

Audited Financial Statements

Town of Casco, Maine

June 30, 2017



Proven Expertise and Integrity

TOWN OF CASCO, MAINE

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JUNE 30, 2017

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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 as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Casco'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

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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 and nonmajor fund and the aggregate remaining fund information of Town of Casco as of June 30, 2017, 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 10 and 41 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's basic financial statements. The Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations – General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2018 on our consideration of Town of Casco'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
January 26, 2018

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2017**

(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, 2017. 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 separate columns for the two different types of Town 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, 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 two major funds are the general fund and the capital projects fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the Town. 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 nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position, and changes in net position of the Town's governmental activities. The Town's total net position increased by \$707,296 from \$6,482,214 to \$7,189,510.

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 - decreased to a balance of \$955,685 at the end of this year.

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

	<u>2017</u>	<u>2016</u>
Assets:		
Current Assets	\$ 7,270,656	\$ 4,590,868
Capital Assets	3,688,272	2,621,405
Total Assets	<u>10,958,928</u>	<u>7,212,273</u>
Liabilities:		
Current Liabilities	395,471	712,222
Long-term Debt Outstanding	3,357,355	-
Total Liabilities	<u>3,752,826</u>	<u>712,222</u>
Deferred Inflows of Resources:		
Prepaid Taxes	16,592	17,837
Total Deferred Inflows of Resources	<u>16,592</u>	<u>17,837</u>
Net Position:		
Net Investment in Capital Assets	3,688,272	2,621,405
Restricted:		
Capital Projects Funds	2,299,706	-
Special Revenue Funds	231,947	132,522
Permanent Funds	13,900	88,997
Unrestricted	955,685	3,639,290
Total Net Position	<u>\$ 7,189,510</u>	<u>\$ 6,482,214</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 3.03%, while total expenses increased by 2.21%. The increase in revenues was due increases in taxes, grants and contributions not restricted to specific programs and miscellaneous, offset by decreases in charges for services and operating grants and contributions. The increase in expenses was due to increases in general government, public safety, public works, parks, recreation and cemeteries, education, unclassified and debt service bond expenses, offset by decreases in health and sanitation, social services, county tax and capital outlay.

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

	<u>2017</u>	<u>2016</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 271,033	\$ 281,773
Operating grants and contributions	56,886	82,178
<i>General Revenues:</i>		
Taxes	9,629,921	9,515,634
Grants and contributions not restricted to specific programs	476,265	296,425
Miscellaneous	242,929	187,211
Total Revenues	<u>10,677,034</u>	<u>10,363,221</u>
Expenses		
General government	819,172	802,449
Public safety	691,471	474,285
Health and sanitation	252,416	257,665
Public works	753,306	715,918
Social services	30,144	63,145
Parks, recreation, and cemeteries	134,907	123,499
County tax	433,703	438,764
Education	6,470,752	6,402,869
Unclassified	368,026	322,704
Capital outlay	-	153,130
Debt service-bond expense	15,841	-
Total Expenses	<u>9,969,738</u>	<u>9,754,428</u>
Change in Net Position	707,296	608,793
Net Position - July 1	<u>6,482,214</u>	<u>5,873,421</u>
Net Position - June 30	<u>\$ 7,189,510</u>	<u>\$ 6,482,214</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>2017</u>	<u>2016</u>
Major Funds:		
General Fund:		
Nonspendable	\$ 37,995	\$ 37,995
Assigned	564,384	384,462
Unassigned	3,126,649	2,225,320
Subtotal General Fund	<u>3,729,028</u>	<u>2,647,777</u>
Capital Projects Funds:		
Restricted	2,299,706	-
Committed	386,002	415,903
Assigned	-	16,682
Unassigned	(42,938)	(136,454)
Subtotal Capital Projects Funds	<u>2,642,770</u>	<u>296,131</u>
Total Major Funds	<u>\$ 6,371,798</u>	<u>\$ 2,943,908</u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 231,947	\$ 132,522
Committed	116	116
Assigned	7,762	10,962
Unassigned	(951)	-
Permanent Funds:		
Restricted	13,900	88,997
Assigned	75,246	-
Total Nonmajor Funds	<u>\$ 328,020</u>	<u>\$ 232,597</u>

The general fund total fund balance increased by \$1,081,251 from the prior fiscal year. The capital projects funds total fund balance increased by \$2,346,639 from the prior fiscal year due. The nonmajor funds total fund balance increased by \$95,423 from the prior fiscal year.

Budgetary Highlights

The difference between the original and final budget for the general fund was mostly due to approved carryforwards from the prior fiscal year.

The general fund actual revenues exceeded budgeted amounts by \$703,751. This was the result of all receipt categories being received in excess of budgeted amounts with the exception of charges for services.

The general fund actual expenditures were under budget by \$766,447. All expenditure categories were under budget.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2017, the Town's capital assets increased by \$1,066,867. This increase was due to current year additions of \$1,234,391 less depreciation expense of \$167,524. 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,**

	2017	2016
Land	\$ 656,021	\$ 219,000
Construction in progress	1,038,642	247,753
Buildings	977,194	1,027,841
Vehicles and equipment	391,911	475,809
Infrastructure	624,504	651,002
Total	\$ 3,688,272	\$ 2,621,405

Debt

At June 30, 2017, the Town had \$3,440,000 in a bond payable versus \$0 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 almost four 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 PO Box 60, 635 Meadow Road, Casco, Maine 04015.

TOWN OF CASCO, MAINE
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,402,999
Accounts receivable (net of allowance for uncollectibles):	
Taxes	465,360
Liens	208,158
Other	70,225
Due from other governments	85,919
Tax acquired property	37,995
Total current assets	7,270,656
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	1,694,663
Assets being depreciated, net of accumulated depreciation	1,993,609
Total noncurrent assets	3,688,272
TOTAL ASSETS	\$ 10,958,928
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 61,475
Deposit payable	10,000
Escrows payable	3,771
Current portion of long-term obligations	320,225
Total current liabilities	395,471
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	3,205,000
Bond premium payable	152,355
Total noncurrent liabilities	3,357,355
TOTAL LIABILITIES	3,752,826
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	16,592
TOTAL DEFERRED INFLOWS OF RESOURCES	16,592
NET POSITION	
Net investment in capital assets	3,688,272
Restricted:	
Capital projects funds	2,299,706
Special revenue funds	231,947
Permanent funds	13,900
Unrestricted	955,685
TOTAL NET POSITION	7,189,510
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 10,958,928

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

TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

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	\$ 819,172	\$ 53,003	\$ -	\$ -	\$ (766,169)
Public safety	691,471	200,692	-	-	(490,779)
Health and sanitation	252,416	-	-	-	(252,416)
Public works	753,306	-	49,484	-	(703,822)
Social services	30,144	-	7,402	-	(22,742)
Parks, recreation, and cemeteries	134,907	17,338	-	-	(117,569)
County tax	433,703	-	-	-	(433,703)
Education	6,470,752	-	-	-	(6,470,752)
Unclassified	368,026	-	-	-	(368,026)
Debt service-bond expenses	15,841	-	-	-	(15,841)
Total government	<u>\$ 9,969,738</u>	<u>\$ 271,033</u>	<u>\$ 56,886</u>	<u>\$ -</u>	<u>(9,641,819)</u>

STATEMENT B (CONTINUED)
TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(9,641,819)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	8,887,612
Excise taxes	742,309
Grants and contributions not restricted to specific programs	476,265
Miscellaneous	242,929
Total general revenues	10,349,115
Change in net position	707,296
NET POSITION - JULY 1	6,482,214
NET POSITION - JUNE 30	\$ 7,189,510

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

TOWN OF CASCO, MAINE

BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,216,665	\$ 100,356	\$ 85,978	\$ 6,402,999
Accounts receivable (net of allowance for uncollectibles):				
Taxes	465,360	-	-	465,360
Liens	208,158	-	-	208,158
Other	70,225	-	-	70,225
Due from other governments	85,919	-	-	85,919
Tax acquired property	37,995	-	-	37,995
Due from other funds	87,574	2,626,917	245,113	2,959,604
TOTAL ASSETS	\$ 7,171,896	\$ 2,727,273	\$ 331,091	\$ 10,230,260
LIABILITIES				
Accounts payable	\$ 61,475	\$ -	\$ -	\$ 61,475
Deposit payable	10,000	-	-	10,000
Due to other funds	2,872,030	84,503	3,071	2,959,604
Escrows payable	3,771	-	-	3,771
TOTAL LIABILITIES	2,947,276	84,503	3,071	3,034,850
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	16,592	-	-	16,592
Deferred property tax	479,000	-	-	479,000
TOTAL DEFERRED INFLOWS OF RESOURCES	495,592	-	-	495,592
FUND BALANCES (DEFICITS)				
Nonspendable	37,995	-	-	37,995
Restricted	-	2,299,706	245,847	2,545,553
Committed	-	386,002	116	386,118
Assigned	564,384	-	83,008	647,392
Unassigned	3,126,649	(42,938)	(951)	3,082,760
TOTAL FUND BALANCES (DEFICITS)	3,729,028	2,642,770	328,020	6,699,818
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)	\$ 7,171,896	\$ 2,727,273	\$ 331,091	\$ 10,230,260

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, 2017

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 6,699,818
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	3,688,272
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	479,000
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(3,440,000)
Bond premium payable	(163,237)
Accrued compensated absences	<u>(74,343)</u>
Net position of governmental activities	<u>\$ 7,189,510</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, 2017

	General Fund	Capital Projects Funds	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 9,152,612	\$ -	\$ -	\$ 9,152,612
Excise taxes	742,309	-	-	742,309
Intergovernmental revenues	361,955	-	100,000	461,955
Interest income	70,867	176	153	71,196
Charges for services	271,033	-	-	271,033
Miscellaneous	214,408	25,932	2,589	242,929
TOTAL REVENUES	10,813,184	26,108	102,742	10,942,034
EXPENDITURES				
Current:				
General government	799,835	-	-	799,835
Public safety	598,823	-	-	598,823
Health and sanitation	231,916	-	-	231,916
Public works	723,135	-	-	723,135
Social services	30,144	-	-	30,144
Parks, recreation, and cemeteries	121,873	-	-	121,873
County tax	433,703	-	-	433,703
Education	6,470,752	-	-	6,470,752
Unclassified	236,427	119,796	11,803	368,026
Capital outlay	-	1,227,910	-	1,227,910
Debt service:				
Bond expense	15,841	-	-	15,841
TOTAL EXPENDITURES	9,662,449	1,347,706	11,803	11,021,958
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,150,735	(1,321,598)	90,939	(79,924)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	3,440,000	-	3,440,000
Bond premium	-	163,237	-	163,237
Transfers in	-	481,907	4,484	486,391
Transfers (out)	(69,484)	(416,907)	-	(486,391)
TOTAL OTHER FINANCING SOURCES (USES)	(69,484)	3,668,237	4,484	3,603,237
NET CHANGE IN FUND BALANCES	1,081,251	2,346,639	95,423	3,523,313
FUND BALANCES - JULY 1	2,647,777	296,131	232,597	3,176,505
FUND BALANCES - JUNE 30	\$ 3,729,028	\$ 2,642,770	\$ 328,020	\$ 6,699,818

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, 2017

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 3,523,313</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	1,234,391
Depreciation expense	<u>(167,524)</u>
	<u>1,066,867</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets.	<u>(3,440,000)</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>(265,000)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(14,647)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 870,533</u></u>

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

TOWN OF CASCO, MAINE

STATEMENT OF NET POSITION – FIDUCIARY FUNDS
JUNE 30, 2017

	<u>Agency Funds</u> <u>Joint Venture</u> <u>Lake Region Bulky</u> <u>Waste Facility</u>
ASSETS	
Accounts receivable (net of allowance for uncollectibles)	\$ 29,886
TOTAL ASSETS	<u>\$ 29,886</u>
LIABILITIES	
Due to other governments	\$ 29,886
TOTAL LIABILITIES	<u>\$ 29,886</u>

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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

Implementation of New Accounting Standards

During the year ended June 30, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

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

Statement No. 74, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans". The objective of the Statement is to improve the disclosure of information about benefits other than pensions (other postemployment benefits or OPEB) included in financial statements of state and local governments. This Statement will improve financial reporting through enhanced note disclosures and schedules of required supplementary information that will be presented by OPEB plans that are administered through trusts that meet specified criteria. Management has determined that this Statement is not applicable.

Statement No. 77, "Tax Abatement Disclosures". The objective of the Statement is to improve disclosure of information about the nature and magnitude of tax

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

abatements, making these transactions more transparent to financial statement users. As such, users will be better equipped to understand (1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and (2) the impact those abatements have on a government's financial position and economic condition. Management has determined that this Statement is not material to the financial statements.

Statement No. 80, "Blending Requirements for Certain Component Units". The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. 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 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 applicable.

Statement No. 82, "Pension Issues". The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

employee (plan member) contribution requirements. Management has determined the impact of this Statement is not applicable.

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) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

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

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

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

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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 Fund is 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.
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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town of Casco 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 \$859,548 for the year ended June 30, 2017. The allowance for uncollectible accounts is estimated to be \$13,303 as of June 30, 2017.

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".

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. 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings	20 - 50 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.

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

The Town has adopted a set of financial policies to guide the financial operation of the Town. 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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental 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 10, 2016 on the assessed value listed as of April 1, 2016, for all real and personal property located in the Town. Taxes were due on in two installments on October 4, 2016 and April 4, 2017. Interest on unpaid taxes commenced on October 5, 2016 and April 5, 2017, 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 \$189,276 for the year ended June 30, 2017.

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2017, the Town's cash balances amounting to \$6,402,999 were comprised of bank deposits of \$6,428,505. Of these bank deposits, \$250,000 were covered by federal depository insurance and consequently were not exposed to

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

custodial credit risk. The remaining bank deposits of \$6,178,505 were collateralized with irrevocable stand-by letters of credit.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 6,215,934
Savings accounts	212,571
	<u>\$ 6,428,505</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, 2017, 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 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2017 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General Fund	\$ 87,574	\$ 2,872,030
Nonmajor Special Revenue Funds	239,825	3,071
Nonmajor Capital Projects Funds	2,626,917	84,503
Nonmajor Permanent Funds	5,288	-
	<u>\$ 2,959,604</u>	<u>\$ 2,959,604</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2017:

	<u>Balance 7/1/16</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance 6/30/17</u>
Non-depreciated assets:				
Land	\$ 219,000	\$ 437,021	\$ -	\$ 656,021
Construction in progress	247,753	790,889	-	1,038,642
	<u>466,753</u>	<u>1,227,910</u>	<u>-</u>	<u>1,694,663</u>
Depreciated assets:				
Buildings	2,080,848	-	-	2,080,848
Vehicles & equipment	2,908,421	6,481	-	2,914,902
Intellectual property	120,000	-	-	120,000
Infrastructure	715,948	-	-	715,948
	<u>5,825,217</u>	<u>6,481</u>	<u>-</u>	<u>5,831,698</u>
Less accumulated depreciation:				
Buildings	(1,053,007)	(50,647)	-	(1,103,654)
Vehicles & equipment	(2,432,612)	(90,379)	-	(2,522,991)
Intellectual property	(120,000)	-	-	(120,000)
Infrastructure	(64,946)	(26,498)	-	(91,444)
	<u>(3,670,565)</u>	<u>(167,524)</u>	<u>-</u>	<u>(3,838,089)</u>
Net depreciated assets	<u>2,154,652</u>	<u>(161,043)</u>	<u>-</u>	<u>1,993,609</u>
Net capital assets	<u>\$ 2,621,405</u>	<u>\$ 1,066,867</u>	<u>\$ -</u>	<u>\$ 3,688,272</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Current year depreciation

General government	\$ 4,690
Public safety	99,129
Public works	30,171
Waste management	20,500
Parks, recreation, and cemeteries	13,034
	<u>\$ 167,524</u>

NOTE 5 - SHORT-TERM DEBT

On September 1, 2016, the Town issued a bond anticipation note through TD Bank, N.A. in anticipation of bond revenues for the costs for acquisition of property. The principal amount of the note is for \$340,000 at 1.95% interest with a maturity date of June 21, 2017. Short-term debt activity for the year ended June 30, 2017, was as follows:

	<u>Balance, 7/1/16</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance, 6/30/17</u>
Bond anticipation note	<u>\$ 600,000</u>	<u>\$ 340,000</u>	<u>\$ (940,000)</u>	<u>\$ -</u>

NOTE 6 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2017 is as follows:

	<u>Balance 7/1/16</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/17</u>	<u>Current Year Portion</u>
Bonds payable	\$ -	\$ 3,440,000	\$ -	\$ 3,440,000	\$ 235,000
Bond premium payable	-	163,237	-	163,237	10,882
Accrued compensated absences	59,696	37,088	(22,441)	74,343	74,343
Totals	<u>\$ 59,696</u>	<u>\$ 3,640,325</u>	<u>\$ (22,441)</u>	<u>\$ 3,677,580</u>	<u>\$ 320,225</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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.

\$ 3,440,000

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2018	\$ 235,000	\$ 100,070	\$ 335,070
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
2023-2027	1,140,000	243,038	1,383,038
2028-2032	1,125,000	84,093	1,209,093
	<u>\$ 3,440,000</u>	<u>\$ 765,101</u>	<u>\$ 4,205,101</u>

NOTE 7 - 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 (3) five-year renewal provisions. Rental income of \$19,953 was received in fiscal year 2017.

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 \$1,400 was received in fiscal year 2017.

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2017, the Town's share was approximately:

	<u>Outstanding Debt</u>	<u>Town's Percentage</u>	<u>Amount</u>
County of Cumberland	\$ 37,435,000	1.51%	\$ 565,269
RSU No. 61	12,240,038	24.65%	3,017,169
			<u>\$ 3,582,438</u>

NOTE 9 - NONSPENDABLE FUND BALANCE

At June 30, 2017, the Town had the following nonspendable fund balance:

General Fund:

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

At June 30, 2017, the Town had the following restricted fund balances:

Capital Project Funds (Schedule G)	\$ 2,299,706
Nonmajor Special Revenue Funds (Schedule E)	231,947
Nonmajor Permanent Funds (Schedule I)	13,900
	<u>\$ 2,545,553</u>

NOTE 11 - COMMITTED FUND BALANCES

At June 30, 2017, the Town had the following committed fund balances:

Nonmajor Special Revenue Funds (Schedule E)	116
Capital Project Funds (Schedule G)	386,002
	<u>\$ 386,118</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 - ASSIGNED FUND BALANCES

At June 30, 2017, the Town had the following assigned fund balances:

General Fund:	
General government	\$ 112,535
Public safety	76,200
Streets/highways	293,989
Social services and welfare	8,700
Parks, recreation and cemeteries	6,763
Unclassified:	
Building maintenance	26,503
Website	1,490
GIS	8,404
Veterans' committee	5,000
Dangerous building	20,000
Broadcasting	4,800
Subtotal General Fund	<u>564,384</u>
Nonmajor Special Revenue Funds (Schedule E)	7,762
Nonmajor Permanent Funds (Schedule I)	75,246
	<u>\$ 647,392</u>

NOTE 13 - EXPENDITURES OVER APPROPRIATIONS

The Town did not have any expenditures that exceeded appropriations at June 30, 2017.

NOTE 14 - DEFICIT FUND BALANCE

At June 30, 2017, the Town had the following deficit fund balance:

Capital Project Funds (Schedule G):	
Memorial school	\$ 42,938
Nonmajor Special Revenue Funds (Schedule E):	
Veterans' fund	951
	<u>\$ 43,889</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15 - 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.

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 2017, 2016, and 2015 were \$59,873, \$70,457, and \$68,549, respectively.

NOTE 16 - 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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 16 - RISK MANAGEMENT (CONTINUED)

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, 2017.

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.

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 17 - JOINT VENTURES

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 17 - JOINT VENTURES (CONTINUED)

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 2017, the Town paid \$231,916 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 within 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, 2017.

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, 2017, (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 \$212,264.

NOTE 18 - CONTINGENCIES

The Town participates in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the Town has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2017 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 18 - CONTINGENCIES (CONTINUED)

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 19 - IRREVOCABLE STAND-BY LETTER OF CREDIT

At June 30, 2017, 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 7, 2017, authorizes one draw only up to the amount of \$8,250,000. There were no draws for the year ended June 30, 2017.

NOTE 20 - 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 Years Ending June 30,	Amount
2016	\$ 323,311
2017	336,243
2018	349,693
2019	363,681

NOTE 21 - COMPARATIVE DATA/RECLASSIFICATIONS

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

Required Supplementary Information

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

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

TOWN OF CASCO, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance - July 1	\$ 2,647,777	\$ 2,647,777	\$ 2,647,777	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	8,801,525	8,801,525	9,152,612	351,087
Excise taxes	622,500	622,500	742,309	119,809
Intergovernmental revenues	260,842	260,842	361,955	101,113
Charges for services	296,970	304,700	271,033	(33,667)
Interest income	27,000	27,000	70,867	43,867
Other revenue	92,867	92,867	214,408	121,541
Amounts Available for Appropriation	<u>12,749,481</u>	<u>12,757,211</u>	<u>13,460,961</u>	<u>703,750</u>
Charges to Appropriations (Outflows):				
General government	888,579	989,270	799,835	189,435
Public safety	640,638	675,638	598,823	76,815
Health and sanitation	240,000	240,000	231,916	8,084
Public works	793,100	959,853	723,135	236,718
Social services	79,156	84,756	30,144	54,612
Parks, recreation, and cemeteries	112,955	128,348	121,873	6,475
County tax	433,703	433,703	433,703	-
Education	6,470,752	6,470,752	6,470,752	-
Unclassified	353,321	422,076	236,427	185,649
Debt service:				
Bond expense	24,500	24,500	15,841	8,659
Transfers to other funds	65,000	69,484	69,484	-
Total Charges to Appropriations	<u>10,101,704</u>	<u>10,498,380</u>	<u>9,731,933</u>	<u>766,447</u>
Budgetary Fund Balance - June 30	<u>\$ 2,647,777</u>	<u>\$ 2,258,831</u>	<u>\$ 3,729,028</u>	<u>\$ 1,470,197</u>
Utilization of unassigned fund balance	\$ 4,484	\$ 4,484	\$ -	\$ (4,484)
Utilization of assigned fund balance	384,463	384,463	-	(384,463)
	<u>\$ 388,947</u>	<u>\$ 388,947</u>	<u>\$ -</u>	<u>\$ (388,947)</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

TOWN OF CASCO, MAINE

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 8,801,525	\$ 8,801,525	\$ 9,152,612	\$ 351,087
Auto excise	610,000	610,000	722,928	112,928
Boat excise	12,500	12,500	19,381	6,881
Intergovernmental revenues:				
State revenue sharing	75,000	75,000	140,380	65,380
Homestead reimbursement	85,455	85,455	85,455	-
LRAP	45,000	45,000	49,484	4,484
Tree growth	-	-	42,719	42,719
General assistance	18,500	18,500	7,402	(11,098)
Other	36,887	36,887	36,515	(372)
Charges for services:				
Building permits	28,000	28,000	18,193	(9,807)
Plumbing permits	5,500	5,500	8,925	3,425
Other licenses and permits	4,750	4,750	9,264	4,514
Motor vehicle agent fees	12,000	12,000	12,804	804
Dog agent fees	300	300	340	40
Administration	2,400	2,400	3,817	1,417
Public safety	230,400	230,400	200,352	(30,048)
Parks and recreation	13,620	21,350	17,338	(4,012)
Interest income:				
Tax/lien interest	27,000	27,000	70,867	43,867
Miscellaneous revenues:				
Building rentals	29,000	29,000	38,275	9,275
Franchise fee	29,000	29,000	29,719	719
Lien fees	8,500	8,500	15,733	7,233
LRBW surplus	15,000	15,000	43,213	28,213
CNTS surplus	2,500	2,500	-	(2,500)
Proceeds-tax sale	-	-	71,101	71,101
Grange hall	-	-	1,918	1,918
Misc. other	8,867	8,867	14,449	5,582
Amounts Available for Appropriation	<u>\$ 10,101,704</u>	<u>\$ 10,109,434</u>	<u>\$ 10,813,184</u>	<u>\$ 703,750</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, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Operations	\$ 132,100	\$ -	\$ 132,100	\$ 130,033	\$ 2,067
Salaries	392,358	10,000	402,358	381,401	20,957
Contingency	20,000	-	20,000	12,330	7,670
Insurance	148,000	-	148,000	149,045	(1,045)
Legal fees	30,000	12,000	42,000	12,513	29,487
Assessing	73,300	45,000	118,300	20,103	98,197
Planning/appeals	22,050	-	22,050	13,162	8,888
Retirement	70,771	-	70,771	80,355	(9,584)
Employee benefit liability	-	13,167	13,167	998	12,169
Unemployment	-	20,524	20,524	(105)	20,629
Totals	888,579	100,691	989,270	799,835	189,435
PUBLIC SAFETY					
Fire department	194,597	35,000	229,597	185,065	44,532
Rescue	399,404	-	399,404	377,381	22,023
Civil emergency preparedness	6,975	-	6,975	2,597	4,378
Animal control	25,250	-	25,250	25,481	(231)
Harbormaster	5,912	-	5,912	-	5,912
Street lights	8,500	-	8,500	8,299	201
Totals	640,638	35,000	675,638	598,823	76,815
HEALTH & SANITATION					
Lake Region Bulky Waste	100,000	-	100,000	100,000	-
Casco-Naples Transfer Station	140,000	-	140,000	131,916	8,084
Totals	240,000	-	240,000	231,916	8,084

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
PUBLIC WORKS					
Road maintenance	250,000	102,405	352,405	186,807	165,598
Winter roads	420,500	19,397	439,897	497,628	(57,731)
Paving	120,000	44,951	164,951	37,700	127,251
Private road maintenance	2,600	-	2,600	1,000	1,600
Totals	793,100	166,753	959,853	723,135	236,718
SOCIAL SERVICES					
General assistance	52,800	-	52,800	6,888	45,912
Home Health Visiting Nurses	4,000	4,000	8,000	4,000	4,000
VNA Home Health	500	500	1,000	500	500
Family Crisis	1,100	1,100	2,200	-	2,200
Bus service	9,656	-	9,656	9,656	-
Tri-County Counseling Service	2,000	-	2,000	-	2,000
PROP	5,000	-	5,000	5,000	-
Senior meals program	3,700	-	3,700	3,700	-
Memorial Day	400	-	400	400	-
Totals	79,156	5,600	84,756	30,144	54,612
PARKS, RECREATION AND CEMETERIES					
	112,955	15,393	128,348	121,873	6,475
DEBT SERVICE					
Bond expense	24,500	-	24,500	15,841	8,659
Totals	24,500	-	24,500	15,841	8,659
COUNTY TAX					
	433,703	-	433,703	433,703	-
EDUCATION					
	6,470,752	-	6,470,752	6,470,752	-

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
UNCLASSIFIED					
GP Council of Governments	3,742	-	3,742	3,742	-
Maine Municipal Association	4,794	-	4,794	4,974	(180)
Building maintenance	20,000	45,000	65,000	38,497	26,503
Grange Hall	12,500	-	12,500	6,161	6,339
Library	68,773	-	68,773	68,773	-
Pleasant Lk/Parker Pd Assoc	4,000	-	4,000	4,000	-
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	5,000	-	5,000	-	5,000
Lake Region Television	2,000	-	2,000	2,000	-
Bridgton LR Chamber of Comm.	1,250	-	1,250	1,250	-
Website	5,700	1,250	6,950	5,460	1,490
GIS	8,800	2,505	11,305	2,900	8,405
Lake monitoring program	1,500	-	1,500	1,500	-
Broadcasting	19,500	-	19,500	14,700	4,800
Sebago LR Co	250	-	250	250	-
Dangerous building	-	20,000	20,000	-	20,000
Life flight	936	-	936	936	-
Abatements	-	31,452	31,452	31,452	-
Overlay	189,276	(75,984)	113,292	-	113,292
Tax writeoff	-	44,532	44,532	44,532	-
Totals	353,321	68,755	422,076	236,427	185,649
TRANSFERS TO OTHER FUNDS					
Nonmajor special revenue funds	-	4,484	4,484	4,484	-
Nonmajor capital projects funds	65,000	-	65,000	65,000	-
Totals	65,000	4,484	69,484	69,484	-
TOTAL EXPENDITURES	\$ 10,101,704	\$ 396,676	\$ 10,498,380	\$ 9,731,933	\$ 766,447

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

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 2,120	\$ 83,858	\$ 85,978
Due from other funds	239,825	5,288	245,113
TOTAL ASSETS	<u>\$ 241,945</u>	<u>\$ 89,146</u>	<u>\$ 331,091</u>
LIABILITIES			
Due to other funds	<u>\$ 3,071</u>	<u>\$ -</u>	<u>\$ 3,071</u>
TOTAL LIABILITIES	<u>3,071</u>	<u>-</u>	<u>3,071</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	231,947	13,900	245,847
Committed	116	-	116
Assigned	7,762	75,246	83,008
Unassigned	(951)	-	(951)
TOTAL FUND BALANCES	<u>238,874</u>	<u>89,146</u>	<u>328,020</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 241,945</u>	<u>\$ 89,146</u>	<u>\$ 331,091</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, 2017

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Interest income	\$ 4	\$ 149	\$ 153
Intergovernmental	100,000	-	100,000
Other income	2,589	-	2,589
TOTAL REVENUES	<u>102,593</u>	<u>149</u>	<u>102,742</u>
EXPENDITURES			
Other	<u>11,803</u>	-	<u>11,803</u>
TOTAL EXPENDITURES	<u>11,803</u>	<u>-</u>	<u>11,803</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>90,790</u>	<u>149</u>	<u>90,939</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	4,484	-	4,484
Transfers (out)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,484</u>	<u>-</u>	<u>4,484</u>
NET CHANGE IN FUND BALANCES	95,274	149	95,423
FUND BALANCES (DEFICITS) - JULY 1	<u>143,600</u>	<u>88,997</u>	<u>232,597</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 238,874</u>	<u>\$ 89,146</u>	<u>\$ 328,020</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, 2017

	DEP Grant Tenney Hill Reparations	Recreation Pickleball	LRAP	Firefighter Fund	Wilma Avery Fund	Recreation Donation
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	181,561	126	43,420	3,357	65	4,017
TOTAL ASSETS	<u>\$ 181,561</u>	<u>\$ 126</u>	<u>\$ 43,420</u>	<u>\$ 3,357</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>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	181,561	-	43,420	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	126	-	3,357	65	4,017
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>181,561</u>	<u>126</u>	<u>43,420</u>	<u>3,357</u>	<u>65</u>	<u>4,017</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 181,561</u>	<u>\$ 126</u>	<u>\$ 43,420</u>	<u>\$ 3,357</u>	<u>\$ 65</u>	<u>\$ 4,017</u>

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2017

	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Business Showcase	Total
ASSETS							
Cash and cash equivalents	\$ 2,120	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,120
Due from other funds	-	116	197	6,058	728	180	239,825
TOTAL ASSETS	<u>\$ 2,120</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 6,058</u>	<u>\$ 728</u>	<u>\$ 180</u>	<u>\$ 241,945</u>
LIABILITIES							
Due to other funds	\$ 3,071	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,071
TOTAL LIABILITIES	<u>3,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,071</u>
FUND BALANCES (DEFICITS)							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	6,058	728	180	231,947
Committed	-	116	-	-	-	-	116
Assigned	-	-	197	-	-	-	7,762
Unassigned	(951)	-	-	-	-	-	(951)
TOTAL FUND BALANCES (DEFICITS)	<u>(951)</u>	<u>116</u>	<u>197</u>	<u>6,058</u>	<u>728</u>	<u>180</u>	<u>238,874</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 2,120</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 6,058</u>	<u>\$ 728</u>	<u>\$ 180</u>	<u>\$ 241,945</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, 2017

	DEP Grant Tenney Hill Reparations	Recreation Pickleball	LRAP	Firefighter Fund	Wilma Avery Fund	Recreation Donation
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	100,000	-	-	-	-	-
Other income	-	1,789	-	-	-	800
TOTAL REVENUES	<u>100,000</u>	<u>1,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>800</u>
EXPENDITURES						
Other	5,239	1,663	-	-	-	941
TOTAL EXPENDITURES	<u>5,239</u>	<u>1,663</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>941</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>94,761</u>	<u>126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(141)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	4,484	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>4,484</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	94,761	126	4,484	-	-	(141)
FUND BALANCES (DEFICITS) - JULY 1	<u>86,800</u>	<u>-</u>	<u>38,936</u>	<u>3,357</u>	<u>65</u>	<u>4,158</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 181,561</u>	<u>\$ 126</u>	<u>\$ 43,420</u>	<u>\$ 3,357</u>	<u>\$ 65</u>	<u>\$ 4,017</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, 2017

	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Business Showcase	Total
REVENUES							
Interest income	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4
Intergovernmental	-	-	-	-	-	-	100,000
Other income	-	-	-	-	-	-	2,589
TOTAL REVENUES	4	-	-	-	-	-	102,593
EXPENDITURES							
Other	3,960	-	-	-	-	-	11,803
TOTAL EXPENDITURES	3,960	-	-	-	-	-	11,803
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,956)	-	-	-	-	-	90,790
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	4,484
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	4,484
NET CHANGE IN FUND BALANCES	(3,956)	-	-	-	-	-	95,274
FUND BALANCES (DEFICITS) - JULY 1	3,005	116	197	6,058	728	180	143,600
FUND BALANCES (DEFICITS) - JUNE 30	\$ (951)	\$ 116	\$ 197	\$ 6,058	\$ 728	\$ 180	\$ 238,874

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, 2017

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Recreation Department	Public Safety Building	Purchase Jackson Property
ASSETS						
Cash and cash equivalents	\$ 55,855	\$ 3,763	\$ -	\$ 40,738	\$ -	\$ -
Due from other funds	-	2,622	20,738	7,055	20,849	2,979
TOTAL ASSETS	<u>\$ 55,855</u>	<u>\$ 6,385</u>	<u>\$ 20,738</u>	<u>\$ 47,793</u>	<u>\$ 20,849</u>	<u>\$ 2,979</u>
LIABILITIES						
Due to other funds	\$ 41,565	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>41,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	14,290	6,385	20,738	47,793	20,849	2,979
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>14,290</u>	<u>6,385</u>	<u>20,738</u>	<u>47,793</u>	<u>20,849</u>	<u>2,979</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 55,855</u>	<u>\$ 6,385</u>	<u>\$ 20,738</u>	<u>\$ 47,793</u>	<u>\$ 20,849</u>	<u>\$ 2,979</u>

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
JUNE 30, 2017

	<u>Capital Improvements</u>	<u>Tax Equalization</u>	<u>Fire Equipment</u>	<u>Community Center</u>	<u>Grange Hall</u>	<u>Municipal Offices</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	37,082	113,837	93,106	1,682	15,000	12,261
TOTAL ASSETS	<u>\$ 37,082</u>	<u>\$ 113,837</u>	<u>\$ 93,106</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	93,106	1,682	15,000	12,261
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>37,082</u>	<u>113,837</u>	<u>93,106</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>\$ 93,106</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, 2017

	Road Improvements	Memorial School	Pleasant Lake Dam	2017 Public Improvement Bond	2017 Public Improvement Bond Premium	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100,356
Due from other funds	-	-	-	2,183,093	116,613	2,626,917
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 2,183,093	\$ 116,613	\$ 2,727,273
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ 42,938	\$ -	\$ -	\$ 84,503
TOTAL LIABILITIES	-	-	42,938	-	-	84,503
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	2,183,093	116,613	2,299,706
Committed	-	-	-	-	-	386,002
Assigned	-	-	-	-	-	-
Unassigned	-	-	(42,938)	-	-	(42,938)
TOTAL FUND BALANCES (DEFICITS)	-	-	(42,938)	2,183,093	116,613	2,642,770
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ -	\$ -	\$ -	\$ 2,183,093	\$ 116,613	\$ 2,727,273

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, 2017

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Recreation Department	Public Safety Building	Purchase Jackson Property
REVENUES						
Interest income	\$ 99	\$ 6	\$ 71	\$ -	\$ -	\$ -
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>99</u>	<u>6</u>	<u>71</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	437,021
Other	-	-	-	500	1,780	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>1,780</u>	<u>437,021</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>99</u>	<u>6</u>	<u>71</u>	<u>(500)</u>	<u>(1,780)</u>	<u>(437,021)</u>
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	340,000
Bond premium	-	-	-	-	-	-
Transfers in	20,000	-	-	-	15,000	100,000
Transfers (out)	-	-	(100,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>20,000</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>15,000</u>	<u>440,000</u>
NET CHANGE IN FUND BALANCES	20,099	6	(99,929)	(500)	13,220	2,979
FUND BALANCES (DEFICITS) - JULY 1	<u>(5,809)</u>	<u>6,379</u>	<u>120,667</u>	<u>48,293</u>	<u>7,629</u>	<u>-</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 14,290</u>	<u>\$ 6,385</u>	<u>\$ 20,738</u>	<u>\$ 47,793</u>	<u>\$ 20,849</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, 2017

	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	-	-	-	-	-	457,094
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	457,094
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	7,000	-	-	(457,094)
OTHER FINANCING SOURCES (USES)						
Bond proceeds	-	-	-	-	-	600,000
Bond premium	-	-	-	-	-	-
Transfers in	-	-	20,000	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	20,000	-	-	600,000
NET CHANGE IN FUND BALANCES	-	-	27,000	-	-	142,906
FUND BALANCES (DEFICITS) - JULY 1	37,082	113,837	66,106	1,682	15,000	(130,645)
FUND BALANCES (DEFICITS) - JUNE 30	\$ 37,082	\$ 113,837	\$ 93,106	\$ 1,682	\$ 15,000	\$ 12,261

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Road Improvements	Community Center	Memorial School	Pleasant Lake Dam	2017 Public Improvement Bond	2017 Public Improvement Bond Premium	Total
REVENUES							
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 176
Other income	-	-	-	18,932	-	-	25,932
TOTAL REVENUES	-	-	-	18,932	-	-	26,108
EXPENDITURES							
Capital outlay	-	-	52,938	280,857	-	-	1,227,910
Other	70,892	-	-	-	-	46,624	119,796
TOTAL EXPENDITURES	70,892	-	52,938	280,857	-	46,624	1,347,706
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(70,892)	-	(52,938)	(261,925)	-	(46,624)	(1,321,598)
OTHER FINANCING SOURCES (USES)							
Bond proceeds	-	-	-	-	2,500,000	-	3,440,000
Bond premium	-	-	-	-	-	163,237	163,237
Transfers in	68,264	-	-	258,643	-	-	481,907
Transfers (out)	-	-	-	-	(316,907)	-	(416,907)
TOTAL OTHER FINANCING SOURCES (USES)	68,264	-	-	258,643	2,183,093	163,237	3,668,237
NET CHANGE IN FUND BALANCES	(2,628)	-	(52,938)	(3,282)	2,183,093	116,613	2,346,639
FUND BALANCES (DEFICITS) - JULY 1	2,628	-	10,000	3,282	-	-	296,131
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ -	\$ (42,938)	\$ -	\$ 2,183,093	\$ 116,613	\$ 2,642,770

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, 2017

	Cemetery Fund	Cyrus Mayberry Road/School	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 21,094	\$ 62,764	\$ 83,858
Due from other funds	5,288	-	5,288
TOTAL ASSETS	<u>\$ 26,382</u>	<u>\$ 62,764</u>	<u>\$ 89,146</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	21,982	53,264	75,246
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>26,382</u>	<u>62,764</u>	<u>89,146</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 26,382</u>	<u>\$ 62,764</u>	<u>\$ 89,146</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, 2017

	Cemetery Fund	Cyrus Mayberry Road/School	Total
REVENUES			
Interest income	\$ 37	\$ 112	\$ 149
TOTAL REVENUES	<u>37</u>	<u>112</u>	<u>149</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	37	112	149
FUND BALANCES - JULY 1	<u>26,345</u>	<u>62,652</u>	<u>88,997</u>
FUND BALANCES - JUNE 30	<u>\$ 26,382</u>	<u>\$ 62,764</u>	<u>\$ 89,146</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, 2017

	Land and Non-depreciable Assets	Buildings	Machinery, Equipment & Vehicles	Infrastructure	Total
General Government	\$ 675,714	\$ 187,599	\$ 179,534	\$ -	\$ 1,042,847
Public Safety	-	350,000	2,683,891	-	3,033,891
Public Works	309,990	146,900	41,477	715,948	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	1,694,663	2,080,848	3,034,902	715,948	7,526,361
Less: Accumulated Depreciation	-	(1,103,651)	(2,642,995)	(91,443)	(3,838,089)
Net General Capital Assets	<u>\$ 1,694,663</u>	<u>\$ 977,197</u>	<u>\$ 391,907</u>	<u>\$ 624,505</u>	<u>\$ 3,688,272</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, 2017

	General Capital Assets 7/1/16	Additions	Deletions	General Capital Assets 6/30/17
General Government	\$ 585,753	\$ 457,094	\$ -	\$ 1,042,847
Public Safety	3,027,410	6,481	-	3,033,891
Public Works	933,458	280,857	-	1,214,315
Waste Management	950,000	-	-	950,000
Parks, Recreation, and Cemeteries	795,349	489,959	-	1,285,308
Total General Capital Assets	6,291,970	1,234,391	-	7,526,361
Less: Accumulated Depreciation	(3,670,565)	(167,524)	-	(3,838,089)
Net General Capital Assets	<u>\$ 2,621,405</u>	<u>\$ 1,066,867</u>	<u>\$ -</u>	<u>\$ 3,688,272</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, business-type activities, each major fund and the aggregate remaining fund information of Town of Casco, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise Town of Casco's basic financial statements, and have issued our report thereon dated January 26, 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

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

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'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.

A handwritten signature in cursive script that reads "RHR Smith & Company".

Buxton, Maine
January 26, 2018