

Audited Financial Statements and
Other Financial Information

Town of Casco, Maine

June 30, 2020



Proven Expertise & Integrity

TOWN OF CASCO, MAINE

CONTENTS

JUNE 30, 2020

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 3
MANAGEMENT'S DISCUSSION AND ANALYSIS	4 - 11
<u>BASIC FINANCIAL STATEMENTS</u>	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET POSITION	12 - 13
STATEMENT B - STATEMENT OF ACTIVITIES	14 - 15
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	16
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	17
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	18
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	19
STATEMENT G - STATEMENT OF NET POSITION - FIDUCIARY FUNDS	20
NOTES TO FINANCIAL STATEMENTS	21 - 53
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION	54
SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND	55
SCHEDULE 2 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY	56

SCHEDULE 3 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS	57
SCHEDULE 4 - SCHEDULE OF CONTRIBUTIONS - OPEB	58
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	59
<u>OTHER SUPPLEMENTARY INFORMATION</u>	
OTHER SUPPLEMENTARY INFORMATION DESCRIPTION	60
SCHEDULE A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND REVENUES	61
SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND	62 - 64
SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS	65
SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS	66
SPECIAL REVENUE FUNDS DESCRIPTION	67
SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS	68 - 69
SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS	70 - 71
CAPITAL PROJECTS FUNDS DESCRIPTION	72
SCHEDULE G - COMBINING BALANCE SHEET - MAJOR CAPITAL PROJECTS FUNDS	73 - 75
SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MAJOR CAPITAL PROJECTS FUNDS	76 - 78
PERMANENT FUNDS DESCRIPTION	79

SCHEDULE I - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS	80
SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS	81
GENERAL CAPITAL ASSETS DESCRIPTION	82
SCHEDULE K - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION	83
SCHEDULE L - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION	84

FEDERAL COMPLIANCE

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	85 - 86
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	---------



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT

Selectboard
Town of Casco
Casco, Maine

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Town of Casco, Maine as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of Casco, Maine's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates

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 fund and the aggregate remaining fund information of Town of Casco, Maine as of June 30, 2020 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 and OPEB information on pages 4 through 11 and 55 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual major and nonmajor fund financial statements and capital

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 19, 2021 on our consideration of Town of Casco, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Casco's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
May 19, 2021

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020**

(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, 2020. 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 information, OPEB information 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 regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

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

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

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

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

Fund Financial Statements

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

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

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

The Town presents three columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major funds are the general fund and the 2017 public improvement bond. 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, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position increased by \$689,773 from \$7,823,471 to \$8,513,244.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased to a balance of \$5,162,870 at the end of this year.

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

	2020	2019 (Restated)
Assets:		
Current Assets	\$ 5,779,536	\$ 6,070,229
Noncurrent Assets - Capital Assets	5,865,379	5,138,441
Total Assets	<u>11,644,915</u>	<u>11,208,670</u>
Deferred Outflows of Resources		
Deferred Outflows Related to OPEB	30,298	581
Total Deferred Outflows of Resources	<u>30,298</u>	<u>581</u>
Liabilities:		
Current Liabilities	391,266	377,271
Noncurrent Liabilities	2,748,801	2,982,630
Total Liabilities	<u>3,140,067</u>	<u>3,359,901</u>
Deferred Inflows of Resources:		
Prepaid Taxes	8,301	9,028
Deferred Inflows Related to OPEB	13,601	16,851
Total Deferred Inflows of Resources	<u>21,902</u>	<u>25,879</u>
Net Position:		
Net Investment in Capital Assets	3,130,379	2,920,618
Restricted:		
Capital Projects Funds	104,613	856,790
Special Revenue Funds	101,482	100,782
Permanent Funds	13,900	13,900
Unrestricted	5,162,870	3,931,381
Total Net Position	<u>\$ 8,513,244</u>	<u>\$ 7,823,471</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 4.64%, while total expenses increased by 8.58%. All revenue categories increased except miscellaneous.

The largest increases in expenses were in general government, public safety and education.

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

	<u>2020</u>	<u>2019</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 476,109	\$ 294,535
Operating grants and contributions	51,260	49,824
<i>General Revenues:</i>		
Taxes	10,203,076	10,063,392
Grants and contributions not restricted to specific programs	620,953	384,519
Miscellaneous	243,886	289,106
Total Revenues	<u>11,595,284</u>	<u>11,081,376</u>
Expenses		
General government	1,178,747	955,035
Public safety	1,205,409	475,976
Health and sanitation	306,285	250,211
Public works	625,565	1,048,714
Social services	24,647	20,889
Parks, recreation and cemeteries	87,156	94,753
County tax	466,125	450,494
Education	6,545,475	6,369,442
Unclassified	224,677	280,991
Capital outlay	151,663	-
Interest on long-term debt	89,762	96,813
Total Expenses	<u>10,905,511</u>	<u>10,043,318</u>
Change in Net Position	689,773	1,038,058
Net Position - July 1, Restated	<u>7,823,471</u>	<u>6,785,413</u>
Net Position - June 30	<u>\$ 8,513,244</u>	<u>\$ 7,823,471</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>2020</u>	<u>2019 (Restated)</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 15,291	\$ 15,291	\$ -
Assigned	922,494	-	922,494
Unassigned	2,741,842	3,720,491	(978,649)
Subtotal General Fund	<u>3,679,627</u>	<u>3,735,782</u>	<u>(56,155)</u>
2017 Public Improvement Bond			
Restricted	-	713,526	(713,526)
Subtotal 2017 Public Improvement Bond	<u>-</u>	<u>713,526</u>	<u>(713,526)</u>
Total Major Funds	<u>\$ 3,679,627</u>	<u>\$ 4,449,308</u>	<u>\$ (769,681)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 101,482	\$ 100,782	\$ 700
Committed	27,541	33,165	(5,624)
Assigned	24,282	20,394	3,888
Unassigned	(936)	(941)	5
Capital Projects Funds:			
Restricted	104,613	104,613	-
Committed	1,311,662	794,084	517,578
Unassigned	(7,574)	8,198	(15,772)
Permanent Funds:			
Restricted	13,900	13,900	-
Assigned	74,188	73,989	199
Total Nonmajor Funds	<u>\$ 1,649,158</u>	<u>\$ 1,148,184</u>	<u>\$ 500,974</u>

The changes to total fund balances for the general fund, the 2017 public improvement bond fund and the nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

The difference between the original and final budget for the general fund was the use of unassigned fund balance.

The general fund actual revenues exceeded budgeted amounts by \$345,399. This was the result of all revenue categories being receipted in excess of budgeted amounts with the exception of intergovernmental revenues and interest income.

The general fund actual expenditures were under budget by \$310,519. All expenditure categories were within or under budget with the exception of general government, public safety and debt service - interest.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2020, the Town's capital assets increased by \$726,938. This increase was due to current year additions of \$985,867 less depreciation expense of \$258,929. Refer to Note 5 of Notes to Financial Statements for detailed information.

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

	2020	2019 (Restated)
Land	\$ 656,021	\$ 656,021
Construction in progress	410,536	186,801
Buildings and improvements	1,558,654	1,622,939
Vehicles and equipment	516,842	581,582
Infrastructure	2,723,326	2,091,098
Total	<u>\$ 5,865,379</u>	<u>\$ 5,138,441</u>

Debt

At June 30, 2020, the Town had \$2,865,591 in a bond and bond premium payable versus \$3,111,473 in the prior fiscal year. Refer to Note 6 of the Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

The outbreak of COVID-19 has been declared a pandemic and led to a national state of emergency in the United States. Refer to Note 1 of Notes to Financial Statements for more detailed information.

At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

Economic Factors and Next Year's Budgets and Rates

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

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 635 Meadow Road, Casco, Maine 04015.

TOWN OF CASCO, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,155,639
Accounts receivable (net of allowance for uncollectibles):	
Taxes	360,530
Liens	121,599
Other	56,298
Due from other governments	70,179
Tax acquired property	15,291
Total current assets	<u>5,779,536</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	1,066,557
Assets being depreciated, net of accumulated depreciation	4,798,822
Total noncurrent assets	<u>5,865,379</u>
TOTAL ASSETS	<u>11,644,915</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	30,298
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>30,298</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 11,675,213</u>

STATEMENT A (CONTINUED)

TOWN OF CASCO, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 126,677
Current portion of long-term obligations	264,589
Total current liabilities	<u>391,266</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	2,500,000
Bond premium payable	119,709
Accrued compensated absences	56,121
Net OPEB liability	72,971
Total noncurrent liabilities	<u>2,748,801</u>
TOTAL LIABILITIES	<u>3,140,067</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	8,301
Deferred inflows related to OPEB	13,601
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>21,902</u>
NET POSITION	
Net investment in capital assets	3,130,379
Restricted: Capital projects funds	104,613
Special revenue funds	101,482
Permanent funds	13,900
Unrestricted	5,162,870
TOTAL NET POSITION	<u>8,513,244</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 11,675,213</u>

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

STATEMENT B

TOWN OF CASCO, MAINE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
General government	\$ 1,178,747	\$ 85,777	\$ -	\$ -	\$ (1,092,970)
Public safety	1,205,409	369,239	-	-	(836,170)
Health and sanitation	306,285	-	-	-	(306,285)
Public works	625,565	-	51,260	-	(574,305)
Social services	24,647	-	-	-	(24,647)
Parks, recreation and cemeteries	87,156	21,093	-	-	(66,063)
County tax	466,125	-	-	-	(466,125)
Education	6,545,475	-	-	-	(6,545,475)
Unclassified	224,677	-	-	-	(224,677)
Capital outlay	151,663	-	-	-	(151,663)
Interest on long-term debt	89,762	-	-	-	(89,762)
Total government	\$ 10,905,511	\$ 476,109	\$ 51,260	\$ -	(10,378,142)

STATEMENT B (CONTINUED)
TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(10,378,142)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	9,413,403
Excise taxes	789,673
Grants and contributions not restricted to specific programs	620,953
Miscellaneous	243,886
Total general revenues	11,067,915
Change in net position	689,773
NET POSITION - JULY 1, RESTATED	7,823,471
NET POSITION - JUNE 30	\$ 8,513,244

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

TOWN OF CASCO, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2020

	General Fund	2017 Public Improvement Bond	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 4,969,348	\$ -	\$ 186,291	\$ 5,155,639
Accounts receivable (net of allowance for uncollectibles):				
Taxes	360,530	-	-	360,530
Liens	121,599	-	-	121,599
Other	56,298	-	-	56,298
Due from other governments	70,179	-	-	70,179
Tax acquired property	15,291	-	-	15,291
Due from other funds	13,430	-	1,476,297	1,489,727
TOTAL ASSETS	\$ 5,606,675	\$ -	\$ 1,662,588	\$ 7,269,263
LIABILITIES				
Accounts payable	\$ 126,677	\$ -	\$ -	\$ 126,677
Due to other funds	1,476,297	-	13,430	1,489,727
TOTAL LIABILITIES	1,602,974	-	13,430	1,616,404
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	8,301	-	-	8,301
Deferred property tax	315,773	-	-	315,773
TOTAL DEFERRED INFLOWS OF RESOURCES	324,074	-	-	324,074
FUND BALANCES				
Nonspendable	15,291	-	-	15,291
Restricted	-	-	219,995	219,995
Committed	-	-	1,339,203	1,339,203
Assigned	922,494	-	98,470	1,020,964
Unassigned	2,741,842	-	(8,510)	2,733,332
TOTAL FUND BALANCES	3,679,627	-	1,649,158	5,328,785
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,606,675	\$ -	\$ 1,662,588	\$ 7,269,263

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, 2020

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 5,328,785
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	5,865,379
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	315,773
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	30,298
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(13,601)
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(2,735,000)
Bond premium payable	(130,591)
Accrued compensated absences	(74,828)
Net OPEB liability	<u>(72,971)</u>
Net position of governmental activities	<u>\$ 8,513,244</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, 2020

	General Fund	2017 Public Improvement Bond	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property taxes	\$ 9,443,643	\$ -	\$ -	\$ 9,443,643
Excise taxes	789,673	-	-	789,673
Intergovernmental revenues	546,499	-	125,714	672,213
Interest income	56,160	-	1,697	57,857
Charges for services	476,109	-	-	476,109
Miscellaneous	140,288	-	45,741	186,029
TOTAL REVENUES	11,452,372	-	173,152	11,625,524
EXPENDITURES				
Current:				
General government	1,188,346	-	-	1,188,346
Public safety	1,046,744	-	-	1,046,744
Health and sanitation	285,785	-	-	285,785
Public works	576,018	-	-	576,018
Social services	24,647	-	-	24,647
Parks, recreation and cemeteries	74,122	-	-	74,122
County tax	466,125	-	-	466,125
Education	6,545,475	-	-	6,545,475
Unclassified	224,430	-	247	224,677
Capital outlay	-	-	1,137,530	1,137,530
Debt service:				
Principal	235,000	-	-	235,000
Interest	89,762	-	-	89,762
TOTAL EXPENDITURES	10,756,454	-	1,137,777	11,894,231
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	695,918	-	(964,625)	(268,707)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,465,599	1,465,599
Transfers (out)	(752,073)	(713,526)	-	(1,465,599)
TOTAL OTHER FINANCING SOURCES (USES)	(752,073)	(713,526)	1,465,599	-
NET CHANGE IN FUND BALANCES	(56,155)	(713,526)	500,974	(268,707)
FUND BALANCES - JULY 1, RESTATED	3,735,782	713,526	1,148,184	5,597,492
FUND BALANCES - JUNE 30	\$ 3,679,627	\$ -	\$ 1,649,158	\$ 5,328,785

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, 2020

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (268,707)</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 acquisitions	985,867
Depreciation expense	<u>(258,929)</u>
	<u>726,938</u>
Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds	<u>29,717</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>(30,240)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position	<u>235,000</u>
Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are reported in the funds	<u>3,250</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Bond premium payable	10,882
Accrued compensated absences	19,602
Net OPEB liability	<u>(36,669)</u>
	<u>(6,185)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 689,773</u>

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

TOWN OF CASCO, MAINE

STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2020

	<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)	\$ 31,939
TOTAL ASSETS	<u>\$ 31,939</u>
LIABILITIES	
Due to other governments	\$ 31,928
TOTAL LIABILITIES	<u>31,928</u>
NET ASSETS	
Held in trust for special purposes	<u>11</u>
TOTAL NET ASSETS	<u>11</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 31,939</u>

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

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, recreation and cemeteries, education and unclassified.

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

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

COVID-19 Outbreak

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been declared a pandemic by the World Health Organization and led to a national state of emergency in the United States. The State of Maine, along with other state and local governments, declared states of emergency and issued multiple public health emergency orders that severely restrict movement and limit businesses and activities to essential functions. These actions and effects of COVID-19 have disrupted economic activity at all levels and impacted the processes and procedures for almost all businesses, including municipal and quasi-municipal entities.

In response to the health crisis created by COVID-19 since early March, the Governor of Maine issued multiple executive orders and declarations to protect the public health in an effort to reduce community spread of the virus and protect citizens. These measures have included, among others, closing or restricting access to certain business and activities, issuing a "stay at home" directive for most citizens, restricting nonessential travel and limiting movement of all persons in Maine to those necessary to obtain or provide essential services or activities. As of the date of this report, the state of emergency was extended to May 13, 2021 and may be further extended if circumstances warrant. While steps toward reopening the State have begun, the speed and scope of the reopening process will depend upon progress toward limiting the continued spread of the disease.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impact on and Results of Operations

In accordance with Executive Order 19, issued by the Governor of Maine on March 24, 2020, Town facilities were temporarily closed to the public and all nonessential services to its inhabitants were suspended from March 16, 2020 to June 1, 2020, when the Town Office reopened to the public by appointment only. Employees continued to work either from home or in shifts. During the closure to the public, the public was able to conduct business with the Town either through the mail, use of the drop box, online or by telephone.

Tax and excise tax 60-day deferred revenue extended

Executive Order 53, issued by the Governor of Maine on May 12, 2020 (and corrected on May 26 and June 26) allowed municipal officers to extend both tax due dates and interest dates for the fiscal year 2019 property taxes due as well as the option to delay property tax lien filing dates until after the state of emergency has expired. The Town did not opt to extend any deadlines.

Impact on Finances

The Town does not currently anticipate any additional FY 2020 expenditures due to COVID-19 that would not be covered by existing resources including authorized Coronavirus, Aid, Relief and Economic Security ("CARES") Act funding and applicable Federal and /or State programs.

Expected Federal/State Support

The Town may have to take action to meet certain requirements to receive any additional Federal or State funding for budgetary or economic relief related to the challenges presented by COVID-19. However, the Town expects that if those actions are necessary, that the Town would qualify and satisfy the various conditions required to receive applicable Federal or State funds.

Conclusion

The ongoing effects of COVID-19, including the financial impact to the Town and its inhabitants, may change significantly as events and circumstances evolve locally, nationally and worldwide. At present it is not possible, with any degree of certainty, to estimate the impact of COVID-19 on the revenues, expenditures, budget or overall financial position of the Town. No assurance can be given regarding future events or impacts because these actions and events are unpredictable or unknowable at this time and are outside the control of the Town.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Implementation of New Accounting Standards

During the year ended June 30, 2020, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 95 "Postponement of the Effective Dates of Certain Authoritative Guidance." The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. (The following pronouncements exclude Statements No. 83 and No. 88 which were implemented prior to this Statement).

The effective dates of certain provisions contained in the following pronouncements are postponed by one year: Statement No. 84, Fiduciary Activities; Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period; Statement No. 90, Majority Equity Interests; Statement No. 91, Conduit Debt Obligations; Statement No. 92, Omnibus 2020; Statement No. 93, Replacement of Interbank Offered Rates; Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting); Implementation Guide No. 2018-1, Implementation Guidance Update-2018; Implementation Guide No. 2019-1, Implementation Guidance Update-2019 and Implementation Guide No. 2019-2, Fiduciary Activities. The effective dates of the following pronouncements are postponed by 18 months: Statement No. 87, Leases and Implementation Guide No. 2019-3, Leases.

Statement No. 97 "Certain Component Unit Criteria (paragraphs 4 & 5)." The primary objectives of paragraphs 4 & 5 in this Statement are to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Measurement Focus - Basic Financial Statements and 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:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2017 Public Improvement Bond Fund is used to account for the acquisition or construction of major capital facilities or equipment. The source of revenue is bond proceeds.

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

2. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support the Town's programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Component units that are fiduciary in nature have been excluded from these financial statements.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Deposits and Investments

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

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

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

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2020. Accounts receivable netted with allowances for uncollectible accounts were \$158,416 for the year ended June 30, 2020.

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.

Tax Acquired Property

Real property becomes tax acquired when tax liens placed on property and associated costs remain unpaid eighteen months after the filing of the tax lien in accordance with 36 M.R.S.A. § 943. The amount of the taxes and associated costs become assets classified as tax acquired property receivables that are secured by the real property that foreclosed.

After real property becomes tax acquired the Selectboard is responsible for the property and any disposition procedures allowed under the direction of the inhabitants of the Town as authorized by Town Meeting vote and provisions of 36 M.R.S.A. §943-C for qualifying homestead property.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations 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 obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligations consist of a bond payable, bond premium payable, accrued compensated absences and net OPEB liability.

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

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

Fund Balance

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

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

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Selectboard 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 given annually by vote of the taxpayers and is expressed by the Selectboard.

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 Selectboard meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has deferred outflows related to OPEB. This item is reported only in the statement of net position.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and the governmental funds balance sheet. Deferred inflows

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

of resources related to OPEB qualify for this type of reporting. This item is reported only in the statement of net position. 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 21, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Taxes were due on in two installments on October 7, 2019 and March 4, 2020. Interest on unpaid taxes commenced on October 21, 2019 and March 18, 2020, at 9% 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 \$115,369 for the year ended June 30, 2020.

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

Program Revenues

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

Encumbrance Accounting

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

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, 2020, the Town's cash balances amounting to \$5,155,639 were comprised of bank deposits of \$5,258,355. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these bank deposits, \$462,469 were covered by federal depository insurance and consequently were not exposed to custodial credit risk. Bank deposits of \$4,795,886 were collateralized with an irrevocable stand-by letter of credit.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 5,045,885
Savings accounts	212,469
	<u>\$ 5,258,355</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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.

At June 30, 2020, 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.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2020 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General Fund	\$ 13,430	\$ 1,476,297
Nonmajor Special Revenue Funds	153,305	3,075
Nonmajor Capital Projects Funds	1,317,703	10,355
Nonmajor Permanent Funds	5,289	-
	<u>\$ 1,489,727</u>	<u>\$ 1,489,727</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of the amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2020 consisted of the following:

	Transfers From	Transfers To
General Fund	\$ 752,073	\$ -
2017 Public Improvement Bond	713,526	-
Nonmajor Capital Projects Funds	-	1,465,599
	<u>\$ 1,465,599</u>	<u>\$ 1,465,599</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2020:

	Balance 7/1/19 (Restated)	Additions	Disposals	Balance 6/30/20
Non-depreciated assets:				
Land	\$ 656,021	\$ -	\$ -	\$ 656,021
Construction in progress	186,801	223,735	-	410,536
	<u>842,822</u>	<u>223,735</u>	<u>-</u>	<u>1,066,557</u>
Depreciated assets:				
Buildings	2,834,329	-	-	2,834,329
Vehicles and equipment	3,272,469	46,799	(150,000)	3,169,268
Intellectual property	120,000	-	-	120,000
Infrastructure	2,243,895	715,333	-	2,959,228
	<u>8,470,693</u>	<u>762,132</u>	<u>(150,000)</u>	<u>9,082,825</u>
Less accumulated depreciation:				
Buildings	(1,211,390)	(64,285)	-	(1,275,675)
Vehicles and equipment	(2,690,887)	(111,539)	150,000	(2,652,426)
Intellectual property	(120,000)	-	-	(120,000)
Infrastructure	(152,797)	(83,105)	-	(235,902)
	<u>(4,175,074)</u>	<u>(258,929)</u>	<u>150,000</u>	<u>(4,284,003)</u>
Net depreciated assets	<u>4,295,619</u>	<u>503,203</u>	<u>-</u>	<u>4,798,822</u>
Net capital assets	<u>\$ 5,138,441</u>	<u>\$ 726,938</u>	<u>\$ -</u>	<u>\$ 5,865,379</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Current year depreciation

General government	\$ 17,183
Public safety	158,665
Public works	49,547
Waste management	20,500
Parks, recreation and cemeteries	13,034
	<u>\$ 258,929</u>

NOTE 6 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2020 is as follows:

	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Current Year Portion
Bond payable	\$ 2,970,000	\$ -	\$ (235,000)	\$ 2,735,000	\$ 235,000
Bond premium payable	141,473	-	(10,882)	130,591	10,882
	<u>\$ 3,111,473</u>	<u>\$ -</u>	<u>\$ (245,882)</u>	<u>\$ 2,865,591</u>	<u>\$ 245,882</u>

The following is a description of the outstanding bond payable:

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

\$ 2,735,000

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 6 - LONG-TERM DEBT (CONTINUED)

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

	Bond payable		Bond premium payable		Total Debt Service
	Principal	Interest	Principal	Interest	
2021	\$ 235,000	\$ 80,363	\$ 10,882	\$ -	\$ 326,245
2022	235,000	70,963	10,882	-	316,845
2023	230,000	61,663	10,882	-	302,545
2024	230,000	54,188	10,882	-	295,070
2025	230,000	48,437	10,882	-	289,319
2026-2030	1,125,000	149,342	54,414	-	1,328,756
2031-2035	450,000	13,500	21,767	-	485,267
	<u>\$ 2,735,000</u>	<u>\$ 478,456</u>	<u>\$ 130,591</u>	<u>\$ -</u>	<u>\$ 3,344,047</u>

All bonds payable and notes from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2020 is as follows:

	Balance 7/1/19	Additions	Reductions	Balance 6/30/20	Current Year Portion
Accrued compensated absences	\$ 94,430	\$ -	\$ (19,602)	\$ 74,828	\$ 18,707
Net OPEB Liability	36,302	38,058	(1,389)	72,971	-
	<u>\$ 130,732</u>	<u>\$ 38,058</u>	<u>\$ (20,991)</u>	<u>\$ 147,799</u>	<u>\$ 18,707</u>

Refer to Notes 9 and 17 for more detailed information regarding other long-term obligations.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 8 - OPERATING LEASE

Leasing arrangements where the Town is the Lessor

The Town of Casco leases a facility at 942 Meadow Road to the United States Postal Service, the lessee, for its postal operations in Casco, Maine. This is a fifteen-year lease with three five-year renewal provisions. Rental income of \$27,736 was received in fiscal year 2020.

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 \$3,300 was received in fiscal year 2020.

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

NOTE 9 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term obligations in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2020, the Town's liability for compensated absences is \$74,828.

NOTE 10 - 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, 2020, the Town's share was approximately:

	Outstanding Debt	Town's Percentage	Amount
County of Cumberland	\$ 35,425,000	1.40%	\$ 497,252
MSAD #61	7,269,802	26.77%	1,946,126
			<u>\$ 2,443,378</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 11 - NONSPENDABLE FUND BALANCE

At June 30, 2020, the Town had the following nonspendable fund balance:

General fund:	
Tax acquired property	<u>\$ 15,291</u>

NOTE 12 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2020, the Town had the following restricted net position and restricted fund balances:

Nonmajor special revenue funds (Schedule E):	
DEP grant Tenney Hill reparations	\$ 39,774
LRAP	48,692
Public safety grant	11,058
Playground grant	728
Dam maintenance	1,050
Business showcase	180
Nonmajor capital projects funds (Schedule G)	
2017 Public improvement bond premium	104,613
Nonmajor permanent funds (Schedule I)	
Cemetery fund	4,400
Cyrus Mayberry road/school	9,500
	<u>\$ 219,995</u>

NOTE 13 - COMMITTED FUND BALANCES

At June 30, 2020, the Town had the following committed fund balances:

Nonmajor special revenue funds (Schedule E)	27,541
Nonmajor capital projects funds (Schedule G)	1,311,662
	<u>\$ 1,339,203</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 14 - ASSIGNED FUND BALANCES

At June 30, 2020, the Town had the following assigned fund balances:

General fund:	
Memorial Field Park/Rec Complex	\$ 311,160
Ambulance	305,000
Fire equipment	120,000
Road maintenance	157,724
Parks and recreation	28,610
Subtotal general fund	<u>922,494</u>
Nonmajor special revenue funds (Schedule E)	24,282
Nonmajor permanent funds (Schedule I)	74,188
	<u>\$ 1,020,964</u>

NOTE 15 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following expenditures that exceeded appropriations at June 30, 2020:

General government	\$ 23,478
Public safety	54,627
Health and sanitation	739
Debt service - interest	4,187
	<u>\$ 83,031</u>

NOTE 16 - DEFICIT FUND BALANCES

At June 30, 2020, the Town had the following deficit fund balances:

Nonmajor special revenue funds (Schedule E):	
Veterans' fund	\$ 936
Capital Project Funds (Schedule G):	
Memorial school	7,574
	<u>\$ 8,510</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

Employees Covered by Benefit Terms

At January 1, 2020, the following employees were covered by the benefit terms:

Active members	13
Retirees and spouses	-
Total	<u>13</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Contributions

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

Retiree Premium Amounts

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS A	\$1,271.07	\$2,851.22
<u>Medicare</u>		
Medicare-Eligible Retirees	\$589.25	\$1,178.50

Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2020, the Town reported a liability of \$72,971 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2020, the Town recognized OPEB expense of \$3,702. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 11,977	\$ 10,582
Changes of assumptions	18,072	3,019
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	249	-
Total	\$ 30,298	\$ 13,601

\$249 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2021	\$ 1,792
2022	1,792
2023	1,792
2024	1,793
2025	4,338
Thereafter	4,941

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2020. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 2.74% per annum for June 30, 2020 was based upon a measurement date of December 26, 2019. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.74%	2.74%	3.74%
Total OPEB liability	\$ 85,765	\$ 72,971	\$ 62,562
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 85,765</u>	<u>\$ 72,971</u>	<u>\$ 62,562</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 62,263	\$ 72,971	\$ 86,395
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 62,263</u>	<u>\$ 72,971</u>	<u>\$ 86,395</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2020, using the following methods and assumptions applied to all periods included in the measurement:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Actuarial Cost Method

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2019. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Amortization

The total OPEB liability of this Plan is amortized on an open 30-year period. The amortization method is a level dollar amortization method.

Assumptions

The actuarial assumptions used in the January 1, 2020 actuarial valuation was based on economic, demographic and claim and expense assumptions that resulted from actuarial studies conducted for the period of December 31, 2017 and December 31, 2018.

Significant actuarial assumptions employed by the actuary for economic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2020, they are as follows:

Discount Rate - 2.74% per annum for year end 2020 reporting. 4.10% per annum for 2019 year end reporting.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2020_b was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.00%
Rate of Growth in Real Income/GDP per capital 2029+	1.50%
Extra Trend due to Taste/Technology 2029+	1.20%
Expected Health Share of GDP 2029	20.00%
Health Share of GDP Resistance Point	25.00%
Year for Limiting Cost Growth to GDP Growth	2040

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group. The rate for the extra trend for taste and technology was set above the baseline of 1.1% (to 1.2%) to move closer to the 30-year average to reflect the future projections from the Centers for Medicare and Medicaid Services Office of the Actuary (CMS OACT). The Medicare Trustee Report and CBO Long-Term Budget Outlook.

The trends selected from 2020 to 2023 were based on plan design, population weighting, renewal projections and market analysis. For years 2024 to 2028, these are interpolated from 2023 to 2029 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, co-payments and out of pocket maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Significant actuarial assumptions employed by the actuary for demographic purposes are the assumptions that were adopted by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 and based on the experience study covering the period from June 30, 2012 through June 30, 2015. As of January 1, 2020, they are as follows:

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality - Based on 104% and 120% of the RP2014 Total Dataset Healthy Annuitant Mortality Table, respectively for males and females, using the RP2014 Total Dataset Employee Mortality Table for ages prior to the start of the Healthy Annuitant Mortality Table, both projected from the 2006 base rates using the RPEC _2015 model, with an ultimate rate of 0.85% for ages 20-85 grading down to an ultimate rate of 0.00% for ages 111-120 and convergence to the ultimate rate in the year 2020. These rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected.

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible.

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible.

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2020 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2020 was \$1,395.

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the June 30, 2017 and June 30, 2016 actuarial valuations were based primarily on those used by Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2016 which were based on the experience study covering the period from June 30, 2012 through June 30, 2015. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The amortization period was six years for 2018. For the fiscal year ended June 30, 2018, there were no changes in assumptions with the exception of the claim costs and retiree contributions being updated to reflect current healthcare costs.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 17 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Differences between Projected and Actual Earnings on OPEB Plan Investments

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at 635 Meadow Road, Casco, Maine 04015.

NOTE 18 - 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 Selectboard. 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 18 - DEFINED COMPENSATION PLAN (CONTINUED)

For both employee groups, match provisions of 3% 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 2020, 2019 and 2018 were \$58,557, \$69,374 and \$61,139, respectively.

NOTE 19 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2020.

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 19 - RISK MANAGEMENT (CONTINUED)

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 20 - 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 Selectboard of each municipality; two popularly elected citizens of each municipality and the respective Town Managers as ex-officio members. The Towns pay appropriate tipping fees for accepted waste delivered to the facilities and are financially responsible for each facilities operation. The Town of Casco pays the costs of wage and benefits for the employees who work at either the Lake Region Bulky Waste Facility (LRBWF) or Casco-Naples Transfer Station (CNTS). They are employees of the Town of Casco and subject to the personnel policies as the other employees. Casco is reimbursed 100% by the Town of Naples who acts as the fiscal agent. During fiscal 2020, the Town paid \$307,320 for wages and benefits and received the same. Complete financial statements for the LRBWF and CNTS are available at the office of each municipality.

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. Ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of Casco and twenty other member communities owns and controls the corporation. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced with the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in ecomaine. The Town of Casco has an owner membership of 1.48% in ecomaine as of June 30, 2020.

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 20 - JOINT VENTURES (CONTINUED)

the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2020, (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 \$227,747.

NOTE 21 - 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, 2020 may be impaired. In the opinion of the Town, there are no significant contingent liabilities relating to compliance with the rules and regulations; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position. established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 22 - IRREVOCABLE STAND-BY LETTERS OF CREDIT

At June 30, 2020, the Town of Casco has two outstanding irrevocable stand-by letters of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. These letters of credit, which expire at the close of business on September 28, 2020, authorizes one draw only up to the amount of \$5,000,000 and \$200,000 each. There were no draws for the year ended June 30, 2020.

NOTE 23 - 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 24 - RESTATEMENT

In 2020, the Town determined that certain transactions had been recorded incorrectly or omitted. Therefore, a restatement to the governmental activities net position, the fund financial statements general fund total fund balance and the capital projects fund - 2017 public improvement bond fund total fund balance was required. The capital asset balance was decreased by \$10,000 from \$9,323,515 to \$9,313,515. The general fund total fund balance increased by \$38,651, from \$3,697,131 to \$3,735,781, while the 2017 public improvement bond fund total fund balance decreased by \$38,651, from \$752,177 to \$713,526.

The resulting net restatements decreased net position by \$10,000 from \$7,833,471 to \$7,823,471.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental 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
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

TOWN OF CASCO, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2020

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance - July 1, Restated	\$ 3,735,782	\$ 3,735,782	\$ 3,735,782	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	9,400,471	9,400,471	9,443,643	43,172
Excise taxes	778,000	778,000	789,673	11,673
Intergovernmental revenues	576,987	576,987	546,499	(30,488)
Charges for services	222,785	222,785	476,109	253,324
Interest income	57,000	57,000	56,160	(840)
Other revenue	71,730	71,730	140,288	68,558
Amounts Available for Appropriation	<u>14,842,755</u>	<u>14,842,755</u>	<u>15,188,154</u>	<u>345,399</u>
Charges to Appropriations (Outflows):				
General government	1,164,868	1,164,868	1,188,346	(23,478)
Public safety	992,117	992,117	1,046,744	(54,627)
Health and sanitation	285,046	285,046	285,785	(739)
Public works	867,770	867,770	576,018	291,752
Social services	42,200	42,200	24,647	17,553
Parks, recreation and cemeteries	102,525	102,525	74,122	28,403
County tax	466,125	466,125	466,125	-
Education	6,545,475	6,545,475	6,545,475	-
Unclassified	280,272	280,272	224,430	55,842
Debt service:				
Principal	235,000	235,000	235,000	-
Interest	85,575	85,575	89,762	(4,187)
Transfers to other funds	40,000	752,073	752,073	-
Total Charges to Appropriations	<u>11,106,973</u>	<u>11,819,046</u>	<u>11,508,527</u>	<u>310,519</u>
Budgetary Fund Balance - June 30	<u>\$ 3,735,782</u>	<u>\$ 3,023,709</u>	<u>\$ 3,679,627</u>	<u>\$ 655,918</u>
Utilization of unassigned fund balance	<u>\$ -</u>	<u>\$ 712,073</u>	<u>\$ -</u>	<u>\$ (712,073)</u>

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

TOWN OF CASCO, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2020

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
	<u> </u>	<u> </u>	<u> </u>
Balances at 1/1/19 (Reporting December 31, 2019)	\$ 36,302	\$ -	\$ 36,302
Changes for the year:			
Service cost	1,906	-	1,906
Interest	1,565	-	1,565
Changes of benefits	(1,309)	-	(1,309)
Differences between expected and actual experience	13,973	-	13,973
Changes of assumptions	20,614	-	20,614
Contributions - employer	-	80	(80)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(80)	(80)	-
Administrative expense	-	-	-
Net changes	<u>36,669</u>	<u>-</u>	<u>36,669</u>
Balances at 1/1/20 (Reporting December 31, 2020)	<u>\$ 72,971</u>	<u>\$ -</u>	<u>\$ 72,971</u>

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

TOWN OF CASCO, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2020	2019	2018
<u>Total OPEB liability</u>			
Service cost (BOY)	1,906	2,176	2,802
Interest (includes interest on service cost)	1,565	1,349	2,013
Changes of benefit terms	(1,309)	-	-
Differences between expected and actual experience	13,973	-	(18,520)
Changes of assumptions	20,614	(4,227)	706
Benefit payments, including refunds of member contributions	(80)	(77)	(749)
Net change in total OPEB liability	\$ 36,669	\$ (779)	\$ (13,748)
Total OPEB liability - beginning	\$ 36,302	\$ 37,081	\$ 50,829
Total OPEB liability - ending	\$ 72,971	\$ 36,302	\$ 37,081
<u>Plan fiduciary net position</u>			
Contributions - employer	80	77	749
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments, including refunds of member contributions	(80)	(77)	(749)
Administrative expense	-	-	-
Net change in fiduciary net position	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 72,971	\$ 36,302	\$ 37,081
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered payroll	\$ 570,619	\$ 307,247	\$ 307,247
Net OPEB liability as a percentage of covered payroll	12.8%	11.8%	12.1%

* The amounts presented for each fiscal year are for those years for which information is available.

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

TOWN OF CASCO, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>MMEHT:</u>			
Employer contributions	\$ 80	\$ 77	\$ 749
Benefit payments	(80)	(77)	(749)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 570,619	\$ 307,247	\$ 307,247
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

* The amounts presented for each fiscal year are for those years for which information is available.

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

TOWN OF CASCO, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2020

Changes of Assumptions

MMEHT OPEB Plan:

There was a change in the discount rate from 4.10% to 2.74% per GASB 75 discount rate selection. The repeal of the "Cadillac Tax" was reflected in this valuation by removing the previously planned excise tax.

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 Governmental 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, 2020

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 9,400,471	\$ 9,400,471	\$ 9,443,643	\$ 43,172
Auto excise	760,000	760,000	770,026	10,026
Boat excise	18,000	18,000	19,647	1,647
Intergovernmental revenues:				
State revenue sharing	221,388	221,388	248,724	27,336
Homestead reimbursement	155,692	155,692	155,692	-
LRAP	51,260	51,260	51,260	-
BETE	28,947	28,947	29,009	62
Other	119,700	119,700	61,814	(57,886)
Charges for services:				
Building permits	30,000	30,000	41,701	11,701
Plumbing permits	8,940	8,940	13,033	4,093
Other licenses and permits	7,775	7,775	16,148	8,373
Motor vehicle agent fees	12,000	12,000	14,777	2,777
Dog agent fees	1,150	1,150	1,397	247
Administration	-	-	118	118
Public safety	150,000	150,000	367,842	217,842
Parks and recreation	12,920	12,920	21,093	8,173
Interest income:				
Bank interest	45,000	45,000	41,488	(3,512)
Tax/lien interest	12,000	12,000	14,672	2,672
Miscellaneous revenues:				
Building rentals	29,930	29,930	33,780	3,850
Franchise fee	31,000	31,000	33,915	2,915
Proceeds-sale of assets	-	-	35,000	35,000
Misc. other	10,800	10,800	37,593	26,793
Amounts Available for Appropriation	<u>\$ 11,106,973</u>	<u>\$ 11,106,973</u>	<u>\$ 11,452,372</u>	<u>\$ 345,399</u>

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

SCHEDULE B

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Operations	\$ 154,500	\$ -	\$ 154,500	\$ 131,463	\$ 23,037
Salaries	533,958	-	533,958	534,610	(652)
Contingency	50,000	-	50,000	33,691	16,309
Insurance	193,500	-	193,500	260,399	(66,899)
Legal fees	20,000	-	20,000	39,408	(19,408)
Assessing	71,500	-	71,500	57,716	13,784
Planning/appeals	21,705	-	21,705	22,220	(515)
Retirement	119,705	-	119,705	108,839	10,866
Totals	1,164,868	-	1,164,868	1,188,346	(23,478)
PUBLIC SAFETY					
Fire department	941,563	-	941,563	986,672	(45,109)
Emergency management	8,021	-	8,021	3,346	4,675
Animal control	31,518	-	31,518	46,645	(15,127)
Life flight	935	-	935	935	-
Street lights	10,080	-	10,080	9,146	934
Totals	992,117	-	992,117	1,046,744	(54,627)
HEALTH AND SANITATION					
Casco-Naples Transfer Station	285,046	-	285,046	285,785	(739)
Totals	285,046	-	285,046	285,785	(739)

SCHEDULE B (CONTINUED)

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
PUBLIC WORKS					
Road maintenance	238,000	-	238,000	124,699	113,301
Winter roads	477,170	-	477,170	450,719	26,451
Paving	150,000	-	150,000	-	150,000
Private road maintenance	2,600	-	2,600	600	2,000
Totals	867,770	-	867,770	576,018	291,752
SOCIAL SERVICES					
General assistance	25,000	-	25,000	7,447	17,553
Home Health Visiting Nurses	4,000	-	4,000	4,000	-
VNA Home Health	500	-	500	500	-
Family Crisis	1,100	-	1,100	1,100	-
Tri-County Counseling Service	2,500	-	2,500	2,500	-
Opportunity	5,000	-	5,000	5,000	-
Meal site	3,700	-	3,700	3,700	-
Memorial Day	400	-	400	400	-
Totals	42,200	-	42,200	24,647	17,553
PARKS, RECREATION AND CEMETERIES					
	102,525	-	102,525	74,122	28,403
DEBT SERVICE					
Principal	235,000	-	235,000	235,000	-
Interest	85,575	-	85,575	89,762	(4,187)
Totals	320,575	-	320,575	324,762	(4,187)
COUNTY TAX					
	466,125	-	466,125	466,125	-
EDUCATION					
	6,545,475	-	6,545,475	6,545,475	-

SCHEDULE B (CONTINUED)

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
UNCLASSIFIED					
GP Council of Governments	7,484	-	7,484	9,339	(1,855)
Maine Municipal Association	5,696	-	5,696	5,864	(168)
Building maintenance	20,000	-	20,000	27,046	(7,046)
Library	68,773	-	68,773	68,773	-
LEA milfoil project	5,000	-	5,000	5,000	-
Pleasant Lk/Parker Pd Assoc	4,000	-	4,000	5,598	(1,598)
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	-
Lake Region Television	3,000	-	3,000	-	3,000
Bridgton LR Chamber of Comm.	1,250	-	1,250	1,250	-
Website	5,700	-	5,700	5,460	240
GIS	3,000	-	3,000	5,195	(2,195)
Lake monitoring program	1,500	-	1,500	1,500	-
Broadcasting	24,200	-	24,200	23,925	275
RTP - Lake Region bus service	8,500	-	8,500	6,375	2,125
Crooked River Snowmobile Club	1,500	-	1,500	-	1,500
Dangerous building	-	-	-	843	(843)
Overlay	115,369	-	115,369	52,962	62,407
Totals	<u>280,272</u>	<u>-</u>	<u>280,272</u>	<u>224,430</u>	<u>55,842</u>
TRANSFERS TO OTHER FUNDS					
Capital projects funds	40,000	712,073	752,073	752,073	-
Totals	<u>40,000</u>	<u>712,073</u>	<u>752,073</u>	<u>752,073</u>	<u>-</u>
TOTAL DEPARTMENTAL OPERATIONS	<u>\$ 11,106,973</u>	<u>\$ 712,073</u>	<u>\$ 11,819,046</u>	<u>\$ 11,508,527</u>	<u>\$ 310,519</u>

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

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Cash and cash equivalents	\$ 2,139	\$ 101,353	\$ 82,799	\$ 186,291
Due from other funds	153,305	1,317,703	5,289	1,476,297
TOTAL ASSETS	<u>\$ 155,444</u>	<u>\$ 1,419,056</u>	<u>\$ 88,088</u>	<u>\$ 1,662,588</u>
LIABILITIES				
Due to other funds	\$ 3,075	\$ 10,355	-	\$ 13,430
TOTAL LIABILITIES	<u>3,075</u>	<u>10,355</u>	<u>-</u>	<u>13,430</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	101,482	104,613	13,900	219,995
Committed	27,541	1,311,662	-	1,339,203
Assigned	24,282	-	74,188	98,470
Unassigned	(936)	(7,574)	-	(8,510)
TOTAL FUND BALANCES	<u>152,369</u>	<u>1,408,701</u>	<u>88,088</u>	<u>1,649,158</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 155,444</u>	<u>\$ 1,419,056</u>	<u>\$ 88,088</u>	<u>\$ 1,662,588</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, 2020

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 125,714	\$ -	\$ -	\$ 125,714
Interest income	5	1,493	199	1,697
Other income	4,835	40,906	-	45,741
TOTAL REVENUES	<u>130,554</u>	<u>42,399</u>	<u>199</u>	<u>173,152</u>
EXPENDITURES				
Capital outlay	131,338	1,006,192	-	1,137,530
Other	247	-	-	247
TOTAL EXPENDITURES	<u>131,585</u>	<u>1,006,192</u>	<u>-</u>	<u>1,137,777</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,031)</u>	<u>(963,793)</u>	<u>199</u>	<u>(964,625)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,465,599	-	1,465,599
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,465,599</u>	<u>-</u>	<u>1,465,599</u>
NET CHANGE IN FUND BALANCES	(1,031)	501,806	199	500,974
FUND BALANCES - JULY 1	<u>153,400</u>	<u>906,895</u>	<u>87,889</u>	<u>1,148,184</u>
FUND BALANCES - JUNE 30	<u>\$ 152,369</u>	<u>\$ 1,408,701</u>	<u>\$ 88,088</u>	<u>\$ 1,649,158</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.

SCHEDULE E

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2020

	DEP Grant Tenney Hill Reparations	Recreation Pickleball	LRAP	Firefighter Fund	CFD Grant	MEMA Disaster Grant	Timber Harvester	Wilma Avery Fund	Recreation Donation
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	39,774	15,329	48,692	3,357	4,369	12,283	10,773	65	5,334
TOTAL ASSETS	\$ 39,774	\$ 15,329	\$ 48,692	\$ 3,357	\$ 4,369	\$ 12,283	\$ 10,773	\$ 65	\$ 5,334
LIABILITIES									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	39,774	-	48,692	-	-	-	-	-	-
Committed	-	-	-	-	4,369	12,283	10,773	-	-
Assigned	-	15,329	-	3,357	-	-	-	65	5,334
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	39,774	15,329	48,692	3,357	4,369	12,283	10,773	65	5,334
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 39,774	\$ 15,329	\$ 48,692	\$ 3,357	\$ 4,369	\$ 12,283	\$ 10,773	\$ 65	\$ 5,334

SCHEDULE E (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2020

	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Dam Maintenance	Business Showcase	Total
ASSETS								
Cash and cash equivalents	\$ 2,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,139
Due from other funds	-	116	197	11,058	728	1,050	180	153,305
TOTAL ASSETS	\$ 2,139	\$ 116	\$ 197	\$ 11,058	\$ 728	\$ 1,050	\$ 180	\$ 155,444
LIABILITIES								
Due to other funds	\$ 3,075	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,075
TOTAL LIABILITIES	3,075	-	-	-	-	-	-	3,075
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	11,058	728	1,050	180	101,482
Committed	-	116	-	-	-	-	-	27,541
Assigned	-	-	197	-	-	-	-	24,282
Unassigned	(936)	-	-	-	-	-	-	(936)
TOTAL FUND BALANCES (DEFICITS)	(936)	116	197	11,058	728	1,050	180	152,369
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 2,139	\$ 116	\$ 197	\$ 11,058	\$ 728	\$ 1,050	\$ 180	\$ 155,444

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, 2020

	DEP Grant Tenney Hill Reparations	Recreation Pickleball	LRAP	Firefighter Fund	CFD Grant	MEMA Disaster Grant	Timber Harvester	Wilma Avery Fund	Recreation Donation
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 125,714	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-	-	-	-
Other income	-	4,135	-	-	-	-	-	-	-
TOTAL REVENUES	-	4,135	-	-	125,714	-	-	-	-
EXPENDITURES									
Capital outlay	-	-	-	-	131,338	-	-	-	-
Other	-	234	-	-	-	-	-	-	13
TOTAL EXPENDITURES	-	234	-	-	131,338	-	-	-	13
NET CHANGE IN FUND BALANCES (DEFICITS)	-	3,901	-	-	(5,624)	-	-	-	(13)
FUND BALANCES (DEFICITS) - JULY 1	39,774	11,428	48,692	3,357	9,993	12,283	10,773	65	5,347
FUND BALANCES (DEFICITS) - JUNE 30	\$ 39,774	\$ 15,329	\$ 48,692	\$ 3,357	\$ 4,369	\$ 12,283	\$ 10,773	\$ 65	\$ 5,334

SCHEDULE F (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Dam Maintenance	Business Showcase	Total
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 125,714
Interest income	5	-	-	-	-	-	-	5
Other income	-	-	-	-	-	700	-	4,835
TOTAL REVENUES	5	-	-	-	-	700	-	130,554
EXPENDITURES								
Capital outlay	-	-	-	-	-	-	-	131,338
Other	-	-	-	-	-	-	-	247
TOTAL EXPENDITURES	-	-	-	-	-	-	-	131,585
NET CHANGE IN FUND BALANCES (DEFICITS)	5	-	-	-	-	700	-	(1,031)
FUND BALANCES (DEFICITS) - JULY 1	(941)	116	197	11,058	728	350	180	153,400
FUND BALANCES (DEFICITS) - JUNE 30	\$ (936)	\$ 116	\$ 197	\$ 11,058	\$ 728	\$ 1,050	\$ 180	\$ 152,369

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, 2020

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Public Safety Building	Purchase Jackson Property
ASSETS					
Cash and cash equivalents	\$ 56,410	\$ 3,800	\$ 41,143	\$ -	\$ -
Due from other funds	3,092	-	99,000	92,430	2,979
TOTAL ASSETS	\$ 59,502	\$ 3,800	\$ 140,143	\$ 92,430	\$ 2,979
LIABILITIES					
Due to other funds	\$ -	\$ 2,781	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	2,781	-	-	-
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	59,502	1,019	140,143	92,430	2,979
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	59,502	1,019	140,143	92,430	2,979
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 59,502	\$ 3,800	\$ 140,143	\$ 92,430	\$ 2,979

SCHEDULE G (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Capital Improvements	Tax Equalization	Fire Equipment	Community Center	Grange Hall	Municipal Offices
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	15,772	113,837	222,040	1,682	15,000	7,163
TOTAL ASSETS	\$ 15,772	\$ 113,837	\$ 222,040	\$ 1,682	\$ 15,000	\$ 7,163
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	15,772	113,837	222,040	1,682	15,000	7,163
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	15,772	113,837	222,040	1,682	15,000	7,163
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 15,772	\$ 113,837	\$ 222,040	\$ 1,682	\$ 15,000	\$ 7,163

SCHEDULE G (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - CAPITAL PROJECTS FUNDS
JUNE 30, 2020

	Road Improvements	Memorial School	Casco Memorial Project	2017 Public Improvement Bond Premium	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 101,353
Due from other funds	640,095	-	-	104,613	1,317,703
TOTAL ASSETS	\$ 640,095	\$ -	\$ -	\$ 104,613	\$ 1,419,056
LIABILITIES					
Due to other funds	\$ -	\$ 7,574	\$ -	\$ -	\$ 10,355
TOTAL LIABILITIES	-	7,574	-	-	10,355
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	104,613	104,613
Committed	640,095	-	-	-	1,311,662
Assigned	-	-	-	-	-
Unassigned	-	(7,574)	-	-	(7,574)
TOTAL FUND BALANCES (DEFICITS)	640,095	(7,574)	-	104,613	1,408,701
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 640,095	\$ -	\$ -	\$ 104,613	\$ 1,419,056

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, 2020

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Public Safety Building	Purchase Jackson Property
REVENUES					
Interest income	\$ 135	\$ 9	\$ 99	\$ 1,250	\$ -
Other income	-	100	-	-	-
TOTAL REVENUES	<u>135</u>	<u>109</u>	<u>99</u>	<u>1,250</u>	<u>-</u>
EXPENDITURES					
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>135</u>	<u>109</u>	<u>99</u>	<u>1,250</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	40,000	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	135	109	99	41,250	-
FUND BALANCES (DEFICITS) - JULY 1	<u>59,367</u>	<u>910</u>	<u>140,044</u>	<u>51,180</u>	<u>2,979</u>
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 59,502</u>	<u>\$ 1,019</u>	<u>\$ 140,143</u>	<u>\$ 92,430</u>	<u>\$ 2,979</u>

SCHEDULE H (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Public Safety Building	Purchase Jackson Property
REVENUES					
Interest income	\$ 135	\$ 9	\$ 99	\$ 1,250	\$ -
Other income	-	100	-	-	-
TOTAL REVENUES	135	109	99	1,250	-
EXPENDITURES					
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	135	109	99	1,250	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	40,000	-
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	40,000	-
NET CHANGE IN FUND BALANCES (DEFICITS)	135	109	99	41,250	-
FUND BALANCES (DEFICITS) - JULY 1	59,367	910	140,044	51,180	2,979
FUND BALANCES (DEFICITS) - JUNE 30	\$ 59,502	\$ 1,019	\$ 140,143	\$ 92,430	\$ 2,979

SCHEDULE H (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Road Improvements	Memorial School	Casco Memorial Project	2017 Public Improvement Bond Premium	Total
REVENUES					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ 1,493
Other income	-	-	26,806	-	40,906
TOTAL REVENUES	-	-	26,806	-	42,399
EXPENDITURES					
Capital outlay	715,546	-	290,646	-	1,006,192
TOTAL EXPENDITURES	715,546	-	290,646	-	1,006,192
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(715,546)	-	(263,840)	-	(963,793)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,100,317	-	263,840	-	1,465,599
Transfers (out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	1,100,317	-	263,840	-	1,465,599
NET CHANGE IN FUND BALANCES (DEFICITS)	384,771	-	-	-	501,806
FUND BALANCES (DEFICITS) - JULY 1	255,324	(7,574)	-	104,613	906,895
FUND BALANCES (DEFICITS) - JUNE 30	\$ 640,095	\$ (7,574)	\$ -	\$ 104,613	\$ 1,408,701

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, 2020

	Cemetery Fund	Cyrus Mayberry Road/School	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 19,569	\$ 63,230	\$ 82,799
Due from other funds	5,288	1	5,289
TOTAL ASSETS	<u>\$ 24,857</u>	<u>\$ 63,231</u>	<u>\$ 88,088</u>
LIABILITIES			
Due to others funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	4,400	9,500	13,900
Committed	-	-	-
Assigned	20,457	53,731	74,188
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>24,857</u>	<u>63,231</u>	<u>88,088</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,857</u>	<u>\$ 63,231</u>	<u>\$ 88,088</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, 2020

	Cemetery Fund	Cyrus Mayberry Road/School	Total
REVENUES			
Interest income	\$ 47	\$ 152	\$ 199
TOTAL REVENUES	<u>47</u>	<u>152</u>	<u>199</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	47	152	199
FUND BALANCES - JULY 1	<u>24,810</u>	<u>63,079</u>	<u>87,889</u>
FUND BALANCES - JUNE 30	<u>\$ 24,857</u>	<u>\$ 63,231</u>	<u>\$ 88,088</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, 2020

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Machinery, Equipment and Vehicles	Infrastructure	Total
General Government	\$ -	\$ 883,031	\$ 188,999	\$ -	\$ 1,072,030
Public Safety	-	408,049	2,928,792	840,017	4,176,858
Public Works	-	146,900	41,477	2,119,211	2,307,588
Waste Management	-	820,000	130,000	-	950,000
Parks, Recreation and Cemeteries	1,066,557	576,349	-	-	1,642,906
Total General Capital Assets	1,066,557	2,834,329	3,289,268	2,959,228	10,149,382
Less: Accumulated Depreciation	-	(1,275,675)	(2,772,426)	(235,902)	(4,284,003)
Net General Capital Assets	<u>\$ 1,066,557</u>	<u>\$ 1,558,654</u>	<u>\$ 516,842</u>	<u>\$ 2,723,326</u>	<u>\$ 5,865,379</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, 2020

	General Capital Assets 7/1/19 (Restated)	Additions	Deletions	General Capital Assets 6/30/20
General Government	\$ 1,072,030	\$ -	\$ -	\$ 1,072,030
Public Safety	4,280,059	46,799	(150,000)	4,176,858
Public Works	1,592,255	715,333	-	2,307,588
Waste Management	950,000	-	-	950,000
Parks, Recreation and Cemeteries	1,419,171	223,735	-	1,642,906
Total General Capital Assets	9,313,515	985,867	(150,000)	10,149,382
Less: Accumulated Depreciation	(4,175,074)	(258,929)	150,000	(4,284,003)
Net General Capital Assets	<u>\$ 5,138,441</u>	<u>\$ 726,938</u>	<u>\$ -</u>	<u>\$ 5,865,379</u>

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



Proven Expertise & 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

Selectboard
Town of Casco
Casco, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Town of Casco, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise Town of Casco, Maine's basic financial statements and have issued our report thereon dated May 19, 2021.

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, Maine's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Casco, Maine in a separate letter dated April 26, 2021.

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.

RHR Smith & Company

Buxton, Maine
May 19, 2021