

Audited Financial Statements

Town of Casco, Maine

June 30, 2012



Proven Expertise and Integrity

TOWN OF CASCO, MAINE

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JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

February 5, 2013

Board of Selectmen
Town of Casco
Casco, Maine

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Casco, Maine, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Casco, Maine's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Casco, Maine as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 9 and 37 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

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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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Casco, Maine's financial statements as a whole. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

(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, 2012. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

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

Basic Financial Statements

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

Government-Wide Financial Statements

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

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets 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 activities. 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, education and other unclassified expenses.

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 are categorized as: governmental 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 fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town presents only two columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

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

Required Supplementary Information

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

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets increased by \$493,849 from \$4,811,078 to \$5,304,927.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased to a balance of \$3,428,308 at the end of this year.

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

	2012	2011
Assets:		
Current and Other Assets	\$ 3,798,124	\$ 3,428,276
Capital Assets	1,946,386	2,036,810
Total Assets	\$ 5,744,510	\$ 5,465,086
Liabilities:		
Current Liabilities	\$ 274,974	\$ 300,421
Long-term Debt Outstanding	164,609	353,587
Total Liabilities	\$ 439,583	\$ 654,008
Net Assets:		
Invested in Capital Assets, Net of Related Debt	\$ 1,695,418	\$ 1,502,810
Restricted:		
Special Revenue Funds	91,632	20,932
Permanent Funds	89,569	89,320
Unrestricted	3,428,308	3,198,016
Total Net Assets	\$ 5,304,927	\$ 4,811,078

Revenues and Expenses

Revenues for the Town's governmental activities increased by 15.44%, while total expenses increased by 12.02%. Tax increases along with increases in grants and contributions not restricted to specific programs account for the majority of the increase in revenues. A rise in education costs and a much larger overlay for the fiscal year, largely make up the increase in expenses.

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

	<u>2012</u>	<u>2011</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 249,972	\$ 264,905
Operating grants and contributions	79,369	79,152
<i>General Revenues:</i>		
Taxes	8,524,108	7,550,576
Grants and contributions not restricted to specific programs	500,167	234,583
Miscellaneous	<u>239,505</u>	<u>180,677</u>
Total revenues	<u>9,593,121</u>	<u>8,309,893</u>
 Expenses		
General government	706,218	718,476
Public safety	528,808	559,623
Health and sanitation	353,953	343,103
Public works	524,224	445,721
Social services	75,699	70,679
Parks and recreation	138,739	129,798
County tax	339,034	342,423
Education	5,991,965	5,340,411
Unclassified	424,222	102,220
Capital outlay	-	62,169
Interest on long-term debt	<u>16,410</u>	<u>8,219</u>
Total expenses	<u>9,099,272</u>	<u>8,122,842</u>
 Change in Net Assets	493,849	187,051
 Net Assets - July 1	<u>4,811,078</u>	<u>4,624,027</u>
 Net Assets - June 30	<u>\$ 5,304,927</u>	<u>\$ 4,811,078</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>2012</u>	<u>2011</u>
General Fund:		
Nonspendable	\$ 37,995	\$ 47,451
Committed	748,175	550,618
Unassigned	879,200	1,183,684
Total General Fund	<u>\$ 1,665,370</u>	<u>\$ 1,781,753</u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 91,632	\$ 20,932
Committed	16,665	126,932
Assigned	62,208	111,400
Capital Project Funds:		
Committed	830,562	487,157
Assigned	34,144	36,672
Unassigned	-	(4,311)
Permanent Funds:		
Restricted	89,569	89,320
Total Nonmajor Funds	<u>\$ 1,124,780</u>	<u>\$ 868,102</u>

The general fund total fund balance decreased by \$116,383 from the prior fiscal year. The non-major fund balances increased by \$256,678 from the prior fiscal year.

Budgetary Highlights

The difference between the original and final budget for the general fund was the use of committed fund balances as well as certain applied receipts.

The general fund actual revenues exceeded budget by \$44,532. This was mostly a result of unbudgeted transfers from other funds.

The general fund actual expenditures were under budget by \$985,429. All expenditure categories were under budget.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2012, the net book value of capital assets recorded by the Town decreased by \$90,424 from the prior year. This was a result of the current year depreciation expense of \$197,423 less capital additions of \$106,999.

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

	<u>2012</u>	<u>2011</u>
Land	\$ 219,000	\$ 219,000
Buildings and Improvements	1,238,428	1,291,074
Vehicles and equipment	288,165	417,534
Intellectual property	12,000	24,000
Infrastructure	<u>188,793</u>	<u>85,202</u>
Total	<u>\$ 1,946,386</u>	<u>\$ 2,036,810</u>

Debt

At June 30, 2012, the Town had \$250,968 in bonds outstanding versus \$534,000 last year. Refer to Note 5 of Notes to Financial Statements for more detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has fallen below a sufficient level of unassigned fund balance to sustain government operations for a period of approximately two months, yet continue to maintain significant reserve accounts for future capital and program needs. The Town is working to rebuild this balance to a sufficient level.

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, P.O. Box 60, Casco, Maine 04015.

TOWN OF CASCO, MAINE
STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,179,884
Investments	366,953
Accounts receivable (net of allowance for uncollectibles):	
Taxes	693,776
Liens	408,927
Other	90,374
Due from other governments	20,215
Tax acquired property	<u>37,995</u>
Total current assets	<u>3,798,124</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	219,000
Assets being depreciated, net of accumulated depreciation	<u>1,727,386</u>
Total noncurrent assets	<u>1,946,386</u>
TOTAL ASSETS	<u><u>\$ 5,744,510</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 103,120
Prepaid taxes	1,146
Escrows payable	64,708
Current portion of long-term obligations	<u>106,000</u>
Total current liabilities	<u>274,974</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	144,968
Accrued compensated absences	<u>19,641</u>
Total noncurrent liabilities	<u>164,609</u>
TOTAL LIABILITIES	<u>439,583</u>
NET ASSETS	
Invested in capital assets, net of related debt	1,695,418
Restricted: Special Revenue funds	91,632
Permanent funds	89,569
Unrestricted	<u>3,428,308</u>
TOTAL NET ASSETS	<u>5,304,927</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,744,510</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, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Total Governmental Activities
Governmental activities:					
General government	\$ 706,218	\$ 56,844	\$ -	\$ -	\$ (649,374)
Public safety	528,808	173,286	-	-	(355,522)
Health and sanitation	353,953	-	-	-	(353,953)
Public works	524,224	-	53,748	-	(470,476)
Social services	75,699	-	25,621	-	(50,078)
Parks and recreation	138,739	19,842	-	-	(118,897)
County tax	339,034	-	-	-	(339,034)
Education	5,991,965	-	-	-	(5,991,965)
Unclassified	424,222	-	-	-	(424,222)
Interest on long-term debt	16,410	-	-	-	(16,410)
Total government	<u>\$ 9,099,272</u>	<u>\$ 249,972</u>	<u>\$ 79,369</u>	<u>\$ -</u>	<u>(8,769,931)</u>

STATEMENT B (CONTINUED)
TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities</u>
Changes in net assets:	
Net (expense) revenue	<u>(8,769,931)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	7,953,640
Excise taxes	570,468
Grants and contributions not restricted to specific programs	500,167
Miscellaneous	<u>239,505</u>
Total general revenues	<u>9,263,780</u>
Change in net assets	493,849
NET ASSETS - JULY 1	<u>4,811,078</u>
NET ASSETS - JUNE 30	<u><u>\$ 5,304,927</u></u>

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

TOWN OF CASCO, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Other Governmental Funds	Totals Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,177,772	\$ 2,112	\$ 2,179,884
Investments	183,033	183,920	366,953
Accounts receivable (net of allowance for uncollectibles):			
Taxes	693,776	-	693,776
Tax liens	408,927	-	408,927
Other	90,374	-	90,374
Due from other governments	20,215	-	20,215
Tax acquired property	37,995	-	37,995
Due from other funds	16,950	955,698	972,648
TOTAL ASSETS	<u>\$ 3,629,042</u>	<u>\$ 1,141,730</u>	<u>\$ 4,770,772</u>
LIABILITIES			
Accounts payable	\$ 103,120	\$ -	\$ 103,120
Prepaid taxes	1,146	-	1,146
Due to other funds	955,698	16,950	972,648
Deferred property tax	839,000	-	839,000
Escrows payable	64,708	-	64,708
TOTAL LIABILITIES	<u>1,963,672</u>	<u>16,950</u>	<u>1,980,622</u>
FUND BALANCES			
Nonspendable	37,995	-	37,995
Restricted	-	181,201	181,201
Committed	748,175	847,227	1,595,402
Assigned	-	96,352	96,352
Unassigned	879,200	-	879,200
TOTAL FUND BALANCES	<u>1,665,370</u>	<u>1,124,780</u>	<u>2,790,150</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,629,042</u>	<u>\$ 1,141,730</u>	<u>\$ 4,770,772</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF CASCO, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

	Total Governmental Funds
Total Fund Balances	\$ 2,790,150
Amounts reported for governmental activities in the statement 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	1,946,386
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	839,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(250,968)
Accrued compensated absences	(19,641)
Net assets of governmental activities	\$ 5,304,927

See accompanying independent auditor's 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, 2012

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 7,808,640	\$ -	\$ 7,808,640
Excise taxes	570,468	-	570,468
Intergovernmental revenues	356,299	223,237	579,536
Investment income	49,434	546	49,980
Charges for services	249,972	-	249,972
Miscellaneous	187,342	2,183	189,525
TOTAL REVENUES	9,222,155	225,966	9,448,121
EXPENDITURES			
Current:			
General government	704,541	-	704,541
Public safety	398,535	-	398,535
Health and sanitation	333,454	-	333,454
Public works	510,230	-	510,230
Social services	75,699	-	75,699
Parks and recreation	123,705	-	123,705
County tax	339,034	-	339,034
Education	5,991,965	-	5,991,965
Unclassified	176,026	248,196	424,222
Capital outlay	-	106,999	106,999
Debt service:			
Principal	283,032	-	283,032
Interest	16,410	-	16,410
TOTAL EXPENDITURES	8,952,631	355,195	9,307,826
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	269,524	(129,229)	140,295
OTHER FINANCING SOURCES (USES)			
Transfers in	170,000	655,676	825,676
Transfers (out)	(555,907)	(269,769)	(825,676)
TOTAL OTHER FINANCING SOURCES (USES)	(385,907)	385,907	-
NET CHANGE IN FUND BALANCES	(116,383)	256,678	140,295
FUND BALANCES - JULY 1	1,781,753	868,102	2,649,855
FUND BALANCES - JUNE 30	\$ 1,665,370	\$ 1,124,780	\$ 2,790,150

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, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 140,295</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	106,999
Capital asset disposals	-
Depreciation expense	<u>(197,423)</u>
	<u>(90,424)</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>145,000</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 Net Assets	
	<u>283,032</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>15,946</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 493,849</u></u>

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Casco, Maine was incorporated under the laws of the State of Maine. The Town provides the following services: general government, public safety, health and sanitation, public works, social services, parks and recreation, education and other 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). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

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 Statement No. 39.

Government – Wide and Fund Financial Statements

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

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

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets 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, liabilities, 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:

- 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.
4. The Town does not adopt budgets for Special Revenue Funds.

Deposits and Investments

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

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

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

The Town of Casco has no formal investment policy but instead follows the State of Maine Statutes. They are in the process of adopting a more detailed investment policy.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

Transactions Between Funds

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

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for ambulance accounts receivables is estimated to be \$162,893 as of June 30, 2012.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

Estimated useful lives are as follows:

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 bonds payable and accrued compensated absences.

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

Compensated Absences

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2012, the Town's liability for compensated absences is \$19,641.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt 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 assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balances

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

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

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

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

The Town is in the process of evaluating its current fund balance policies to ensure that these new classifications are supported. Included in the policies are guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied September 12, 2011 on the assessed value listed as of April 1, 2011, for all real and personal property located in the Town. Taxes were due on in two installments on October 27, 2011 and April 6, 2012. Interest on unpaid taxes commenced on November 10, 2011 and April 20, 2012, 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 \$220,313 for the year ended June 30, 2012.

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 (grant income/expenses).

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, 2012

NOTE 2 – DEPOSITS AND INVESTMENTS

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

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. At June 30, 2012, the Town’s deposits amounting to \$2,179,884 were comprised of bank deposits of \$2,222,266. All of these bank deposits were covered by federal depository insurance or with an irrevocable standby letter of credit and consequently not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 58,033
Savings accounts	65,858
Sweep accounts	<u>2,098,375</u>
	<u><u>\$ 2,222,266</u></u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments. The Town’s investment in certificates of deposits, for \$366,953 are fully insured by federal depository insurance or with an irrevocable standby letter of credit and consequently not exposed to custodial credit risk.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2012, the Town had the following investments and maturities:

Investment Type	Fair Value	N/A	< 1 Year	1 - 5 Years
Certificates of deposit	\$ 366,953	\$ -	\$ 366,953	\$ -

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

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a policy related to interest rate risk.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General fund	\$ 16,950	\$ 955,698
Special revenue funds	127,945	-
Capital project funds	822,465	16,950
Permanent funds	5,288	-
	\$ 972,648	\$ 972,648

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2012:

	Balance 7/1/11	Additions	Disposals	Balance 6/30/12
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 219,000	\$ -	\$ -	\$ 219,000
	<u>219,000</u>	<u>-</u>	<u>-</u>	<u>219,000</u>
Depreciated assets:				
Buildings & improvements	2,080,848	-	-	2,080,848
Vehicles & equipment	2,469,429	-	-	2,469,429
Intellectual property	120,000	-	-	120,000
Infrastructure	85,202	106,999	-	192,201
	<u>4,755,479</u>	<u>106,999</u>	<u>-</u>	<u>4,862,478</u>
Less accumulated depreciation:				
Buildings & improvements	(789,774)	(52,646)	-	(842,420)
Vehicles & equipment	(2,051,895)	(129,369)	-	(2,181,264)
Intellectual property	(96,000)	(12,000)	-	(108,000)
Infrastructure	-	(3,408)	-	(3,408)
	<u>(2,937,669)</u>	<u>(197,423)</u>	<u>-</u>	<u>(3,135,092)</u>
Net depreciated assets	<u>1,817,810</u>	<u>(90,424)</u>	<u>-</u>	<u>1,727,386</u>
Net capital assets	<u>\$ 2,036,810</u>	<u>\$ (90,424)</u>	<u>\$ -</u>	<u>\$ 1,946,386</u>
<u>Current year depreciation</u>				
General government				\$ 17,623
Public safety				130,273
Public works				13,994
Waste management				20,499
Parks and recreation				15,034
				<u>\$ 197,423</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2012:

	Balance 7/1/11	Additions	Reductions	Balance 6/30/12	Current Year Portion
Bonds payable	\$ 534,000	\$ -	\$ (283,032)	\$ 250,968	\$ 106,000
Accrued compensated absences	35,587	-	(15,946)	19,641	-
Totals	<u>\$ 569,587</u>	<u>\$ -</u>	<u>\$ (298,978)</u>	<u>\$ 270,609</u>	<u>\$ 106,000</u>

The following is a summary of the outstanding bonds payable:

\$530,000 bond payable to TD Bank, annual principal payments of \$106,000, semi-annual interest charged at an annual rate of 3.2%.	<u>\$ 250,968</u>
	<u>\$ 250,968</u>

Principal and interest requirements to maturity are as follows:

	Principal	Interest	Total Debt Service
2013	\$ 106,000	\$ 8,480	\$ 114,480
2014	106,000	5,088	111,088
2015	38,968	1,696	40,664
2016	-	-	-
2017	-	-	-
	<u>\$ 250,968</u>	<u>\$ 15,264</u>	<u>\$ 266,232</u>

All bonds are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for special assessment debt. All bonds and notes are payable from taxes levied on all taxable property located within the Town. The General Fund is used to liquidate the liability for the bonds, and notes.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 6 – OPERATING LEASES

The Town of Casco leases a facility at 942 Meadow Road to the United States Postal Service, the lessee, for its postal operations in Casco, Maine. This is a fifteen year lease with (3) five-year renewal provisions. Rental income of \$29,409 was received in fiscal year 2012.

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 executory costs such as maintenance and insurance.

The following is a schedule by year, of minimum future rental income on the Town's non-cancelable operating leases as of June 30, 2012:

<u>Fiscal Year Ended June 30,</u>	<u>General Fund Rental Income</u>
2013	\$ 27,147
2014	27,147
2015	27,147
2016	20,360
2017	-
Thereafter	<u>-</u>
Total	<u><u>\$ 101,801</u></u>

Minimum future rentals do not include contingent rentals which may be received as stipulated in the lease contracts. There were no contingent rental payments received in fiscal year 2012.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

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, 2012, the Town's share was approximately:

	Outstanding Debt	Town's Percentage	Amount
County of Cumberland	\$ 37,220,000	1.55%	\$ 576,910
RSU No. 61	18,604,156	24.90%	4,631,691
			<u>\$ 5,208,601</u>

NOTE 8 – NONSPENDABLE FUND BALANCES

At June 30, 2012, the Town had the following nonspendable fund balances:

Tax acquired property	<u>\$ 37,995</u>
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NOTE 9 – RESTRICTED FUND BALANCES

At June 30, 2012, the Town had the following restricted fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 91,632
Nonmajor permanent funds (Schedule I)	89,569
	<u>\$ 181,201</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 – COMMITTED FUND BALANCES

At June 30, 2012, the Town had the following committed fund balances:

General fund:	
General government	\$ 136,519
Public safety	31,357
Health and sanitation	7,696
Streets/highways	525,976
Social services and welfare	6,201
Parks and recreation	20,475
Unclassified:	
Grange Hall	3,859
Maine municipal association	4,108
CATV	1,000
Website	3,400
GIS	7,584
Subtotal general fund	<u>748,175</u>
Nonmajor special revenue funds (Schedule E)	16,665
Nonmajor capital project funds (Schedule G)	830,562
	<u>\$ 1,595,402</u>

NOTE 11 – ASSIGNED FUND BALANCES

At June 30, 2012, the Town had the following assigned fund balances:

Nonmajor special revenue funds (Schedule E)	\$ 62,208
Nonmajor capital project funds (Schedule G)	34,144
	<u>\$ 96,352</u>

NOTE 12 - EXPENDITURES OVER APPROPRIATIONS

The following appropriation was overspent at June 30, 2012:

	<u>Excess</u>
Rescue	\$ 68
GP Council of Governments	347
Building maintenance	6,365
	<u>\$ 6,780</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 13 - DEFERRED COMPENSATION PLAN

International City Management Association Retirement Corporation

A. 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.

B. 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 2012, 2011, and 2010 were \$57,595, \$60,218, and \$59,774, respectively.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 – RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL

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

NOTE 15 – 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 2012, the Town paid \$253,513.68 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 20 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 1.67% in ecomaine as of June 30, 2012.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 15 – JOINT VENTURES (COTINUED)

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, 2012, outstanding “Incinerator Debt” of ecomaine totaled \$2,660,000 and “Material Recycling Facility Debt” of ecomaine totaled \$1,900,000 of which the Town of Casco’s share, based on estimated tonnage to be delivered, amounted to \$37,240 and \$19,760, respectively. Additionally, the Town’s share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$219,950.

NOTE 16 - 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, 2012 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

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

NOTE 17 – LETTER OF CREDIT

At June 30, 2012, the Town of Casco has an outstanding irrevocable 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 September 25, 2012, authorizes one draw only up to the amount of \$3,000,000. There were no draws for the year ended June 30, 2012.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 18 – COMMITMENTS

The Town of Casco, Maine, has entered a contract for snow removal and sanding services with R. N. Willey & Sons Excavating, Inc. The contract term is for five years beginning October 1, 2011 and ending May 30, 2016. The annual contract cost is calculated on a per mile basis on 58.7 miles as follows:

Fiscal Years Ending June 30,	Amount
2013	\$ 293,030
2014	301,821
2015	310,875
2016	323,311

For the twelve months ended June 30, 2012, the total contract cost was \$281,760. All future contract amounts are subject to annual appropriation by the Town of Casco.

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, 2012**

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance - July 1	\$ 1,781,753	\$ 1,781,753	\$ 1,781,753	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	7,948,856	7,948,856	7,808,640	(140,216)
Excise taxes	581,000	581,000	570,468	(10,532)
Intergovernmental revenues	353,732	360,480	356,299	(4,181)
Charges for services	227,400	251,942	249,972	(1,970)
Interest income	49,800	49,800	49,434	(366)
Other revenue	61,869	155,545	187,342	31,797
Transfers from other funds	-	-	170,000	170,000
Amounts Available for Appropriation	<u>11,004,410</u>	<u>11,129,376</u>	<u>11,173,908</u>	<u>44,532</u>
Charges to Appropriations (Outflows):				
General government	738,992	850,090	704,541	145,549
Public safety	408,473	429,335	398,535	30,800
Health and Sanitation	341,150	341,150	333,454	7,696
Public works	707,060	1,057,506	510,230	547,276
Social services	67,500	81,900	75,699	6,201
Parks and recreation	106,355	144,180	123,705	20,475
County tax	339,034	339,034	339,034	-
Education	5,991,965	5,991,965	5,991,965	-
Unclassified	337,918	368,642	176,026	192,616
Debt Service:				
Principal	237,468	317,848	283,032	34,816
Interest	-	16,410	16,410	-
Transfers to other funds	539,727	555,907	555,907	-
Total Charges to Appropriations	<u>9,815,642</u>	<u>10,493,967</u>	<u>9,508,538</u>	<u>985,429</u>
Budgetary Fund Balance - June 30	<u>\$ 1,188,768</u>	<u>\$ 635,409</u>	<u>\$ 1,665,370</u>	<u>\$ 1,029,961</u>
Utilization of unassigned fund balance	\$ 422,985	\$ 422,985	\$ -	\$ (422,985)
Utilization of committed fund balance	-	553,359	-	(553,359)
	<u>\$ 422,985</u>	<u>\$ 976,344</u>	<u>\$ -</u>	<u>\$ (976,344)</u>

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

Other Supplementary Information

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

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

TOWN OF CASCO, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUE
 FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 7,948,856	\$ 7,948,856	\$ 7,808,640	\$ (140,216)
Auto excise	565,000	565,000	553,884	(11,116)
Boat excise	16,000	16,000	16,584	584
Intergovernmental revenues:				
State revenue sharing	185,000	185,000	161,659	(23,341)
Homestead reimbursement	51,469	51,469	63,884	12,415
Highway block grant	47,000	53,748	53,748	-
Tree growth	17,000	17,000	38,633	21,633
General assistance	45,000	45,000	25,621	(19,379)
Other	8,263	8,263	12,754	4,491
Charges for services:				
Building permits	17,500	17,500	24,503	7,003
Plumbing permits	3,850	3,850	9,113	5,263
Other licenses and permits	3,850	3,850	5,907	2,057
Motor vehicle agent fees	12,000	12,000	12,524	524
Dog agent fees	250	250	2,180	1,930
Animal welfare fees	-	-	-	-
Recreational agent fees	-	-	-	-
Administration	14,950	14,950	4,797	(10,153)
Public safety	175,000	179,700	171,106	(8,594)
Parks and recreation	-	19,842	19,842	-
Interest income:				
Tax/lien interest	49,800	49,800	49,434	(366)
Miscellaneous revenues:				
Building rentals	30,370	30,370	35,255	4,885
Franchise fee	27,000	27,000	29,176	2,176
Payment in lieu of taxes	-	-	-	-
Misc. other	4,499	98,175	122,911	24,736
Transfers from other funds	170,000	170,000	170,000	-
Amounts Available for Appropriation	<u>\$ 9,392,657</u>	<u>\$ 9,517,623</u>	<u>\$ 9,392,155</u>	<u>\$ (125,468)</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, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Operations	\$ 114,595	\$ 2,071	\$ 116,666	\$ 112,773	\$ 3,893
Salaries	328,938	-	328,938	311,641	17,297
Contingency	15,000	10,000	25,000	5,583	19,417
Insurance	131,500	8,742	140,242	127,375	12,867
Legal fees	15,000	10,000	25,000	19,977	5,023
Assessing	46,348	-	46,348	46,190	158
Planning/appeals	23,378	6,106	29,484	18,480	11,004
Comprehensive plan implem .	-	6,000	6,000	-	6,000
Insurance claims	-	3,613	3,613	3,613	-
Route 302 corridor study	-	3,000	3,000	-	3,000
Retirement	56,733	10,672	67,405	58,148	9,257
Employee benefit liability	-	36,814	36,814	-	36,814
Unemployment	7,500	14,080	21,580	761	20,819
Totals	738,992	111,098	850,090	704,541	145,549
PUBLIC SAFETY					
Fire department	189,888	12,154	202,042	182,104	19,938
Rescue	185,822	-	185,822	185,890	(68)
Civil emergency preparedness	3,350	2,931	6,281	3,490	2,791
Security	-	5,514	5,514	-	5,514
Animal control	15,324	263	15,587	15,140	447
Street lights	14,089	-	14,089	11,911	2,178
Totals	408,473	20,862	429,335	398,535	30,800
HEALTH & SANITATION					
Lake region bulky waste	240,005	-	240,005	233,454	6,551
Casco-Naples transfer station	101,145	-	101,145	100,000	1,145
Totals	341,150	-	341,150	333,454	7,696

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
PUBLIC WORKS					
Road maintenance	160,000	225,565	385,565	149,565	236,000
Winter roads	394,460	29,648	424,108	359,365	64,743
Paving	150,000	95,233	245,233	-	245,233
Private road maintenance	2,600	-	2,600	1,300	1,300
Totals	707,060	350,446	1,057,506	510,230	547,276
SOCIAL SERVICES					
General assistance	48,000	-	48,000	41,799	6,201
Home Health Visiting Nurses	4,000	4,000	8,000	8,000	-
VNA Home Health	500	-	500	500	-
Family Crisis	1,100	1,100	2,200	2,200	-
Tri-County Counseling Service	3,500	3,500	7,000	7,000	-
PROP	5,800	5,800	11,600	11,600	-
Meal Site	4,200	-	4,200	4,200	-
Memorial Day	400	-	400	400	-
Totals	67,500	14,400	81,900	75,699	6,201
PARKS & RECREATION	106,355	37,825	144,180	123,705	20,475
DEBT SERVICE					
Principal	237,468	80,380	317,848	283,032	34,816
Interest	-	16,410	16,410	16,410	-
Totals	237,468	96,790	334,258	299,442	34,816
COUNTY TAX	339,034	-	339,034	339,034	-

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
EDUCATION	5,991,965	-	5,991,965	5,991,965	-
UNCLASSIFIED					
GP Council of Governments	3,122	-	3,122	3,469	(347)
Maine Municipal Assoc.	4,108	-	4,108	-	4,108
Building maintenance	15,000	335	15,335	21,700	(6,365)
Grange Hall	1,500	12,474	13,974	10,115	3,859
Library	64,825	-	64,825	64,825	-
Pleasant Lk/Parker Pd Assoc	4,000	-	4,000	4,000	-
Thompson Lake Environ. Ac.	2,500	-	2,500	2,500	-
Raymond-Casco Hist. Soc.	1,800	-	1,800	1,800	-
Crescent Lk Watershed Assoc.	1,000	-	1,000	1,000	-
Lake Region Television	2,000	-	2,000	2,000	-
Bridgton LR Chamb. of Comm.	1,250	-	1,250	1,250	-
Web site	-	7,518	7,518	2,071	5,447
GIS	-	10,397	10,397	512	9,885
Volunteer lake monitoring	1,500	-	1,500	1,500	-
CATV	15,000	-	15,000	13,000	2,000
Overlay	220,313	-	220,313	46,284	174,029
Totals	337,918	30,724	368,642	176,026	192,616
TRANSFERS OUT					
Nonmajor special revenue funds	99,727	16,180	115,907	115,907	-
Nonmajor capital project funds	440,000	-	440,000	440,000	-
Totals	539,727	16,180	555,907	555,907	-
TOTAL EXPENDITURES	\$ 9,815,642	\$ 678,325	\$ 10,493,967	\$ 9,508,538	\$ 985,429

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

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,112	\$ -	\$ -	\$ 2,112
Invesments	40,448	59,191	84,281	183,920
Due from other funds	127,945	822,465	5,288	955,698
TOTAL ASSETS	\$ 170,505	\$ 881,656	\$ 89,569	\$ 1,141,730
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	16,950	-	16,950
TOTAL LIABILITIES	-	16,950	-	16,950
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	91,632	-	89,569	181,201
Comm itted	16,665	830,562	-	847,227
Assigned	62,208	34,144	-	96,352
Unassigned	-	-	-	-
TOTAL FUND BALANCES	170,505	864,706	89,569	1,124,780
TOTAL LIABILITIES AND FUND BALANCES	\$ 170,505	\$ 881,656	\$ 89,569	\$ 1,141,730

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, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Investment income	\$ 122	\$ 175	\$ 249	\$ 546
Intergovernmental	194,980	28,257	-	223,237
Other income	2,183	-	-	2,183
TOTAL REVENUES	197,285	28,432	249	225,966
EXPENDITURES				
Capital outlay	-	106,999	-	106,999
Other	132,182	116,014	-	248,196
TOTAL EXPENDITURES	132,182	223,013	-	355,195
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	65,103	(194,581)	249	(129,229)
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	115,907	539,769	-	655,676
Operating Transfers (Out)	(269,769)	-	-	(269,769)
TOTAL OTHER FINANCING SOURCES (USES)	(153,862)	539,769	-	385,907
NET CHANGE IN FUND BALANCES	(88,759)	345,188	249	256,678
FUND BALANCES - JULY 1	259,264	519,518	89,320	868,102
FUND BALANCES - JUNE 30	\$ 170,505	\$ 864,706	\$ 89,569	\$ 1,124,780

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

Special Revenue Funds

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

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	EECDGB Grant SAD 61	AED Grant	URIP	Firefighter Fund	Pipeline TIF	Wilma Avery Fund	Recreation Donation	Land Futures
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	40,448
Due from other funds	61,894	2,923	23,680	3,095	16,665	65	5,241	-
TOTAL ASSETS	\$ 61,894	\$ 2,923	\$ 23,680	\$ 3,095	\$ 16,665	\$ 65	\$ 5,241	\$ 40,448
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	61,894	-	23,680	-	-	-	-	-
Committed	-	-	-	-	16,665	-	-	-
Assigned	-	2,923	-	3,095	-	65	5,241	40,448
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	61,894	2,923	23,680	3,095	16,665	65	5,241	40,448
TOTAL LIABILITIES AND FUND BALANCES	\$ 61,894	\$ 2,923	\$ 23,680	\$ 3,095	\$ 16,665	\$ 65	\$ 5,241	\$ 40,448

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Plummer Park	Recreation	Veterans' Funds	Tax Equalization	Sun Safety	Public Safety Grant	Casco Fire Donations	Dugout Grant	Totals
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ 2,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,112
Investments	-	-	-	-	-	-	-	-	40,448
Due from other funds	6,092	-	-	-	197	6,058	2,035	-	127,945
TOTAL ASSETS	\$ 6,092	\$ -	\$ 2,112	\$ -	\$ 197	\$ 6,058	\$ 2,035	\$ -	\$ 170,505
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
FUND BALANCES									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	6,058	-	-	91,632
Committed	-	-	-	-	-	-	-	-	16,665
Assigned	6,092	-	2,112	-	197	-	2,035	-	62,208
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES	6,092	-	2,112	-	197	6,058	2,035	-	170,505
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,092	\$ -	\$ 2,112	\$ -	\$ 197	\$ 6,058	\$ 2,035	\$ -	\$ 170,505

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

TOWN OF CASCO, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	EECDGB Grant SAD 61	AED Grant	URIP	Firefighter Fund	Pipeline TIF	Wilma Avery Fund	Recreation Donation	Land Futures
REVENUES								
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120
Intergovernmental	160,924	15,000	-	-	-	-	-	-
Other income	-	-	-	-	-	65	1,188	-
TOTAL REVENUES	<u>160,924</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>1,188</u>	<u>120</u>
EXPENDITURES	<u>99,030</u>	<u>12,077</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,951</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>61,894</u>	<u>2,923</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65</u>	<u>(1,763)</u>	<u>120</u>
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	-	6,748	-	99,727	-	7,004	-
Operating Transfers (Out)	-	-	-	-	(170,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>6,748</u>	<u>-</u>	<u>(70,273)</u>	<u>-</u>	<u>7,004</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	61,894	2,923	6,748	-	(70,273)	65	5,241	120
FUND BALANCES - JULY 1	<u>-</u>	<u>-</u>	<u>16,932</u>	<u>3,095</u>	<u>86,938</u>	<u>-</u>	<u>-</u>	<u>40,328</u>
FUND BALANCES - JUNE 30	<u>\$ 61,894</u>	<u>\$ 2,923</u>	<u>\$ 23,680</u>	<u>\$ 3,095</u>	<u>\$ 16,665</u>	<u>\$ 65</u>	<u>\$ 5,241</u>	<u>\$ 40,448</u>

TOWN OF CASCO, MAINE

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Plummer Park	Recreation	Veterans' Funds	Tax Equalization	Sun Safety	Public Safety Grant	Casco Fire Donations	Dugout Grant	Totals
REVENUES									
Investment income	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122
Intergovernmental	-	-	-	-	-	15,000	-	4,056	194,980
Other income	-	-	-	-	-	-	930	-	2,183
TOTAL REVENUES	-	-	2	-	-	15,000	930	4,056	197,285
EXPENDITURES	-	-	-	-	3,803	8,942	1,323	4,056	132,182
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	2	-	(3,803)	6,058	(393)	-	65,103
OTHER FINANCING SOURCES (USES)									
Operating Transfers In	-	-	-	-	-	-	2,428	-	115,907
Operating Transfers (Out)	-	(59,775)	-	(39,994)	-	-	-	-	(269,769)
TOTAL OTHER FINANCING SOURCES (USES)	-	(59,775)	-	(39,994)	-	-	2,428	-	(153,862)
NET CHANGE IN FUND BALANCES	-	(59,775)	2	(39,994)	(3,803)	6,058	2,035	-	(88,759)
FUND BALANCES - JULY 1	6,092	59,775	2,110	39,994	4,000	-	-	-	259,264
FUND BALANCES - JUNE 30	\$ 6,092	\$ -	\$ 2,112	\$ -	\$ 197	\$ 6,058	\$ 2,035	\$ -	\$ 170,505

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

Capital Project Funds

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

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Ladder Truck Repairs	Recreation Department	Public Safety Building
ASSETS						
Investments	\$ 55,455	\$ 3,736	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	1,873	75,000	25,376	59,775	35,000
TOTAL ASSETS	\$ 55,455	\$ 5,609	\$ 75,000	\$ 25,376	\$ 59,775	\$ 35,000
LIABILITIES						
Due to other funds	\$ 16,950	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	16,950	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	38,505	5,609	75,000	25,376	59,775	35,000
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	38,505	5,609	75,000	25,376	59,775	35,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 55,455	\$ 5,609	\$ 75,000	\$ 25,376	\$ 59,775	\$ 35,000

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2012

	Capital Improvements	Tax Equalization	Fire Equipment	Tennis Courts	Grange Hall
ASSETS					
Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	32,234	345,674	69,474	4,690	15,000
TOTAL ASSETS	\$ 32,234	\$ 345,674	\$ 69,474	\$ 4,690	\$ 15,000
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	32,234	345,674	69,474	-	-
Assigned	-	-	-	4,690	15,000
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	32,234	345,674	69,474	4,690	15,000
TOTAL LIABILITIES AND FUND BALANCES	\$ 32,234	\$ 345,674	\$ 69,474	\$ 4,690	\$ 15,000

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2012

	<u>Road Improvements</u>	<u>Municipal Equipment</u>	<u>Community Center</u>	<u>Memorial School</u>	<u>Town Hall</u>	<u>Totals</u>
ASSETS						
Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,191
Due from other funds	129,940	5,000	1,682	12,772	8,975	822,465
TOTAL ASSETS	<u>\$ 129,940</u>	<u>\$ 5,000</u>	<u>\$ 1,682</u>	<u>\$ 12,772</u>	<u>\$ 8,975</u>	<u>\$ 881,656</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,950
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,950</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	129,940	5,000	-	-	8,975	830,562
Assigned	-	-	1,682	12,772	-	34,144
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>129,940</u>	<u>5,000</u>	<u>1,682</u>	<u>12,772</u>	<u>8,975</u>	<u>864,706</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 129,940</u>	<u>\$ 5,000</u>	<u>\$ 1,682</u>	<u>\$ 12,772</u>	<u>\$ 8,975</u>	<u>\$ 881,656</u>

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

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Rescue Replacement</u>	<u>Community Center Kitchen</u>	<u>Future Land Acquisition</u>	<u>Ladder Truck Repairs</u>	<u>Recreation Department</u>	<u>Public Safety Building</u>
REVENUES						
Investment income	\$ 164	\$ 11	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	21,757	-	-	-	-
TOTAL REVENUES	<u>164</u>	<u>21,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
Other	-	11,848	75,000	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>11,848</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>164</u>	<u>9,920</u>	<u>(75,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	10,000	-	30,000	-	59,775	-
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>59,775</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	10,164	9,920	(45,000)	-	59,775	-
FUND BALANCES - JULY 1	<u>28,341</u>	<u>(4,311)</u>	<u>120,000</u>	<u>25,376</u>	<u>-</u>	<u>35,000</u>
FUND BALANCES - JUNE 30	<u>\$ 38,505</u>	<u>\$ 5,609</u>	<u>\$ 75,000</u>	<u>\$ 25,376</u>	<u>\$ 59,775</u>	<u>\$ 35,000</u>

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Capital Improvements	Tax Equalization	Fire Equipment	Tennis Courts	Grange Hall
REVENUES					
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	6,500	-	-
TOTAL REVENUES	-	-	6,500	-	-
EXPENDITURES					
Capital outlay	-	-	-	-	-
Other	-	9,320	-	-	-
TOTAL EXPENDITURES	-	9,320	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(9,320)	6,500	-	-
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	354,994	10,000	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	354,994	10,000	-	-
NET CHANGE IN FUND BALANCES	-	345,674	16,500	-	-
FUND BALANCES - JULY 1	32,234	-	52,974	4,690	15,000
FUND BALANCES - JUNE 30	\$ 32,234	\$ 345,674	\$ 69,474	\$ 4,690	\$ 15,000

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Road Improvements</u>	<u>Municipal Equipment</u>	<u>Community Center</u>	<u>Memorial School</u>	<u>Town Hall</u>	<u>Totals</u>
REVENUES						
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175
Intergovernmental	-	-	-	-	-	28,257
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,432</u>
EXPENDITURES						
Capital outlay	106,999	-	-	-	-	106,999
Other	-	-	-	2,528	17,318	116,014
TOTAL EXPENDITURES	<u>106,999</u>	<u>-</u>	<u>-</u>	<u>2,528</u>	<u>17,318</u>	<u>223,013</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(106,999)</u>	<u>-</u>	<u>-</u>	<u>(2,528)</u>	<u>(17,318)</u>	<u>(194,581)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	75,000	-	-	-	-	539,769
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>539,769</u>
NET CHANGE IN FUND BALANCES	(31,999)	-	-	(2,528)	(17,318)	345,188
FUND BALANCES - JULY 1	<u>161,939</u>	<u>5,000</u>	<u>1,682</u>	<u>15,300</u>	<u>26,293</u>	<u>519,518</u>
FUND BALANCES - JUNE 30	<u>\$ 129,940</u>	<u>\$ 5,000</u>	<u>\$ 1,682</u>	<u>\$ 12,772</u>	<u>\$ 8,975</u>	<u>\$ 864,706</u>

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

Permanent Funds

To account for assets held by the Town of Casco in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2012

	Cemetery Fund	Cyrus Mayberry Road/School	Totals
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Investments	\$ 21,966	\$ 62,315	\$ 84,281
Due from other funds	5,288	-	5,288
TOTAL ASSETS	<u>\$ 27,254</u>	<u>\$ 62,315</u>	<u>\$ 89,569</u>
LIABILITIES			
Due to others funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	27,254	62,315	89,569
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>27,254</u>	<u>62,315</u>	<u>89,569</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 27,254</u>	<u>\$ 62,315</u>	<u>\$ 89,569</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, 2012

	Cemetery Fund	Cyrus Mayberry Road/School	Totals
REVENUES			
Investment income	\$ 65	\$ 184	\$ 249
Other income	-	-	-
TOTAL REVENUE	<u>65</u>	<u>184</u>	<u>249</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>65</u>	<u>184</u>	<u>249</u>
OTHER FINANCING SOURCES (USES)			
Operating Transfers In	-	-	-
Operating Transfers (Out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	65	184	249
FUND BALANCES - JULY 1	<u>27,189</u>	<u>62,131</u>	<u>89,320</u>
FUND BALANCES - JUNE 30	<u>\$ 27,254</u>	<u>\$ 62,315</u>	<u>\$ 89,569</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 assets.

TOWN OF CASCO, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
 JUNE 30, 2012

	Land and Non-depreciable Assets	Buildings and Improvements	Machinery, Equipment & Vehicles	Infrastructure	Totals
General Government	\$ -	\$ 187,599	\$ 179,534	\$ -	\$ 367,133
Public Safety	-	350,000	2,238,418	-	2,588,418
Public Works	-	146,900	41,477	192,201	380,578
Waste Management	-	820,000	130,000	-	950,000
Parks & Recreation	219,000	576,349	-	-	795,349
Total General Capital Assets	219,000	2,080,848	2,589,429	192,201	5,081,478
Less: Accumulated Depreciation	-	(842,420)	(2,289,264)	(3,408)	(3,135,092)
Net General Capital Assets	\$ 219,000	\$ 1,238,428	\$ 300,165	\$ 188,793	\$ 1,946,386

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, 2012

	General Capital Assets 7/1/11	Additions	Deletions	General Capital Assets 6/30/12
General Government	\$ 367,133	\$ -	\$ -	\$ 367,133
Public Safety	2,588,418	-	-	2,588,418
Public Works	273,579	106,999	-	380,578
Waste Management	950,000	-	-	950,000
Parks & Recreation	795,349	-	-	795,349
Total General Capital Assets	4,974,479	106,999	-	5,081,478
Less: Accumulated Depreciation	<u>(2,937,669)</u>	<u>(197,423)</u>	-	<u>(3,135,092)</u>
Net General Capital Assets	<u>\$ 2,036,810</u>	<u>\$ (90,424)</u>	<u>\$ -</u>	<u>\$ 1,946,386</u>

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