>	<u>\$ 229,493</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, 2018

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
<b>GENERAL GOVERNMENT</b>					
Operations	\$ 144,067	\$ -	\$ 144,067	\$ 152,405	\$ (8,338)
Salaries	430,259	-	430,259	406,602	23,657
Contingency	27,670	-	27,670	9,231	18,439
Insurance	164,500	-	164,500	159,529	4,971
Legal fees	40,000	-	40,000	16,033	23,967
Assessing	109,242	-	109,242	94,321	14,921
Planning/appeals	28,480	-	28,480	20,128	8,352
Retirement	87,652	-	87,652	84,517	3,135
Employee benefit liability	17,168	-	17,168	1,944	15,224
Unemployment	20,629	-	20,629	-	20,629
Totals	<u>1,069,667</u>	<u>-</u>	<u>1,069,667</u>	<u>944,710</u>	<u>124,957</u>
<b>PUBLIC SAFETY</b>					
Fire department	669,531	-	669,531	621,664	47,867
Rescue	-	-	-	778	(778)
Civil emergency preparedness	11,353	-	11,353	6,027	5,326
Animal control	29,000	-	29,000	21,709	7,291
Street lights	9,600	-	9,600	8,697	903
Totals	<u>719,484</u>	<u>-</u>	<u>719,484</u>	<u>658,875</u>	<u>60,609</u>
<b>HEALTH &amp; SANITATION</b>					
Lake Region Bulky Waste	-	-	-	26,087	(26,087)
Casco-Naples Transfer Station	243,720	-	243,720	229,487	14,233
Totals	<u>243,720</u>	<u>-</u>	<u>243,720</u>	<u>255,574</u>	<u>(11,854)</u>

## TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
PUBLIC WORKS					
Road maintenance	390,598	-	390,598	237,792	152,806
Winter roads	440,380	-	440,380	455,704	(15,324)
Paving	246,791	-	246,791	-	246,791
Private road maintenance	4,200	-	4,200	1,200	3,000
Totals	1,081,969	-	1,081,969	694,696	387,273
SOCIAL SERVICES					
General assistance	53,700	-	53,700	9,997	43,703
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	9,656	-
Tri-County Counseling Service	2,000	-	2,000	2,000	-
Opportunity	5,000	-	5,000	5,000	-
Meal site	3,700	-	3,700	3,700	-
Memorial Day	400	-	400	400	-
Totals	80,056	-	80,056	36,353	43,703
PARKS, RECREATION AND CEMETERIES	130,733	-	130,733	125,658	5,075
DEBT SERVICE					
Principal	235,000	-	235,000	235,000	-
Interest	98,242	-	98,242	100,070	(1,828)
Totals	333,242	-	333,242	335,070	(1,828)
COUNTY TAX	422,722	-	422,722	442,722	(20,000)
EDUCATION	6,625,836	-	6,625,836	6,625,836	-

## SCHEDULE B (CONTINUED)

## TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2018

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
UNCLASSIFIED					
GP Council of Governments	3,742	-	3,742	9,729	(5,987)
Maine Municipal Association	4,974	-	4,974	5,098	(124)
Building maintenance	46,503	-	46,503	34,746	11,757
Grange Hall	20,000	-	20,000	3,510	16,490
Library	68,773	-	68,773	68,773	-
LEA milfoil project	5,000	-	5,000	5,000	-
Pleasant Lk/Parker Pd Assoc	4,000	-	4,000	400	3,600
Thompson Lake Environ. Assoc.	2,500	-	2,500	-	2,500
Raymond-Casco Hist. Society	1,800	-	1,800	-	1,800
Crescent Lake Watershed Assoc.	1,000	-	1,000	-	1,000
Veterans committee	7,500	-	7,500	-	7,500
Lake Region Television	3,000	-	3,000	3,000	-
Bridgton LR Chamber of Comm.	1,250	-	1,250	1,250	-
Website	7,190	-	7,190	5,460	1,730
GIS	13,904	-	13,904	4,977	8,927
Lake monitoring program	1,500	-	1,500	-	1,500
Broadcasting	24,300	-	24,300	21,850	2,450
Sebago LR Co	250	-	250	-	250
Dangerous building	40,000	-	40,000	18,181	21,819
Life flight	936	-	936	936	-
Overlay	81,075	-	81,075	75,871	5,204
Totals	<u>339,197</u>	<u>-</u>	<u>339,197</u>	<u>258,781</u>	<u>80,416</u>
TRANSFERS TO OTHER FUNDS					
Nonmajor special revenue funds	-	-	-	5,272	(5,272)
Capital projects funds	-	-	-	193,000	(193,000)
Totals	<u>-</u>	<u>-</u>	<u>-</u>	<u>198,272</u>	<u>(198,272)</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 11,046,626</u>	<u>\$ -</u>	<u>\$ 11,046,626</u>	<u>\$ 10,576,547</u>	<u>\$ 470,079</u>

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

## TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,129	\$ 82,396	\$ 84,525
Due from other funds	122,238	5,288	127,526
TOTAL ASSETS	<u>\$ 124,367</u>	<u>\$ 87,684</u>	<u>\$ 212,051</u>
LIABILITIES			
Due to other funds	\$ 3,075	\$ -	\$ 3,075
TOTAL LIABILITIES	<u>3,075</u>	<u>-</u>	<u>3,075</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	99,078	13,900	112,978
Committed	11,020	-	11,020
Assigned	12,140	73,784	85,924
Unassigned	(946)	-	(946)
TOTAL FUND BALANCES	<u>121,292</u>	<u>87,684</u>	<u>208,976</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 124,367</u>	<u>\$ 87,684</u>	<u>\$ 212,051</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, 2018

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Interest income	\$ 5	\$ 209	\$ 214
Other income	204,393	-	204,393
TOTAL REVENUES	<u>204,398</u>	<u>209</u>	<u>204,607</u>
EXPENDITURES			
Other	327,252	1,671	328,923
TOTAL EXPENDITURES	<u>327,252</u>	<u>1,671</u>	<u>328,923</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(122,854)</u>	<u>(1,462)</u>	<u>(124,316)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	5,272	-	5,272
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,272</u>	<u>-</u>	<u>5,272</u>
NET CHANGE IN FUND BALANCES	(117,582)	(1,462)	(119,044)
FUND BALANCES - JULY 1	<u>238,874</u>	<u>89,146</u>	<u>328,020</u>
FUND BALANCES - JUNE 30	<u><u>\$ 121,292</u></u>	<u><u>\$ 87,684</u></u>	<u><u>\$ 208,976</u></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 expendable 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, 2018

	DEP Grant Tenney Hill Reparations	Recreation Pickleball	LRAP	Firefighter Fund	CFD Grant	Timber Harvester	Wilma Avery Fund	Recreation Donation
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	43,070	4,504	48,692	3,357	131	10,773	65	4,017
TOTAL ASSETS	<u>\$ 43,070</u>	<u>\$ 4,504</u>	<u>\$ 48,692</u>	<u>\$ 3,357</u>	<u>\$ 131</u>	<u>\$ 10,773</u>	<u>\$ 65</u>	<u>\$ 4,017</u>
LIABILITIES								
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	43,070	-	48,692	-	-	-	-	-
Committed	-	-	-	-	131	10,773	-	-
Assigned	-	4,504	-	3,357	-	-	65	4,017
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>43,070</u>	<u>4,504</u>	<u>48,692</u>	<u>3,357</u>	<u>131</u>	<u>10,773</u>	<u>65</u>	<u>4,017</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 43,070</u>	<u>\$ 4,504</u>	<u>\$ 48,692</u>	<u>\$ 3,357</u>	<u>\$ 131</u>	<u>\$ 10,773</u>	<u>\$ 65</u>	<u>\$ 4,017</u>



## SCHEDULE E (CONTINUED)

## TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018

	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Dam Maintenance	Business Showcase	Total
ASSETS								
Cash and cash equivalents	\$ 2,129	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,129
Due from other funds	-	116	197	6,058	728	350	180	122,238
TOTAL ASSETS	<u>\$ 2,129</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 6,058</u>	<u>\$ 728</u>	<u>\$ 350</u>	<u>\$ 180</u>	<u>\$ 124,367</u>
LIABILITIES								
Due to other funds	\$ 3,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,075
TOTAL LIABILITIES	<u>3,075</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,075</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	6,058	728	350	180	99,078
Committed	-	116	-	-	-	-	-	11,020
Assigned	-	-	197	-	-	-	-	12,140
Unassigned	(946)	-	-	-	-	-	-	(946)
TOTAL FUND BALANCES (DEFICITS)	<u>(946)</u>	<u>116</u>	<u>197</u>	<u>6,058</u>	<u>728</u>	<u>350</u>	<u>180</u>	<u>121,292</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 2,129</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 6,058</u>	<u>\$ 728</u>	<u>\$ 350</u>	<u>\$ 180</u>	<u>\$ 124,367</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 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2018

	DEP Grant Tenney Hill Reparations	Recreation Pickleball	LRAP	Firefighter Fund	CFD Grant	Timber Harvester	Wilma Avery Fund	Recreation Donation
REVENUES								
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	4,603	-	-	188,667	10,773	-	-
TOTAL REVENUES	-	4,603	-	-	188,667	10,773	-	-
EXPENDITURES								
Other	138,491	225	-	-	188,536	-	-	-
TOTAL EXPENDITURES	138,491	225	-	-	188,536	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(138,491)	4,378	-	-	131	10,773	-	-
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	5,272	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	5,272	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(138,491)	4,378	5,272	-	131	10,773	-	-
FUND BALANCES (DEFICITS) - JULY 1	181,561	126	43,420	3,357	-	-	65	4,017
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 43,070</u>	<u>\$ 4,504</u>	<u>\$ 48,692</u>	<u>\$ 3,357</u>	<u>\$ 131</u>	<u>\$ 10,773</u>	<u>\$ 65</u>	<u>\$ 4,017</u>

## SCHEDULE F (CONTINUED)

## TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Dam Maintenance	Business Showcase	Total
REVENUES								
Interest income	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5
Other income	-	-	-	-	-	350	-	204,393
TOTAL REVENUES	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>204,398</u>
EXPENDITURES								
Other	-	-	-	-	-	-	-	327,252
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>327,252</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>5</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>-</u>	<u>(122,854)</u>
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	-	5,272
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,272</u>
NET CHANGE IN FUND BALANCES	5	-	-	-	-	350	-	(117,582)
FUND BALANCES (DEFICITS) - JULY 1	<u>(951)</u>	<u>116</u>	<u>197</u>	<u>6,058</u>	<u>728</u>	<u>-</u>	<u>180</u>	<u>238,874</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u><u>\$ (946)</u></u>	<u><u>\$ 116</u></u>	<u><u>\$ 197</u></u>	<u><u>\$ 6,058</u></u>	<u><u>\$ 728</u></u>	<u><u>\$ 350</u></u>	<u><u>\$ 180</u></u>	<u><u>\$ 121,292</u></u>

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

### Capital Projects Funds

The capital projects funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities or equipment.

## TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS  
JUNE 30, 2018

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Recreation Department	Public Safety Building	Purchase Jackson Property
ASSETS						
Cash and cash equivalents	\$ 55,995	\$ 3,772	\$ 40,840	\$ -	\$ -	\$ -
Due from other funds	-	-	19,000	82,793	80,849	2,979
TOTAL ASSETS	<u>\$ 55,995</u>	<u>\$ 3,772</u>	<u>\$ 59,840</u>	<u>\$ 82,793</u>	<u>\$ 80,849</u>	<u>\$ 2,979</u>
LIABILITIES						
Due to other funds	\$ 3,565	\$ 3,756	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>3,565</u>	<u>3,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	52,430	16	59,840	82,793	80,849	2,979
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>52,430</u>	<u>16</u>	<u>59,840</u>	<u>82,793</u>	<u>80,849</u>	<u>2,979</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 55,995</u>	<u>\$ 3,772</u>	<u>\$ 59,840</u>	<u>\$ 82,793</u>	<u>\$ 80,849</u>	<u>\$ 2,979</u>

## TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS  
JUNE 30, 2018

	Capital Improvements	Tax Equalization	Fire Equipment	Community Center	Grange Hall	Municipal Offices
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	37,082	113,837	96,619	1,682	15,000	12,261
TOTAL ASSETS	<u>\$ 37,082</u>	<u>\$ 113,837</u>	<u>\$ 96,619</u>	<u>\$ 1,682</u>	<u>\$ 15,000</u>	<u>\$ 12,261</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	37,082	113,837	96,619	1,682	15,000	12,261
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>37,082</u>	<u>113,837</u>	<u>96,619</u>	<u>1,682</u>	<u>15,000</u>	<u>12,261</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 37,082</u>	<u>\$ 113,837</u>	<u>\$ 96,619</u>	<u>\$ 1,682</u>	<u>\$ 15,000</u>	<u>\$ 12,261</u>

## TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS  
JUNE 30, 2018

	Road Improvements	Memorial School	Pleasant Lake Dam	2017 Public Improvement Bond	2017 Public Improvement Bond Premium	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,607
Due from other funds	-	-	-	1,498,913	116,613	2,077,628
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,498,913</u>	<u>\$ 116,613</u>	<u>\$ 2,178,235</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 49,694	\$ -	\$ -	\$ 57,015
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>49,694</u>	<u>-</u>	<u>-</u>	<u>57,015</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	1,498,913	116,613	1,615,526
Committed	-	-	-	-	-	555,388
Assigned	-	-	-	-	-	-
Unassigned	-	-	(49,694)	-	-	(49,694)
TOTAL FUND BALANCES (DEFICITS)	<u>-</u>	<u>-</u>	<u>(49,694)</u>	<u>1,498,913</u>	<u>116,613</u>	<u>2,121,220</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,498,913</u>	<u>\$ 116,613</u>	<u>\$ 2,178,235</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  
CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Recreation Department	Public Safety Building	Purchase Jackson Property
REVENUES						
Interest income	\$ 140	\$ 9	\$ 102	\$ -	\$ -	\$ -
Other income	-	3,000	-	-	-	-
TOTAL REVENUES	<u>140</u>	<u>3,009</u>	<u>102</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	9,378	1,000	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>9,378</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>140</u>	<u>(6,369)</u>	<u>(898)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	38,000	-	40,000	35,000	60,000	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>38,000</u>	<u>-</u>	<u>40,000</u>	<u>35,000</u>	<u>60,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	38,140	(6,369)	39,102	35,000	60,000	-
FUND BALANCES (DEFICITS) - JULY 1	<u>14,290</u>	<u>6,385</u>	<u>20,738</u>	<u>47,793</u>	<u>20,849</u>	<u>2,979</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 52,430</u>	<u>\$ 16</u>	<u>\$ 59,840</u>	<u>\$ 82,793</u>	<u>\$ 80,849</u>	<u>\$ 2,979</u>



## TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Capital Improvements	Tax Equalization	Fire Equipment	Community Center	Grange Hall	Municipal Offices
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	-	-	7,000	-	-	-
TOTAL REVENUES	-	-	7,000	-	-	-
EXPENDITURES						
Capital outlay	-	-	23,487	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	23,487	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(16,487)	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	20,000	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	20,000	-	-	-
NET CHANGE IN FUND BALANCES	-	-	3,513	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	37,082	113,837	93,106	1,682	15,000	12,261
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 37,082</u>	<u>\$ 113,837</u>	<u>\$ 96,619</u>	<u>\$ 1,682</u>	<u>\$ 15,000</u>	<u>\$ 12,261</u>

## SCHEDULE H (CONTINUED)

## TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
CAPITAL PROJECTS FUNDS  
FOR THE YEAR ENDED JUNE 30, 2018

	Road Improvements	Community Center	Memorial School	Pleasant Lake Dam	2017 Public Improvement Bond	2017 Public Improvement Bond Premium	Total
REVENUES							
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251
Intergovernmental	-	-	10,000	-	-	-	10,000
Other income	-	-	-	2,074	-	-	12,074
TOTAL REVENUES	-	-	10,000	2,074	-	-	22,325
EXPENDITURES							
Capital outlay	666,544	-	16,756	19,710	-	-	736,875
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	666,544	-	16,756	19,710	-	-	736,875
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(666,544)	-	(6,756)	(17,636)	-	-	(714,550)
OTHER FINANCING SOURCES (USES)							
Transfers in	666,544	-	-	17,636	-	-	877,180
Transfers (out)	-	-	-	-	(684,180)	-	(684,180)
TOTAL OTHER FINANCING SOURCES (USES)	666,544	-	-	17,636	(684,180)	-	193,000
NET CHANGE IN FUND BALANCES	-	-	(6,756)	-	(684,180)	-	(521,550)
FUND BALANCES (DEFICITS) - JULY 1	-	-	(42,938)	-	2,183,093	116,613	2,642,770
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ (49,694)	\$ -	\$ 1,498,913	\$ 116,613	\$ 2,121,220

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, 2018

	Cemetery Fund	Cyrus Mayberry Road/School	Total
ASSETS			
Cash and cash equivalents	\$ 19,475	\$ 62,921	\$ 82,396
Due from other funds	5,288	-	5,288
TOTAL ASSETS	<u>\$ 24,763</u>	<u>\$ 62,921</u>	<u>\$ 87,684</u>
LIABILITIES			
Due to others funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	4,400	9,500	13,900
Committed	-	-	-
Assigned	20,363	53,421	73,784
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>24,763</u>	<u>62,921</u>	<u>87,684</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,763</u>	<u>\$ 62,921</u>	<u>\$ 87,684</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, 2018

	Cemetery Fund	Cyrus Mayberry Road/School	Total
REVENUES			
Interest income	\$ 52	\$ 157	\$ 209
TOTAL REVENUES	<u>52</u>	<u>157</u>	<u>209</u>
EXPENDITURES			
Other	1,671	-	1,671
TOTAL EXPENDITURES	<u>1,671</u>	<u>-</u>	<u>1,671</u>
NET CHANGE IN FUND BALANCES	(1,619)	157	(1,462)
FUND BALANCES - JULY 1	<u>26,382</u>	<u>62,764</u>	<u>89,146</u>
FUND BALANCES - JUNE 30	<u><u>\$ 24,763</u></u>	<u><u>\$ 62,921</u></u>	<u><u>\$ 87,684</u></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, 2018

	Land and Non-depreciable Assets	Buildings	Machinery, Equipment & Vehicles	Infrastructure	Total
General Government	\$ -	\$ 183,119	\$ 188,999	\$ 675,714	\$ 1,047,832
Public Safety	-	350,000	2,713,878	-	3,063,878
Public Works	288,281	146,900	41,477	737,657	1,214,315
Waste Management	-	820,000	130,000	-	950,000
Parks, Recreation and Cemeteries	708,959	576,349	-	-	1,285,308
Total General Capital Assets	997,240	2,076,368	3,074,354	1,413,371	7,561,333
Less: Accumulated Depreciation	-	(1,147,068)	(2,734,304)	(117,941)	(3,999,313)
Net General Capital Assets	<u>\$ 997,240</u>	<u>\$ 929,300</u>	<u>\$ 340,050</u>	<u>\$ 1,295,430</u>	<u>\$ 3,562,020</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, 2018

	General Capital Assets 7/1/17	Additions	Deletions	General Capital Assets 6/30/18
General Government	\$ 1,042,847	\$ 685,179	\$ (680,194)	\$ 1,047,832
Public Safety	3,033,891	29,987	-	3,063,878
Public Works	1,214,315	21,709	(21,709)	1,214,315
Waste Management	950,000	-	-	950,000
Parks, Recreation and Cemeteries	1,285,308	-	-	1,285,308
Total General Capital Assets	7,526,361	736,875	(701,903)	7,561,333
Less: Accumulated Depreciation	<u>(3,838,089)</u>	<u>(165,704)</u>	<u>4,480</u>	<u>(3,999,313)</u>
Net General Capital Assets	<u>\$ 3,688,272</u>	<u>\$ 571,171</u>	<u>\$ (697,423)</u>	<u>\$ 3,562,020</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 Town of Casco, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Town of Casco, Maine's basic financial statements, and have issued our report thereon dated November 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Town of Casco'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town of Casco's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Casco'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 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.

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 Town of Casco, Maine's financial statements are free of 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 organization's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*R.H.R. Smith & Company*

Buxton, Maine  
November 30, 2018