

Audited Financial Statements and
Other Financial Information

Town of Casco, Maine

June 30, 2022



Proven Expertise & Integrity

TOWN OF CASCO, MAINE

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JUNE 30, 2022

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INDEPENDENT AUDITOR'S REPORT

Selectboard
Town of Casco
Casco, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Casco, Maine, as of and for the year ended June 30, 2022 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.

In our opinion, the accompanying 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, 2022 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Casco, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for 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.

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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Casco, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit 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 Town of Casco, Maine's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Casco, Maine's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

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 5 through 12 and 52 through 56 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Casco, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 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 June 5, 2023, on our consideration of the 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 grants agreements and other matters. The purpose of that report is solely 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 effectiveness of the Town of Casco, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Casco, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
June 5, 2023

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

(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, 2022. 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, parks, recreation and cemeteries, education, CEO, planning board and zoning board 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 are categorized as governmental funds.

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

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental 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 two columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major fund is the general fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, 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 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 \$1,518,468 from \$9,519,428 to \$11,037,896.

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 \$6,228,923 at the end of this year.

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

	2022	2021
Assets:		
Current Assets	\$ 6,907,040	\$ 6,147,635
Noncurrent Assets - Capital Assets	6,780,704	6,234,138
Total Assets	<u>13,687,744</u>	<u>12,381,773</u>
Deferred Outflows of Resources:		
Deferred Outflows Related to OPEB	24,347	30,203
Total Deferred Outflows of Resources	<u>24,347</u>	<u>30,203</u>
Liabilities:		
Current Liabilities	393,756	340,738
Noncurrent Liabilities	2,241,883	2,534,097
Total Liabilities	<u>2,635,639</u>	<u>2,874,835</u>
Deferred Inflows of Resources:		
Prepaid Taxes	11,073	7,362
Deferred Inflows Related to OPEB	27,483	10,351
Total Deferred Inflows of Resources	<u>38,556</u>	<u>17,713</u>
Net Position:		
Net Investment in Capital Assets	4,406,877	3,614,429
Restricted:		
Capital Projects Funds	-	262,337
Special Revenue Funds	388,196	99,803
Permanent Funds	13,900	13,900
Unrestricted	6,228,923	5,528,959
Total Net Position	<u>\$ 11,037,896</u>	<u>\$ 9,519,428</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 7.19%, while total expenses increased by 3.25%. All revenue categories increased except for charges for services. The largest increase in expenses was in public safety.

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

	2022	2021
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 692,883	\$ 694,104
Operating grants and contributions	51,864	47,896
<i>General Revenues:</i>		
Taxes	10,685,195	10,536,234
Grants and contributions not restricted to specific programs	1,221,432	665,062
Miscellaneous	408,775	240,994
Total Revenues	<u>13,060,149</u>	<u>12,184,290</u>
Expenses		
General government	819,638	879,065
Public safety	1,325,849	912,752
Health and sanitation	724,122	661,595
Public works	884,282	679,882
Parks, recreation and cemeteries	192,406	44,240
County tax	485,535	472,237
Education	6,493,390	6,639,062
CEO, planning board and zoning board	189,468	132,521
Unclassified	339,826	646,714
Overlay	16,202	29,676
Interest on long-term debt	70,963	80,362
Total Expenses	<u>11,541,681</u>	<u>11,178,106</u>
Change in Net Position	1,518,468	1,006,184
Net Position - July 1	<u>9,519,428</u>	<u>8,513,244</u>
Net Position - June 30	<u><u>\$ 11,037,896</u></u>	<u><u>\$ 9,519,428</u></u>

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

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

	<u>2022</u>	<u>2021</u>	<u>Increase/ (Decrease)</u>
Major Funds:			
General Fund:			
Nonspendable	\$ 24,338	\$ 24,338	\$ -
Assigned	568,025	616,160	(48,135)
Unassigned	4,022,988	3,227,514	795,474
Total Major Funds	<u>4,615,351</u>	<u>3,868,012</u>	<u>747,339</u>
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 388,196	\$ 99,803	\$ 288,393
Committed	10,899	27,541	(16,642)
Assigned	21,745	24,282	(2,537)
Unassigned	(929)	(932)	3
Capital Projects Funds:			
Restricted	-	262,337	(262,337)
Committed	1,378,173	1,466,480	(88,307)
Unassigned	(7,574)	(7,574)	-
Permanent Funds:			
Restricted	13,900	13,900	-
Assigned	74,310	74,310	-
Total Nonmajor Funds	<u>\$ 1,878,720</u>	<u>\$ 1,960,147</u>	<u>\$ (81,427)</u>

The changes to total fund balances for the general 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 applied receipts, assigned fund balance and unassigned fund balance.

The general fund's actual revenues exceeded budgeted amounts by \$563,741. This was the result of all revenue categories being receipted in excess of budgeted amounts except for property taxes and interest income.

The general fund's actual expenditures were under budget by \$529,758. All expenditure categories were within or under budget with the exception of public safety and health and sanitation.

Capital Asset and Long-Term Debt Activity

Capital Assets

As of June 30, 2022, the Town's capital assets increased by \$546,566. This increase was due to current year additions of \$879,211 less depreciation expense of \$332,645. 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,

	2022	2021
Land	\$ 656,021	\$ 656,021
Construction in progress	558,088	678,321
Buildings and improvements	2,295,797	1,525,109
Vehicles and equipment	767,530	758,083
Infrastructure	2,503,268	2,616,604
Total	<u>\$ 6,780,704</u>	<u>\$ 6,234,138</u>

Debt

At June 30, 2022, the Town had \$2,373,827 in a bond and bond premium payable versus \$2,619,709 in the prior fiscal year. Refer to Note 6 of the Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

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

Contacting the Town's Financial Management

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

STATEMENT A

TOWN OF CASCO, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 6,412,058
Accounts receivable (net of allowance for uncollectibles):	
Taxes	295,446
Liens	88,120
Other	55,150
Due from other governments	31,928
Prepaid items	9,047
Tax acquired property	15,291
Total current assets	<u>6,907,040</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	1,214,109
Assets being depreciated, net of accumulated depreciation	5,566,595
Total noncurrent assets	<u>6,780,704</u>
TOTAL ASSETS	<u>13,687,744</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to OPEB	24,347
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>24,347</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 13,712,091</u></u>

STATEMENT A (CONTINUED)

TOWN OF CASCO, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Governmental Activities</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 133,771
Accrued liabilities	6,317
Due to other governments	1,699
Current portion of long-term obligations	251,969
Total current liabilities	<u>393,756</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	2,035,000
Bond premium payable	97,945
Accrued compensated absences	33,260
Net OPEB liability	75,678
Total noncurrent liabilities	<u>2,241,883</u>
TOTAL LIABILITIES	<u>2,635,639</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	11,073
Deferred inflows related to OPEB	27,483
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>38,556</u>
NET POSITION	
Net investment in capital assets	4,406,877
Restricted: Special revenue funds	388,196
Permanent funds	13,900
Unrestricted	6,228,923
TOTAL NET POSITION	<u>11,037,896</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 13,712,091</u>

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

STATEMENT B

TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

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
Governmental activities:					
General government	\$ 819,638	\$ 99,475	\$ -	\$ -	\$ (720,163)
Public safety	1,325,849	551,372	-	-	(774,477)
Health and sanitation	724,122	-	-	-	(724,122)
Public works	884,282	-	51,864	-	(832,418)
Parks, recreation and cemeteries	192,406	42,036	-	-	(150,370)
County tax	485,535	-	-	-	(485,535)
Education	6,493,390	-	-	-	(6,493,390)
CEO, planning board and zoning board	189,468	-	-	-	(189,468)
Unclassified	339,826	-	-	-	(339,826)
Overlay	16,202	-	-	-	(16,202)
Interest on long-term debt	70,963	-	-	-	(70,963)
Total government	<u>\$ 11,541,681</u>	<u>\$ 692,883</u>	<u>\$ 51,864</u>	<u>\$ -</u>	<u>(10,796,934)</u>

STATEMENT B (CONTINUED)

TOWN OF CASCO, MAINE

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(10,796,934)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	9,734,493
Excise taxes	950,702
Grants and contributions not restricted to specific programs	1,221,432
Miscellaneous	408,775
Total general revenues	<u>12,315,402</u>
Change in net position	1,518,468
NET POSITION - JULY 1	<u>9,519,428</u>
NET POSITION - JUNE 30	<u><u>\$ 11,037,896</u></u>

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

TOWN OF CASCO, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 6,225,491	\$ 186,567	\$ 6,412,058
Accounts receivable (net of allowance for uncollectibles):			
Taxes	295,446	-	295,446
Liens	88,120	-	88,120
Other	55,150	-	55,150
Due from other governments	31,928	-	31,928
Prepaid items	9,047	-	9,047
Tax acquired property	15,291	-	15,291
Due from other funds	-	1,705,580	1,705,580
TOTAL ASSETS	\$ 6,720,473	\$ 1,892,147	\$ 8,612,620
LIABILITIES			
Accounts payable	\$ 133,771	\$ -	\$ 133,771
Accrued liabilities	6,317	-	6,317
Due to other governments	1,699	-	1,699
Due to other funds	1,692,153	13,427	1,705,580
TOTAL LIABILITIES	1,833,940	13,427	1,847,367
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	11,073	-	11,073
Deferred property tax	260,109	-	260,109
TOTAL DEFERRED INFLOWS OF RESOURCES	271,182	-	271,182
FUND BALANCES			
Nonspendable	24,338	-	24,338
Restricted	-	402,096	402,096
Committed	-	1,389,072	1,389,072
Assigned	568,025	96,055	664,080
Unassigned	4,022,988	(8,503)	4,014,485
TOTAL FUND BALANCES	4,615,351	1,878,720	6,494,071
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 6,720,473	\$ 1,892,147	\$ 8,612,620

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

TOWN OF CASCO, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

	Total Governmental Funds
Total Fund Balances	\$ 6,494,071
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	6,780,704
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	260,109
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	24,347
Deferred inflows of resources related to OPEB are not financial resources and therefore are not reported in the funds	(27,483)
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(2,265,000)
Bond premium payable	(108,827)
Accrued compensated absences	(44,347)
Net OPEB liability	(75,678)
Net position of governmental activities	<u>\$ 11,037,896</u>

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

STATEMENT E

TOWN OF CASCO, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property taxes	\$ 9,715,609	\$ -	\$ 9,715,609
Excise taxes	950,702	-	950,702
Intergovernmental revenues	827,437	445,859	1,273,296
Interest income	40,907	3	40,910
Charges for services	692,883	-	692,883
Miscellaneous	367,865	-	367,865
TOTAL REVENUES	<u>12,595,403</u>	<u>445,862</u>	<u>13,041,265</u>
EXPENDITURES			
Current:			
General government	865,636	-	865,636
Public safety	1,169,388	-	1,169,388
Health and sanitation	703,622	-	703,622
Public works	1,108,983	-	1,108,983
Parks, recreation and cemeteries	332,120	-	332,120
County tax	485,535	-	485,535
Education	6,493,390	-	6,493,390
CEO, planning board and zoning board	189,468	-	189,468
Unclassified	177,757	162,069	339,826
Overlay	16,202	-	16,202
Capital outlay	-	365,220	365,220
Debt service:			
Principal	235,000	-	235,000
Interest	70,963	-	70,963
TOTAL EXPENDITURES	<u>11,848,064</u>	<u>527,289</u>	<u>12,375,353</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>747,339</u>	<u>(81,427)</u>	<u>665,912</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	15,000	15,000
Transfers (out)	-	(15,000)	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	747,339	(81,427)	665,912
FUND BALANCES - JULY 1	<u>3,868,012</u>	<u>1,960,147</u>	<u>5,828,159</u>
FUND BALANCES - JUNE 30	<u>\$ 4,615,351</u>	<u>\$ 1,878,720</u>	<u>\$ 6,494,071</u>

See accompanying independent auditor's 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, 2022

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 665,912</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	879,211
Depreciation expense	<u>(332,645)</u>
	<u>546,566</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>(5,856)</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>18,884</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>(17,132)</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	51,519
Net OPEB liability	<u>12,693</u>
	<u>75,094</u>
Change in net position of governmental activities (Statement B)	<u>\$ 1,518,468</u>

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, parks, recreation and cemeteries, education, CEO, planning board and zoning board and unclassified.

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

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

Implementation of New Accounting Standards

During the year ended June 30, 2022, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 87 "Leases". The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial*

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 91 "Conduit Debt Obligations". The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 92 "Omnibus 2020". The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 93 "Replacement of Interbank Offered Rates (paragraphs 13-14)". The primary objectives of paragraphs 13-14 concern provisions of lease contracts that are amended while the contract is in effect. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 97 "*Certain Component Unit Criteria and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*". The primary objectives of this Statement are to (1) 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; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

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

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

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 Fund

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Nonmajor Funds

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

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 deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

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

Receivables

Receivables include amounts due from governmental agencies and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2022. Accounts receivable netted with allowances for uncollectible accounts were \$87,078 for the year ended June 30, 2022.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 government-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.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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.

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. 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipes (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.

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied August 22, 2021, on the assessed value listed as of April 1, 2021, for all real and personal property located in the Town. Taxes were due in two installments on October 6, 2021 and March 2, 2022. Interest on unpaid taxes commenced on October 20, 2021 and March 16, 2022, at 6% 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 \$30,005 for the year ended June 30, 2022.

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

Program Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, the Town's cash balances amounting to \$6,412,058 were comprised of bank deposits of \$6,819,840. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these bank deposits, \$462,800 were covered by federal depository insurance and consequently were not exposed to custodial credit risk. Bank deposits of \$6,357,040 were collateralized with an irrevocable stand-by letter of credit.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 6,607,040
Savings accounts	212,800
	<u>\$ 6,819,840</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At June 30, 2022, 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, 2022 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
General Fund	\$ -	\$ 1,692,153
Nonmajor Special Revenue Funds	420,840	3,072
Nonmajor Capital Projects Funds	1,279,451	10,355
Nonmajor Permanent Funds	5,289	-
	<u>\$ 1,705,580</u>	<u>\$ 1,705,580</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.

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2022 consisted of the following:

	Transfers From	Transfers To
Nonmajor Capital Projects Funds	\$ 15,000	\$ 15,000
	<u>\$ 15,000</u>	<u>\$ 15,000</u>

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance 7/1/21	Additions	Disposals	Balance 6/30/22
Non-depreciated assets:				
Land	\$ 656,021	\$ -	\$ -	\$ 656,021
Construction in progress	678,321	534,823	(655,056)	558,088
	<u>1,334,342</u>	<u>534,823</u>	<u>(655,056)</u>	<u>1,214,109</u>
Depreciated assets:				
Buildings and improvements	2,865,069	836,414	-	3,701,483
Vehicles and equipment	3,527,901	163,030	(1,398,694)	2,292,237
Intellectual property	120,000	-	-	120,000
Infrastructure	2,965,528	-	-	2,965,528
	<u>9,478,498</u>	<u>999,444</u>	<u>(1,398,694)</u>	<u>9,079,248</u>
Less accumulated depreciation:				
Buildings and improvements	(1,339,960)	(65,726)	-	(1,405,686)
Vehicles and equipment	(2,769,818)	(153,583)	1,398,694	(1,524,707)
Intellectual property	(120,000)	-	-	(120,000)
Infrastructure	(348,924)	(113,336)	-	(462,260)
	<u>(4,578,702)</u>	<u>(332,645)</u>	<u>1,398,694</u>	<u>(3,512,653)</u>
Net depreciated assets	<u>4,899,796</u>	<u>666,799</u>	<u>-</u>	<u>5,566,595</u>
Net capital assets	<u>\$ 6,234,138</u>	<u>\$ 1,201,622</u>	<u>\$ (655,056)</u>	<u>\$ 6,780,704</u>
Current year depreciation				
General government				\$ 18,108
Public safety				201,225
Public works				79,778
Waste management				20,500
Parks, recreation and cemeteries				13,034
				<u>\$ 332,645</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 6 - LONG-TERM DEBT

A summary of long-term debt for the year ended June 30, 2022 is as follows:

	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Current Year Portion
Bond payable	\$ 2,500,000	\$ -	\$ (235,000)	\$ 2,265,000	\$ 230,000
Bond premium payable	119,709	-	(10,882)	108,827	10,882
	<u>\$ 2,619,709</u>	<u>\$ -</u>	<u>\$ (245,882)</u>	<u>\$ 2,373,827</u>	<u>\$ 240,882</u>

The following is a description of the outstanding bond payable:

\$3,440,000, 2017 General Obligation Bond due in annual principal installments and semi-annual 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.

\$ 2,265,000

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
	Principal	Interest	Principal	Interest	Debt Service
2023	\$ 230,000	\$ 61,663	\$ 10,882	\$ -	\$ 302,545
2024	230,000	54,188	10,883	-	295,071
2025	230,000	48,437	10,882	-	289,319
2026	225,000	42,469	10,883	-	278,352
2027	225,000	36,281	10,883	-	272,164
2028-2032	1,125,000	84,094	54,414	-	1,263,508
	<u>\$ 2,265,000</u>	<u>\$ 327,132</u>	<u>\$ 108,827</u>	<u>\$ -</u>	<u>\$ 2,700,959</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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2022 is as follows:

	Balance 7/1/21	Additions	Reductions	Balance 6/30/22	Current Year Portion
Accrued compensated absences	\$ 95,866	\$ -	\$ (51,519)	\$ 44,347	\$ 11,087
Net OPEB Liability	88,371	10,864	(23,557)	75,678	-
	<u>\$ 184,237</u>	<u>\$ 10,864</u>	<u>\$ (75,076)</u>	<u>\$ 120,025</u>	<u>\$ 11,087</u>

Refer to Notes 9 and 18 for more detailed information regarding other long-term obligations.

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. The lease was renewed for five years on April 1, 2021. Rental income of \$28,808 was received in fiscal year 2022.

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, expiring on July 1, 2025 with a single ten-year renewal provision. Rental income of \$6,000 was received in fiscal year 2022.

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, 2022, the Town's liability for compensated absences is \$44,347.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

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, 2022, the Town's share was approximately:

	Outstanding Debt	Town's Percentage	Amount
County of Cumberland	\$ 30,856,174	1.46%	\$ 451,228
MSAD #61	14,561,028	24.91%	3,627,651
			<u>\$ 4,078,880</u>

NOTE 11 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2022:

Invested in capital assets	\$ 10,293,357
Accumulated depreciation	(3,512,653)
Outstanding capital related debt	(2,265,000)
Original issue premiums on outstanding capital related debt	(108,827)
	<u>\$ 4,406,877</u>

NOTE 12 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCES

At June 30, 2022, the Town had the following restricted net position and restricted fund balances:

Nonmajor special revenue funds (Schedule E):	
DEP grant Tenney Hill reparations	\$ 16,394
ARPA funds	360,465
Public safety grant	9,379
Playground grant	728
Dam maintenance	1,050
Business showcase	180
Nonmajor permanent funds (Schedule I)	
Cemetery fund	4,400
Cyrus Mayberry road/school	9,500
	<u>\$ 402,096</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 13 - NONSPENDABLE FUND BALANCE

At June 30, 2022, the Town had the following nonspendable fund balance:

General fund:	
Prepaid items	\$ 9,047
Tax acquired property	15,291
	<u>\$ 24,338</u>

NOTE 14 - COMMITTED FUND BALANCES

At June 30, 2022, the Town had the following committed fund balances:

Nonmajor special revenue funds (Schedule E)	10,899
Nonmajor capital projects funds (Schedule G)	1,378,173
	<u>\$ 1,389,072</u>

NOTE 15 - ASSIGNED FUND BALANCES

At June 30, 2022, the Town had the following assigned fund balances:

General fund:	
Memorial Field Park/Rec Complex	\$ 263,025
Ambulance	305,000
Subtotal general fund	<u>568,025</u>
Nonmajor special revenue funds (Schedule E)	21,745
Nonmajor permanent funds (Schedule I)	74,310
	<u>\$ 664,080</u>

NOTE 16 - EXPENDITURES OVER APPROPRIATIONS

The Town had the following expenditures that exceeded appropriations at June 30, 2022:

Public safety	\$ 891
Health and sanitation	16,803
	<u>\$ 17,694</u>

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 17 - DEFICIT FUND BALANCES

At June 30, 2022, the Town had the following deficit fund balances:

Nonmajor special revenue funds (Schedule E):	
Veterans' fund	\$ 929
Capital Project Funds (Schedule G):	
Memorial school	7,574
	<u>\$ 8,503</u>

NOTE 18 - 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 the 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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Employees Covered by Benefit Terms

At January 1, 2022, the following employees were covered by the benefit terms:

Active members	17
Retirees and spouses	-
Total	<u>17</u>

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	\$1,296.49	\$2,908.24
POS 1500	\$957.46	\$2,147.70
<u>Medicare</u>		
Medicare-Eligible Retirees	\$600.50	\$1,201.00

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

At June 30, 2022, the Town reported a liability of \$75,678 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2022 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, 2022, the Town recognized OPEB expense of \$10,295. At June 30, 2022, 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, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,985	\$ 23,030
Changes of assumptions	16,099	4,453
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	263	-
Total	<u>\$ 24,347</u>	<u>\$ 27,483</u>

\$263 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, 2023. 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:	
2023	\$ (296)
2024	(295)
2025	2,250
2026	2,853
2027	(2,089)
Thereafter	(5,822)

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, 2022. 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 2.06% per annum for June 30, 2022 was based upon a measurement date of December 30, 2021. The sensitivity of net OPEB liability to changes in discount rate are as follows:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

	1% Decrease	Discount Rate	1% Increase
	1.06%	2.06%	3.06%
Total OPEB liability	\$ 90,235	\$ 75,678	\$ 63,897
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 90,235</u>	<u>\$ 75,678</u>	<u>\$ 63,897</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	\$ 62,701	\$ 75,678	\$ 92,338
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 62,701</u>	<u>\$ 75,678</u>	<u>\$ 92,338</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, 2022, using the following methods and assumptions applied to all periods included in the measurement:

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that the 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, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2021, they are as follows:

Discount Rate - 2.06% per annum for year end 2022 reporting. 2.12% per annum for year end 2021 reporting.

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 2022_fa was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.40%
Rate of Growth in Real Income/GDP per capital 2031+	1.10%
Extra Trend due to Taste/Technology 2031+	1.00%
Expected Health Share of GDP 2031	19.00%
Health Share of GDP Resistance Point	20.00%
Year for Limiting Cost Growth to GDP Growth	2042

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 trends selected from 2022 to 2025 were based on plan design, population weighting, renewal projections and market analysis. For the years 2026 to 2030, these are interpolated from 2025 to 2031 (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: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

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, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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:

Healthy Annuitant- Based on 112% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

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, 2022 with the following exceptions:

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 18 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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 net difference between expected and actual experience as of January 1, 2022 was (\$15,045).

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 January 1, 2022 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. 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.

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.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 - DEFINED COMPENSATION PLAN

MissionSquare Retirement

Plan Description

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457 and maintained by MissionSquare Retirement. 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 the 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 the annual salary due to a one-time increase in the match given in lieu of a salary increase.

For both employee groups, match provisions of 3% 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 2022, 2021 and 2020 were \$84,381, \$54,102 and \$58,557, respectively.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 20 - 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, 2022.

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

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

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 21 - 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 facility's 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 2022, the Town paid \$338,644 for wages and benefits and received the same. Complete financial statements for the LRBWF and CNTS are available at the office of each municipality.

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. Ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of Casco and twenty other member communities, owns and controls the corporation. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in ecomaine. The Town of Casco has an owner membership of 1.49% in ecomaine as of June 30, 2022.

Ecomaine has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of ecomaine, payable from and secured by a pledge of ecomaine revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine or a pledge of the full faith and credit of a political subdivision of the State of Maine. Ecomaine has no taxing power. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2022, (the most current period available), ecomaine had \$4,169,075 in outstanding debt. Additionally, the Town's share of the projected landfill closure and post closure cost relating to ecomaine is estimated to be \$259,569.

TOWN OF CASCO, MAINE

NOTES TO FINANCIAL STATEMENTS JUNE 30, 2022

NOTE 22 - 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, 2022 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 23 - IRREVOCABLE STAND-BY LETTER OF CREDIT

At June 30, 2022, the Town of Casco has an outstanding irrevocable stand-by letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD, Bank, N.A. This letter of credit, which expire at the close of business on August 8, 2022, authorize one draw only up to the amount of \$7,500,000. There were no draws for the year ended June 30, 2022.

NOTE 24 - COMPARATIVE DATA/RECLASSIFICATIONS

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

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the 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, 2022

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance - July 1	\$ 3,868,012	\$ 3,868,012	\$ 3,868,012	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	9,726,299	9,726,299	9,715,609	(10,690)
Excise taxes	868,000	868,000	950,702	82,702
Intergovernmental revenues	659,818	659,818	827,437	167,619
Charges for services	268,420	588,705	692,883	104,178
Interest income	43,000	43,000	40,907	(2,093)
Other revenue	145,840	145,840	367,865	222,025
Amounts Available for Appropriation	15,579,389	15,899,674	16,463,415	563,741
Charges to Appropriations (Outflows):				
General government	962,140	997,140	865,636	131,504
Public safety	1,168,497	1,168,497	1,169,388	(891)
Health and sanitation	366,534	686,819	703,622	(16,803)
Public works	1,158,251	1,158,251	1,108,983	49,268
Parks, recreation and cemeteries	375,589	375,589	332,120	43,469
County tax	485,535	485,535	485,535	-
Education	6,493,390	6,493,390	6,493,390	-
CEO, planning board and zoning board	219,300	219,300	189,468	29,832
Unclassified	142,136	453,296	177,757	275,539
Overlay	30,005	30,005	16,202	13,803
Debt service:				
Principal	235,000	235,000	235,000	-
Interest	75,000	75,000	70,963	4,037
Total Charges to Appropriations	11,711,377	12,377,822	11,848,064	529,758
Budgetary Fund Balance - June 30	\$ 3,868,012	\$ 3,521,852	\$ 4,615,351	\$ 1,093,499
Utilization of assigned fund balance	\$ -	\$ 311,160	\$ -	\$ (311,160)
Utilization of unassigned fund balance	-	35,000	-	(35,000)
	\$ -	\$ 346,160	\$ -	\$ (346,160)

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

TOWN OF CASCO, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2022

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/21 (Reporting December 31, 2021)	\$ 88,371	\$ -	\$ 88,371
Changes for the year:			
Service cost	8,807	-	8,807
Interest	2,057	-	2,057
Changes of benefits	-	-	-
Differences between expected and actual experience	(20,274)	-	(20,274)
Changes of assumptions	(3,020)	-	(3,020)
Contributions - employer	-	263	(263)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(263)	(263)	-
Administrative expense	-	-	-
Net changes	(12,693)	-	(12,693)
Balances at 1/1/22 (Reporting December 31, 2022)	<u>\$ 75,678</u>	<u>\$ -</u>	<u>\$ 75,678</u>

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

TOWN OF CASCO, MAINE

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

	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>					
Service cost (BOY)	8,807	7,680	1,906	2,176	2,802
Interest (includes interest on service cost)	2,057	2,206	1,565	1,349	2,013
Changes of benefit terms	-	-	(1,309)	-	-
Differences between expected and actual experience	(20,274)	-	13,973	-	(18,520)
Changes of assumptions	(3,020)	5,767	20,614	(4,227)	706
Benefit payments, including refunds of member contributions	(263)	(253)	(80)	(77)	(749)
Net change in total OPEB liability	\$ (12,693)	\$ 15,400	\$ 36,669	\$ (779)	\$ (13,748)
Total OPEB liability - beginning	\$ 88,371	\$ 72,971	\$ 36,302	\$ 37,081	\$ 50,829
Total OPEB liability - ending	\$ 75,678	\$ 88,371	\$ 72,971	\$ 36,302	\$ 37,081
<u>Plan fiduciary net position</u>					
Contributions - employer	263	253	80	77	749
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of member contributions	(263)	(253)	(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	\$ 75,678	\$ 88,371	\$ 72,971	\$ 36,302	\$ 37,081
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 778,694	\$ 570,619	\$ 570,619	\$ 307,247	\$ 307,247
Net OPEB liability as a percentage of covered payroll	9.7%	15.5%	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 auditor's report and notes to financial statements.

TOWN OF CASCO, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST 10 FISCAL YEARS*

	2022	2021	2020	2019	2018
<u>MMEHT:</u>					
Employer contributions	\$ 263	\$ 253	\$ 80	\$ 77	\$ 749
Benefit payments	(263)	(253)	(80)	(77)	(749)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 778,694	\$ 570,619	\$ 570,619	\$ 307,247	\$ 307,247
Contributions as a percentage of covered payroll	0.00%	0.00%	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 auditor's report and notes to financial statements.

TOWN OF CASCO, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2022

Changes of Assumptions

MMEHT OPEB Plan:

The discount rate was updated to reflect the December 30, 2021 Bond Buyer 20-Bond GO Index. The ultimate trend assumption was reduced to reflect the reduction in the Bond Buyer 20-Bond GO Index.

The following demographic assumptions were updated based on the June 30, 2021 experience study:

Mortality, termination, retirement and salary rates.

The enrollment participation for plans with no employer subsidy was updated for ages 65-70.

There was a change in the discount rate from 2.12% to 2.06% per GASB 75 discount rate selection. In addition, medical and prescription drug trend arrays were updated.

See accompanying independent auditor's 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 - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF CASCO, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 9,726,299	\$ 9,726,299	\$ 9,715,609	\$ (10,690)
Auto excise	850,000	850,000	927,553	77,553
Boat excise	18,000	18,000	23,149	5,149
Intergovernmental revenues:				
State revenue sharing	300,000	300,000	492,062	192,062
Homestead reimbursement	205,000	205,000	147,240	(57,760)
LRAP	48,000	48,000	51,864	3,864
BETE	55,000	55,000	61,198	6,198
Tree growth	40,000	40,000	57,327	17,327
Other	11,818	11,818	17,746	5,928
Charges for services:				
Agent Fees	19,250	19,250	28,060	8,810
Clerk Fees	1,200	1,200	2,712	1,512
Code Enforcement/PB/ZBA Fees	59,800	59,800	68,703	8,903
Sanitation Reimbursement	-	320,285	320,285	-
Public safety	150,200	150,200	231,087	80,887
Parks and recreation	37,970	37,970	42,036	4,066
Interest income:				
Bank interest	8,000	8,000	3,590	(4,410)
Tax/lien interest	35,000	35,000	37,317	2,317
Miscellaneous revenues:				
Building rentals	35,027	35,027	34,808	(219)
Franchise fee	32,000	32,000	33,790	1,790
Lien fees	12,000	12,000	8,604	(3,396)
Tax sale	-	-	215,184	215,184
Reimbursements	65,813	65,813	73,891	8,078
Misc. other	1,000	1,000	1,588	588
Amounts Available for Appropriation	<u>\$ 11,711,377</u>	<u>\$ 12,031,662</u>	<u>\$ 12,595,403</u>	<u>\$ 563,741</u>

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

SCHEDULE B

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
GENERAL GOVERNMENT					
Payroll	\$ 591,840	\$ -	\$ 591,840	\$ 553,087	\$ 38,753
Utilities	20,900	-	20,900	21,167	(267)
Services	124,650	-	124,650	159,425	(34,775)
Town Insurance	35,000	-	35,000	33,780	1,220
Supplies/Equipment	41,000	-	41,000	34,400	6,600
Repairs/Maintenance	9,000	-	9,000	7,291	1,709
Training/Travel	10,600	-	10,600	7,950	2,650
Legal fees	30,000	-	30,000	30,756	(756)
Assessing	89,150	-	89,150	17,780	71,370
Contingency	10,000	35,000	45,000	-	45,000
Totals	962,140	35,000	997,140	865,636	131,504
PUBLIC SAFETY					
Fire department	1,060,960	-	1,060,960	1,060,906	54
Emergency management	7,965	-	7,965	7,130	835
Animal control	99,572	-	99,572	101,352	(1,780)
Totals	1,168,497	-	1,168,497	1,169,388	(891)
HEALTH AND SANITATION					
Casco-Naples Transfer Station	366,534	320,285	686,819	703,622	(16,803)
Totals	366,534	320,285	686,819	703,622	(16,803)

SCHEDULE B (CONTINUED)

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
PUBLIC WORKS					
Payroll/Benefits/Insurance	106,801	-	106,801	59,768	47,033
Utilities/Services	815,800	-	815,800	845,610	(29,810)
Supplies/Equipment/Repairs	218,000	-	218,000	186,309	31,691
Trianning/Travel	2,500	-	2,500	591	1,909
Streettlights	9,500	-	9,500	11,305	(1,805)
Dams	5,650	-	5,650	5,400	250
Totals	1,158,251	-	1,158,251	1,108,983	49,268
RECREATION, PARKS & BEACHES, CEMETERIES & COMMITTEES					
Recreation	178,693	-	178,693	167,300	11,393
Parks and Beaches	43,475	-	43,475	29,225	14,250
Cemeteries	6,200	-	6,200	6,200	-
Open Space Commission	2,500	-	2,500	-	2,500
Facilities	142,221	-	142,221	127,400	14,821
Veterans Committee	2,500	-	2,500	1,995	505
Totals	375,589	-	375,589	332,120	43,469
DEBT SERVICE					
Principal	235,000	-	235,000	235,000	-
Interest	75,000	-	75,000	70,963	4,037
Totals	310,000	-	310,000	305,963	4,037
COUNTY TAX	485,535	-	485,535	485,535	-
EDUCATION	6,493,390	-	6,493,390	6,493,390	-
CEO, PLANNING BOARD AND ZONING BOARD					
Code Enforcement	169,420	-	169,420	166,845	2,575
Planning Board/ZBA	49,880	-	49,880	22,623	27,257
Totals	219,300	-	219,300	189,468	29,832

SCHEDULE B (CONTINUED)

TOWN OF CASCO, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
UNCLASSIFIED					
General assistance	15,000	-	15,000	26,372	(11,372)
Casco Community Library	77,400	-	77,400	77,400	-
Maine Health Visiting Nurses	4,500	-	4,500	-	4,500
Northern Light Health (VNA Home Health)	500	-	500	-	500
Through These Doors (Family Crisis)	1,100	-	1,100	1,100	-
Tri-County Counseling Services	2,500	-	2,500	-	2,500
Opportunity Alliance	5,000	-	5,000	-	5,000
Senior Meals Program	3,700	-	3,700	3,700	-
Bridgton LR Chamber of Comm.	1,250	-	1,250	-	1,250
Sebago Lakes Region Chamber	250	-	250	250	-
Lake Region Bus Service	8,500	-	8,500	8,500	-
Raymond Casco Historical Society	1,800	-	1,800	-	1,800
Life Flight	936	-	936	-	936
Lake Stewards of Maine - lake monitoring	1,500	-	1,500	1,500	-
Thompson Lake Environment Assoc.	5,000	-	5,000	-	5,000
Lake Environment Assoc. Milfol Project	5,000	-	5,000	5,000	-
Pleasant Lake/Parker Pond Association	4,000	-	4,000	4,000	-
Maine Public Radio	100	-	100	-	100
Casco Alliance Church/Food Pantries	3,600	-	3,600	1,800	1,800
Health Equity Alliance	500	-	500	-	500
Memorial field	-	311,160	311,160	48,135	263,025
Totals	142,136	311,160	453,296	177,757	275,539
Overlay	30,005	-	30,005	16,202	13,803
TOTAL DEPARTMENTAL OPERATIONS	\$ 11,711,377	\$ 666,445	\$ 12,377,822	\$ 11,848,064	\$ 529,758

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

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,143	\$ 101,503	\$ 82,921	\$ 186,567
Due from other funds	420,840	1,279,451	5,289	1,705,580
TOTAL ASSETS	<u>\$ 422,983</u>	<u>\$ 1,380,954</u>	<u>\$ 88,210</u>	<u>\$ 1,892,147</u>
LIABILITIES				
Due to other funds	\$ 3,072	\$ 10,355	\$ -	\$ 13,427
TOTAL LIABILITIES	<u>3,072</u>	<u>10,355</u>	<u>-</u>	<u>13,427</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	388,196	-	13,900	402,096
Committed	10,899	1,378,173	-	1,389,072
Assigned	21,745	-	74,310	96,055
Unassigned (deficit)	(929)	(7,574)	-	(8,503)
TOTAL FUND BALANCES	<u>419,911</u>	<u>1,370,599</u>	<u>88,210</u>	<u>1,878,720</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 422,983</u>	<u>\$ 1,380,954</u>	<u>\$ 88,210</u>	<u>\$ 1,892,147</u>

See accompanying independent auditor's 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, 2022

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 445,859	\$ -	\$ -	\$ 445,859
Interest income	3	-	-	3
TOTAL REVENUES	<u>445,862</u>	<u>-</u>	<u>-</u>	<u>445,862</u>
EXPENDITURES				
Capital outlay	23,380	341,840	-	365,220
Other	153,265	8,804	-	162,069
TOTAL EXPENDITURES	<u>176,645</u>	<u>350,644</u>	<u>-</u>	<u>527,289</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>269,217</u>	<u>(350,644)</u>	<u>-</u>	<u>(81,427)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,000	-	15,000
Transfers (out)	-	(15,000)	-	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	269,217	(350,644)	-	(81,427)
FUND BALANCES - JULY 1	<u>150,694</u>	<u>1,721,243</u>	<u>88,210</u>	<u>1,960,147</u>
FUND BALANCES - JUNE 30	<u>\$ 419,911</u>	<u>\$ 1,370,599</u>	<u>\$ 88,210</u>	<u>\$ 1,878,720</u>

See accompanying independent auditor's 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, 2022

	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	16,394	15,329	-	820	-	10	10,773	65	5,334
TOTAL ASSETS	\$ 16,394	\$ 15,329	\$ -	\$ 820	\$ -	\$ 10	\$ 10,773	\$ 65	\$ 5,334
LIABILITIES									
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-	-	-	-
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	16,394	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	10	10,773	-	-
Assigned	-	15,329	-	820	-	-	-	65	5,334
Unassigned	-	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	16,394	15,329	-	820	-	10	10,773	65	5,334
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	\$ 16,394	\$ 15,329	\$ -	\$ 820	\$ -	\$ 10	\$ 10,773	\$ 65	\$ 5,334

SCHEDULE E (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2022

	ARPA Funds	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Dam Maintenance	Business Showcase	Total
ASSETS									
Cash and cash equivalents	\$ -	\$ 2,143	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,143
Due from other funds	360,465	-	116	197	9,379	728	1,050	180	420,840
TOTAL ASSETS	<u>\$ 360,465</u>	<u>\$ 2,143</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 9,379</u>	<u>\$ 728</u>	<u>\$ 1,050</u>	<u>\$ 180</u>	<u>\$ 422,983</u>
LIABILITIES									
Due to other funds	-	\$ 3,072	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,072
TOTAL LIABILITIES	<u>-</u>	<u>3,072</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,072</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	360,465	-	-	-	9,379	728	1,050	180	388,196
Committed	-	-	116	-	-	-	-	-	10,899
Assigned	-	-	-	197	-	-	-	-	21,745
Unassigned	-	(929)	-	-	-	-	-	-	(929)
TOTAL FUND BALANCES (DEFICITS)	<u>360,465</u>	<u>(929)</u>	<u>116</u>	<u>197</u>	<u>9,379</u>	<u>728</u>	<u>1,050</u>	<u>180</u>	<u>419,911</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 360,465</u>	<u>\$ 2,143</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 9,379</u>	<u>\$ 728</u>	<u>\$ 1,050</u>	<u>\$ 180</u>	<u>\$ 422,983</u>

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

SCHEDULE F

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	DEP Grant Tenney Hill Reparations	Recreation Pickleball	LRAP	Firefighter Fund	CFD Grant	MEMA Disaster Grant	Timber Harvester	Wilma Avery Fund	Recreation Donation
REVENUES									
Intergovernmental	\$ -	\$ -	\$ -	\$ 31,000	\$ -	\$ -	\$ -	\$ -	\$ -
Interest income	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	31,000	-	-	-	-	-
EXPENDITURES									
Capital outlay	23,380	-	-	-	-	-	-	-	-
Other	-	-	48,692	33,537	4,369	12,273	-	-	-
TOTAL EXPENDITURES	23,380	-	48,692	33,537	4,369	12,273	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(23,380)	-	(48,692)	(2,537)	(4,369)	(12,273)	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	39,774	15,329	48,692	3,357	4,369	12,283	10,773	65	5,334
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 16,394</u>	<u>\$ 15,329</u>	<u>\$ -</u>	<u>\$ 820</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 10,773</u>	<u>\$ 65</u>	<u>\$ 5,334</u>

SCHEDULE F (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	ARPA Funds	Veterans' Funds	Animal Control	Sun Safety	Public Safety Grant	Playground Grant	Dam Maintenance	Business Showcase	Total
REVENUES									
Intergovernmental	\$ 414,859	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 445,859
Interest income	-	3	-	-	-	-	-	-	3
TOTAL REVENUES	<u>414,859</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>445,862</u>
EXPENDITURES									
Capital outlay	-	-	-	-	-	-	-	-	23,380
Other	54,394	-	-	-	-	-	-	-	153,265
TOTAL EXPENDITURES	<u>54,394</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,645</u>
NET CHANGE IN FUND BALANCES (DEFICITS)	360,465	3	-	-	-	-	-	-	269,217
FUND BALANCES (DEFICITS) - JULY 1	-	(932)	116	197	9,379	728	1,050	180	150,694
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 360,465</u>	<u>\$ (929)</u>	<u>\$ 116</u>	<u>\$ 197</u>	<u>\$ 9,379</u>	<u>\$ 728</u>	<u>\$ 1,050</u>	<u>\$ 180</u>	<u>\$ 419,911</u>

See accompanying independent auditor's 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.

SCHEDULE G

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Recreation Department	Public Safety Building	Purchase Jackson Property
ASSETS						
Cash and cash equivalents	\$ 56,493	\$ 3,806	\$ 41,204	\$ -	\$ -	\$ -
Due from other funds	9,150	-	99,000	-	83,626	2,979
TOTAL ASSETS	<u>\$ 65,643</u>	<u>\$ 3,806</u>	<u>\$ 140,204</u>	<u>\$ -</u>	<u>\$ 83,626</u>	<u>\$ 2,979</u>
LIABILITIES						
Due to other funds	\$ -	\$ 2,781	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>2,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	65,643	1,025	140,204	-	83,626	2,979
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>65,643</u>	<u>1,025</u>	<u>140,204</u>	<u>-</u>	<u>83,626</u>	<u>2,979</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 65,643</u>	<u>\$ 3,806</u>	<u>\$ 140,204</u>	<u>\$ -</u>	<u>\$ 83,626</u>	<u>\$ 2,979</u>

SCHEDULE G (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Capital Improvements	Tax Equalization	Fire Equipment	Community Center	Grange Hall	Municipal Offices
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	29,741	113,837	292,178	1,682	-	7,163
TOTAL ASSETS	<u>\$ 29,741</u>	<u>\$ 113,837</u>	<u>\$ 292,178</u>	<u>\$ 1,682</u>	<u>\$ -</u>	<u>\$ 7,163</u>
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	29,741	113,837	292,178	1,682	-	7,163
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>29,741</u>	<u>113,837</u>	<u>292,178</u>	<u>1,682</u>	<u>-</u>	<u>7,163</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 29,741</u>	<u>\$ 113,837</u>	<u>\$ 292,178</u>	<u>\$ 1,682</u>	<u>\$ -</u>	<u>\$ 7,163</u>

SCHEDULE G (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2022

	Road Improvements	Memorial School	2017 Public Improvement Bond Premium	Road Maintenance	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 101,503
Due from other funds	640,095	-	-	-	1,279,451
TOTAL ASSETS	<u>\$ 640,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,380,954</u>
LIABILITIES					
Due to other funds	\$ -	\$ 7,574	\$ -	\$ -	\$ 10,355
TOTAL LIABILITIES	<u>-</u>	<u>7,574</u>	<u>-</u>	<u>-</u>	<u>10,355</u>
FUND BALANCES (DEFICITS)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	640,095	-	-	-	1,378,173
Assigned	-	-	-	-	-
Unassigned	-	(7,574)	-	-	(7,574)
TOTAL FUND BALANCES (DEFICITS)	<u>640,095</u>	<u>(7,574)</u>	<u>-</u>	<u>-</u>	<u>1,370,599</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 640,095</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,380,954</u>

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

SCHEDULE H

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Rescue Replacement	Community Center Kitchen	Future Land Acquisition	Recreation Department	Public Safety Building	Purchase Jackson Property
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	-	-	-	28,610	-	-
Other	-	-	-	-	8,804	-
TOTAL EXPENDITURES	-	-	-	28,610	8,804	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	(28,610)	(8,804)	-
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	-	(28,610)	(8,804)	-
FUND BALANCES (DEFICITS) - JULY 1	65,643	1,025	140,204	28,610	92,430	2,979
FUND BALANCES (DEFICITS) - JUNE 30	\$ 65,643	\$ 1,025	\$ 140,204	\$ -	\$ 83,626	\$ 2,979

SCHEDULE H (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Capital Improvements	Tax Equalization	Fire Equipment	Community Center	Grange Hall	Municipal Offices
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-	-
EXPENDITURES						
Capital outlay	1,031	-	49,862	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	1,031	-	49,862	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,031)	-	(49,862)	-	-	-
OTHER FINANCING SOURCES (USES)						
Transfers in	15,000	-	-	-	-	-
Transfers (out)	-	-	-	-	(15,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	15,000	-	-	-	(15,000)	-
NET CHANGE IN FUND BALANCES (DEFICITS)	13,969	-	(49,862)	-	(15,000)	-
FUND BALANCES (DEFICITS) - JULY 1	15,772	113,837	342,040	1,682	15,000	7,163
FUND BALANCES (DEFICITS) - JUNE 30	\$ 29,741	\$ 113,837	\$ 292,178	\$ 1,682	\$ -	\$ 7,163

SCHEDULE H (CONTINUED)

TOWN OF CASCO, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	Road Improvements	Memorial School	2017 Public Improvement Bond Premium	Road Maintenance	Total
REVENUES					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-	-
EXPENDITURES					
Capital outlay	-	-	104,613	157,724	341,840
Other	-	-	-	-	8,804
TOTAL EXPENDITURES	-	-	104,613	157,724	350,644
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(104,613)	(157,724)	(350,644)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	15,000
Transfers (out)	-	-	-	-	(15,000)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(104,613)	(157,724)	(350,644)
FUND BALANCES (DEFICITS) - JULY 1	640,095	(7,574)	104,613	157,724	1,721,243
FUND BALANCES (DEFICITS) - JUNE 30	\$ 640,095	\$ (7,574)	\$ -	\$ -	\$ 1,370,599

See accompanying independent auditor's 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, 2022

	Cemetery Fund	Cyrus Mayberry Road/School	Total
ASSETS			
Cash and cash equivalents	\$ 19,597	\$ 63,324	\$ 82,921
Due from other funds	5,289	-	5,289
TOTAL ASSETS	<u>\$ 24,886</u>	<u>\$ 63,324</u>	<u>\$ 88,210</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	20,486	53,824	74,310
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>24,886</u>	<u>63,324</u>	<u>88,210</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 24,886</u>	<u>\$ 63,324</u>	<u>\$ 88,210</u>

See accompanying independent auditor's 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, 2022

	Cemetery Fund	Cyrus Mayberry Road/School	Total
REVENUES			
Interest income	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES			
Other	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	-
FUND BALANCES - JULY 1	<u>24,886</u>	<u>63,324</u>	<u>88,210</u>
FUND BALANCES - JUNE 30	<u>\$ 24,886</u>	<u>\$ 63,324</u>	<u>\$ 88,210</u>

See accompanying independent auditor's 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.

SCHEDULE K

TOWN OF CASCO, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2022

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Machinery, Equipment and Vehicles	Infrastructure	Total
General Government	\$ -	\$ 883,031	\$ 207,480	\$ -	\$ 1,090,511
Public Safety	-	438,789	2,018,353	840,017	3,297,159
Public Works	558,088	146,900	56,404	2,125,511	2,886,903
Waste Management	-	820,000	130,000	-	950,000
Parks, Recreation and Cemeteries	656,021	1,412,763	-	-	2,068,784
Total General Capital Assets	1,214,109	3,701,483	2,412,237	2,965,528	10,293,357
Less: Accumulated Depreciation	-	(1,405,686)	(1,644,707)	(462,260)	(3,512,653)
Net General Capital Assets	<u>\$ 1,214,109</u>	<u>\$ 2,295,797</u>	<u>\$ 767,530</u>	<u>\$ 2,503,268</u>	<u>\$ 6,780,704</u>

See accompanying independent auditor's 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, 2022

	General Capital Assets 7/1/21	Additions	Deletions	General Capital Assets 6/30/22
General Government	\$ 1,078,511	\$ 12,000	\$ -	\$ 1,090,511
Public Safety	4,601,227	94,626	(1,398,694)	3,297,159
Public Works	2,295,676	591,227	-	2,886,903
Waste Management	950,000	-	-	950,000
Parks, Recreation and Cemeteries	1,887,426	181,358	-	2,068,784
 Total General Capital Assets	 10,812,840	 879,211	 (1,398,694)	 10,293,357
Less: Accumulated Depreciation	(4,578,702)	(332,645)	1,398,694	(3,512,653)
 Net General Capital Assets	 <u>\$ 6,234,138</u>	 <u>\$ 546,566</u>	 <u>\$ -</u>	 <u>\$ 6,780,704</u>

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



Proven Expertise & Integrity

INDEPENDENT AUDITOR'S 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, 2022 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 June 5, 2023.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these

limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 the management of the Town of Casco, Maine in a separate letter dated May 8, 2023.

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
June 5, 2023