



In the opinion of Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel ("Bond Counsel"), and assuming continuing compliance with certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and with certain tax covenants, under existing statutes, regulations and court decisions, interest on the Bonds (as defined below) is excludable from the gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code. In addition, such interest is not treated as a preference item in calculating the alternative minimum tax under the Code; however, such interest will be taken into account in determining the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. Bond Counsel is also of the opinion that pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes interest paid on the Bonds is exempt from taxation within the State of Maine (the "State"). **The Bonds will not be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code.** See "THE BONDS—TAX MATTERS" and "APPENDIX B" herein.

CITY OF SACO, MAINE (*)

\$62,845,000(*)

2025 GENERAL OBLIGATION BONDS

Dated: Date of Delivery				Due: November 1, as shown below			
Year of		Interest		Year of		Interest	
<u>Maturity</u>	<u>Amount</u> (*)	<u>Rate</u>	<u>Yield</u>	<u>Maturity</u>	<u>Amount</u> (*)	<u>Rate</u>	<u>Yield</u>
2026	\$3,145,000			2036	\$3,140,000		
2027	3,145,000			2037	3,140,000		
2028	3,145,000			2038	3,140,000		
2029	3,145,000			2039	3,140,000		
2030	3,145,000			2040	3,140,000		
2031	3,145,000			2041	3,140,000		
2032	3,145,000			2042	3,140,000		
2033	3,145,000			2043	3,140,000		
2034	3,145,000			2044	3,140,000		
2035	3,140,000			2045	3,140,000		

The City of Saco, Maine 2025 General Obligation Bonds (the "Bonds") will be issued as fully-registered certificates without coupons and, when issued, will be registered in the name of Cede & Co., as Bond owner and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the denomination of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in Bonds purchased. See "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein. Principal of and interest on the Bonds will be paid to DTC by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as Paying Agent. Interest on the Bonds will be payable on May 1, 2026 and semi-annually on each November 1 and May 1 thereafter until maturity, or redemption prior to maturity.

The legal opinion of Bond Counsel, will be provided to the original purchaser and will indicate that the Bonds are valid general obligations of the City of Saco, Maine (the "City") and, unless paid from other sources, are payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all the property within the territorial limits of the City and taxable by it, except to the extent that the City may enter into an agreement under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, to share its assessed valuation with another municipality; and except to the extent that the City establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds. The City's Treasurer has certified that the City has no agreements under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, to share assessed valuation with another municipality now exist. The City has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in the districts to pay costs of the economic development Projects and programs described in the development programs adopted with respect to such districts. Within the limits established by statute, the City has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes. Bond Counsel's opinion will indicate that the enforceability of the obligations of the City, including the Bonds, are subject to and may be limited by bankruptcy, insolvency, moratorium and other laws affecting the rights and remedies of creditors generally, and are subject to general principles of equity. The opinion will be dated and given on and will speak as of the date of original delivery of the Bonds to the original purchasers.

Bonds maturing on and before November 1, 2035 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 1, 2036 are subject to redemption prior to their stated dates of maturity, at the option of the City, on and after November 1, 2035 as more fully set forth herein (see "THE BONDS - OPTIONAL REDEMPTION PRIOR TO MATURITY" herein).

The Bonds are offered when, as and if issued, subject to the approval of legality by Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel. Moors & Cabot, Inc., Boston, Massachusetts, serves as Municipal Advisor to the City. It is expected that the Bonds in definitive form will be available for delivery to DTC on or about December 18, 2025.

NOTE: (*) Preliminary, subject to change

No dealer, broker, salesman or other person has been authorized by the City or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering of the Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained from the City and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, any party other than the City. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition or affairs of the City since the date hereof.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACT. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED, IF ANY, AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES, CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NONE OF THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The CUSIP® numbers set forth in this Official Statement have been assigned by an independent company not affiliated with the City and are included solely for the convenience of the holders of the Bonds. Neither the City nor the Underwriter makes any representation with respect to the accuracy of such CUSIP® numbers set forth in this Official Statement or undertakes any responsibility for the selection of the CUSIP numbers or their accuracy now or at any time in the future.

The City is not responsible for the selection or uses of the CUSIP® numbers and no representation is made as to their correctness on the Bonds or as set forth in this Official Statement. The CUSIP® number for a specific maturity of the Bonds is subject to change after the issuance of the Bonds and as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that may be applicable to all or a portion of certain maturities of the Bonds.

TABLE OF CONTENTS

CERTIFICATE CONCERNING OFFICIAL STATEMENT	ii	CITY FINANCES (continued)	
THE BONDS		Tax Increment Financing Districts and Affordable Housing Development Districts	33
Description of the Bonds	1	Revenues from the State	33
Optional Redemption of the Bonds Prior To Maturity	1	INDEBTEDNESS	
General Provisions Regarding Redemption of the Bonds	2	Limitations and Exclusions	34
Record Date; Payment	3	Debt Summary	35
Authorization and Purpose, The Projects and Plan of Financing	3	Debt Service Component of Operating Expenses	35
Sources and Uses of Funds	5	Debt Ratios	35
Source of Payment and Remedies	5	Projected Principal Payments by Issue	36
Tax Matters	8	Projected Debt Service	37
Book-Entry-Only System	11	Overlapping Debt	37
Ratings	12	Contingent Debt	38
Continuing Disclosure	13	Total General Obligation, Overlapping and Contingent Debt	38
CUSIP Identification Numbers	14	Future Financing	38
Municipal Advisor	14	RETIREMENT	
Statutory References	14	A. Defined Benefit Pension Plan	40
Conditions Precedent to Delivery	15	B. Deferred Compensation Plan	40
CITY OF SACO		C. Other Postemployment Benefits	41
General	17	LITIGATION	42
Government	18	ENVIRONMENTAL MATTERS	42
Municipal Services	18	APPENDIX A: FINANCIAL STATEMENTS	
Public Education	20	APPENDIX B: PROPOSED FORM OF LEGAL OPINION	
Dyer Library Association	21	APPENDIX C: PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT	
Biddeford-Saco-Old Orchard Beach Transit Committee	22		
Building Permits	22		
Retail Sales	22		
Employment	23		
Economic Characteristics	24		
CITY FINANCES			
Budgetary Process	25		
Capital Improvement Plan	26		
Investment Policy	26		
Funs Balance Policy	26		
Financial Statements	27		
Funds	27		
Comparative Balance Sheet	29		
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances	30		
Property Taxation	31		

**CERTIFICATE
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by the City of Saco, Maine (the “City”) with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from the City’s records and from various other public documents and sources, which are believed to be reliable. There has been no independent investigation of such information by the Municipal Advisor, by Drummond Woodsum & MacMahon, its Bond Counsel and such information is not guaranteed as to accuracy or completeness and is not intended to be a representation by the Municipal Advisor or Bond Counsel.

This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinion and not as representations of fact. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or its agencies and authorities, since the date hereof.

To the best of the knowledge and belief of the undersigned, this Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made herein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the City is not guaranteed as to accuracy, completeness or fairness, the undersigned has no reason to believe that such information is materially inaccurate or misleading. A certificate to this effect, with such if any corrections, changes and additions as may be necessary, will be signed by the undersigned and furnished at the closing.

This Official Statement is in a form “deemed final” by the City for purposes of Securities and Exchange Commission’s Rule 15c2-12(b) [17 C.F.R. §240.15c2-12(b)] except for the omission from the Preliminary Official Statement of such information as is permitted by such Rule.

Ryan Pinheiro
Treasurer
City of Saco, Maine

**OFFICIAL STATEMENT
CITY OF SACO, MAINE
\$62,845,000^(*)
2025 GENERAL OBLIGATION BONDS**

This Official Statement is provided for the purpose of presenting certain information relating to the City of Saco, Maine (the “City” or “Saco”) in connection with the sale of its 2025 General Obligation Bonds (the “Bonds” or the “2025 Bonds”).

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds will be issued only as fully-registered securities without coupons, one certificate per CUSIP assignment, and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York City, New York (“DTC” or the “Securities Depository”). DTC will act as the securities depository for the Bonds. Purchases of the Bonds will be made in book-entry form, in the minimum denomination of \$5,000, or integral multiple thereof. The Bonds will be dated on the date of delivery and will bear interest (accrued on the basis of a 360-day year with twelve 30-day months), payable on May 1, 2026, and semi-annually thereafter on November 1 or May 1 of each year until maturity, or redemption prior to maturity. It is expected that the Bonds will be available for delivery at DTC on or about December 18, 2025. The Bonds will mature as follows:

<u>Amount ^(*)</u>	<u>November 1,</u>	<u>CUSIP</u>	<u>Amount ^(*)</u>	<u>November 1,</u>	<u>CUSIP</u>
\$3,145,000	2026	785785MK9	\$3,140,000	2036	785785MV5
3,145,000	2027	785785ML7	3,140,000	2037	785785MW3
3,145,000	2028	785785MM5	3,140,000	2038	785785MX1
3,145,000	2029	785785MN3	3,140,000	2039	785785MY9
3,145,000	2030	785785MP8	3,140,000	2040	785785MZ6
3,145,000	2031	785785MQ6	3,140,000	2041	785785NA0
3,145,000	2032	785785MR4	3,140,000	2042	785785NB8
3,145,000	2033	785785MS2	3,140,000	2043	785785NC6
3,145,000	2034	785785MT0	3,140,000	2044	785785ND4
3,140,000	2035	785785MU7	3,140,000	2045	785785NE2

Principal of and interest on the Bonds will be payable in Clearing House Funds to DTC, or its nominee, as registered owner of the Bonds by U.S. Bank Trust Company, National Association, Boston, Massachusetts, as paying agent (the “Paying Agent”). Transfer of principal and interest payments to Participants of DTC will be the responsibility of DTC. Transfer of principal and interest payments to Beneficial Owners (as hereinafter defined) will be the responsibility of such Participants and other nominees of Beneficial Owners. The City will not be responsible or liable for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants. See “THE BONDS - BOOK-ENTRY-ONLY SYSTEM” herein.

OPTIONAL REDEMPTION OF THE BONDS PRIOR TO MATURITY

Bonds maturing on and before November 1, 2035 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 1, 2036 are subject to redemption prior to their stated dates of maturity, at the option of the City, on and after November 1, 2035, as a whole or in part at any time, in such order of maturity as the City, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

NOTE: ^(*) Preliminary, subject to change.

GENERAL PROVISIONS REGARDING REDEMPTION OF THE BONDS

Notice of Redemption

In the case of every optional redemption of the Bonds, the Town shall cause notice of such redemption to be given to the registered owner of any Bonds designated for redemption in whole or in part, at his or her address as the same shall last appear upon the registration books kept by the Paying Agent by mailing a copy of the redemption notice by first class mail not less than thirty (30) days prior to the redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Bondholder actually receives notice. The failure of the Town to give notice to a Bondholder or any defect in such notice shall not affect the validity of the redemption of any Bond of any other owner.

Each notice of redemption shall specify the date fixed for redemption, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Bonds outstanding are to be redeemed, the notice of redemption shall specify the numbers of the Bonds or portions thereof (in denominations of \$5,000 or any integral multiple thereof) to be redeemed.

The Town shall notify the Securities Depository (see "THE BONDS - BOOK-ENTRY-ONLY SYSTEM" herein) in the same manner as the Bondholders, with a request that the Securities Depository notify its Participants who in turn notify the beneficial owners of such Bonds. Any failure on the part of the Securities Depository, or failure on the part of a nominee of a Beneficial Owner (having received notice from the Town, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the redemption of such Bond.

Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue

On any redemption date, the principal amount of each Bond to be redeemed, together with the premium, if any, and accrued interest thereon to such date, shall become due and payable. Funds shall be deposited with the Paying Agent to pay, and the Paying Agent is authorized and directed to apply such funds to the payment of the Bonds called for redemption, together with accrued interest thereon, to the redemption date and redemption premium, if any. After such redemption date, notice having been given and funds deposited in the manner described above, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and funds deposited), the Bonds to be redeemed shall not be deemed to be outstanding.

Cancellation of Bonds

All Bonds which have been redeemed shall be canceled by the Paying Agent and either destroyed by the Paying Agent with counterparts of a certificate of destruction evidencing such destruction furnished by the Paying Agent to the Town or returned to the Town at its request.

Partial Redemption of Bonds

Bonds or portions of Bonds to be redeemed in part shall be selected when held by a Securities Depository by lot and when not held by a Securities Depository, by the Town by lot or in such other manner as the Town in its discretion may deem appropriate.

RECORD DATE; PAYMENT

The principal of the Bonds is payable upon surrender thereof at the designated Corporate Trust Office of the Paying Agent. Payment of the interest on the Bonds will be made to the person appearing on the registration books of the Paying Agent as the registered owner thereof at the close of business on the 15th day of the month preceding the interest payment date for the Bonds, and if such day is not a regular business day of the Paying Agent, the next day preceding which is a regular business day of the Paying Agent, by check, wire or draft mailed to each registered owner at such person’s address as it appears on the registration books, or at another address as is furnished to the Paying Agent in writing by the owner. Interest that is not timely paid or provided for shall cease to be payable to the registered owner as of the regular record date and shall be payable to the registered owner at the close of business on a special record date to be fixed by the Paying Agent.

AUTHORIZATION AND PURPOSE, THE PROJECTS AND PLAN OF FINANCING

Following an April 10, 2024 State Board of Education (“BOE” or the “State Board”) Concept Approval of the Projects (as defined herein), on April 29 the City Council adopted an Order authorizing the City to issue notes or bonds, in an amount not to exceed \$140,749,348, to provide funds to construct of a Grade 1 through Grade 5 School (the “Elementary School Project”) and a Pre-Kindergarten and Kindergarten School (the “PreK School Project”) (or when collectively, the “Projects”). The Projects received local referendum approval at a June 11, 2024 Special Referendum Election. This authority is granted to the City by Title 30-A, Section 5772 of the Maine Revised Statutes, and Article VI, Sections 6.14 and 6.15 of the City’s Charter. Pursuant to the City Council Order, the City plans to issue notes or bonds for the Projects, as follows:

	<u>School Construction Projects</u>				<u>Consolidated</u>	
	<u>Elementary</u>		<u>PreK</u>			
State Qual	\$86,343,385	92.69%	\$0	0.00%	\$86,343,385	68.69%
Local Only	<u>6,802,914</u>	<u>7.30%</u>	<u>32,546,642</u>	<u>100.00%</u>	<u>39,349,556</u>	<u>31.31%</u>
Totals	\$93,146,299	100.00%	\$32,546,642	100.00%	\$125,692,941	100.00%

The State Commissioner of Education has established that the permanent bonds to provide funds to finance the Elementary School Project will be bi-furcated, with the first tranche to be issued in 2025 and the second tranche to be issued in 2026. The City issued \$13,500,000 Bond Anticipation Notes (“BANs”) on December 14, 2024 that matured on November 13, 2025 (the “2024 Notes”); and \$13,500,000 BANs on November 12, 2025 to mature on December 30, 2025 (the “2025 Notes”) to provide initial interim funds, to finance the acquisition of land, design and engineering for the Projects. A portion of the proceeds from the 2025 Bonds will be issued to refund the 2025 Notes on a current basis, with further proceeds to provide additional long-term funds for the Projects. The City expects to issue the remaining bonds in November 2026 to provide final funds to complete the Projects.

The present and proposed plan of financing is displayed in the section “INDEBTEDNESS – FUTURE FINANCING – School Projects” herein.



Financing State Qualified School Construction Projects

The State Board of Education (the “State Board”) established *Rules for Major Capital School Construction Projects* (the “Rules”) to provide a subsidy for state-approved new school construction projects and school additions (including additions plus renovation) projects. A school administrative unit (“SAU”) whose projects have qualified for State subsidy has its approved debt service costs for those projects (which may be the debt service on all or a portion of the projects costs) included in its education costs eligible for subsidy purposes under the State’s Essential Programs and Services education funding model. The following table shows the State Board’s actions vis-à-vis their approval process.

State Board Project Approval Actions for the Elementary School Project

	<u>Dates Approved</u>
State BOE Site Approval	Jan. 10, 2024
State BOE Concept Approval	April 10, 2024
Local Referendum Approval	June 11, 2024
State BOE Design & Funding Approval	Aug 13, 2025
Construction Bids Received	Oct 29, 2025
Commissioner of BOE Final Funding Approval	Nov. 14, 2025
Substantial Completion	On or about Nov. 2027
Occupancy	On or about Jan. 2028

SOURCES AND USES OF FUNDS

Sources

Par Amount of the Bonds:
Net Original Issue Premium:
Issuer Contribution:

Total Sources

Uses

Deposit to Redemption Fund to Refund 2025 BANs:	\$13,500,000.00
Construction Fund:	49,345,000.00
Capitalized BAN Interest:	517,710.00
Costs of Issuance ^{(1)(*)} :	<u>211,385.00</u>

Total Uses	\$63,574,095.00
-------------------	------------------------

NOTE: ⁽¹⁾ Costs of issuance includes Underwriter's discount and additional proceeds.

^(*) Preliminary, subject to change.

SOURCE OF PAYMENT AND REMEDIES

The Bonds are general obligations of the City and their payment is not limited to a particular fund or revenue source. Municipalities in the State of Maine (the "State") have the right to tax their inhabitants to pay municipal indebtedness. The Bonds are payable as to both principal and interest from ad valorem taxes. The City has the power to levy such ad valorem taxes without limit as to rate or amount upon all the taxable property within its territorial limits, except to the extent that the City may enter into an agreement under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, to share its assessed valuation with another municipality, and except to the extent that the City establishes or has established development districts as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, the captured tax increment of which may not be available for payment of debt service on the Bonds (see "CITY FINANCES - TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DEVELOPMENT DISTRICTS" herein). The Treasurer of the City has certified that no tax base sharing agreement now exists. The City has established certain tax increment financing districts and elected to retain a portion of the tax increment on the captured assessed value of the property in these districts to pay costs of the economic development Projects and programs described in the development programs for the districts. Within the limits established by statute, the City has the right to designate development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes. There is no statutory provision for a lien on any portion of the tax levy to secure bonds or notes, or judgments thereon, in priority to other claims.

The City is subject to suit on the Bonds. Title 14, Section 4951 of the Maine Revised Statutes, provides that executions against a town shall be issued against the personal property of the residents of that town and real estate within its boundaries, whether or not owned by the town. Only town real estate not used for public purposes, however, is subject to such execution. In addition, Title 30-A, Section 5701 of the Maine Revised Statutes, provides that the personal property of the residents and the real estate within the boundaries of a municipality may be taken to pay any debt due from the municipality. There has been no judicial determination as to whether the statutory remedy of taking property of residents to satisfy debts of or judgments against, a municipality is constitutional under current due process and equal protection standards and Bond Counsel expresses no opinion thereon. There has been no judicial determination as to whether statutory remedies available against towns are applicable to cities and Bond Counsel expresses no opinion thereon.

Funds to meet City expenses, including debt service, are not included in the tax levy to the extent they are expected to be met with other non-tax revenues. Amounts necessary to repay sums borrowed temporarily in anticipation of bonds or grants are similarly excluded because they would normally be expected to be paid from the anticipated bond proceeds or grants. Enforcement of a claim for payment of principal of or interest on bonds or Bonds would be subject to the applicable provisions of federal bankruptcy laws and to the provisions of statutes, if any, hereafter enacted by the Congress or the State Legislature extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. The Bonds are not guaranteed by the State.

State Subsidy

The State subsidizes local SAUs, which includes the City's School Department, pursuant to Chapter 606-B of Title 20-A of the Maine Revised Statutes. Chapter 606-B, is known as the "Essential Programs and Services Funding Act," (the "EPS Act") and is summarized in this section. Pursuant to Section 15671 of the EPS Act, Essential Programs and Services ("EPS") are identified as those educational resources required for all students to meet the standards in the eight-content standard subject areas of the system of learning results established by statute. In order to achieve this system of learning results, school funding based on EPS must be available in all schools on an equitable basis and utilize resources including federal funds that are currently provided or could be adapted to implement a system of learning results, as well as additional resources that are also needed to ensure that these programs and services are available to all students. The objective of school funding is to make adequate provision to provide for staffing and other material resource needs of the essential programs and services identified by the Legislature. Funding is subject to appropriation by the State legislature. The EPS Act and State funding under the EPS Act are subject to amendment by the Legislature.

The State and the SAUs are jointly responsible for contributing to the cost of the components of EPS. The State contribution to the cost of the components of EPS is proposed by the Commissioner and established by the Legislature. The current statutory objective is for the State to provide 55% of the statewide EPS costs to SAUs. See "THE BONDS - SOURCE OF PAYMENT AND REMEDIES - Uncertainty Regarding School Funding," below.

Based upon the State's funding level for a fiscal year, the EPS Act establishes that the Commissioner of set a statewide, full-value education mill rate that determines a municipality's required local contribution. The full-value mill rate is that rate which, if applied to the statewide valuation, would produce a sufficient amount to achieve the statewide total local share of the total State/local allocation. The statewide mill rate applied to a municipality's property valuation determines the municipality's required local contribution, also referred to as the "local cost share expectation" for that municipality. The required local contribution is subject to certain adjustments, including, where applicable, a minimum receiver adjustment. In some cases, an SAU's formula for dividing costs among its member municipalities creates a "re-allocation" of the member municipalities' contributions towards the SAU's local allocation.

Each year, the Commissioner notifies each SAU of the local cost share expectation for the SAU and its member municipalities, and each superintendent reports to the municipal officers whenever an SAU is notified of the local cost share expectation or a change made in the local cost share expectation resulting from an adjustment.

The legislative body of an SAU may approve an additional local appropriation that exceeds the SAU's local allocation for EPS costs, but only if that action is approved in a separate article by a vote of the SAU's legislative body as part of the school budget approval process in that SAU and in accordance the EPS Act. For SAUs whose legislative bodies are town or city councils, the vote for additional local appropriation must be accomplished by a majority vote of the full membership of the school board, followed by approval of the town or city council. In most SAUs, following legislative body approval of the school budget, the voters of an SAU must ratify the school budget by a referendum vote. In Saco, the legislative body is comprised of the Mayor and the City Council (see "CITY OF SACO – GOVERNMENT", herein.).

Uncertainty Regarding School Funding

State subsidies for SAUs are based upon a number of factors set forth in the EPS Act that are subject to change each year. In addition, the subsidy formula itself is subject to change each year by the Legislature. Furthermore, subsidies for SAUs are an annual item in the State's budgetary process and are subject to legislative appropriation each year.

The level of State subsidy is subject in any year to approval by the State legislature. Since the State's establishment of school subsidy programs in 1969, in some years the State has curtailed its subsidy of EPS costs ⁽¹⁾. In 2005, the State legislature passed "LD 1," a bill that required the State to increase the State contribution to EPS costs to 55%. It was not until 2021 that the State met this 55% funding goal. Still, no assurances can be given that future legislation will not have an adverse impact on school funding in Maine. In addition, no assurances can be given regarding the current, or future, annual appropriation by the Legislature of an amount sufficient to fund the State's share of EPS allocation as it is currently defined and determined under the EPS Act. Because of the uncertainties involved in the legislative process, it is not possible to predict the level of State subsidy to SAUs in future years or indeed, whether the State's subsidy program will continue in its present form.

NOTE: ⁽¹⁾ It is noted that in those years where the State has curtailed its subsidy of EPS costs, it always has excluded from curtailment the debt service on bonds issued to finance school construction projects that the State has approved for inclusion in EPS costs for subsidy services. No assurance can be given, however, that the State will not change this practice in some manner that would affect the level of such debt service subsidy.

Recent Years' State General Purpose Aid to Local Schools

Beginning in fiscal year 2011/2012, the State set targets that include EPS costs *plus* the State contribution to teacher retirement, retired teacher health insurance, and retired teacher life insurance. The State target for General Purpose Aid to Local Schools ("GPALS") was established at the following level in the following fiscal years:

<u>Fiscal Year</u>	<u>State % Target</u>	<u>State % Target Including Teacher Retirement Contribution</u>
2019/2020	50.78%	55.00%
2020/2021	51.83%	55.00%
2021/2022	55.00%	55.00%
2022/2023	55.00%	55.00%
2023/2024	55.00%	55.00%
2024/2025	55.00%	55.00%

From time-to-time, the State Legislature may change the costs includable in EPS and the method of calculating the achievement of the State target. For example, in fiscal year 2013/2014 the State target for the total cost of K-12 education, as measured by the EPS school funding model, included the employer share of teacher retirement costs that is paid directly by the State. The appropriation increased the State subsidy for that year by approximately \$29 million before it was reduced by \$12.6 million through a curtailment order issued by the Governor in December 2012, as an emergency procedure to keep the State Budget in balance. The \$29 million funding increase, however, was accompanied by the transfer of the financial obligation from the State to the schools for the “normal costs” of teachers’ retirement under MainePERS (as defined herein). As seen in the percentages set forth in this section, transferring the State funding of these costs to the EPS formula in prior years brought the State closer to its stated 55% funding goal for EPS costs, without providing a net funding increase. Neither the future amount nor future rate of State subsidy can be calculated on a pro forma basis due to the variable nature of the factors included in the State’s determination of funding.

State Subsidy for the Bonds

The Bonds allocable to the Elementary School Project have been approved for State debt service subsidy (see “THE BONDS - AUTHORIZATION AND PURPOSE, THE PROJECTS AND PLAN OF FINANCING – Financing State Qualified School Projects” herein.)

The State Board has given *Final Funding Approval* for the Elementary School Project for the total cost of \$93,146,299 with the debt service on \$86,343,385 (or 92.7%) is approved for State subsidy; the debt service on \$6,802,914 (or 7.30%) paid from local funds. The debt service on up to \$39,349,556 of bonds authorized for the Projects will provide funds to finance the PreK School Project and will be paid entirely from local funds.

TAX MATTERS

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements that must be met on a continuing basis subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes pursuant to Section 103 of the Code. These requirements include, but are not limited to, requirements relating to the use, investment and expenditure of bond proceeds and the requirement that certain earnings be rebated to the federal government. Failure of the City to comply with such requirements may cause interest on the Bonds to be included in the gross income of the holders thereof for purposes of federal income taxation retroactive to the date of issuance of the Bonds, regardless of when such noncompliance occurs or is ascertained.

The City will make certain representations with respect to the use of the proceeds of the Bonds and the Projects and will covenant (i) to comply with the provisions and procedures of the Code applicable to the Bonds and (ii) not to take any action or permit any action that would cause the interest paid on the Bonds to be included in gross income for purposes of federal income taxation pursuant to section 103 of the Code. In the opinion of Bond Counsel and assuming compliance with certain tax covenants, under existing statutes, regulations and court decisions interest on the Bonds is excludable from the gross income of the owners of the Bonds for purposes of federal income tax purposes pursuant to Section 103 of the Code. Interest on the Bonds is not treated as a preference item in calculating the alternative minimum tax; however, such interest is included in the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel will rely upon the City’s representations made with respect to the use of the proceeds of the Bonds and the Projects and the City’s covenant that it will comply with the Code.

Exemption of Interest on the Bonds from Taxation Within the State of Maine

In the opinion of Bond Counsel, interest paid on the Bonds is not subject to income taxes within the State imposed on individuals under existing statutes, regulations and judicial decisions pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes. See “PROPOSED FORM OF LEGAL OPINION” in APPENDIX B herein.

Designated as Qualified Tax-Exempt Obligations

The City will not designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code.

Original Issue Discount

Certain maturities of the Bonds (the “Discount Bonds”) may be sold at an issue price that is less than the stated redemption price of the Discount Bonds at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates). The difference between the issue price at which each of the Discount Bonds is sold and the stated redemption price at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) of each of the Discount Bonds constitutes original issue discount (“OID”). Pursuant to Section 1288 of the Code, OID on the Discount Bonds accrues on the basis of economic accrual under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on the Discount Bonds, as applicable. The basis of an initial purchaser of a Discount Bond acquired at the initial public offering price of the Discount Bond will be increased by the amount of such accrued OID for purposes of determining gain or loss on the sale, exchange, or other disposition of such Discount Bond.

Prospective purchasers of the Discount Bonds should consult their tax advisors with respect to the determination for federal income tax purposes of the OID properly accruable with respect to the Discount Bonds and the tax accounting treatment of accrued interest, and the state and local tax consequences of acquiring, holding, and disposing of Discount Bonds.

Original Issue Premium

Certain maturities of the Bonds may be sold at a purchase price in excess of the amount payable on such Bonds after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) (the “Premium Bonds”). The excess, if any, of the tax basis of the Premium Bonds to a purchaser (other than a purchaser who holds such Premium Bonds as inventory, stock in trade or for sale to customers in the ordinary course of business) over the amount payable at maturity (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates) is amortizable bond premium, which is not deductible from gross income for federal income tax purposes. Amortizable bond premium, as it amortizes, will reduce the owner’s tax cost of the Premium Bonds used to determine, for federal income tax purposes, the amount of gain or loss upon the sale, redemption at maturity or other disposition of the Premium Bonds. Accordingly, an owner of a Premium Bond may have taxable gain from the disposition of the Premium Bond, even though the Premium Bond is sold, or disposed of, for a price equal to the owner’s original cost of acquiring the Premium Bond. Bond premium amortizes over the term of the Premium Bonds under the “constant yield method” described in regulations interpreting Section 1272 of the Code.

Prospective purchasers of the Premium Bonds should consult their tax advisors with respect to the calculation of the amount of bond premium which will be treated for federal income tax purposes as having amortized for any taxable year (or portion thereof) of the owner and with respect to other federal, state and local tax consequences in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Additional Federal Income Tax Consequences

Prospective purchasers of the Bonds should be aware that ownership of, accrual or receipt of interest on or disposition of tax-exempt obligations, such as the Bonds, may have additional federal income tax consequences for certain taxpayers, including, without limitation, taxpayers eligible for the earned income credit, recipients of certain Social Security and certain Railroad Retirement benefits, taxpayers that may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, financial institutions, property and casualty insurance companies, foreign corporations, and certain S corporations.

Prospective purchasers of the Bonds should consult their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

The Internal Revenue Service (the “IRS”) has an ongoing program of auditing state and local government obligations, which may include randomly selecting bond issues for audit, to determine whether interest paid to the holders is properly excludable from gross income for federal income tax purposes. It cannot be predicted whether the Bonds will be audited. If an audit is commenced, under current IRS procedures holders of the Bonds may not be permitted to participate in the audit process and the value and liquidity of the Bonds may be adversely affected.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the United States Congress (“Congress”) and in the states that, if enacted, could alter or amend the federal and State tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds or significantly reduce the benefit of, or otherwise affect, the exclusion from gross income for federal income tax of interest on the Bonds. Future Congressional proposals could also affect the Bonds, even if never enacted. It cannot be predicted whether, or in what form, any such proposals might ultimately be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. The introduction or enactment of any such legislative proposals may affect, perhaps significantly, the market price for, or marketability of, the Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax and financial advisors regarding such matters.

Opinion of Bond Counsel

The legal opinion of the firm of Drummond Woodsum & MacMahon, of Portland, Maine (see APPENDIX B) will be furnished to the original purchaser of the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the original purchaser of the Bonds.

Extent of Opinion

Bond Counsel expresses no opinion regarding any tax consequences of holding the Bonds other than its opinion with regard to (a) the exclusion of interest on the Bonds from gross income pursuant to Section 103 of the Code, (b) interest on Bonds not being treated as a preference item in calculating the alternative

minimum tax under the Code, however, such interest will be taken into account in determining the “adjusted financial statement income” of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code and (c) the exemption of interest on the Bonds from taxation within the State pursuant to Title 30-A, Section 5772(9) of the Maine Revised Statutes. Prospective purchasers of the Bonds should consult their tax advisors with respect to all other tax consequences (including but not limited to those described above) of holding the Bonds.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued in fully-registered form registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One-fully registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and each such certificate will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated securities. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct Participants, which will receive a credit for such securities on DTC’s records. The ownership interest of each actual purchaser of each security deposited with DTC (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in securities deposited with DTC are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in securities deposited with DTC, except in the event that use of the book-entry system for such securities is discontinued.

To facilitate subsequent transfers, all securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no

knowledge of the actual Beneficial Owners of the securities deposited with it; DTC's records reflect only the identity of the Direct Participants to whose accounts such securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City of such securities or its paying agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the City of such securities or its paying agent, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City of such securities or its paying agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to securities held by it at any time by giving reasonable notice to the City of such securities or its paying agent. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered to Beneficial Owners. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to Beneficial Owners.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

RATINGS

The Bonds are rated "___" by Moody's Ratings ("Moody's") and "___" by S&P Global Ratings ("S&P"). The City has furnished the rating agencies certain information and materials, some of which may not have been included in this Official Statement and is not material to prospective purchasers of the Bonds. The ratings, if obtained, will reflect only the view of Moody's or S&P at the time such rating is assigned and will be subject to revision or withdrawal, which could affect the market price of the Bonds. Moody's or S&P should be contacted directly for its rating on the Bonds and its explanation of such rating. A rating is not a recommendation to buy, sell or hold the Bonds, and such rating should be evaluated independently. Except as set forth in the Continuing Disclosure Agreement set forth in APPENDIX C and referred to under "THE BONDS – CONTINUING DISCLOSURE" herein, the City has not undertaken any responsibility either to bring to the attention of the owners of the Bonds any proposed change in, or withdrawal of, any rating of the Bonds or to oppose any such change or withdrawal.

CONTINUING DISCLOSURE

In order to assist the underwriter of the Bonds in complying with the Securities and Exchange Commission’s (“SEC”) Rule 15c2-12 (the “Rule”), the City will covenant for the benefit of the owners of the Bonds to provide certain financial information and operating data relating to the Rule by not later than 270 days after the end of each fiscal year (the “Annual Report”) and to provide notices of the occurrence of certain enumerated events, if material. Pursuant to the Rule, such filings will be made with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access System (“EMMA”). The covenants will be contained in a “Continuing Disclosure Agreement” (the “Agreement”; or “CDA”), the proposed form of which is provided in APPENDIX C. The Agreement will be executed by the Treasurer of the City.

The City issued its 2024 Notes to provide interim funds, to finance the Projects. Initially, no Official Statement (“OS”) was intended to be produced for the sale of the 2024 Notes pursuant to *Exemptions from the Operation of Rule 15c2-12* ^(1a and 1b), as explained on page v of the Notice of Sale for the 2024 Notes. However, the Securities and Exchange Commission apparently narrowed its interpretation of the Rule that caused the production and distribution of an Official Statement despite the expectation for exemptions for the sale of the 2024 Notes, leading to conflicting interpretation of the Rule.

NOTE: ^(1a) Pursuant to 17 C.F.R. § 240.15c2-12(b)(d)(1)(i) of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934. ^(1b) Pursuant to 17 C.F.R. § 240.15c2-12(b)(d)(1)(ii) of the Rule.

Continuing Disclosure History

The City failed to file financial data or complete operating data for the fiscal years ended June 30, 2021, 2022, 2023, and 2024 on a timely basis as it did not receive the financial statements until after the March 31 respective years’ filing due date. This delay was caused by the City’s Audit Firm continuing to experience staffing shortages through and post-COVID; exacerbated by the City’s transition to replace the former Finance Director through three transitions; and failure to properly transition staff to the responsibilities inherent in the Agreement.

The City now understands that it has not provided complete Operating Data for preceding fiscal years’ of the “... type presented in the Official Statement prepared in connection with the Bonds” The City filed its 2020 ACFR with EMMA on December 23, 2020, in a timely manner. Its subsequent financial data late filings were filed on dates in the table below.

Financial Statements & Operating Data for <u>FY ended June 30,</u>	Date Received From City’s <u>Audit Firm</u>	<u>EMMA Filings</u>	
		<u>Date Filed</u>	<u>Days after Fiscal Period</u>
2024	10/1/2025	10/19/2025	476
2023	3/29/2024	4/30/2024	305
2022	4/25/2023	4/28/2023	302
2021	4/19/2022	8/1/2022	397
2020	12/23/2020	2/12/2021	227

Remedies

Actions to resolve the above failures are:

- ☐ On October 19, 2025, the City submitted a *Late Filing – Failure to File in a Timely Manner - Filing Financial Data* for the years ended June 30, 2021, 2022, 2023 and 2024 with the above explanations.
- ☐ On October 19, 2025, the City submitted a *Late Filing – Failure to File in a Timely Manner - Operating Data* for the years ended June 30, 2023 and 2024 with the above explanations.
- ☐ On October 19, 2025, the City submitted a *Voluntary Filing* to advise that its Operating Data filing for 2023 was posted in the “Official Statements” section on November 8, 2024, and is available in that section with the above explanations.
- ☐ The City intends to satisfy its Operating Data filing for 2024 with the submission of the Preliminary Official Statement prepared for this financing, when available, on or about October 24, 2025.
- ☐ A transition plan and guidance is being established so that these lapses will not re-occur.
- ☐ A template to report annual operating data for fiscal year ended June 30, 2025 going forward has been provided to the City.

Assurances of Future Compliance

City has adopted a post-issuance compliance procedure that, among other things, will provide for timely filings with EMMA or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings. Furthermore, the City has registered with the EMMA reminder system to receive e-mail reminders to help ensure timely annual filing of required financial and operating data.

CUSIP® IDENTIFICATION NUMBERS

It is anticipated that CUSIP (an acronym that refers to Committee on Uniform Security Identification Procedures) identification numbers will be printed on the Bonds. All expenses in relation to the printing of CUSIP numbers on the Bonds will be paid for by the City provided, however, that the City assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers.

MUNICIPAL ADVISOR

Moors & Cabot, Inc. is a Municipal Advisor, registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board and has acted as Municipal Advisor to the City with respect to the issuance of the Bonds pursuant to MSRB Rule G-23. Moors & Cabot, Inc. does not intend to submit its bid on, or participate in an underwriting syndicate for the public distribution of, the Bonds.

STATUTORY REFERENCES

All quotations from and summaries and explanations of laws herein do not purport to be complete, and reference is made to said laws for full and complete statements of their provisions.

CONDITIONS PRECEDENT TO DELIVERY

The following, among other things, are conditions precedent to the delivery of the Bonds to the original purchasers thereof.

Approval of Legality

The legality of the Bonds will be approved by Drummond Woodsum & MacMahon of Portland, Maine, Bond Counsel. The unqualified approving opinion of such counsel with respect to the Bonds in substantially the form attached to this Official Statement as APPENDIX B will be delivered at the time of original delivery of the Bonds and a copy of the opinion will be provided to the original purchasers. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the Underwriter. Bond Counsel are not passing upon and do not assume responsibility for the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth as their opinion) and make no representations that they have independently verified the same. See also "PROPOSED FORM OF LEGAL OPINION" in APPENDIX B herein.

Certificate With Respect to Official Statement

At the time of the original delivery of and payment for the Bonds, the City will deliver a certificate of the Treasurer to the effect that the Treasurer has examined this Official Statement and the financial and other data contained therein and that, to the best of the Treasurer's knowledge and belief, both as of its date and as of the date of delivery of the Bonds, the Official Statement does not contain any untrue statement of a material fact and does not omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, subject to the condition that while information in the Official Statement obtained from sources other than the City is not guaranteed as to accuracy, completeness or fairness, the Treasurer has no reason to believe that such information is materially inaccurate or misleading.

No Litigation

Upon delivery of the Bonds, the City shall deliver or cause to be delivered a certificate of the Treasurer, and attested to by its Secretary, dated the date of delivery of the Bonds, to the effect that there is no litigation pending or, to the knowledge of the Treasurer, threatened, affecting the validity of the Bonds or the power of the City to assess and to require each Member Municipality to levy and collect taxes to pay principal of and interest on the Bonds, and that neither the corporate existence nor boundaries of the City, nor the title of any of said officers to their respective offices, is being contested.

Certificate With Respect to Treasurers of Member Municipalities

At the time of the original delivery of and payment for the Bonds, the City will deliver a certification of each of the Member Municipalities that no agreements now exist under Title 30-A, Chapter 223, Subchapter V of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality.

Certification of the Bonds

The Bonds will be certified as to their genuineness by U.S. Bank Trust Company, National Association, Boston, Massachusetts, which certificate will appear on the Bonds.

CITY OF SACO

GENERAL

The City of Saco is located on the southern coast of the State of Maine in the eastern section of the County of York and is approximately 16 miles southwest of the City of Portland, the State's largest city. Saco is bordered by the Town of Scarborough on the northeast, also forming a portion of the lines of the counties of Cumberland and York. The Town of Buxton forms the northwestern border. The Saco River comprises the City's southwestern and southern borders for a distance of 10 miles, separating the City from the Town of Dayton and the City of Biddeford. Old Orchard Beach is contiguous to the City's southeastern line. Approximately four miles of beachfront along the Saco Bay forms the remainder of the City's southeastern boundary in a panhandle south of Old Orchard Beach. The Maine Turnpike, also being US Interstate Route 95, bisects the City's central region in a north-south direction. Convenient access to the City is provided by the US Interstate Route 195 Connector, which originates at Exit 36 (formerly Exit 5) of the Turnpike and flows away in a perpendicular direction, terminating at the City's border with Old Orchard Beach. US Route 1 intersects the City's central plain, through its business district from Biddeford to Scarborough. State Route 9 crosses the Saco River at the City's central business area, proceeds through Saco's panhandle, to then progress along the coastal plain of the City. State Routes 5, 98 and 112 all originate at or from US Route 1 to various parts of the City.



Patents on both sides of the Saco River were granted on February 12, 1629. A tract four miles wide on the sea and eight miles inland was granted to Thomas Lewis and Captain Richard Bonython on the east side of the river. A tract of the same size was conveyed to John Oldham and Richard Vines on the river's west side. Formal settlements were established on both sides of the river by 1653 and were organized as the Town of Saco, the name attributed as from the Sokokis Indians who had dwelled there. The name for the combined settlements was changed in 1718 to Biddeford in honor of the English town of Bideford. The Town divided in June of 1762 with the section east of the river taking the name of Pepperellborough, as a complement to Sir William Pepperell. On February 23, 1805 the name of this eastern area returned to the original name of Saco. The Town became incorporated as the City of Saco, with a charter adopted on February 18, 1867.

Saco is the eighth largest city and 11th largest municipality (including three towns) in Maine and, with the City of Biddeford, is the largest center of commercial activity in York County. The Dyer Library and York Institute Museum provide historic landmarks as well as house a large collection of Maine history and genealogy. Thornton Academy, a coeducational prep school founded in 1811 with an 80-acre campus, provides secondary school education to the City's students. The Saco Valley Shopping Center and a highly developed strip all along U.S. Route 1 provide retail and commercial trade. The Ferry Beach State Park offers a popular sandy public beach frequented by local citizens and visitors. The City is a coastal urban community with suburban and rural areas. The land area comprises residential, resource protection, business, industrial, farming and conservation zones, open spaces, coastal and woodland areas totaling 38.8 square miles.

GOVERNMENT

There are two basic forms of local government in Maine: the “Direct” form, often referred to as town meeting government, in which the town meeting serves as the legislative body, passing laws, approving the spending of monies; and the “Representational” form, in which an elected council serves as the legislative body. There are five basic variations of these two forms. Variations of the Direct form are: *Selectmen/Town Meeting* form of government, the most common in Maine currently used by 169 municipalities in the state; *Selectmen/Town Meeting/Manager*, the second most common form of local government in Maine currently used by 141 towns; *Council/Town Meeting/Manager* (18 towns) variation of the town meeting form of government, where the legislative functions of government are shared between the town meeting and an elected council and *Selectmen/Town Meeting Administrative Assistant* or *Administrator* (a combined 80 towns). Variations of the Representational form are: *Council/Mayor/Administrator* (three cities), *Council/Mayor/Manager* (18 cities) and *Council/Manager* (26 towns).

The City operates under a charter adopted November 4, 1980, as amended, most recently by the City’s voters at a November 5, 2024 referendum and effective on January 1, 2025 (the “Charter”). The Charter provides for a *Council/Mayor/Administrator* form of government with a seven-member City Council elected by ward, and the Mayor being elected by the voters of the City at-large. The Mayor and Council members are elected for two-year terms. The Charter grants to the City Council all powers to enact, amend, or repeal rules, ordinances and resolutions relating to the City’s property, affairs and government, to preserve the public peace, health and safety, to establish personnel policies and giving effect to any vote of the City and to authorize the issuance of debt. Through its Charter, the Council adopts an annual budget and provides for an annual audit.

The Mayor is the Chief Executive Officer of the City. The City Administrator, who is appointed by the Mayor subject to confirmation of the Council, provides for the day-to-day operations as the Chief Administrative Officer of the City. The Mayor, the City Council and any of its members deal with City officers and employees who are subject to direction and supervision of the City Administrator, through the City Administrator.

MUNICIPAL SERVICES

The City provides general governmental services for the territory within its boundaries, including police and fire protection, maintenance of highways, streets and sidewalks, parks, recreation and coastal areas, sewer service and wastewater treatment. Public education is provided for grades Kindergarten (“K”), including PreK, through 12 through the City’s School Department. Water service is provided by the Connecticut Water Service Inc. through its affiliate, Maine Water Company, Saco-Biddeford Division, a wholly separate privately-owned water utility whose operation and obligations are not part of the City.

Public Safety

The Police Department is staffed by 41 FTE employees who include a Police Chief, a Deputy Chief, and 21 other full-time officers. The Police Department maintains 20 vehicles, which are in good repair. The public safety roster also includes eight public safety dispatchers, two administrative support positions, a civilian court officer, one administrative assistant, a full-time Canine Control Officer and a Parking Control Officer. The Fire Department and Ambulance Division are operated by a Fire Chief and approximately 44 full-time and 24 call personnel which include two Deputy Chiefs, four Captains, eight lieutenants, one administrative assistant, and 29 full-time Emergency Medical Technicians operating from three fire stations and maintaining 17 vehicles.

Public Works

The Public Works Department provides for road, sidewalk, sewer line maintenance, combined sewer overflow (“CSO”) monitoring and maintenance of the City’s Camp Ellis Pier, including the launch area and parking lot. The City ceased operation of its sanitary landfill in 1987 and from July, 1988 to June 30, 2007 sent its solid waste to the Maine Energy Recovery Company’s (“MERC”) waste-to-energy plant in Biddeford, with status as a Host Community. The City did not renew its contract with MERC, which expired June 30, 2007, and sends its solid waste to ecomaine’s waste-to-energy plant in Portland. ecomaine (formerly Regional Waste System or “RWS”) is a Maine Corporation with 21 participating municipalities (“Member Municipalities”). The City is not a Member Municipality of ecomaine and currently pays a contracted tipping fee per ton of solid waste delivered (currently at \$105/ton, adjusted annually with reference to the May Consumers Price Index issued by the United States Bureau of Labor Statistics, but not to exceed 7% per year).

Water Resource Recovery Department

The City’s Water Resource Recovery Department maintains a wastewater treatment plant (the “Plant”) and 31 pumping stations. The Plant operates at approximately 62.2% of design capacity and treated approximately 955.76 MGD of wastewater during the fiscal year ended June 30, 2024. The City accounts for the operations of the Plant as a Special Revenue Fund (as defined herein) pursuant to the City’s sewer user charge ordinance that became effective July 2, 1986. Also included in this fund are monies collected under the City’s sewer connection ordinance (i.e., sewer impact fees), which are reserved for use in the future expansion of the Plant.

Labor Relations

The City employs approximately 185 full-time employees plus a number of part-time and seasonal employees; the School Department employs approximately 396 full and part-time employees. The following lists the various bargaining units that are represented by a union, and the status of its current contract. City Employees not included in the below table are not represented by unions.

Union ⁽¹⁾	Bargaining Unit	Date of Contract	
		Effective	Expiration
Teamsters Local #340	Public Safety Dispatch	July 1, 2024	June 30, 2027
Teamsters Local #340	Wastewater Treatment Plant	July 1, 2024	June 30, 2027
FOP	Police Patrol	July 1, 2025	June 30, 2028
MAP	Police Sergeants	July 1, 2024	June 30, 2027
Teamsters Local #340	Public Works	July 1, 2024	June 30, 2027
IAFF	Firefighters	July 1, 2022	June 30, 2026
SEA MEA	School Aides and Assistants	July 1, 2024	June 30, 2025
SEA MEA	School Custodians	July 1, 2024	June 30, 2027
SEA MEA	School Teachers	September 1, 2013	August 31, 2026

NOTE: ⁽¹⁾ “Teamsters” indicates the International Brotherhood of Teamsters, as separate bargaining units; “MAP” indicates the Maine Association of Police; “FOP” indicates “Fraternal Order of Police”; “IAFF” indicates the International Association of Firefighters; “MEA” indicates the Maine Education Association of which the various components of the Saco Educational Association (“SEA”) are affiliated, as separate bargaining units.

PUBLIC EDUCATION

Prior to the School Consolidation Act enacted in 2007 (the “Act”), the City operated its elementary educational program as a member of School Union No. 7⁽¹⁾ (which served the School Departments of the Town of Dayton and the City of Saco). The Act was enacted by the State with the goal of reorganizing and consolidating existing SAU into Regional School Units (“RSUs”). The members of School Union No. 7 and the Town of Old Orchard Beach, a SAU formerly under its individual supervision (the “RSU Member Municipalities”), joined to form Regional School Unit 23 (“RSU 23”), that become operational on July 1, 2009 pursuant to a Reorganization Plan. However, at a November 5, 2013 referendum election, the voters of the City voted to withdraw from RSU 23 and again operate its elementary educational program as a department of the City, under its individual supervision, effective July 1, 2014, subject to the terms and conditions of a withdrawal agreement dated August 1, 2013 (the “Withdrawal Agreement”).

NOTE: ⁽¹⁾ A School Union is a combination of two or more cities or towns joined together for administrative purposes only to better cost justify the employment of a superintendent of schools. The city or town shares a superintendent’s services and office expense, apportioned to each community on a pro rata share of the superintendent’s services to the community. As such, the City maintained its own budget, had its own school committee and operated independently as a separate unit, except for superintendent expenses.

The Saco School Department

Article IV, Section 4.01 of the City’s Charter, as amended, provides that the public education for the City be administered by a school committee comprising seven (7) members, each represented by each of the seven Wards of the City, for three-year staggered terms (the “School Board”). The School Board performs all duties and functions in regard to the care and management of the public schools of the City including preparation and submission of its budget to the City Council, who includes it in their budget process. The City’s school’s staff consists of a Superintendent, an Assistant Superintendent, four full-time principals, two full-time assistant principals, 208 full-time equivalent teachers of which 202.5 are locally funded, and various other professional and non-professional staff. The City educates its elementary students at the following schools and pays tuition for students in Grades 9-12 to attend Thornton Academy:

School Enrollment Trends (Oct. 1, 2024)					
<u>School</u>	<u>Grades</u>	<u>Capacity</u>	<u>Saco⁽¹⁾</u>	<u>Non-Saco</u>	<u>Total⁽²⁾</u>
PreK in 3 locations	Pre-K		125	0	125
Governor John Fairfield	K - 2	259	261	4	265
Young	K - 2	200	297	0	297
C. K. Burns	3 - 5	671	607	7	614
Saco Middle	6 - 8	738	596	15	611
Thornton Academy (Saco Only)	9 - 12	NA	<u>951</u>	<u>NA</u>	<u>951</u>
Total Enrollment			2,837	26	2,863

NOTE: ⁽¹⁾ **Resident Enrollment** is based on where the students live. They are counts of students who reside in each school district and are educated at public expense. Public school district resident counts include: (1) resident students from the local school unit attending schools in the local school unit, plus (2) resident students from the local unit who are tuitioned to other public school units or private schools and who are paid for with public funds.

⁽²⁾ **Attending Enrollment** is an attending student count, or a head count of students, based on where the students are educated. Public school district attending counts include: (1) students from the local school district attending schools in the local school district, plus (2) students from outside the school district who are tuitioned from other school districts.

Thornton Academy

The City sends all of its Grades 9 through 12 students on a tuition basis to Thornton Academy, located in Saco. Thornton Academy (the “Academy”) is a private day school that provides middle school and secondary education for tuition students from the City and the towns of Arundel and Dayton. Residents of other municipalities may pay tuition to send their middle or secondary grade children to the Academy at their own expense, including residents of the City to the Academy’s middle school. The Academy was originally established in 1811 and is governed by a Board of Trustees with a Headmaster as the chief administrative officer. The 80-acre campus includes seven buildings and various athletic facilities. The City pays tuition, as set annually with State guidelines, for each student who elects to attend the Academy. For the school year 2025/2026 the tuition is set at \$14,710,954 per school year for the City. Of approximately 1,500 students enrolled on October 1, 2025, 895 were from Saco. Whereas Thornton Academy is privately owned, its operations and obligations are not part of the City.

Enrollment Trends

<u>Oct. 1,</u>	<u>Saco Resident</u>	<u>Thornton Academy ⁽¹⁾</u>		<u>Saco</u>	<u>Non-</u>	<u>Saco</u>
	<u>K-8⁽¹⁾</u>	<u>6-8</u>	<u>9-12</u>	<u>Resident</u>	<u>Resident</u>	<u>Attending</u>
2024	1,939	917	917	1,912	27	2,841
2023	1,915	578	875	1,905	10	2,782
2022	1,886	578	879	1,870	16	2,751
2021	1,807	567	889	1,819	12	2,688
2020	1,831	591	931	1,821	10	2,757
2019	1,830	64	936	2,830	29	2,859
2018	1,802	67	946	2,815	21	2,836
2017	1,758	57	969	2,784	39	2,823
2016	1,685	2	989	2,676	42	2,718
2015	1,722	0	982	2,704	60	2,764

NOTE: ⁽¹⁾ Includes Saco Resident Enrollment *only* that attend Thornton Academy.

DYER LIBRARY ASSOCIATION

Since 1881, Dyer Library (the “Library”) has served the changing educational and cultural needs of the Saco area. The first permanent home of the Dyer Library, originally constructed for the Library in 1893, was designed by architect Horace Wadlin of Reading, Massachusetts as the last of six buildings Wadlin is known to have designed in Saco and Biddeford. The building is a one and a half story primarily Colonial Revival structure that also contains elements of the Romanesque on the main facade, and suggestions of eclectic Queen Anne details. The second floor was an unfinished garret until 1914, when dormers were added to the front of the roof as the children’s room. In 1955 the Library moved from the structure which currently houses the Saco Police Department to the home of former board president F. C. Deering when the Deering family gave their spacious mansion for a new library. From 1988 to 1990, an addition and renovations have created a new children’s room, and improved other areas of the Library. The Library contains a circulating collection of over 70,000 volumes, an audio-visual library with over 600 items, a children’s library, subscriptions to 84 current periodicals, and many 19th century periodicals. The Maine History Collection, with some 100,000 documents, including 3,000 photographs, genealogical records, and an extensive library of regional history books and maps are housed in the Library.

In 1976, the Library and the Saco Museum (the “Museum”) merged to form the Dyer Library Association, a private non-profit organization that serves as both the City’s public library, and a museum of regional history and culture. The Museum was originally founded in March of 1866 as the York Institute, changing its name to the Saco Museum in 2000. Located next to the Library, on Saco’s historic Main Street, the Museum houses an exceptional collection of paintings, furniture, textiles, and glass associated with local

history and is the third oldest museum in Maine. The focus of the collection is the Federal Period (1780-1820). Its distinctive red brick Colonial Revival building, designed by the noted Maine architect John Calvin Stevens in 1926, serves as a fire-proof gallery space for the Institute's extensive collections that contains more than 10,000 artifacts, including superb collections of documented local furniture, clocks, and other decorative arts such as silver, ceramics, textiles and costumes, and a number of rare treasures of national significance. The City of Saco has historically contributed funds to the institution, at its pleasure.

BIDDEFORD-SACO-OLD ORCHARD BEACH TRANSIT COMMITTEE

The Biddeford-Saco-Old Orchard Beach Transit Committee (the “Transit Committee”) is a not-for-profit, quasi-governmental entity that operates a public passenger bus service among the cities of Biddeford and Saco and the Town of Old Orchard Beach (the “Participating Municipalities”) under an Inter-local Agreement. The Transit Committee operates similar to a governmental unit, however it has no authority to tax. Revenues are derived from passenger fares, municipal and private contributions, and federal or State grants. The amount to cover operating and administrative deficits and capital needs, including debt service, is estimated annually. Each of the Participating Municipalities provides contributions to the Transit Committee for one-third of this amount. Under an inter-local agreement the Participating Municipalities would become jointly responsible for its debt should the Transit Committee be dissolved.

BUILDING PERMITS

Calendar Yr. End June 30,	Residential		Commercial & Industrial		Total	
	Permits	Est. Cost of Construction	Permits	Est. Cost of Construction	Permits	Est. Cost of Construction
2025	527	\$36,989,639	75	\$68,872,197	602	\$105,861,836
2024	583	44,978,970	112	62,755,080	695	107,734,050
2023	524	35,494,347	93	23,543,646	617	59,037,993
2022	494	38,335,410	97	17,082,287	591	55,417,697
2021	669	37,947,586	99	17,766,108	768	55,713,694
2020	568	27,238,973	99	33,902,284	667	61,141,257
2019	399	23,190,102	132	32,958,246	531	56,148,348
2018	447	27,385,970	140	23,093,203	587	50,479,173
2017	399	22,466,400	131	9,748,739	530	32,215,139
2016	403	23,728,183	105	24,102,154	508	47,830,337

RETAIL SALES

Retail Sales by Product Group and Consumer Sales (\$/000)

Year	Business/ Operating	Building Supply	Food Store	General Mdse.	Other Retail	Auto/ Transp.	Rest/ Lodging	Group Total
2024	NI	NI	52,296.5	17,252.8	19,164.3	NI	55,226.1	514,751.3
2023	22,035.0	28,570.7	53,070.1	16,689.6	18,943.4	301,533.5	56,340.9	497,183.1
2022	NI	NI	50,059.5	15,874.6	19,508.8	NI	54,352.6	488,276.9
2021	NI	NI	45,886.0	15,284.3	20,690.5	NI	47,008.2	451,275.0
2020	4,912.0	7,915.7	42,266.4	11,667.9	12,532.8	261,949.0	33,856.7	375,100.5
2019	5,632.4	3,983.2	41,009.3	12,737.6	10,504.7	259,669.9	45,751.0	379,288.1
2018	5,987.5	4,769.6	40,483.0	12,448.4	9,926.4	257,122.9	44,097.8	374,835.6
2017	5,911.5	4,614.1	39,012.2	12,457.5	9,681.5	254,814.6	42,458.9	368,950.2
2016	5,569.0	4,500.5	37,911.4	11,334.1	9,271.5	233,283.5	40,699.3	342,569.3
2015	6,020.1	3,884.6	27,125.6	12,887.4	9,348.5	224,376.0	40,303.4	323,945.8

SOURCE: State of Maine, Department of Taxation, Sales Tax Section

NOTE: (“NI”) indicates categories that are not itemized, whereas the participants in that sector are too few, such that reporting sales could share otherwise proprietary information.

EMPLOYMENT

<u>Employer</u>	<u>Business</u>	<u>Employees</u>	<u>% City's Workforce</u>
Saco School Department	Education	424	3.66%
Sweetser Children's Services	Education	262	2.26%
Ready Seafood	Lobster Prod.	250	2.16%
General Dynamics	Manufacturing	209	1.81%
Hannaford Bros.	Supermarket	193	1.67%
Group 1 Automotive	Auto Dealer	191	1.65%
City of Saco	Municipal	190	1.64%
Thornton Academy	Education	175	1.51%
Saco & Biddeford Savings Bank	Financial	168	1.45%
Shaw's Supermarket	Supermarket	<u>138</u>	<u>1.19%</u>
Summary Top Ten Employers		2,200	19.00%

Commuter Patterns

Residents of Saco who work in:	Number of Workers	% Saco Workers	Commuters to Saco who live in:	Number of Workers	% Saco Workforce
Saco	2,420	23.03%	Saco	2,420	31.34%
Portland	1,674	15.93%	Biddeford	1,225	15.87%
Biddeford	1,505	14.33%	Old Orchard Beach	427	5.53%
South Portland	1,040	9.90%	Portland	234	3.03%
Scarborough	1,027	9.78%	Buxton	234	3.03%
Kennebunk	310	2.95%	Sanford	229	2.97%
Westbrook	279	2.66%	Kennebunk	212	2.75%
Old Orchard Beach	237	2.26%	Scarborough	207	2.68%
Kittery	182	1.73%	Waterboro	183	2.37%
Gorham	171	1.63%	Dayton	160	2.07%
North Berwick	115	1.09%	Arundel	144	1.87%
Kennebunkport	104	0.99%	Gray	112	1.45%
York	86	0.82%	Westbrook	111	1.44%
Sanford	84	0.80%	Lyman	104	1.35%
Wells	83	0.79%	South Portland	103	1.33%
Cape Elizabeth	76	0.72%	Hollis	93	1.20%
Pownal	63	0.60%	York	92	1.19%
Brunswick	62	0.59%	South Berwick	90	1.17%
Falmouth	59	0.56%	Gorham	89	1.15%
Dayton	56	0.53%	Wells	78	1.01%
Poland	56	0.53%	Limerick	77	1.00%
Freeport	53	0.50%	Windham	75	0.97%
Yarmouth	49	0.47%	Auburn	65	0.84%
Buxton	40	0.38%	Cape Elizabeth	60	0.78%
Newington	40	0.38%	Kennebunkport	60	0.78%
Shapleigh	34	0.32%	Falmouth	55	0.71%
All Other	<u>601</u>	<u>5.72%</u>	All Other	<u>782</u>	<u>10.13%</u>
City's Workers	10,056	100.00%	Commuters to Saco	7,721	100.00%

SOURCE: U.S. Department of Commerce, Bureau of Census - Tables 3 & 4. Residence MCD/County to Workplace MCD/County Commuting Flows for the United States: 5-Year ACS, 2011-2015, the latest information available.

ECONOMIC CHARACTERISTICS

		-----% Change-----			
Population		City of <u>Saco</u>	<u>City</u>	<u>State</u>	<u>USA</u>
1980		12,921	10.6%	13.4%	11.4%
1990		15,181	17.5	9.2	9.8
2000		16,822	10.8	3.8	13.2
2010		18,482	9.9	4.2	8.9
2020		20,960	13.41	1.2	6.3

Population Characteristics	City of <u>Saco</u>	<u>York County</u>	<u>State of Maine</u>	<u>USA</u>
Median age (years)	43.2	45.7	44.8	38.8
% under 5 years	4.3%	4.3%	4.4%	5.5%
% under 18 years	17.6%	17.4%	17.8%	21.7%
% 65 and over	17.2%	23.1%	23.0%	17.7%
Persons/household	2.27	2.34	2.29	2.57

Income	City of <u>Saco</u>	<u>York County</u>	<u>State of Maine</u>	<u>USA</u>
Median household income	\$81,326	\$79,743	\$68,251	\$75,149
Per capita income	\$45,129	\$42,053	\$39,718	\$41,261
% below poverty level	8.0%	8.5%	10.4%	11.1%

Housing	City of <u>Saco</u>	<u>York County</u>	<u>State of Maine</u>	<u>USA</u>
% owner occupied	68.5%	74.1%	73.5%	64.8%
Owner occupied med. value	\$345,200	\$323,500	\$244,800	\$281,900
Median gross rent	\$1,288	\$1,166	\$1,009	\$1,268
Households	8,872	89,404	580,172	-

SOURCE: 2020 census, U.S. Department of Commerce, Bureau of the Census.

Unemployment	City of <u>Saco</u>	<u>York County</u>	<u>State of Maine</u>	<u>USA</u>
2024	2.6%	2.8%	3.1%	4.0%
2023	2.3	2.6	2.9	3.6
2022	2.5	2.7	3.0	3.6
2021	4.2	4.5	4.6	5.5
2020	5.2	5.4	5.4	8.1
2019	2.5	2.7	3.0	3.7
2018	2.7	3.0	3.4	3.9
2017	2.5	2.9	3.3	4.4
2016	3.0	3.4	3.9	4.9
2015	3.4	3.9	4.4	5.3

SOURCE: State of Maine, Department of Labor, Division of Economic Analysis and Research.

CITY FINANCES

BUDGETARY PROCESS

Article VI of the City’s Charter provides for a budget process. The fiscal year (or “budget year”) of the City begins on the first day of July and ends on the thirtieth day of June of the ensuing year. The Charter provides that the budget be submitted to the City Council in two parts, one by the City Administrator and one by the School Board, at the second City Council meeting in March. The City Council holds a public hearing and adopts the budget with or without amendment. Section 6.06(c) of the Charter contemplates adoption of the budget on or before the regular City Council meeting in the second week of May. The School Budget is subject to referendum by the voters of the City through a Budget Validation process. If a budget is not adopted by July 1, Section 1487 of Title 20-A of the Maine Revised Statutes provides interim budget authority for the school department to operate until a final budget is adopted. The adopted budget is then filed with the City Assessor, who establishes a levy of taxes for the corresponding tax year.

General Fund Budgets Fiscal Year Ending June 30,

<u>Departments</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
Assessor	\$434,511	\$225,479	\$654,634	\$339,792	\$291,512
Capital Projects	4,071,274	3,669,595	3,717,859	4,583,085	4,829,690
City Admin.	246,305	289,450	338,577	359,531	360,425
City Clerk	350,051	363,588	399,655	433,745	495,361
Code Enforc.	377,682	415,315	428,738	461,697	482,035
Communications	198,724	204,377	232,458	245,636	261,376
Contingency	307,498	347,500	362,930	387,447	195,835
Council	21,575	21,575	24,334	42,597	42,597
County Tax	1,293,192	1,329,811	1,369,705	1,452,355	1,524,980
Facilities	0	0	0	0	546,748
Finance	732,485	711,634	764,837	878,246	1,029,392
Fire/Ambulance	3,843,910	4,150,278	4,599,269	4,885,860	5,752,496
Fringe Benefits	5,125,159	5,656,380	6,040,809	6,387,541	7,235,916
Human Resources	206,817	203,534	231,303	247,215	299,740
IT	385,259	459,252	501,702	561,517	608,214
Insurance	201,500	203,500	200,710	225,781	251,860
Parks & Rec.	1,873,680	1,941,891	2,066,726	2,322,607	2,595,313
Planning	213,620	227,752	290,286	388,058	375,376
Police	4,539,015	5,088,974	5,156,738	5,044,081	6,177,524
Public Works	6,187,454	5,851,260	6,025,257	6,363,754	6,235,659
School Budget	28,302,594	29,121,791	30,248,663	31,470,390	32,947,571
Solicitor	157,286	157,286	157,286	180,220	220,220
Supported Entities	815,167	912,336	1,012,502	1,090,307	1,455,945
TIF Transfers	3,672,592	4,886,089	7,683,987	5,278,357	6,000,000
Transfers	0	284,604	6,450	0	175,000
TOTAL	\$63,557,350	\$66,723,251	\$72,515,415	\$73,629,819	\$80,390,785

CAPITAL IMPROVEMENT PROGRAM

Sections 6.05 and 6.07 of the City's Charter provide that the City will have a Capital Improvement Program ("CIP"). The City Administrator is directed by the Charter to prepare and submit a capital program concurrent with submission of the annual budget. The CIP includes a list of all capital improvements proposed within the next five succeeding fiscal years. This includes costs, methods of financing and time schedules as well as the annual cost to operate and maintain the proposed respective improvement. The CIP is reviewed by the Council who adopt the program, as amended if necessary, following a public hearing.

Current Capital Improvement Plan Fiscal Year Ending June 30,

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>2029</u>	5 Year Total	Yearly Average
Buildings	\$1,961,496	\$1,131,583	\$1,240,647	\$1,555,948	\$2,528,125	\$8,417,799	\$1,683,560
Grounds	312,518	1,761,967	936,415	452,364	646,686	4,109,950	821,990
ROW	3,260,625	3,894,112	7,694,994	7,453,696	2,825,827	25,129,254	5,025,851
Utilities	599,828	1,957,646	587,010	577,711	866,225	4,588,420	917,684
Veh & Equip.	<u>2,196,481</u>	<u>1,737,287</u>	<u>1,782,340</u>	<u>1,779,790</u>	<u>1,943,533</u>	<u>9,439,431</u>	<u>1,887,886</u>
Total CIP	\$8,330,948	\$10,482,595	\$12,241,406	\$11,819,509	\$8,810,396	\$51,684,854	\$10,336,971

INVESTMENT POLICY

The City instituted a formal Investment Policy on February 18, 1997, amended June 20, 2005 and reviewed May 4, 2012. Pursuant to the Policy and under applicable Maine law [Title 30-A, Section 5706 et seq. of the Maine Revised Statutes, as amended (the "Act")] all investments of the City must be made with the judgment and care that persons of prudence, discretion and intelligence, under circumstances then prevailing, exercise in the management of their own affairs, not for speculation but for investment considering (i) safety of principal and maintenance of capital, (ii) maintenance of sufficient liquidity to meet all operating and cash requirements with which a fund is charged, that is reasonably expected, and (iii) return of income commensurate with avoidance of unreasonable risk. Under the Act, the City's investment practice is to maintain a cash and investment pool that is available for use by all funds and consists of short-term investments. The City is invested principally in direct obligations of the United States government and its agencies. The City is not invested in any obligations typically referred to as derivatives, meaning obligations created from, or whose value depends on or is derived from the value of one or more underlying assets or indexes of asset values in which the municipality owns no direct interest.

FUND BALANCE POLICY

Pursuant to Article IV, Chapter 15, §§ 15-24 to 15-30 of the City's Code, the City has established, and follows, a formal policy that recognizes the importance of maintaining an appropriate level of unrestricted fund balance. On October 3, 2011, the City amended its Fund Balance Policy to comply with Governmental Accounting Standards Board ("GASB") Statement 54 ("GASB 54"). Under the policy, the City maintains an unassigned fund balance goal with a maximum of 16.67% of annual operating expenses; and a minimum unassigned fund balance of 8.33% (the "Fund Balance Policy"). The Fund Balance Policy further states that any shortfall in the unassigned fund balance shall be raised in the next budget cycle, with a minimum revenue requirement needed to bring the fund balance to or above the 8.33%. The following displays the City's Unassigned General Fund Balances for its five most recent audited fiscal years:

Unassigned General Fund Balance as % Budgeted Revenues (pursuant to City's Policy)

	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
Unassigned General Fund Balance	\$10,144,304	\$11,184,770	\$11,571,906	\$13,826,801	\$15,782,302
Budgeted Operating Revenue	56,140,867	61,464,403	62,788,419	66,198,410	71,265,472
Fund Bal. as % Budgeted Revenues	18.07%	18.20%	18.43%	20.89%	22.15%

Assigned & Unassigned General Fund Balance as % Budgeted Revenues

	Fiscal Year Ended June 30,				
	2020	2021	2022	2023	2024
Assigned & Unassigned General Fund Balance	\$10,636,784	\$11,568,927	\$11,927,872	\$14,156,821	\$17,392,879
Budgeted Operating Revenue	56,140,867	61,464,403	62,788,419	66,198,410	71,265,472
Fund Bal. as % Budgeted Revenues	18.95%	18.82%	19.00%	21.39%	24.41%

FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Article VI, Section 6.16 of the City's Charter provide that independent annual audits of the City's accounts be undertaken. The City, in conformance with this statute and its Charter currently engages the services of Runyon Kersteen Ouellette, Certified Public Accountants.

The City's fiscal year 2024 *Annual Comprehensive Financial Report* ("ACFR"), audited by Runyon Kersteen Ouellette, Certified Public Accountants, is presented as APPENDIX A to this Official Statement. The City has not requested the consent of Runyon Kersteen Ouellette for the incorporation of the Financial Statements included in APPENDIX A, nor has it been received.

The Government Finance Officers Association (the "GFOA") awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City for its ACFR for the fiscal year ended June 30, 2023. This was the 22nd year that the City received this prestigious award. In order to be awarded the certificate, the City published an easily readable and efficiently organized ACFR that satisfies both GAAP and applicable legal requirements.

FUNDS

The accounts of the City are organized and operated on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. The City has the following fund types:

Governmental Funds are used to account for most governmental functions of the City. Governmental Funds include the following fund types:

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

Special Revenue Funds account for revenue sources (not including expendable trusts or major capital projects) that are legally restricted to expenditure for specific purposes.

Capital Projects Fund is used to account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting governments' programs.

Enterprise Funds are used to account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Fiduciary Funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. The City's Fiduciary Funds include the following types:

Private Purpose Trust Funds are used to report any trust arrangements under which principal and income benefit individuals, private organizations, and other governments and that are not accounted for in other fiduciary funds.

Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are accounted for using the accrual basis of accounting. The funds are used to account for assets that the City holds for others in an agency capacity.

**CITY OF SACO
COMPARATIVE BALANCE SHEET
GENERAL FUND**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
ASSETS					
Cash and cash equivalents	\$24,199,534	\$17,554,645	\$29,908,088	\$23,619,363	\$20,920,697
Investments	20,173,640	18,442,982	0	0	0
Receivables (net)	342,175	766,962	873,910	674,105	889,888
Inter-funds receivable	0	2,263,781	2,396,603	2,704,703	2,864,079
Taxes and liens receivable	1,223,363	1,030,488	1,146,192	1,196,910	1,726,115
Tax acquired property	105,303	105,303	105,303	109,808	129,873
Lease receivable	151,856	176,402	199,377	0	0
Prepaid items	<u>84,992</u>	<u>80,416</u>	<u>80,316</u>	<u>73,390</u>	<u>2,704</u>
TOTAL ASSETS	46,280,863	40,420,978	34,709,789	28,378,279	26,533,356
LIABILITIES					
Accounts payable	2,256,211	2,393,824	2,575,021	2,687,579	1,052,209
Accrued liabilities	423,116	441,267	710,249	772,181	630,237
Taxes collected in advance	78,311	782,956	91,080	137,498	98,812
Inter-fund payables	<u>24,631,136</u>	<u>21,583,280</u>	<u>18,209,345</u>	<u>12,252,684</u>	<u>12,842,600</u>
TOTAL LIABILITIES	27,388,774	25,201,326	21,585,695	15,849,942	14,623,858
DEFERRED ITEMS					
Unavailable - property taxes	966,751	815,790	921,891	886,020	1,270,010
Unavailable - rent	<u>139,234</u>	<u>166,625</u>	<u>194,015</u>	<u>0</u>	<u>0</u>
TOTAL DEFERRED	1,105,985	982,415	1,115,906	886,020	1,270,010
FUND EQUITY					
Non-spendable	84,992	80,416	80,316	73,390	2,704
Restricted	0	0	0	0	0
Committed	308,233	0	0	0	0
Assigned	1,610,577	330,020	355,966	384,157	492,480
Unassigned	<u>15,782,302</u>	<u>13,826,801</u>	<u>11,571,906</u>	<u>11,184,770</u>	<u>10,144,304</u>
TOTAL FUND EQUITY	17,786,104	14,237,237	12,008,188	11,642,317	10,639,488
TOTAL LIABILITIES AND FUND EQUITY	<u>\$46,280,863</u>	<u>\$40,420,978</u>	<u>\$34,709,789</u>	<u>\$28,378,279</u>	<u>\$26,533,356</u>

Prepared from Audited Financial Statements

CITY OF SACO
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GENERAL FUND
(For the Years Ended June 30,)

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
REVENUES ⁽¹⁾					
Property taxes	\$62,591,137	\$58,275,956	\$54,947,444	\$53,003,200	\$51,146,583
Licenses and permits	1,555,794	1,082,561	1,122,089	1,110,604	1,168,538
Intergovernmental	6,553,315	6,193,725	5,620,928	4,264,994	3,638,300
Charges for services	1,992,512	1,864,500	1,478,598	779,476	1,040,346
Other	<u>1,516,964</u>	<u>1,068,482</u>	<u>226,421</u>	<u>2,549,015</u>	<u>614,937</u>
TOTAL REVENUES	74,209,722	68,485,224	63,395,480	61,707,289	57,608,704
EXPENDITURES					
Current:					
General government	3,614,642	3,184,997	3,047,902	3,160,006	3,068,383
Public safety	9,414,737	8,830,222	8,341,788	7,665,799	7,541,366
Public works	5,761,350	6,044,152	5,940,821	5,839,478	5,731,932
Culture and recreation	2,276,115	2,067,228	1,857,266	1,494,500	1,756,455
Education ⁽¹⁾	-	-	-	-	-
Unclassified	7,280,039	7,032,366	6,720,148	6,601,113	5,755,161
County tax	1,346,355	1,329,811	1,292,266	1,330,196	1,238,045
Debt service	2,435,463	2,373,716	2,283,792	2,345,524	2,372,154
Capital improvements	<u>1,516,879</u>	<u>1,067,386</u>	<u>1,850,514</u>	<u>1,146,527</u>	<u>721,287</u>
TOTAL EXPENDITURES	33,645,580	31,929,877	31,334,497	29,583,143	28,184,783
EXCESS OF REVENUES OVER EXPENDITURES	40,564,142	36,555,347	32,060,983	32,124,146	29,423,921
OTHER FINANCING SOURCES (USES):					
Capital lease or bond proceeds	1,516,879	1,067,386	1,850,514	1,146,527	703,538
Operating transfers in	670,758	519,972	469,994	564,580	1,048,372
Operating transfers out	<u>(39,202,912)</u>	<u>(35,913,656)</u>	<u>(34,015,620)</u>	<u>(32,832,424)</u>	<u>(31,956,834)</u>
TOTAL OTHER FINANCING SOURCES (USES):	(37,015,275)	(34,326,298)	(31,695,112)	(31,121,317)	(30,204,924)
Net change in fund balance	3,548,867	2,229,049	365,871	1,002,829	(781,003)
BEGINNING FUND BALANCE	<u>14,237,237</u>	<u>12,008,188</u>	<u>11,642,317</u>	<u>10,639,488</u>	<u>11,420,491</u>
ENDING FUND BALANCE	\$17,786,104	\$14,237,237	\$12,008,188	\$11,642,317	\$10,639,488

Prepared from Audited Financial Statements

NOTE: ⁽¹⁾ A Special Revenue Fund has been created to account for the School General Fund, which is maintained on a separate accounting system and is not reported in the General Fund.

PROPERTY TAXATION

The principal tax of the City is the tax on real and personal property. A single tax applies for each fiscal year to the assessed value of the taxable real or personal property. The City's Tax Collector receives the tax commitment from the City Assessor, with assessed values as of April 1 of each year, after which time the tax bills are due in two installments. For fiscal 2025/2026 the tax due dates are October 6, 2025 and March 10, 2026. All taxes paid after the due dates are subject to interest established under Title 39, Section 186 of the Maine Revised Statutes, as amended, currently at the rate of 7.5% per annum, as set by the City.

Real Estate Taxes

Collection of real estate taxes is ordinarily enforced in the City by the "tax lien" procedure as provided in the Maine Revised Statutes, as amended, to the collection of delinquent real estate taxes. Real estate tax liens are recorded against the individual property at the County Registry of Deeds. This lien has priority over all mortgages, liens, attachments and encumbrances of any nature, subject to any paramount federal tax lien and subject to bankruptcy and insolvency laws. If the account is not satisfied within 18 months, the property becomes tax acquired and may be disposed of by the City.

Business Personal Property Taxes

Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, as amended, provides for an eligible business equipment tax exemption ("BETE" or the "BETE Act") for certain types of tangible business personal property subject to an allowance for depreciation and some specialty types of real property improvements. The exemption does not apply to: office furniture; lamps and lighting fixtures used to provide general purpose office or worker lighting; property owned or used by public utilities and persons providing certain television/telecommunications services; telecommunications personal property subject to the tax imposed by Section 457 of Title 36; gambling machines or devices and associated equipment; property located at a retail sales facility unless such facility is more than 100,000 square feet in size and owned by a business whose Maine-based operations derive less than 30% of their total annual revenue from sales in the State; and certain energy and pollution control facilities.

Pursuant to the BETE Act, the State will reimburse municipalities with respect to the lost property taxes associated with this new exemption through one of three formulas, whichever is most beneficial to the municipality, as follows:

1. Basic reimbursement formula - For all municipalities in the first year after the exemption, and for a majority of the municipalities thereafter, the reimbursement would be 100% for the lost property taxes in the first tax year after the exemption takes effect (i.e., FY 2009), 90% in the second year after the exemption takes effect (i.e., FY 2010), 80% in FY 2011, 70% in 2012, 60% in 2013, and 50% in 2014 and every subsequent year. The State Constitution requires a minimum reimbursement of at least 50%.
2. Enhanced formula - Municipalities that have a total property tax base that is made up of at least 5% personal property will be eligible for an alternative reimbursement formula any year in which the alternative reimbursement formula provides a higher level of reimbursement than the basic reimbursement formula. Those municipalities will be eligible to receive the 50% minimum reimbursement plus 50% of their tax base percentage that is made up of personal property. For example, if a town's tax base is 64% personal property, it would be eligible for a reimbursement rate of 82%, which is a combination of the minimum 50% reimbursement *plus* one-half of that municipality's 64% "personal property factor".
3. Municipal Retention TIF Districts – Certain TIF districts that were enacted prior to April 1, 2008 entitle a municipality to receive reimbursement at a rate of up to 100% for exempt business equipment that is TIF exempt business equipment as defined in Title 36, Section 691(1)(G).of the Maine Revised

Statutes, as amended. The increased reimbursement percentage is based on the tax increment percentage allocated to the municipality, as provided in Title 36, Section 694(2)(C) of the Maine Revised Statutes, as amended

For the purposes of identifying the municipality's valuation for determining the local property tax rate, the value of all property made exempt by the BETE Act in the municipality must be considered part of that municipality's local valuation to the extent the municipality is being reimbursed for its lost property taxes by the State other than property located in, and the assessed value of which is retained in, a tax increment financing district.

The value of all property made exempt by the BETE Act in the City will also be considered part of that municipality's equalized State Valuation to the extent the City is being reimbursed for its lost property taxes by the state with an additional adjustment for property in a tax increment financing district. The law provides some additional security for the municipal reimbursement system by funding the reimbursements described above directly from State Income Tax receipts before those receipts are deposited into the State's General Fund, rather than as an annual General Fund appropriation.

Tax Levy and Collections

Fiscal Yr. End June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Gross Levy (000)	Collections (after Supplements and Abatements)	
					Year End (000)	% of Levy
2025	\$3,968,000	\$3,938,379	\$14.05	\$55,334	--- In Process ---	
2024	3,772,200	3,861,515	14.75	56,957	57,040	98.58%
2023	3,198,550	2,885,132	18.33	52,884	52,977	98.94
2022	2,925,550	2,652,134	18.88	50,072	49,566	98.99
2021	2,740,150	2,423,241	19.67	47,665	46,961	98.52
2020	2,653,400	2,399,900	19.38	46,510	45,404	97.62
2019	2,379,700	2,280,980	19.38	44,205	43,174	97.67
2018	2,244,050	2,193,495	19.38	42,510	41,638	97.95
2017	2,160,300	2,091,447	19.42	40,699	39,900	98.04
2016	2,122,650	3,042,313	19.22	39,339	38,417	97.66

Largest Taxpayers

As of April 1, 2024		<u>% of</u>
<u>Taxpayer</u>	<u>Total</u>	
Central Maine Power	\$64,694,019	1.68%
Ferry Rd Associates III, LLC	42,255,000	1.09
General Dynamics	20,990,200	0.54
Saco Mill No 4 LLC	16,632,100	0.42
Saco Real Estate Holdings LLC	15,052,600	0.39
Maine Water Company	13,862,527	0.36
Northern Utilities	12,174,700	0.32
Cormier Land Co, Inc	11,137,100	0.29
Saco Valley LLC	11,051,900	0.29
Saco & Biddeford Savings Inst.	10,772,200	0.28
Top Ten Taxpayers	\$218,622,346	5.66%
All Other Taxpayers		94.35%

TAX INCREMENT FINANCING DISTRICTS AND AFFORDABLE HOUSING DISTRICTS

Chapter 206 and former 207 (now repealed) of Title 30-A of the Maine Revised Statutes, as amended, enables a municipality to finance qualified development by borrowing against the future increased property tax receipts attributable to that development. Under the statutory framework, the municipality designates a tax increment financing (“TIF”) district or an affordable housing development district (a “housing district”) for a period of up to 30 years and adopts a development program (the “Development Program”) stating the means and objectives for the development of that district. The municipality may designate, or “capture”, all or a portion of the increase in assessed value resulting from development within the district and dedicates the increased property taxes it receives in future years generated by the “captured” assessed value to payment of the costs of the Development Program, which may include debt service on borrowing to fund such costs. Such districts are subject to statutory limits on their size, including the following limitations: (a) the total area of a single district may not exceed 2% of the total acreage of the municipality, (b) the total area of all TIF districts or housing districts within a municipality each may not exceed 5% of the total acreage of the municipality, and (c) the aggregate original assessed value of all TIF districts and the aggregate original assessed value of all housing districts within the municipality as of the April 1st preceding the date the Commissioner of the Department of Economic and Community Development, with respect to TIF Districts, or the Director of the Maine State Housing Authority, with respect to housing districts, approves the designation of any such district each cannot exceed 5% of the municipality’s total value of taxable property. Excluded from this limit as applicable to TIF districts is any district involving project costs in excess of \$10,000,000, the geographic area of which consists entirely of contiguous property owned by a single taxpayer with an assessed value in excess of 10% of the municipality’s total assessed value. In addition, the foregoing limitations do not apply to approved downtown TIF districts, TIF districts included within Pine Tree Development Zones or TIF districts that consist solely of one or more community wind power generation facilities owned by a community wind power generator that has been certified by the Public Utilities Commission pursuant to Title 35-A, Section 3403, Subsection 3.

The increase in assessed value captured by the municipality is excluded from the municipality’s equalized just value for each year’s State valuation filed with the Secretary of State in accordance with Title 36, Sections 208 and 305 of Maine Revised Statutes, as amended, and is therefore not included in calculating that municipality’s share of State educational aid, State municipal revenue sharing, the county tax or the 15% debt limitation for the municipality pursuant to Title 30-A, Section 5702 of the Maine Revised Statutes, as amended.

The City has designated tax increment financing districts and may consider proposals for other districts on an ongoing basis. All districts will be evaluated based upon the City’s comprehensive plan for economic development, which includes tax increment financing as one of its aspects. In no event will the City’s districts exceed the statutory limitation of total area aggregate equalized value within all districts determined as of their date of designation, as set out above. Please see “APPENDIX A – CITY OF SACO, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2024”, page 65 *et seq.* herein.

REVENUES FROM THE STATE

The State provides revenue to the City in a number of areas including education, welfare assistance, road maintenance, homestead exemption and revenue sharing. The amount of aid in each category is based upon a number of formulas, many of which contain variables that change annually. Further, most categories of State aid are governed by laws that may be changed by the State Legislature are subject to appropriation by the State Legislature in its budgetary process.

The State subsidizes most local SAUs through the Essential Programs and Services (“EPS”) model of calculating and distributing state education aid. EPS utilizes a number of factors that are subject to change each year. In addition, the EPS model itself is subject to change by the Legislature. Furthermore, subsidies for SAUs are an annual item in the State’s budgetary process and are subject to legislative appropriation in that process. No assurances can be given that future legislation will not have an adverse impact on school funding in Maine. The following table displays state aid received by the City for the last five audited fiscal periods:

Fiscal Yr. End June 30,	State Revenue Sharing	Local Road Assistance	State Education Subsidy	Reimbursements		Other Aid	Total From State
				General Assistance	Homestead Reimburse.		
2024	\$4,362,287	\$257,576	\$18,185,518	\$71,554	\$1,370,746	\$473,979	\$24,721,660
2023	3,941,580	223,352	17,566,041	83,526	1,324,195	617,756	23,964,896
2022	3,456,890	221,604	16,443,378	31,967	1,257,327	585,453	21,411,166
2021	2,287,667	213,535	14,018,092	61,148	1,306,967	395,677	17,887,409
2020	1,789,063	228,232	13,169,732	85,149	980,812	431,519	16,252,988

INDEBTEDNESS

LIMITATIONS AND EXCLUSIONS

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, “No municipality shall incur debt which would cause its total debt outstanding at any time, exclusive of debt incurred for school purposes, for storm or sanitary sewer purposes, for energy facility purposes or for municipal airport purposes to exceed 7½% of its last full state valuation, or any lower percentage or amount that a municipality may set. A municipality may incur debt for school purposes to an amount outstanding at any time not exceeding 10% of its last full state valuation, or any lower percentage or amount that a municipality may set, for storm and sewer purposes to an amount outstanding at any time not exceeding 7½% of its last full state valuation, or any lower percentage or amount that a municipality may set, and for municipal airport and special district purposes to an amount outstanding at any time not exceeding 3% of its last full state valuation, or any lower percentage or amount that a municipality may set; provided, however, that in no event shall any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set.”

Title 30-A, Section 5703 of the Maine Revised Statutes, as amended, provides that the limitations on municipal debt contained in Section 5702 do not apply “... to any funds received in trust by any municipality, any loan which has been funded or refunded, notes issued in anticipation of federal or state aid or revenue sharing money, tax anticipation loans, notes maturing in the current municipal year, indebtedness of entities other than municipalities, indebtedness of any municipality to the Maine School Building Authority, debt issued under Chapter 235 and Title 10, Chapter 110, Subchapter IV, obligations payable from revenues of the current municipal year or from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt.”

The City’s 2025 equalized state valuation (“equalized State Valuation”) is \$3,968,000,000. The 15% debt limit is \$595,200,000. As of June 30, 2024, the City’s long-term debt outstanding was \$14,545,933 or 0.37% of the 2024 equalized State Valuation.

DEBT SUMMARY

Series	Issue Date	Purpose	Issued	(Less Forgiveness)	Final Maturity	6/30/2024 (Audited)	6/30/2025 (Unaudited)	6/30/2026 (Unaudited)
2016	3/10/2016	Infra/Ref'd'g	\$4,175,000		10/1/2036	\$1,375,000	\$1,035,000	\$700,000
2017	2017	MDOT	495,000		10/1/2026	105,484	53,317	0
2018	5/1/2018	Pub Wks/Roads	11,750,000		10/1/2047	9,150,000	8,680,000	8,210,000
2020	6/17/2020	Ref'd'g	4,095,000		4/1/2040	3,235,000	3,020,000	2,805,000
2023	7/29/2022	SRRF	1,527,074	(771,020)	9/30/2032	680,449	604,843	529,238
2023	1/27/2025	CWSRF (FR)	5,000,000		10/1/2052	0	5,000,000	5,000,000
2023	1/27/2025	CWSRF (FRBS)	11,000,000	(1,000,000)	10/1/2052	0	10,000,000	10,000,000
2024	1/27/2025	CWSRF (BS)	11,000,000	(1,000,000)	10/1/2053	0	10,000,000	10,000,000
2024	1/27/2025	CWSRF (FR)	5,000,000		10/1/2053	0	5,000,000	5,000,000
2025	7/15/2025	CWSRF (FR)	10,000,000		10/1/2054	0	10,000,000	10,000,000
2025	1/25/2025	CWSRF (SR)	11,000,000	(1,000,000)	10/1/2054	0	10,000,000	9,642,857
Sub-totals						14,545,933	63,393,160	61,887,095
2026 Sr A	Winter 2025 ⁽¹⁾	Schools	62,845,000		11/1/2045	0	0	62,845,000
2026 Sr B	Fall 2026 ⁽¹⁾	Schools	62,845,000		11/1/2046	0	0	0
						\$14,545,933	\$63,393,160	\$124,732,095

NOTE: "CWSRF" indicates bonds purchased by the Maine Municipal Bond Bank ("MMBB") with funds from the Clean Water State Revolving Loan Fund Program, administered jointly by the MMBB and the State, acting by and through its Department of Environmental Protection ("DEP").

"SRRF" indicates financed through the School Revolving Renovation Fund administered through the MMBB.

The SRRF's loan is without interest and a portion is forgiven.

⁽¹⁾ See "THE BONDS – PLAN OF FINANCING" herein.

DEBT SERVICE COMPONENT OF OPERATING EXPENSES

	Audited					Budgeted
	2020	2021	2022	2023	2024	2025
Current Year Debt Service:	\$2,198,090	\$2,033,213	\$2,004,087	\$1,665,012	\$1,696,393	\$1,604,530
(less Sewer Debt):	<u>(54,031)</u>	<u>(54,031)</u>	<u>(54,031)</u>	<u>(54,031)</u>	<u>(54,031)</u>	<u>(54,031)</u>
Net Tax-backed Debt:	\$2,144,059	\$1,979,182	\$1,950,056	\$1,610,981	\$1,642,362	\$1,550,499
Budgeted Oper. Expense ⁽¹⁾ :	56,140,867	61,464,403	62,788,419	66,198,410	72,434,131	73,331,945
Debt Ser. % Oper. Expense:	3.82%	3.22%	3.11%	2.43%	2.27%	2.11%

NOTE: ⁽¹⁾ A Special Revenue Fund was created to account for the School General Fund, which is maintained on a separate accounting system and is, therefore, not included in the above Budgeted Operating Expenses.

DEBT RATIOS

FY End		Eq. State Val.	Assessed Val.	Total	Debt as %	Per Capita
<u>June 30,</u>	<u>Population</u>	<u>(000)</u>	<u>(000)</u>	<u>Debt</u>	<u>Eq. Val.</u>	<u>Debt</u>
2024	20,960	\$3,772,200	\$3,861,515	\$14,545,933	0.39%	\$693.99
2023	20,960	3,198,550	2,885,132	15,744,506	0.49%	751.17
2022	20,960	2,925,550	2,652,134	16,119,108	0.55%	769.04
2021	20,960	2,740,150	2,423,241	17,543,956	0.64%	837.02
2020	20,960	2,653,400	2,399,900	18,973,006	0.72%	905.20
2019	18,482	2,379,700	2,280,980	20,225,000	0.85%	1,094.31
2018	18,482	2,244,050	2,193,495	21,304,965	0.95%	1,152.74
2017	18,482	2,160,300	2,091,447	11,729,790	0.54%	634.66
2016	18,482	2,122,650	3,042,313	13,484,773	0.64%	729.62
2015	18,482	2,042,100	2,018,499	13,453,163	0.66%	727.91

PROJECTED PRINCIPAL PAYMENTS, BY ISSUE

FY End June 30,	2016 Bonds	2016 MDOT	2018 Bonds	2020 Ref'd'g	2023 SRRF	Jan 2025 CWSRF	July 2025 CWSRF	2025 Bonds	Annual Totals
2025	\$340,000	\$52,317	\$470,000	\$215,000	\$75,605	\$0	\$0	\$0	\$1,152,922
2026	335,000	53,167	470,000	215,000	75,605	0	0	0	1,148,772
2027	270,000		470,000	215,000	75,605	0	357,143	3,145,000	4,532,748
2028	225,000		470,000	215,000	75,605	1,489,621	357,143	3,145,000	5,977,370
2029	25,000		470,000	215,000	75,605	1,489,621	357,143	3,145,000	5,777,370
2030	25,000		465,000	215,000	75,605	1,489,621	357,143	3,145,000	5,772,370
2031	25,000		465,000	195,000	75,605	1,489,621	357,143	3,145,000	5,752,370
2032	25,000		465,000	195,000	75,605	1,489,621	357,143	3,145,000	5,752,370
2033	25,000		465,000	195,000	75,605	1,489,621	357,143	3,145,000	5,752,370
2034	20,000		465,000	195,000		1,489,621	357,143	3,145,000	5,671,764
2035	20,000		445,000	195,000		1,489,621	357,143	3,145,000	5,651,764
2036	20,000		445,000	195,000		1,489,621	357,143	3,140,000	5,646,764
2037	20,000		445,000	195,000		1,489,621	357,143	3,140,000	5,646,764
2038			445,000	195,000		1,489,621	357,143	3,140,000	5,626,764
2039			445,000	195,000		1,489,621		3,140,000	5,269,621
2040			250,000	190,000		1,489,621		3,140,000	5,069,621
2041			250,000			1,489,621		3,140,000	4,879,621
2042			250,000			1,489,621		3,140,000	4,879,621
2043			250,000			1,489,621		3,140,000	4,879,621
2044			250,000			1,489,621		3,140,000	4,879,621
2045			250,000			1,489,621		3,140,000	4,879,621
2046			250,000			1,489,621		<u>3,140,000</u>	4,879,621
2047			250,000			1,489,621			1,739,621
2048			250,000			1,489,621			1,739,621
2049						1,489,621			1,489,621
2050						1,489,621			1,489,621
2051						1,489,621			1,489,621
2052						1,489,621			1,489,621
2053						1,489,621			1,489,621
2054						912,698			912,698
2055						357,143			357,143
	\$1,375,000	\$105,484	\$9,150,000	\$3,235,000	\$680,449	\$40,000,000	\$4,285,714	\$62,845,000	\$121,676,647

NOTE: Totals may not add due to rounding.

The January 2025 CWSRF loans, above, are consolidated. The individual loans that comprise this consolidation are in the table "INDEBTEDNESS – DEBT SUMMARY" herein.

PROJECTED DEBT SERVICE REQUIREMENTS

Fiscal Yr. End June 30,	Prior Debt			The Bonds			Total Debt Service
	Principal	Interest and Fees	Total Debt Service	Principal	Interest	Total Debt Service	
2025	\$1,152,922	\$959,267	\$2,130,501				
2026	1,148,772	1,452,208	2,652,480				
2027	1,387,748	1,408,842	2,848,090				
2028	2,832,370	1,376,252	4,258,214				
2029	2,632,370	1,304,200	3,984,255				
2030	2,627,370	1,235,324	3,908,471				
2031	2,607,370	1,166,572	3,817,812				
2032	2,607,370	1,105,020	3,754,353				
2033	2,607,370	1,048,119	3,695,544				
2034	2,526,764	991,292	3,556,205				
2035	2,506,764	934,841	3,477,846				
2036	2,506,764	878,689	3,419,787				
2037	2,506,764	822,259	3,361,450				
2038	2,486,764	765,573	3,282,856				
2039	2,486,764	708,909	3,224,285				
2040	2,286,764	655,414	2,968,882				
2041	2,096,764	605,187	2,726,748				
2042	2,096,764	558,761	2,678,414				
2043	2,096,764	512,334	2,630,080				
2044	2,096,764	465,907	2,581,746				
2045	2,096,764	419,168	2,533,099				
2046	2,096,764	372,117	2,484,140				
2047	2,096,764	325,065	2,435,181				
2048	2,096,764	278,014	2,386,222				
2049	1,846,764	235,337	2,091,638				
2050	1,846,764	197,035	2,051,429				
2051	1,846,764	158,734	2,011,220				
2052	1,846,764	120,432	1,971,011				
2053	1,846,764	82,131	1,930,802				
2054	1,269,841	21,222	1,291,064				
2055	357,143	3,679	360,821				
2056							
TOTAL	\$64,545,932	\$21,167,903	\$86,504,647				

OVERLAPPING DEBT

County of York

The City is subject to an annual assessment of its proportional share of the County of York's (the "County") expenses, including debt repayment, as determined by the percentage of the City's equalized State Valuation to the County's equalized State Valuation. The City's 2024 equalized State Valuation of \$3,772,200,000 is 6.87% of the County's 2024 equalized State Valuation of \$54,940,300,000. The County had \$0.00 long-term debt outstanding as of June 30, 2023.

Biddeford-Saco-Old Orchard Beach Transit Committee

The Biddeford-Saco-Old Orchard Beach Transit Committee (“BSOOBTC”) had no long-term debt outstanding on June 30, 2023. Under the Inter-local Agreement that governs this entity, the communities of Biddeford, Saco, and Old Orchard Beach would become jointly responsible for this debt should the Transit Committee be dissolved. The City’s share is 33.33% should they incur and future debt.

CONTINGENT DEBT

The City does not have any obligations for which it is responsible on a contingent basis.

TOTAL GENERAL OBLIGATION, OVERLAPPING AND CONTINGENT DEBT

	Direct Debt	Overlapping Debt	Contingent Debt	Total Debt
City of Saco	\$14,545,933			\$14,545,933
County of York		0		0
BSOOBTC		0		0
Total A/O June 30, 2024	\$14,545,933	\$0	\$0	\$14,545,933
% 2025 ESV	0.37%	0.00%	0.00%	0.37%
Per Capita	\$693.99	\$0.00	\$0.00	\$693.99

FUTURE FINANCING

The City Administrator develops a formal Capital Improvement Program which is submitted to the City Council (see “CITY FINANCES - CAPITAL IMPROVEMENT PROGRAM” herein). The CIP includes an inventory of possible capital projects, some of which may ultimately be included in its Capital Improvement Plan, and may be an indication of future projects that could be financed through the issuance of indebtedness. Pursuant to section 6.15 of the City’s Charter, the issuance of long-term debt must be approved by the City Council and then be ratified by the City’s voters at referendum election.

Waste Water Treatment Plant Project

The MMBB loans funds from the CWSRF Program, administered jointly by the MMBB and the State, acting by and through its Department of Environmental Protection (“DEP”). The voters of the City have authorized a \$50,000,000 Water Resource Recovery Facility upgrade project (the “Wastewater Project”) to be financed through the MMBB’s CWSRF Program. In January 2025, the City issued permanent financing in the amount of \$40,000,000 for the Wastewater Project under the CWSRF Program. In July 2025, the City issued its permanent financing for the remaining permanent \$10,000,000 for the Wastewater Project under the CWSRF Program.

School Projects

The 2025 Bonds will provide funds to finance portions of the Projects. This is the first tranche of Bonds issued, the remaining authorized bonds to be issued in Fall of 2026. See “THE BONDS - AUTHORIZATION AND PURPOSE, THE PROJECT AND PLAN OF FINANCING” herein and the chart below.

Other than the projects in the above discussions, no official action has been taken by the City at this time to authorize bonding other projects.

School Construction Projects Plan of Financing

<u>Month</u>	<u>Monthly</u>	<u>Cumulative</u>	<u>Cumulative</u> <u>(less New \$)</u>	<u>Mtly Invest</u> <u>@4.00%</u>	<u>New \$</u>	<u>Ref'd'g</u>	<u>Financed</u>	<u>Mode</u>
May-24	1,174,136	1,174,136						
Jun-24	1,773,432	2,947,568						
Jul-24	82,500	3,030,068						
Aug-24	271,370	3,301,438						
Sep-24	5,000	3,306,438						
Oct-24	0	3,306,438						
Nov-24	0	3,306,438	10,193,562	33,979	13,500,000		13,500,000	2024 BANS
Dec-24	229,467	3,535,905	9,964,095	33,214				
Jan-25	314,548	3,850,453	9,649,547	32,165				
Feb-25	91,489	3,941,942	9,558,058	31,860				
Mar-25	581,670	4,523,612	8,976,388	29,921				
Apr-25	631,375	5,154,987	8,345,013	27,817				
May-25	0	5,154,987	8,345,013	27,817				
Jun-25	999,369	6,154,356	7,345,644	24,485				
Jul-25	235,659	6,390,015	7,109,985	23,700				
Aug-25	384,663	6,774,678	6,725,322	22,418				
Sep-25	234,169	7,008,847	6,491,153	21,637				
Oct-25	265,000	7,273,847	6,226,153	20,754				
Nov-25	491,972	7,765,819	5,734,181	19,114		13,500,000	13,500,000	Ref'd'g 2024 BANS (Sell Nov 4)
Dec-25	1,494,838	9,260,657	55,079,181	183,597	49,345,000	13,500,000	62,845,000	Issue 2025 Bonds (Sell Dec 3)
Jan-26	1,733,167	10,993,824	53,346,014	177,820				
Feb-26	2,510,002	13,503,826	50,836,012	169,453				
Mar-26	2,293,467	15,797,293	48,542,545	161,808				
Apr-26	2,809,838	18,607,131	45,732,707	152,442				
May-26	4,477,414	23,084,545	41,255,293	137,518				
Jun-26	5,614,575	28,699,120	35,640,718	118,802				
Jul-26	5,631,506	34,330,626	30,009,212	100,031				
Aug-26	5,631,506	39,962,132	24,377,706	81,259				
Sep-26	5,631,506	45,593,638	18,746,200	62,487				
Oct-26	5,631,506	51,225,144	13,114,694	43,716				
Nov-26	5,631,506	56,856,650	7,483,188	24,944	62,285,000		62,845,000	Issue 2026 Bonds
Dec-26	5,631,506	62,488,156	75,399,694	251,332				
Jan-27	5,631,506	68,119,662	69,768,188	232,561				
Feb-27	5,631,506	73,751,168	64,136,682	213,789				
Mar-27	5,631,506	79,382,674	58,505,176	195,017				
Apr-27	6,035,067	85,417,741	52,470,109	174,900				
May-27	5,666,506	91,084,247	46,803,603	156,012				
Jun-27	5,661,506	96,745,753	41,142,097	137,140				
Jul-27	5,664,006	102,409,759	35,478,091	118,260				
Aug-27	6,408,627	108,818,386	29,069,464	96,898				
Sep-27	2,919,655	111,738,041	26,149,809	87,166				
Oct-27	3,634,449	115,372,490	22,515,360	75,051				
Nov-27	2,363,458	117,735,948	20,151,902	67,173				
Dec-27	3,270,364	121,006,312	16,881,538	56,272				
Jan-28	1,216,287	122,222,599	15,665,251	52,218				
Feb-28	1,030,011	123,252,610	14,635,240	48,784				
Mar-28	631,411	123,884,020	14,003,829	46,679				
Apr-28	629,019	124,513,039	13,374,810	44,583				
May-28	601,411	125,114,450	12,773,399	42,578				
Jun-28	570,025	125,684,475	12,203,374	40,678				
Jul-28	8,466	125,692,941	12,194,908	40,650				
Total	125,692,941			\$3,940,500	125,690,000 + 2,941 from Bid Premium = 125,692,9412 Issue Proceeds			

RETIREMENT

The City provides retirement pensions for its employees through a number of vehicles, including a defined contribution plan, defined benefit pension plan and social security. Effective April 1, 2001, all new eligible employees are covered by the City's defined contribution plan. Prior to that date, the City's primary retirement vehicle was the Maine State Retirement System's ("MSRS") predecessor to Maine Public Employees Retirement System ("MainePERS") defined benefit plan (as discussed below). Existing employees were given the choice of remaining in the defined benefit plan or entering the new defined contribution plan.

A. DEFINED BENEFIT PENSION PLAN

Qualifying personnel of the City participate in the Maine Public Employees Retirement System ("Maine PERS") State Employee and Teacher ("SET") Plan and the Participating Local Districts ("PLD") Consolidated Retirement Plan. Both plans are a multiple-employer, cost-sharing pension plan with a special funding situation for the SET Plan. The State is a non-employer contributing entity for the SET Plan in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for the teacher members. The System issues a financial report that includes the financial statements and required supplementary information for the plans. That report may be obtained by writing to Maine Public Employees Retirement System, PO Box 349, Augusta, Maine 04332-0349 or by calling 1-800-451-9800.

SET benefit terms are established in State Statute. The PLD Consolidated Plan has an advisory group, also established by statute, who review the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occur upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. For PLD members, normal retirement age is 60. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employees and teacher members. Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual interest credited to members' accounts is set by the System's Board of Trustees

The City reports on the benefits provided and the contributions to the pension plans, associated pension liabilities, pension expense, deferred outflows and deferred inflows of resources related to pensions, as well as the actuarial methodology and assumptions in its Annual Financial Report. Please see "APPENDIX A – CITY OF SACO, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2024", page 66 *et seq.* herein.

B. DEFERRED COMPENSATION PLAN

In lieu of coverage under MainePERS, City employees may elect to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The plan vests at the end of two years of service and 100% at the end of three years. The City expended \$101,744 (5%) for the year ended June 30, 2024, \$78,751 (5%) for the year ended June 30, 2023 and \$118,820 (5%) for the year ended June 30, 2022. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency. Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the City's financial statements.

C. OTHER POST-EMPLOYMENT BENEFITS

Maine Public Employees Retirement System (Maine PERS) –Group Term Life Insurance

General Information about the OPEB Plan, Plan Description - The City sponsors a post-retirement benefit plan providing group term life insurance to retiring employees. Teachers participate in the Group Term Life Insurance Plan for State Employees and Teachers. This plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by MainePERS. The MainePERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MainePERS issues a publicly available financial reports that are available at www.maineopers.org.

Benefits Provided - Under the SET OPEB plan, MainePERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - Premium rates for the SET OPEB plans are determined by the MainePERS Board of Trustees to be actuarially sufficient to pay anticipated claims. SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual 54,451,552 for the year ended June 30, 2023. Employers and employees are not required to contribute to the SET OPEB plan.

The City reports on the benefits provided and the contributions for these OPEB plans, as well as the actuarial methodology and assumptions in its Annual Financial Report. Please see "APPENDIX A – CITY OF SACO, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2024", page 71 *et seq.* herein.

Maine Municipal Employee Health Trust – Retiree Health Insurance Plan

Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust ("MMEHT"). The City Council has the authority to establish and amend the benefit terms and financing requirements. 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*.

Benefits Provided - Retirees with a minimum of age 55 and 5 years of service at retirement are eligible for postretirement health Insurance benefits. Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the City makes no actual contributions.

The City reports on the benefits provided and the contributions for these OPEB plans, as well as the actuarial methodology and assumptions in its Annual Financial Report. Please see "APPENDIX A – CITY OF SACO, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2024", page 74 *et seq.* herein.

Maine Education Association Benefits Trust – MEABT

Plan Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (“MEABT”). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. 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*.

Benefits Provided - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts.

The City reports on the benefits provided and the contributions for these OPEB plans, as well as the actuarial methodology and assumptions in its Annual Financial Report. Please see “APPENDIX A – CITY OF SACO, MAINE, ACFR FOR THE YEAR ENDED JUNE 30, 2024”, page 76 *et seq.* herein.

LITIGATION

In the opinion of City officials there is no litigation pending against the City which, either individually or in the aggregate, would result in judgments that would have a materially adverse effect on the City’s financial position or its ability to meet its debt service obligations.

ENVIRONMENTAL MATTERS

The City is subject to a wide variety of federal and State laws and regulations relating to land use, water resources, sewage disposal, the use, storage, discharge, emission and disposal of wastes and other environmental matters. While the City believes that its properties and operations are presently in material compliance with all land use and environmental laws, failure to comply with such laws could result in the imposition of severe penalties on operations by government agencies or courts that could adversely affect the City. The City is not aware of any environmental conditions or non-compliance, the remediation or correction of which the City believes would have a material adverse impact on the financial condition of the City. The City is not subject to any pending or threatened proceedings or actions involving environmental matters that, if adversely decided, would have a material adverse impact upon the City’s financial condition or ability to pay debt service on the Bonds as and when due.

Climate Change

In reviewing the City’s floodplain maps provided by the *Federal Emergency Management Agency* (“FEMA”) division of the US Department of Homeland Security, there are a total of 132 parcels and 21 structures within the coastal velocity flood zone. Since 2010, the City has been involved in numerous efforts regarding identifying the vulnerability of infrastructure and resources to help with the impact of coastal storms and potential future sea level rise. Most of these efforts have been completed as part of the Saco Bay Sea Level Adaptation Working Group (“SLAWG”). SLAWG comprises the towns of Scarborough and Old Orchard Beach, and the cities of Saco and Biddeford. The Coastal Waters Commission and the Shoreline Commission are also tasked with safeguarding the health of Saco’s coastal areas.

In anticipation of the effects of climate change, the Water Resource Recovery Department (“WRRD”) has identified strains on the sewer treatment plant due to flooding impacts from sea level rise in combination with the quantity and quality of wastewater entering the facility and on-site storm water management. WRRD has facilitated the creation of a climate adaptation plan to study potential options moving forward.



City of Saco Flood Plain

[This page left intentionally blank.]

APPENDIX A

**CITY OF SACO, MAINE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
AND SUPPORTING SCHEDULES
FOR THE
YEAR ENDED JUNE 30, 2024**

(With Report of Independent Auditors' Thereon)

[This page left intentionally blank.]

City of Saco, Maine

Annual Comprehensive Financial Report



For Fiscal Year 2024
July 1, 2023 to June 30, 2024

This page left blank intentionally.

CITY OF SACO, MAINE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

Table of Contents

Page

INTRODUCTORY SECTION

Letter of Transmittal	1
GFOA Certificate of Achievement	10
Organizational Chart	11
List of Principal Officials (Elected and Appointed)	12

FINANCIAL SECTION

Independent Auditor's Report	15
Management's Discussion and Analysis	18

Statement

Basic Financial Statements:

Government-wide Financial Statements:

Statement of Net Position	1	35
Statement of Activities	2	36

Fund Financial Statements:

Balance Sheet – Governmental Funds	3	37
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	38
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	39
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	6	40
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – School Operations Fund	6.1	41
Statements of Net Position – Proprietary Funds	7	42
Statements of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	8	43
Statements of Cash Flows – Proprietary Funds	9	44

Notes to Basic Financial Statements	45
-------------------------------------	----

Required Supplementary Information:

Modified Approach for City Infrastructure & Capital Assets	80
Schedule of Changes in the City's Total Health Plan - MMEHT OPEB Liability and Related Ratios	83
Schedule of Changes in the City's Total Health Plan - MEABT OPEB Liability and Related Ratios	84
Schedule of City's Proportionate Share of the Net OPEB Liability – Group Term Life	85
Schedule of City's Proportionate Share of the Net Pension Liability Maine PERS Consolidated (PLD) and State Employee and Teacher Plan (SET)	86
Schedule of City Contributions – Maine PERS Consolidated Plan (PLD) and State Employee and State Employee and Teacher Plan (SET)	87
Notes to Required Supplementary Information	88

CITY OF SACO, MAINE
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2024

	<u>Exhibit</u>	<u>Page</u>
Combining and Individual Fund Financial Statements and Schedules:		
General Fund:		
Comparative Balance Sheets	A-1	91
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	A-2	92
All Other Governmental Funds:		
Combining Balance Sheet	B-1	97
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	B-2	98
Nonmajor Special Revenue Funds:		
Combining Balance Sheet	C-1	101
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	C-2	103
Nonmajor Capital Projects Funds:		
Combining Balance Sheet	D-1	108
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	D-2	109
Permanent Fund:		
Balance Sheet	E-1	112
Statement of Revenues, Expenditures, and Changes in Fund Balances	E-2	113

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Net Position by Component	1	116
Changes in Net Position	2	117
Governmental Activities Tax Revenues by Source	3	118
Fund Balances of Governmental Funds	4	119
Changes in Fund Balances of Governmental Funds	5	120
Assessed Value and State Equalized Value of Taxable Property	6	121
Property Tax Rates - All Direct and Overlapping Governments	7	122
Principal Property Taxpayers	8	123
Total Property Tax Levies and Collections	9	124
Ratios of Outstanding Debt by Type	10	125
Ratios of Net General Debt Outstanding	11	126
Direct and Overlapping Governmental Activities Debt	12	127
Statutory Debt Margin Information	13	128
Demographic and Economic Statistics	14	129
Principal Employers	15	130
Full-time Equivalent City Government Employees by Function	16	131
Operating Indicators by Function	17	132
Capital Asset Statistics by Function	18	133

INTRODUCTORY SECTION

This page left blank intentionally.

Finance Department

300 Maine Street
Saco, Maine 04072

Judith Belanger
Interim Finance Director
Phone: (207) 282-1032



October 1, 2025

To the Honorable Mayor, Jodi MacPhail,
Members of the City Council,
and Citizens of the City of Saco, Maine

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) for the City of Saco as of June 30, 2024.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the following data, including financial statements, supporting schedules and statistical tables, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City.

To provide a reasonable basis for making the representations, management has established a comprehensive internal control framework that is designed to both protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the financial statements in conformity with generally accepted accounting principles. Because the cost of internal control should not exceed anticipated benefits, the objective is to

provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

INDEPENDENT AUDIT

The City Charter, as well as State statutes require an annual audit by independent certified public accountants. Runyon Kersteen Ouellette, Certified Public Accountants, has issued an unmodified opinion on the City of Saco, Maine's financial statements for the year ended June 30, 2024. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor's report is located at the front of the financial section of this report.

The City is required to undergo an annual audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and Uniform Guidance. Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are not included in the Annual Comprehensive Financial Report but are available in a separate report.

The Management Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it for additional narrative overview and analysis of the City's activities.

GOVERNMENT PROFILE

HISTORY

Originally settled in 1630, the City of Saco was incorporated in 1867. It is located at the Saco River's mouth in southern Maine along the Atlantic Ocean, less than 20 minutes south of the Greater Portland Area, and less than two hours north of Boston, Massachusetts. The City of Saco continues to be a key area within the state for residential growth, as well as a key area where industrial and commercial companies are investing. Saco is the 7th largest city, by land area, in the State of Maine with 38.5 square miles. Saco's population of 20,960 is based on the latest 2024 data from the US census, which makes Saco the tenth largest city by population in the state. The City is empowered to levy a property tax on both real estate and personal property located within its boundaries.

ORGANIZATION OF THE GOVERNMENT

The City operates under the Mayor-Council-City Administrator form of government. Policy-making and legislative authority is vested in a mayor and seven-member City Council. The Council is elected on a non-partisan basis. The Mayor and all council members are elected to staggered three-year terms from seven districts (wards). The City Council is responsible, among other things, for passing ordinances, adopting the City budget, confirming mayoral nominations of committees and the City Administrator. The City Administrator is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the thirteen distinct operational departments.

The School Board consists of seven elected citizens of Saco. The School Board sets policies and goals and has line-item control over its annual budget; however, the City Council is responsible for the funding of the School Department.

SERVICES PROVIDED

The City of Saco provides a full range of municipal services including police and fire protection, emergency medical services, financial administration, planning and zoning, code enforcement, general assistance, parks and recreation, community economic development, public education, and public works operations including solid waste collection and disposal and the construction and maintenance of roads, bridges, and other infrastructure and city facilities.

The Water Resource Recovery (wastewater treatment services) is the City's sole Enterprise Fund, with user fees set to ensure adequate

coverage of operating expenses and payments on debt.

Public library services are offered by the Dyer Library Association and is the sole component unit of the City. The Association is a legally separate entity over which the City of Saco has some financial control in that most of the library's operational expenses are funded by the City of Saco.

BUDGET PROCESS

The annual budget serves as the foundation for the City of Saco's financial planning and control. In accordance with Section VI of the City Charter, the City's fiscal year begins on July 1st of each year and ends the following June 30th. The Charter provides that at a City Council meeting in March of each year, the City Administrator and School Board shall each submit and present to the City Council and Citizens their respective budgets. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget in May (no later than 30 days prior to the June school budget vote). Prior to the adoption of the City budget, City Council may increase or decrease programs or amounts and may delete or decrease any programs or amounts, except expenditures required by law, or for debt service or for estimated cash deficit. Prior to adoption of the School Department budget, the City Council may only increase or decrease the total amount proposed to be allocated to the School Department. The City Council shall, by order, adopt the municipal budget at a special council budget meeting the second week of May. Until the municipal budget is finally adopted, the amounts appropriated for the previous year shall be deemed adopted for the current fiscal year on a month-to-month basis.

The City Administrator also prepares and submits to the City Council a five-year capital program at a regular meeting of the City Council in March of each year. The City Council is required to hold a public hearing not less than two weeks after publication of the Capital Program. The City Council by order shall adopt a capital program with or without amendment after the public hearing.

Once the budget is adopted, upon affirmative vote of five members of the City Council, supplemental appropriations may be established. At any time during the fiscal year, upon a written request by the City Administrator, the City Council may, upon affirmative vote of five members, transfer part or all of any unencumbered appropriation balance within a department, office or agency or from one department, office or agency to another.

ECONOMIC CONDITIONS

As part of Maine's coastal region, Saco continues to attract residents, visitors and business owners due to its charming New England characteristics: beautiful beaches, picturesque downtown, working waterfront, thriving business opportunities, and world-class education and recreation opportunities.

ASSESSED VALUATION

For FY24 (tax year 2023), the total assessed valuation, including tax exempt properties, has risen from \$3,146,386,008 to \$4,040,348,978 or 28% from prior year and is comprised of approximately 79% residential and 21% business/industrial properties. This represents an increased shift to residential properties compared to FY23; 77% residential and 23% business/industrial.

The property tax collection rate has been consistently high over the years, standing at 98.6% for fiscal year 2024.

EMPLOYMENT

Saco's unemployment rate has steadily declined from the record levels achieved as a result of mandated business closures in 2020 during the pandemic and has fallen to pre-pandemic levels of 2018.

According to the Maine Employment Security Office, the total average quarterly employment at the end of the first quarter of 2024 for Saco businesses was 8,492 compared to 8,825 jobs at the end of first quarter of 2023, a decrease of 333 jobs. During the reporting period, average weekly wages increased to \$1,186 from \$1,089.

As of June 30, 2024 Saco's unemployment rate was 2.3%, slightly higher than the 2.1% posted for June 30, 2023. The rates for the state of Maine and the nation in June 2024 were 2.8% and 4.1% respectively. The following chart illustrates how Saco's unemployment rate consistently ranks below the state and nation from June 30, 2018 – June 30, 2024.

Unemployment Rate (%) Comparison							
	2018	2019	2020	2021	2022	2023	2024
U. S.	4.0%	3.6%	11.0%	5.9%	3.6%	3.6%	4.1%
State of Maine	3.2%	2.7%	6.6%	5.1%	2.6%	2.6%	2.8%
Saco	2.3%	1.8%	6.6%	4.9%	2.3%	2.1%	2.3%
<i>Reported rates are for June of each year</i>							

GROWTH AND DEVELOPMENT

The collaborative 2020 market analysis with Camoin Associates emphasized Saco's strategic position for growth. The findings underscore key industries, including Health Care and Social Assistance, Retail, Educational Services, and Manufacturing, indicating the city's diverse economic landscape.

As the population is on the rise, housing development is a key focus. Various projects, ranging from condos along the Saco River, and larger housing complexes aim to address the City's diverse housing needs. To foster affordable solutions, Saco was proactive in the adoption of the State's LD 2003 housing bill.

The bill removed the regulatory barriers to increase housing production in Maine. Saco adopted an ordinance which allows developers to build more affordable housing units.

The U.S. Route 1 corridor is attracting new interest from developers, home builders and retailers. This once stretch of vacant lots and fields is now home to Chipotle and Jersey Mikes's chain restaurants, new development of apartments and single-family housing, coffee franchises, storage units, Hancock Lumber store and more.

FY24 indicators of growth:

- Pack Edge, a manufacturer of Gel Packs, completed construction of a 49,273 sq. ft. building located at 955 Portland Road. This company will be adding new job opportunities in the Saco area.
- The completion of a 26,000 sq. ft. multiple tenant building is located at 41 Spring Hill Road.
- Maine Coast Storage, a 62,725 sq. ft. self-storage facility located at 1031 Portland Road, is partially complete with 6 drive-up storage units. Phase 2 will consist of one (1) 3-story climate-controlled building and one (1) separate drive-up storage unit building.
- Frito Lay distribution center is a 35,000 sq. ft. building located at 45 Industrial Park Road offering several new jobs.
- Ziggi's Coffee, a franchise brand which originated in Colorado, opened its first Maine store at 3 Waterfall Drive. This newly constructed 1,000 sq. ft. building offers a drive-thru and walk-up windows, as well as seasonal outdoor seating.
- The expansion of the Maine Needham Company, a manufacturer of chocolate-covered potato and coconut treats, involved a start-up home occupation, which has grown into a full-time manufacturing company, located in a 9,000 sq. ft. unit located at 42 Industrial Park Road.

Other notable developments proposed or underway include:

- New 120-unit multi-family development "Merrill Drive" located at 986 Portland Road on 66 acres of land by Clover Leaf Development LLC. The apartment complex will include 10 buildings, each with 12 units.

- Cascade Falls is the City's newest residential neighborhood, offering a variety of single-family homes which include 68 townhouses and 72 apartments with an additional 100 rental units currently under construction.
- A 32,291 sq. ft. military maintenance facility located at 20 Eastview Parkway is under construction.
- Under construction is a new storage facility located at 1020 Portland Road which will comprise of four (4) 3,000 sq. ft. and one (1) 12,000 sq. ft. storage buildings.
- Approved construction of Cumberland Farms located at 923 Portland Road.
- Approved construction of commercial office space with duplex located at 644 Main Street.

COMPREHENSIVE PLAN 2022-2034

The comprehensive plan provides guidance for future public decision-making based on a shared community vision. The key priorities of this plan respond to community trends to chart a path forward for Saco. Encouraging a wide range of housing types and in locations already served by public utilities will provide more options for living, more opportunities for affordable housing, and will conserve irreplaceable natural areas. Strengthening Downtown, the riverfront and coastal areas supports quality of life and enhances prized features of the city. Planning for future mixed-use growth along key corridors like Portland Road will further reinforce Saco's quality of life, contribute to the tax base, and counter development pressure on rural areas. Integrating pedestrian and bicycle access into new and existing neighborhoods can reduce traffic impacts and greenhouse gas emissions while improving physical activity levels. Growing and diversifying the tax base is critical to increasing the City's ability to pay for

continued improvements. For more information, visit [Saco Comprehensive Plan Final \(revize.com\)](https://www.saco-maine.gov/revize.com)

EDUCATION

Saco actively engages in workforce development programs, collaborating with educational institutions to prepare students for various career pathways.

Thornton Academy, a private high school, offers top-notch educational opportunities, including advanced placement courses in preparation for post-secondary education.

The Biddeford Center of Technology, serving students from Saco and Biddeford, focuses on trades and vocational skills.

Saco collaborates with York County Community College to provide free tuition to local students and affordable training for businesses and organizations.

TOURISM

In addition to the beautiful beaches, the quaint downtown, and landscape, Saco is a tourist destination for its water attractions along the Saco River, amusement parks, and for its coastal community fishing area. Camp Ellis attracts both commercial and recreational Fishermen. Other recreational activities include hiking, and biking along the great trail network and beautiful parks. The revitalization of Diamond Riverside Park includes a new boat launch, playground, and improved walking trails drawing people from far and wide.

MAJOR CITY ACCOMPLISHMENTS & INITIATIVES

CITYWIDE RECOGNITIONS AND AWARDS

Parks & Recreation Department

The Arbor Day Foundation awarded the City of Saco with its 12th *Tree City USA* designation. In the calendar year 2023, the city maintained, planted or removed 672 trees.

Information Technology

The National Association of Government Communicators (NAGC) recognized 100 winners across 33 categories for excellence in the field of communications during the 2024 Blue Pencil and Gold Screen Awards held on May 22 in New Orleans. The NAGC awarded the City of Saco first place in the educational/instructional video category for its production [A Nightmare on Main Street: Attack of the Password Snatchers](#).

COMMUNITY OUTREACH

Community Engagement

The City is committed to continue to evaluate best practices to inform and engage its citizenry. On-going efforts include:

- Increasing the external newsletter frequency to bimonthly to increase engagement rates.
- Update and refresh the City's website to ensure information is current and easy to find.
- Enhance the viewer experience for the City's broadcasted meetings and content on the City's local access channel, SacoTV.

Climate Adaptation and Action Plan

With strong collaboration between the Communication and Planning Departments, Energy & Sustainability Committee, and the

Southern Maine Planning and Development Commission, Saco's first-ever Climate Adaptation and Action Plan was created. Public engagement opportunities involving residents and businesses were essential in this process. This plan will help the city focus efforts on its sustainable future.

CITY INFRASTRUCTURE

In FY24, the City continued its investment in its vital infrastructure.

Streets and Sidewalks

Completed Projects:

- Hearn Road traffic island removal and utility pole relocation,
- Paving Hearn Road,
- Locke and Weymouth sidewalk reconstruction,
- Paving Locke St. and Weymouth St.,
- Paving Juniper, Hemlock, Rosewood, Aspen neighborhood streets, and
- Paving Old Orchard Road.

Projects in progress include:

- Paving Lewis, Wakefield, Rummery, Henry neighborhood streets,
- North Street sidewalk rehabilitation, and
- Beach Street brick sidewalk replacement.

Utilities

Completed Projects:

- Rt 1 / Flag Pond new Traffic Signal,
- Rt 112 / Jenkins Road new Traffic Signal, and
- Old Orchard Road drainage system upgrades.

Projects in progress include:

- Boom Road large culvert replacement,
- Main Street Traffic signal upgrades, and
- North Street drainage structure replacements
- Elm Street drainage pipe rehabilitation

Parks and Trails

In FY24, the City continued its on-going parks and maintenance facility efforts to ensure safety and enjoyability to citizens and visitors. Projects completed include:

- Diamond Riverside Park was completely renovated with a new playground, walking trail and a dock to make loading and unloading boats easier.
- Cascade Falls trails received a new bridge that allows visitors to see the falls more clearly and enjoy a longer stay within the trail system.

Downtown Parking

The City purchased a parking lot located at 142 Main Street. This acquisition added an additional 70 new parking spaces for the downtown area as well as the Transportation Center.

Public Art

The Art Commission, working in collaboration with Thornton Academy's Art Department, commissioned Wheat Paste Murals at five city locations: Saco Community Center, City Hall, Saco Transportation Center, Peg Poulin's State Farm Insurance, and Paragon Barber Shop.

Water Resource Recovery Department (WRRD) -Wastewater Treatment Facility

The construction of the new Wastewater Treatment Facility began in the Spring of 2024. The City continues to work with design engineers and contractors to build a facility that will protect against sea level rise, treat for anticipated nutrient limits, and increase capacity. Completion of this project is expected to be in early 2027. This new treatment facility will be resilient and sustainable while maintaining fiscal responsibility for years to come.

LONG-TERM FINANCIAL PLANNING

CAPITAL EXPENDITURES

Capital expenditures are one of the most significant costs for a community, which includes maintaining its infrastructure. Saco utilizes a five-year Capital Improvement Plan (CIP), which is updated and reviewed and adopted annually by the City Council. This Program considers future needs for maintenance and replacement of capital equipment, roads, sidewalks, wastewater infrastructure, vehicles and City buildings. Funding of capital expenditures is provided through a combination of available General Fund balance, TIF funds, grants, user fees, and financing.

BOND RATING

In October of 2024 Standard & Poor's (S&P) Global Rating affirmed its 'AA' rating to Saco on the city's outstanding general obligation (GO) bonds and assigned its 'SP-1+' rating to the roughly \$11 million general obligation (GO) bond anticipation notes (BANs) for the city's school construction project.

S&P states: "The rating reflects our view of Saco's conservative management practices, which have led to consistent financial performance and maintenance of very strong reserves. While county economic-output indicators are below national averages, city income is above county and national levels and the city benefits from access to a strong regional economy".

In 2020, Moody's Investors Service assigned its 'Aa3' rating stating "Saco, ME benefits from a stable financial position with adequate reserves, a moderately sized tax base with above average residents wealth and incomes and manageable long-term liabilities including debt, pension and OPEB".

RELEVANT FINANCIAL POLICIES

UNASSIGNED FUND BALANCE

The City Council adopted an Unassigned Fund Balance Policy to comply with the fund balance model established by Governmental Accounting Standards Boards (GASB) Statement No. 54.

Unassigned fund balance, in general, is not to be used to fund any portion of the on-going and routine year-to-year operating expenditures of the City. It is to be used primarily to ensure an adequate fund balance to respond to unforeseen emergencies, and to provide overall financial stability.

According to Chapter 15 of the Saco City Code, "It is the policy objective of the city that the audited unassigned fund balance should be a maximum of 16.67% of the following year's general fund budget as adopted by the Saco City Council. The minimum unassigned fund balance should be set at one month's budgeted expenditures or 8.33% of the annual budget. Any surplus in the unassigned fund balance identified in the City's audited financial statements that exceeds the 16.67% maximum target shall be made available for City Council appropriation. In making said allocation of funds, the City Council shall give priority to the following activities:

- A. Economic development projects
- B. Replacement of aging capital equipment
- C. Specifically targeted infrastructure projects or other capital expenditures required by the City
- D. Funds may be retained in an assigned account that may be used in future budget cycles as a Property Tax Rates Stabilization Fund
- E. Retirement of debt

F. Taxpayer refund as determined appropriate by the City Council

G. Matching funds for grants

The unassigned fund balance of the City as of June 30, 2024 was 21.4% of the following year's General Fund appropriations.

GFOA CERTIFICATE OF ACHIEVEMENT

Certificate of Achievement ACFR

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Saco for its Annual Comprehensive Financial Report (ACFR) for the fiscal year.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards.

Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

The City has received a total of twenty-two (22) awards for Fiscal Years ending 2001 to 2023.

Award for Distinguished Budget

The City of Saco also received the GFOA's *Distinguished Budget Presentation Award* for its annual budget document for the fiscal year beginning July 1, 2023 (FY24).

This award marks the twelfth (12) consecutive year. To receive this award, a governmental unit must publish a budget document judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

ACKNOWLEDGEMENTS

The timely preparation and publication of the Annual Comprehensive Financial Report would not have been accomplished without the dedication and professional efforts of the staff in the Finance Department and diligent efforts of department heads and other City staff who have contributed to this report.

I express my sincere appreciation to the Mayor, Jodi MacPhail, City Council, and City Administrator, John P. Bohenko, for their continuing interest in the commitment to improve and maintain a strong financial position as reflected in this report.

Sincerely,



Judith Belanger
Interim Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Saco
Maine**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

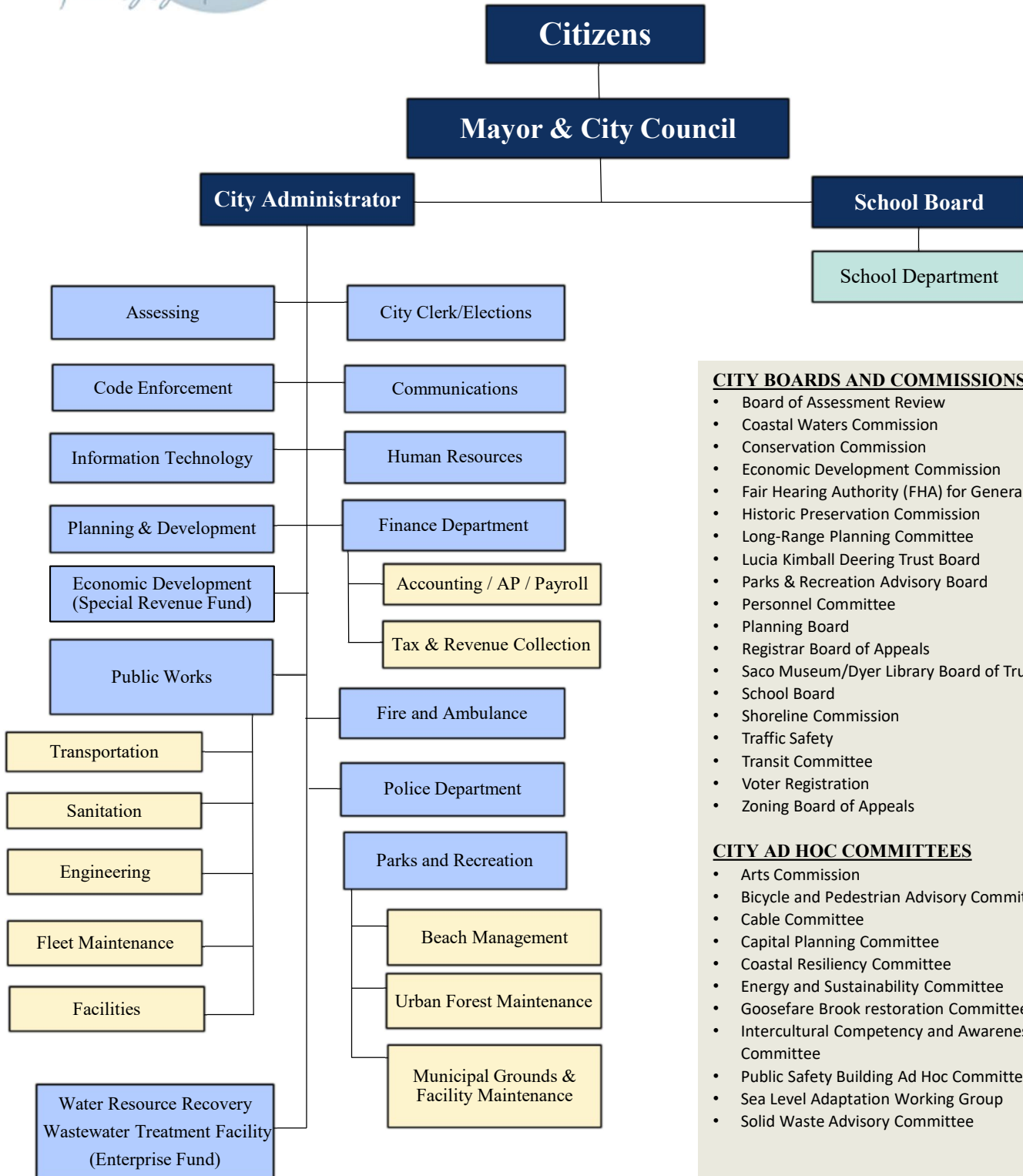
Executive Director/CEO



City of Saco, Maine

Citywide Organizational Chart

(as of June 30, 2024)



CITY BOARDS AND COMMISSIONS

- Board of Assessment Review
- Coastal Waters Commission
- Conservation Commission
- Economic Development Commission
- Fair Hearing Authority (FHA) for General Assistance
- Historic Preservation Commission
- Long-Range Planning Committee
- Lucia Kimball Deering Trust Board
- Parks & Recreation Advisory Board
- Personnel Committee
- Planning Board
- Registrar Board of Appeals
- Saco Museum/Dyer Library Board of Trustees
- School Board
- Shoreline Commission
- Traffic Safety
- Transit Committee
- Voter Registration
- Zoning Board of Appeals

CITY AD HOC COMMITTEES

- Arts Commission
- Bicycle and Pedestrian Advisory Committee
- Cable Committee
- Capital Planning Committee
- Coastal Resiliency Committee
- Energy and Sustainability Committee
- Goosefare Brook restoration Committee
- Intercultural Competency and Awareness Committee
- Public Safety Building Ad Hoc Committee
- Sea Level Adaptation Working Group
- Solid Waste Advisory Committee



Directory of Officials

(as of June 30, 2024)

City Council

Jodi MacPhail, Mayor

Ward 1- Marshall Archer

Ward 2- Joshua D. Parks

Ward 3- Joseph Gunn

Ward 4- Michael Burman

Ward 5- Phil Hatch

Ward 6- Tricia Huot

Ward 7- Nathan Johnston

Principal Executive Officers

John P. Bohenko, City Administrator

Michelle Beasley, Executive Assistant

Michele Hughes, City Clerk

Kate Kern, Assessing Director

Gerry Matherne, Finance Director & Treasurer

Tracey Desjardins, Economic Development Director

Emily Cole-Prescott, Planning Director

Ryan Pinheiro, Information Technology Director

Emily Roy, Human Resources & Communication Director

Ryan Sommer, Parks & Recreation Director

Patrick Fox, Public Works Director

David Twomey, Building Inspector

Timothy Murphy, City Solicitor

Jack Clements, Police Chief

John Duross, Fire Chief

Howard Carter, Water Resource Recovery Director

School Board

Jeremy Ray, Superintendent

Margaret Parkhurst, Assistant Superintendent

Ward 2- Jennifer Preble, Chair

Ward 6- Sarah Truman, Vice Chair

Ward 1- Arthur Archie

Ward 3- Jeff Richard

Ward 4- Kevin Roche

Ward 5- William Gayle

Ward 7- Beth Johnston

FINANCIAL SECTION

This page left blank intentionally.

Independent Auditor's Report

City Council
City of Saco, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Saco, Maine as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Saco, Maine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Saco, Maine, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the School Operations Fund 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 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 City of Saco, 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.

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 City of Saco, 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 the 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement 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 control 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 City of Saco, 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 substantial doubt about the City of Saco, 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, schedules pertaining to modified approach for infrastructure, and the schedules pertaining to the net pension and OPEB liabilities, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 City of Saco, Maine's basic financial statements. The combining and individual fund financial statements 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 combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 1, 2025, on our consideration of the City of Saco, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 City of Saco, 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 City of Saco, Maine's internal control over financial reporting and compliance.



October 1, 2025
South Portland, Maine

Management's Discussion and Analysis Fiscal Year Ended June 30, 2024



The Management Discussion & Analysis (MD&A) offers readers this narrative overview and analysis of the financial activities of the City of Saco, Maine, for the fiscal year ended June 30, 2024. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- As of the close of the current fiscal year, total assets and deferred outflows minus liabilities and deferred inflows for governmental and business activities exceeded liabilities by \$119,047,000 (net position). This is an increase of \$10,789,854 in comparison to the prior year.
- As of the close of the current fiscal year, governmental funds reported combined ending fund balances of \$90,705,587, an increase of \$8,337,356 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,782,302, an increase of \$1,955,501 in comparison with the prior year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Saco's basic financial statements. The basic financial statements comprise three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements which report the City's governmental activities separately from its business-type activities are designed to provide readers with a broad overview of the City's finances. There are two basic governmental-wide financial statements: the statement of net position and the statement of activities. All activities included within the government-wide financial statements are measured and reported using the economic resources measurement focus and the accrual basis of accounting similar to a private-sector business.

The government-wide financial statements also include information about the legally separate Dyer Library Association for which the City of Saco is financially accountable. Financial information for the Dyer Library is reported separately from the financial information for the City of Saco.

- ***The Statement of Net Position:*** presents information on all assets and deferred outflows and liabilities and deferred inflows, with the difference reported as “net position” instead of fund balances as shown on the fund statements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.
- ***The Statement of Activities:*** presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements include two different types of City activities and can be found on pages 35-36 of this report.

- ***Governmental Activities:*** The activities in this section represent most of the City’s basic services and are principally supported by property taxes, grants, and intergovernmental revenues. The governmental activities of the City include General Government, Fire, Police, Public Works, Planning and Economic Development, Parks and Recreation, Community Services, Library, and Education. Other governmental activities include special revenue and capital project funds.
- ***Business-Type Activities:*** These activities are normally intended to recover all or a significant portion of their costs through user fees and charges. The City’s Waste Water Treatment Plant activities are reported in this category.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The City’s funds are divided into governmental funds and proprietary funds.

- ***Governmental Funds:*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a city’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the 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 City’s near-term financing decisions. Both the governmental fund balance sheet and the

governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

An annual appropriated budget is adopted for the General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 37-41 of this report.

- ***Proprietary Funds:*** The City's proprietary fund provides goods and services to the general public and charges a user fee. These activities are reported in enterprise fund.

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Saco maintains one enterprise fund, the Water Resource Recovery Department (WRRD), which is used to account for the operations of the Waste Water Treatment Plant.

The Proprietary fund provides the same type of information as the business-type activities reported in the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for WRRD.

The basic proprietary funds financial statements can be found on pages 42-44 of this report.

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 fund financial statements. The notes to the financial statements can be found beginning on page 45 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) which is required to be disclosed by the accounting principles generally accepted in the United States of America.

The combining schedules are presented immediately following the required supplementary information on pensions and other post-employment benefits (OPEB).

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

Financial Position- The following table provides a summary of the City's net position on June 30 for the current and prior fiscal years.

City of Saco, Maine						
Summary of Net Position (000s)						
	Governmental		Business-type		Totals	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$ 53,706	\$ 46,449	\$ 1,085	\$ 1,084	\$ 54,791	\$ 47,532
Capital assets	81,571	79,930	33,258	25,195	114,829	105,125
Total assets	135,277	126,379	34,343	26,278	169,620	152,656
Deferred outflow of resources	4,224	4,135	-	-	4,224	4,135
Total assets and deferred outflows	<u>\$ 139,501</u>	<u>\$ 130,513</u>	<u>\$ 34,343</u>	<u>\$ 26,278</u>	<u>\$ 173,844</u>	<u>\$ 156,792</u>
Liabilities:						
Long-term liabilities	\$ 34,401	\$ 33,414	\$ 7,940	\$ 1,735	\$ 42,341	\$ 35,149
Other liabilities	12,765	12,175	(1,939)	(1,347)	10,826	10,829
Total liabilities	47,166	45,589	6,001	389	53,168	45,978
Deferred inflows of resources	1,629	2,555	-	-	1,629	2,556
Net position:						
Net invested in capital assets	61,887	61,258	25,410	23,548	87,297	84,807
Restricted	18,892	3,640	-	-	18,892	3,640
Unrestricted	9,927	17,470	2,931	2,341	12,858	19,811
Total net position	<u>90,706</u>	<u>82,368</u>	<u>28,341</u>	<u>25,889</u>	<u>119,047</u>	<u>108,257</u>
Total liabilities, deferred inflows and net position	<u>\$ 139,501</u>	<u>\$ 130,512</u>	<u>\$ 34,343</u>	<u>\$ 26,278</u>	<u>\$ 173,844</u>	<u>\$ 156,792</u>

The largest portion of net position reflects our investment in capital assets (e.g., land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. As of year-end, net investment in capital assets is \$87,297,411, an increase of \$2,491,558 as compared to the prior year. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position of \$18,892,034 represents resources that are subject to external restrictions on how they may be used. The unrestricted net position of \$12,857,555 represents amounts without constraints established by enabling legislation, external agreements or other legal requirements.

Financial Results - The following is a summary of condensed government-wide financial data of changes in net position for the current fiscal and prior fiscal year.

City of Saco, Maine Summary of changes in Net Position (000s)						
	Governmental <u>Activities</u>		Business-type <u>Activities</u>		<u>Totals</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 5,793	\$ 5,443	\$ 5,018	\$ 4,315	\$ 10,811	\$ 9,758
Operating grants and contributions	27,438	26,475	-	-	27,438	26,475
Capital grants and contributions	920	1,146	-	-	920	1,145
General Revenues:						
Property taxes	57,139	53,006	-	-	57,139	53,006
Motor vehicle excise taxes	5,603	5,163	-	-	5,603	5,163
Franchise fees	244	269	-	-	244	269
Homestead exemption	1,371	1,324	-	-	1,371	1,324
Other state aid	474	618	-	-	474	618
State revenue sharing	4,362	3,942	-	-	4,362	3,942
Unrestricted Investment earnings	2,000	1,309	117	40	2,117	1,348
Miscellaneous revenues	3	11	-	-	3	11
Total Revenues	105,347	98,705	5,135	4,355	110,482	103,060
Expenses:						
General government	14,694	14,287	-	-	14,694	14,287
Public safety	10,497	9,894	-	-	10,497	9,894
Public works	11,037	7,988	-	-	11,037	7,988
Culture and recreation	2,647	2,270	-	-	2,647	2,270
Education	56,583	55,556	-	-	56,583	55,556
Interest debt	633	418	-	-	633	418
Waste water treatment plant	-	-	3,602	3,704	3,602	3,704
Total expenses	96,090	90,414	3,602	3,703	99,693	94,117
Change in net position before transfers	9,257	8,292	1,532	652	10,790	8,943
Transfers in (out)	(920)	(1,050)	920	1,050	-	-
Change in net position	8,337	7,242	2,452	1,702	10,790	8,943
Net Position - beginning of year	82,368	75,127	25,889	24,188	108,257	99,314
Net Position - end of year	\$ 90,706	\$ 82,368	\$ 28,341	\$ 25,889	\$ 119,047	\$ 108,257

Governmental Activities. Governmental activities for the year resulted in a net position of \$90,705,587 which is an increase of \$8,337,356 or 10% from the prior year. Governmental activities realized the following significant transactions:

- Property tax increased by \$4,132,301 or 7.8% from the prior year.
- All other revenues combined, besides property taxes, resulted in a net increase of \$2,509,808 from the prior year primarily due to an increase in charges for services of \$349,856, an increase in operating grants and contributions of \$962,507, an increase in excise tax of \$439,941, an increase in state revenue sharing of \$420,707, an increase from interest on investments of \$691,942, a decrease in capital grants and contributions of \$225,886 and a decrease in all other revenues of \$129,259.
- Overall governmental expenses experienced a net increase of \$5,676,442 or 6.3% from prior year primarily due to inflation and cost-of-living adjustments.

Business-Type Activities. Business-type activities include only the operation of the City's Waste Water Treatment Plant and resulted in a net position of \$28,341,413 which is an increase of \$2,452,498 or 9.5% from the prior year. The key elements of the changes are as follows:

- All revenues combined resulted in a net increase of \$780,164 from the prior year primarily from Charges for services of \$703,067 mainly due to a user rate increase and investment income of \$77,097 from an increase in interest rates.
- Business-Type Activities expenses resulted in a net decrease of \$101,576 or -2.7% from prior year.
- Transfers of \$920,000 are from the TIF Districts to the Enterprise Debt Service Fund for future bond payments.

Component Units. Component units are legally separate entities from the primary government for which the primary government is financially accountable. The Dyer Library Association is the sole component unit of the City for Saco and reported as such on the entity-wide financial statements.

Founded in 1881, the Dyer Library was funded by a generous bequest from Olive Dyer in the name of her husband Oliver. The Dyer Library Association operates Saco's busy and beloved public library as well as the Saco Museum, a regional center for local history, art and education. It is governed by a board to which the City of Saco appoints one staff liaison and one Council liaison. The Board of the Dyer Library oversees the Executive Director, who manages day-to-day operations and staff. The annual budget is proposed to the Board by the Executive Director and approved. The portion of the budget to be funded by the City of Saco is then submitted to the City Council as part of the annual budget process. Although the City Council has no direct control over programming, the City of Saco funds a majority of the Dyer Library expenses annually and, as such, has some measure of control over the scope of programming each year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, governmental funds reported combined ending fund balances of \$39,867,497, an increase of \$6,577,851 in comparison with the prior year.

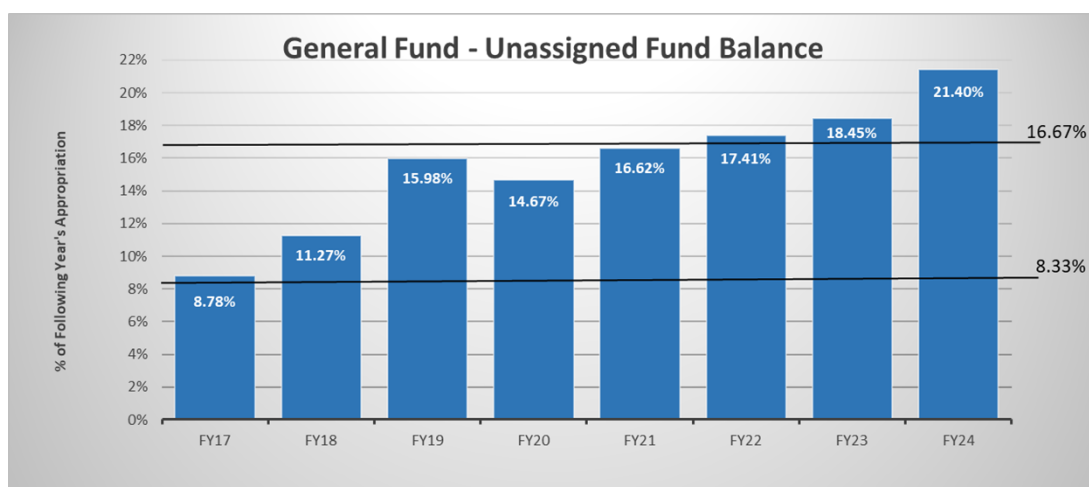
General Fund

The General Fund is the chief operating fund. Total fund balance for the General Fund at the end of the current fiscal year, was \$17,786,104, an increase of \$3,548,867 over prior year. As a measure of the general fund's liquidity, total fund balance represents 24.5% of the final current budget.

City Council adopted an Unassigned Fund Balance Policy which states that the unassigned fund balance shall be a minimum of 8.33% and a maximum of 16.67% of the following year's general fund budget. Any surplus above 16.67% shall be available for City Council appropriation in accordance with Chapter 15 of the Saco City Code.

Unassigned fund balance at the end of the fiscal year was \$15,782,302 or 21.4% of the following year's FY25 General Fund budget. This is an increase of \$1,955,501 or 14.1% from prior year.

The table demonstrates that over the last eight years, the unassigned fund balance fell within or exceeded the City's Unassigned Fund Balance Policy levels.



Key factors for change in Unassigned Fund Balance are as follows:

- Budgeted utilization of unassigned fund balance of \$334,359.
- A reclass of unassigned fund balance of \$4,576 to nonspendable.
- A reclass of unassigned fund balance of \$946,198 to assigned fund balance for budgetary use of fund balance for the following fiscal year.
- A reclass of unassigned fund balance of \$308,233 to assigned fund balance for a loan to the Ecology School, a Business Partnership Initiative (BPI).
- A net increase to fund balance of \$2,365,064 from revenues and other financing sources exceeding final budget estimates net of budgeted use of fund balance.
- A net increase of \$1,183,803 from remaining departmental appropriations.

Major Fund

School Operations Fund:

On July 1, 2014, the Saco Schools withdrew from Regional School Unit #23 (RSU #23) that included the City of Saco and the towns of Old Orchard Beach and Dayton. A Special Revenue Fund was created to account for the school general fund, which is maintained on a separate accounting system. The total School expenditures of \$52,345,339 was funded by intergovernmental, tuition fees and other revenues, totaling \$22,501,477, and other financing sources of \$30,606,435, which include transfers in from the property tax levy, resulting in the ending fund balance of \$2,777,410, an increase of \$762,573 from the prior year. For more details regarding the Saco School financial performance, please see the audited financial statements available in a separate report.

Saco School Operations Fund Resource Flow and Change in Fund Balance

	FY24	FY23
Revenues		
Intergovernmental	\$ 22,040,397	\$ 21,377,927
Tuition Fees	412,939	473,280
Other	48,141	14,609
Total Revenues	22,501,477	21,865,816
Total Expenditures	52,345,339	50,039,009
Deficiency of revenues under expenditures	(29,843,862)	(28,173,193)
Other financing sources		
Financed purchase issuance of debt	921,090	-
Transfer in	30,135,859	28,980,965
Transfer out	(450,514)	-
Net increase (decrease) in Fund Balance	762,573	807,772
Beginning Fund balance (deficit)	2,014,837	1,207,065
Ending Fund Balance (deficit)	\$ 2,777,410	\$ 2,014,837

Non-major Funds

At the end of the current fiscal year, total fund balance of non-major governmental funds was \$19,303,983 which is a net increase of \$2,266,411 from prior year. Special Revenue Funds increased by \$3,123,111; Capital Project Funds decreased by (\$942,130) and Permanent Funds increased by 85,431.

Proprietary Funds. Proprietary funds provide the same type of information found in the business-type activities reported in the government-wide financial statements, but in more detail. Proprietary fund financial statements use the accrual basis of accounting, like the government-wide financials. As such, there is no reconciliation needed between the government-wide financial statements for business type activities and the proprietary fund financial statements.

Total net position for the Water Resource Recovery Department (WRRD) at the end of the year increased \$2,452,498 to a total of \$28,341,413.

To provide adequate revenues to meet expenditures for operations, debt service, and capital improvements of the Waste Water Treatment Plant, the City's user rate, which is measured by water consumption, increased to \$7.63 from \$6.25 per unit (one unit equals 100 cubic feet or 748 gallons). This is an increase of \$1.38 or 22% per unit over the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary highlights are recorded on a budgetary basis and not GAAP.

There were three supplemental appropriations (use of unassigned fund balance) totaling \$261,284 during FY24 resulting in the final General Fund budget of \$72,515,415 including transfers to special revenue funds and School operations. The supplemental appropriations were as follows:

- \$67,000 - Train Station Security,
- \$18,284 - Assistant Planner-Compliance, and
- \$176,000 - Residential Properties Measure and List Contract.

Revenues: Actual revenues for the general fund exceeding estimated revenues by \$2,944,250. Significant variances include:

- Positive variance in Taxes of \$1,400,617 is mainly attributed to \$472,454 in real and personal property taxes and \$975,327 surplus from Excise Taxes (motor vehicle registration).
- Positive variance in Licenses and Permits of \$569,794 is mainly attributed to an excess of \$592,886 from building, electrical and plumbing permits resulting from renovations and new construction citywide and a negative variance of \$35,528 from cable franchise fees.

- Positive variance in Intergovernmental revenues of \$377,389 is mainly attributed to an excess of \$591,311 from State Municipal Revenue Sharing and a shortfall of \$265,503 from BETE (Business Equipment and Tax Exemption) reimbursement and Homestead exemption reimbursement from the State.
- Positive variance in Charges for Services of \$340,471 is mainly attributed to an excess of \$307,956 from Recreation programs.
- Positive variance in Other Revenues of \$255,980 is mainly attributed to an excess of \$469,321 in Investment Income as a result of escalating interest rates and a shortfall of \$200,000 from an anticipated sale of city property that was not executed.

Expenditures: Actual expenditures for the general fund resulted in a positive variance of \$1,183,803. Significant variances include:

- Positive variance of \$409,168 in general government is mainly attributed to a surplus in Assessing as a result of a year-end encumbrance which will carry forward to FY25, and an over budget in the City Clerk office due to general assistance rental payments.
- Positive variance of \$333,270 in public safety is primarily the result of several police vacancies.
- Positive variance of \$263,907 in public works primarily the result of vacancies and savings in chemicals supplies.
- Negative variance of \$209,389 in Parks in Recreation primarily due to an increase in program enrollment, however, offset by an excess of recreation revenue.
- Positive variance in fringe benefits of \$381,781 mainly attributed to vacancies.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City of Saco's total investment in capital assets for governmental and business-type activities at year-end amounted to \$114,829,236 (net of accumulated depreciation), an increase of \$9,704,539 from the prior year.

The City has elected to use the Modified Approach as defined by GASB Statement No. 34 for infrastructure reporting. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated. As a result, no accumulated depreciation or depreciation expense has been recorded for these infrastructure assets. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense has been recorded and include buildings, vehicles, machinery and equipment, and right-to-use leased equipment.

Additional information on the City of Saco's capital assets can be found on pages 57-58 of this report. Detailed discussion of the modified approach is presented in the Required Supplementary Information section of this report.

The following table presents a comparison summary for both non-depreciable and depreciable assets for the years ending June 30, 2024, and 2023.

Capital Assets (000s)							
	Governmental		Business-type		Totals		
	<u>Activities</u>		<u>Activities</u>				
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	
Capital Assets not being depreciated							
Land	\$ 6,800	\$ 6,350	\$ 40	\$ -	\$ 6,841	\$ 6,350	
Infrastructure	42,522	41,363	17,109	17,109	59,631	58,471	
Construction in Progress	1,331	689	11,487	3,278	12,818	3,968	
Capital Assets being depreciated, net							
Building and improvements	25,134	25,650	4,307	4,482	29,441	30,133	
Vehicles	2,883	2,842	18	36	2,901	2,878	
Machinery and Equipment	1,931	1,806	297	289	2,228	2,095	
Right-to-use leased equipment	969	1,230	-	-	969	1,230	
Total Assets	\$ <u>81,571</u>	\$ <u>79,930</u>	\$ <u>33,258</u>	\$ <u>25,195</u>	\$ <u>114,829</u>	\$ <u>105,125</u>	

Major capital asset events during the current fiscal year included the following:

- Governmental Activities construction in progress totaled \$1,331,363 at year end, an increase of \$641,937.
- Infrastructure, land and capitalization of depreciable assets totaled \$80,239,652 at year end, an increase of \$998,972 and summarized as follows:
 - Portland Road (Route 1) and Funtown Parkway traffic signal upgrades.
 - Buxton Road (Route 112) Hillview Avenue, and Jenkins Road intersection realignment and signalization.
 - Various roads and sidewalk reconstruction.
 - Various general government vehicles and equipment for Public Works, Parks and recreation, Fire, Police and School Departments.
 - Decommission and Repurpose of Police Department Firearms Range.
 - Reconstruction of the Camp Ellis boat Ramp.
 - Various building repairs and improvements for all city facilities.
 - Railroad track repairs and improvements.
 - Various Parks and trail repairs and improvements.
- Business-type Activities construction in progress totaled \$11,486,802 at year end, an increase of \$8,208,305 due to the construction of the new Waste Water Treatment Facility.
- Infrastructure, land and capitalization of depreciable assets totaled \$21,771,419 at year end, a decrease of (\$144,675).

Long-term Debt. At the end of the current fiscal year, total bonded debt, and financed purchase payables, including business-type activities (Water Resource Recovery Department) were \$26,848,193 as shown in the table below, all of which was backed by the full faith and credit of the government.

Outstanding Debt (000s)

	Governmental Activities		Business-type Activities		Totals	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
General Obligation Bonds	\$14,440	\$15,591	\$7,788	\$1,522	\$22,229	\$17,114
Direct Debt MDOT	102	153	-	-	102	153
Financed Purchases	<u>4,458</u>	<u>3,716</u>	<u>59</u>	<u>124</u>	<u>4,517</u>	<u>3,840</u>
Total	<u>19,000</u>	<u>19,460</u>	<u>7,847</u>	<u>1,647</u>	<u>26,848</u>	<u>21,107</u>

The City of Saco's total debt increased by \$5,740,642 or 27.2% during the current fiscal year. The key factors in this net decrease are:

- Reductions of outstanding debt principle in the amount of \$1.2 million.
- Reduction of outstanding Lease Purchase principal in the amount of \$1.7 million.
- The issuance of new capital financing for new vehicles and equipment of \$2.4 million.
- Drawdown of \$6.3 million by the enterprise Fund on the Clean Water SRF Bond for the new Treatment Facility.

The City of Saco's General Obligation bonds have an AA and Aa3 rating from Standard and Poor's Global rating services and Moody's Investors Service respectively.

Under current state statutes, the City's outstanding debt applicable to debt limit are subject to legal limitations based on various percentages of its last "full state valuation", or any lower percentage or amount that a municipality may set. For calculating debt limit, "full state valuation" shall mean the state valuation most recently certified by the State Tax Assessor adjusted to 100%.

The debt limit of the City is 7.5% of "base valuation", exclusive of debt incurred for school purposes, storm or sanitary sewer purposes, energy facility purposes or municipal airport purposes, which have their own independent limits. The debt limit for school purposes is 10%, and debt for sanitary sewer purposes is 7.5%. However, the law also states that in no event may any municipality incur debt which would cause its total debt outstanding at any time to exceed 15% of its last full state valuation, or any lower percentage or amount that a municipality may set.

As the following table depicts, based on the latest full valuation for the City of Saco of \$3,772,200,000, the city is \$538,981,806 below the statutory debt limit.

**Debt Limit Calculation
As of June 30, 2024**

Purpose	Percent of Allowable Debt Limit	Maximum Debt Limit	Bonds and SFR Loans Outstanding	Lease Purchases Outstanding	Total Gross Debt	% of Legal Debt Service Used
Municipal	7.50%	\$282,915,000	\$13,861,971	\$3,614,428	\$17,476,399	6.2%
School	10.00%	377,220,000	680,449	843,496	1,523,945	0.4%
Sanitary Sewer	7.50%	282,915,000	7,788,701	59,149	7,847,850	2.8%
Total		\$943,050,000	\$22,331,121	\$4,517,073	\$26,848,194	
Overall Debt Limit	15.00%	\$565,830,000		City's Total Debt	\$26,848,194	4.7%

Additional information on long-term debt can be found on pages 59-62 of this report.

ECONOMIC CONDITIONS AND NEXT YEAR'S BUDGET AND RATES

As of June 30, 2024, the City of Saco's unemployment rate was 2.3%. During the same period, Saco's rate remained lower by comparison to the State of Maine and the Nation's unemployment average of 2.8% and 4.1%, respectively.

The City of Saco's Adopted Budget for fiscal year 2025 encompasses all municipal expenditures, as well as the County Tax obligation and the Saco School tax assessments. The City budget only reflects the tax assessment in budgeted expenditures for school expenditures; meaning, all other school-related revenues and expenditures approved via referendum vote are reflected separately in the Saco School financial statements.

On a budgetary basis, the final General Fund budget of \$73,629,819 is an increase of \$1,114,404 or 1.5% from the prior year. This budget represents \$35,428,717 in municipal expenditure, \$5,278,357 in TIF Transfer, \$1,452,355 in county tax, and \$31,470,390 in taxes raised on behalf of the Saco School Department. The final budget includes:

- Use of Fund Balance of \$951,650 to offset taxes.
- Use of Fund Balance of \$308,233 for the Ecology School BPI Agreement.
- A supplemental appropriation from Unassigned Fund Balance of \$5,000 for the Ask Foundation.
- A supplemental appropriation from Unassigned Fund Balance of \$16,500 for a wage increase to Elected Officials.

The final FY25 General Fund budget resulted in a tax rate of **\$14.05** per \$1,000 of assessed value. This is a decrease of \$0.70 or 4.7% from the prior year tax rate of \$14.75.

The City's only Enterprise Fund is the Water Resource Recovery Department (WRRD). This fund provides customers with high-quality waste water services and is funded primarily with user fees based on units of water consumed. *One unit is equal to 100 cubic feet or 748 gallons of water.*

The FY25 WRRD (Sewer) user rate increased to **\$8.54** or 11.9% per unit of consumed water over the FY24 rate of \$7.63 per unit.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Saco's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information, please contact the Finance Department by mail at 300 Main Street, Saco, Maine, 04072 or via e-mail at Budget@sacomaine.org.

This page left blank intentionally.

BASIC FINANCIAL STATEMENTS

This page left blank intentionally.

CITY OF SACO, MAINE
Statement of Net Position
June 30, 2024

	Governmental Activities	Business-type Activities	Total	Component Unit Dyer Library
ASSETS				
Cash and cash equivalents	\$ 27,641,173	\$ -	\$ 27,641,173	\$ 351,972
Investments	21,074,918	-	21,074,918	3,771,099
Receivables:				
Accounts (net of allowance of \$195,049)	3,396,196	1,084,528	4,480,724	-
Taxes - current	810,058	-	810,058	-
Taxes - prior years	65,085	-	65,085	-
Tax liens	348,220	-	348,220	-
Lease receivable	151,856	-	151,856	-
Prepaid expenses	107,723	-	107,723	8,800
Other	5,648	-	5,648	-
Tax acquired property	105,303	-	105,303	-
Depreciable capital assets, net	30,917,462	4,622,106	35,539,568	347,895
Non-depreciable capital assets	50,653,553	28,636,115	79,289,668	-
Total assets	135,277,195	34,342,749	169,619,944	4,479,766
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to OPEB	477,219	-	477,219	-
Deferred outflows of resources related to pensions	3,746,622	-	3,746,622	-
Total deferred outflows of resources	4,223,841	-	4,223,841	-
LIABILITIES				
Accounts payable and other current liabilities	3,405,035	2,201,526	5,606,561	25,268
Accrued liabilities	3,986,652	34,134	4,020,786	94,115
Taxes collected in advance	78,311	-	78,311	-
Unearned revenues	1,120,736	-	1,120,736	-
Internal balances	4,174,295	(4,174,295)	-	-
Noncurrent liabilities:				
Due within one year	2,670,182	71,010	2,741,192	-
Due in more than one year	31,731,053	7,868,961	39,600,014	-
Total liabilities	47,166,264	6,001,336	53,167,600	119,383
DEFERRED INFLOWS OF RESOURCES				
Lease Related	139,234	-	139,234	-
Deferred inflows of resources related to OPEB	576,255	-	576,255	-
Deferred inflows of resources related to pensions	913,696	-	913,696	-
Total deferred inflows of resources	1,629,185	-	1,629,185	-
NET POSITION				
Net investment in capital assets	61,887,040	25,410,371	87,297,411	347,895
Restricted for:				
General government	281,654	-	281,654	-
Education	5,337,910	-	5,337,910	-
Public safety	2,231,502	-	2,231,502	-
Other purposes	10,103,276	-	10,103,276	-
Permanent funds:				
Nonexpendable	181,383	-	181,383	-
Expendable	756,309	-	756,309	231,186
Unrestricted	9,926,513	2,931,042	12,857,555	3,781,302
Total net position	\$ 90,705,587	\$ 28,341,413	\$ 119,047,000	\$ 4,360,383

CITY OF SACO, MAINE
Statement of Activities
For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				Component Units Dyer Library
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government				
					Governmental Activities	Business-type Activities	2024 Total		
Primary government:									
Governmental activities:									
General government	\$ 14,693,685	\$ 1,589,460	\$ 709,372	\$ -	\$ (12,394,853)	\$ -	\$ (12,394,853)	\$ -	
Public safety	10,496,824	1,582,015	80,126	-	(8,834,683)	-	(8,834,683)	-	
Public works	11,037,461	300,101	267,576	919,645	(9,550,139)	-	(9,550,139)	-	
Culture and recreation	2,646,669	1,826,841	17,277	-	(802,551)	-	(802,551)	-	
Education	56,582,711	494,424	26,363,276	-	(29,725,011)	-	(29,725,011)	-	
Interest on debt	632,738	-	-	-	(632,738)	-	(632,738)	-	
Total governmental activities	96,090,088	5,792,841	27,437,627	919,645	(61,939,975)	-	(61,939,975)	-	
Business-type activities:									
Waste Water Treatment Plant	3,602,460	5,018,116	-	-	-	1,415,656	1,415,656	-	
Total business-type activities	3,602,460	5,018,116	-	-	-	1,415,656	1,415,656	-	
Total primary government	\$ 99,692,548	\$ 10,810,957	\$ 27,437,627	\$ 919,645	\$ (61,939,975)	\$ 1,415,656	\$ (60,524,319)	\$ -	
Component Units:									
Dyer Library	1,175,119	16,373	990,293	-	-	-	-	(168,453)	
Total component units	\$ 1,175,119	\$ 16,373	\$ 990,293	\$ -	\$ -	\$ -	\$ -	\$ (168,453)	
General revenues:									
Property taxes, levied for general purposes					\$ 57,138,771	\$ -	\$ 57,138,771	-	
Motor vehicle excise taxes					5,603,327	-	5,603,327	-	
Franchise tax					244,472	-	244,472	-	
Grants and contributions not restricted to specific programs:									
Homestead exemption					1,370,746	-	1,370,746	-	
Other State aid					473,979	-	473,979	-	
State Revenue Sharing					4,362,287	-	4,362,287	-	
Unrestricted investment earnings					2,000,472	116,842	2,117,314	671,628	
Miscellaneous revenues					3,277	-	3,277	-	
Transfer					(920,000)	920,000	-	-	
Total general revenues and transfers					70,277,331	1,036,842	71,314,173	671,628	
Change in net position					8,337,356	2,452,498	10,789,854	503,175	
Net position - beginning					82,368,231	25,888,915	108,257,146	3,857,208	
Net position - ending					\$ 90,705,587	\$ 28,341,413	\$ 119,047,000	\$ 4,360,383	

CITY OF SACO, MAINE
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	School Operations Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 24,199,534	\$ -	\$ 3,441,639	\$ 27,641,173
Investments	20,173,640	-	901,278	21,074,918
Accounts receivable, net of allowance of \$195,049	342,175	57,078	2,996,943	3,396,196
Interfund receivables	-	6,638,265	16,204,698	22,842,963
Taxes and liens receivable	1,223,363	-	-	1,223,363
Tax acquired property	105,303	-	-	105,303
Prepaid items	84,992	22,731	-	107,723
Lease receivable	151,856	-	-	151,856
Inventory	-	-	5,648	5,648
Total assets	\$ 46,280,863	\$ 6,718,074	\$ 23,550,206	\$ 76,549,143
LIABILITIES				
Accounts payable	2,256,211	685,289	463,535	3,405,035
Accrued liabilities	423,116	3,255,375	68,767	3,747,258
Taxes collected in advance	78,311	-	-	78,311
Unearned revenues	-	-	1,120,736	1,120,736
Interfund payables	24,631,136	-	2,386,122	27,017,258
Total liabilities	27,388,774	3,940,664	4,039,160	35,368,598
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	966,751	-	-	966,751
Unavailable revenue - opioid settlement	-	-	207,063	207,063
Lease related	139,234	-	-	139,234
Total deferred inflows of resources	1,105,985	-	207,063	1,313,048
FUND BALANCES (DEFICIT)				
Nonspendable	84,992	22,731	187,031	294,754
Restricted	-	2,754,679	15,171,284	17,925,963
Committed	308,233	-	4,388,895	4,697,128
Assigned	1,610,577	-	-	1,610,577
Unassigned	15,782,302	-	(443,227)	15,339,075
Total fund balances (deficit)	17,786,104	2,777,410	19,303,983	39,867,497
Total liabilities, deferred inflows of resources and fund balances	\$ 46,280,863	\$ 6,718,074	\$ 23,550,206	
Amounts reported for governmental activities in the statement of net position (Statement 1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
More specifically, non-depreciable & depreciable capital assets as reported on Statement 1				\$ 81,571,015
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.				
				(22,250,165)
Noncurrent liabilities as reported on Statement 1	(20,802,036)			
Accrued liabilities (compensated absences) as reported on Statement 1	(1,448,129)			
	(22,250,165)			
Accrued interest on Statement 1				(239,394)
Net pension liability, including related deferred inflows and outflows				(2,728,781)
Total OPEB liability, including related deferred inflows and outflows				(6,688,399)
Unavailable revenues not reported on Statement 1				1,173,814
Net position of governmental activities				\$ 90,705,587

CITY OF SACO, MAINE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2024

	General Fund	School Operations Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 62,591,137	\$ -	\$ -	\$ 62,591,137
Licenses and permits	1,555,794	-	-	1,555,794
Intergovernmental	6,553,315	22,040,397	5,556,268	34,149,980
Charges for services	1,992,512	412,939	1,879,165	4,284,616
Other revenues	1,516,964	48,141	1,030,646	2,595,751
Total revenues	74,209,722	22,501,477	8,466,079	105,177,278
EXPENDITURES				
Current:				
General government	3,614,642	-	1,649,444	5,264,086
Public safety	9,414,737	-	141,608	9,556,345
Public works	5,761,350	-	-	5,761,350
Culture and recreation	2,276,115	-	169,068	2,445,183
Education	-	51,424,249	4,575,160	55,999,409
Unclassified	7,280,039	-	60,048	7,340,087
County tax	1,346,355	-	-	1,346,355
Debt service:				
Principal	1,922,396	-	342,625	2,265,021
Interest and other charges	513,067	-	109,106	622,173
Capital improvements	1,516,879	921,090	7,079,417	9,517,386
Total expenditures	33,645,580	52,345,339	14,126,476	100,117,395
Excess (deficiency) of revenues over (under) expenditures	40,564,142	(29,843,862)	(5,660,397)	5,059,883
OTHER FINANCING SOURCES (USES)				
Financed purchase issuance of debt	1,516,879	921,090	-	2,437,969
Transfers in	670,758	30,135,859	9,566,015	40,372,632
Transfers out	(39,202,912)	(450,514)	(1,639,206)	(41,292,632)
Total other financing sources (uses)	(37,015,275)	30,606,435	7,926,809	1,517,969
Net change in fund balances	3,548,867	762,573	2,266,412	6,577,852
Fund balances (deficit) - beginning	14,237,237	2,014,837	17,037,571	33,289,645
Fund balances (deficit) - ending	\$ 17,786,104	\$ 2,777,410	\$ 19,303,983	\$ 39,867,497

See accompanying notes to basic financial statements.

CITY OF SACO, 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, 2024

Net change in fund balances- total governmental funds (from Statement 4)	\$	6,577,852
--	----	-----------

Amounts reported for governmental activities in the statement of activities (Statement 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense, with the exception of infrastructure which is recorded at historical cost and not depreciated as the Modified Approach is being used. More specifically, this is the amount by which capital outlays exceeded depreciation expense in the current period.

1,640,909

Capital outlays	\$	5,094,930	
Less: loss on disposal		30,201	
Less: depreciation expense		3,423,820	
		\$ 1,640,909	

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in unavailable revenues.

170,166

Bond, note, and financed purchase proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and financed purchase principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. More specifically, this represents the net amount of principal increases (decreases) in debt service made during the year.

698,504

Financed purchase proceeds	\$	(2,437,969)	
Financed purchase repayments		1,696,357	
Financed purchase interest accrual		(66,050)	
Note payable repayments		51,481	
Amortization of premium on refunding bonds		41,523	
Bond principal repayments		1,150,605	
Bond interest accrual		13,962	
Repayment of lease liability		248,595	
		\$ 698,504	

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. More specifically, this represents:

(750,075)

Change in long term accrued compensated absences	\$	(50,334)	
Change in net OPEB liability, with related deferred inflows and outflows		(205,359)	
Change in net pension liability, with related deferred inflows and outflows		(494,382)	
		\$ (750,075)	

Change in net position of governmental activities (see Statement 2)	\$	8,337,356
--	-----------	------------------

See accompanying notes to basic financial statements.

CITY OF SACO, MAINE
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis
For the year ended June 30, 2024

For the year ended June 30, 2024				
	Budgeted Amounts			Variance with Final Budget-
	Original	Final	Actual Amounts	Positive (Negative)
REVENUES				
Taxes	\$ 61,190,520	\$ 61,190,520	\$ 62,591,137	\$ 1,400,617
Licenses and permits	986,000	986,000	1,555,794	569,794
Intergovernmental	6,175,926	6,175,926	6,553,315	377,389
Charges for services	1,652,042	1,652,042	1,992,512	340,470
Interest earnings	914,709	914,709	1,384,030	469,321
Other revenues	329,923	346,275	132,934	(213,341)
Total revenues	71,249,120	71,265,472	74,209,722	2,944,250
EXPENDITURES				
Current:				
General government	3,834,945	4,023,810	3,614,642	409,168
Public safety	9,737,152	9,748,007	9,414,737	333,270
Public works	5,958,257	6,025,257	5,761,350	263,907
Culture and recreation	2,066,726	2,066,726	2,276,115	(209,389)
County tax	1,369,705	1,369,705	1,346,355	23,350
Unclassified	7,622,387	7,616,951	7,280,039	336,912
Debt service	2,462,048	2,462,048	2,435,463	26,585
Total expenditures	33,051,220	33,312,504	32,128,701	1,183,803
Excess (deficiency) of revenues over (under) expenditures	38,197,900	37,952,968	42,081,021	4,128,053
OTHER FINANCING SOURCES (USES)				
Budgeted utilization of surplus	334,359	579,291	-	(579,291)
Transfers in	670,653	670,653	670,758	105
Transfers out	(39,202,912)	(39,202,912)	(39,202,912)	-
Total other financing sources (uses)	(38,197,900)	(37,952,968)	(38,532,154)	(579,186)
Net change in fund balance	-	-	3,548,867	3,548,867
Fund balance - beginning			14,237,237	
Fund balance - ending			\$ 17,786,104	

See accompanying notes to basic financial statements.

CITY OF SACO, MAINE
School Operations Fund
Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget and Actual - Budgetary Basis
For the year ended June 30, 2024

For the year ended June 30, 2024					Variance with final budget positive (negative)
		Budget amounts			
		Original	Final	Actual	
Revenues:					
Intergovernmental:					
State subsidy - operating costs	\$	18,192,754	18,192,754	18,412,808	220,054
State agency clients		185,000	185,000	77,697	(107,303)
Medical reimbursements		400,000	400,000	349,887	(50,113)
Other intergovernmental		-	-	50,195	50,195
Charges for services:					
Tuition fees		165,000	165,000	226,374	61,374
Rentals		-	-	2,932	2,932
Transportation		135,000	135,000	183,633	48,633
Other revenues:					
Miscellaneous		10,000	10,000	48,141	38,141
Total revenues		19,087,754	19,087,754	19,351,667	263,913
Expenditures:					
Current:					
Regular instruction		27,375,022	27,375,022	27,131,465	243,557
Special education instruction		11,193,433	11,193,433	10,344,531	848,902
Other instruction		204,045	204,045	260,942	(56,897)
Student and staff support		2,885,893	2,885,893	2,655,349	230,544
System administration		1,112,113	1,112,113	1,126,792	(14,679)
School administration		1,321,106	1,321,106	1,306,872	14,234
Transportation		2,118,774	2,118,774	2,262,535	(143,761)
Facilities maintenance		3,383,671	3,383,671	3,180,567	203,104
All other		11,900	11,900	-	11,900
Total expenditures		49,605,957	49,605,957	48,269,053	1,336,904
Other financing sources (uses):					
Budgeted utilization of surplus		431,306	431,306	-	(431,306)
Transfer from City General Fund		30,086,897	30,086,897	30,086,897	-
Transfer from (to) Capital Project Fund		-	-	(450,514)	(450,514)
Transfer from (to) Special Revenue Fund		-	-	48,962	48,962
Total other financing sources		30,518,203	30,518,203	29,685,345	(832,858)
Net change in fund balance budgetary basis		-	-	767,959	767,959
Reconciliation to GAAP basis:					
Change in accrued summer benefits				(5,386)	
Net change in fund balances GAAP basis				762,573	
Fund balance, beginning				2,014,837	
Fund balance, ending	\$			2,777,410	

See accompanying notes to basic financial statements.

CITY OF SACO, MAINE
Statement of Net Position
Proprietary Fund
June 30, 2024

	Business-type activities
	Enterprise Funds
	Waste Water Treatment Plant
ASSETS	
Current assets:	
Receivables	\$ 1,084,528
Interfund receivables	4,174,295
Total current assets	5,258,823
Noncurrent assets:	
Depreciable capital assets:	
Vehicles	476,493
Buildings and improvements	10,891,786
Equipment	4,258,593
Less accumulated depreciation	(11,004,766)
Non-depreciable capital assets	28,636,115
Total noncurrent assets	33,258,221
Total assets	38,517,044
LIABILITIES	
Current liabilities:	
Accounts payable	2,201,526
Accrued liabilities	34,134
Accrued compensated absences due within one year	18,424
Financed purchases payable due within one year	52,586
Total current liabilities	2,306,670
Noncurrent liabilities:	
Financed purchases payable	6,563
Accrued compensated absences	73,697
Bond payable	7,788,701
Total noncurrent liabilities	7,868,961
Total liabilities	10,175,631
NET POSITION	
Net investment in capital assets	25,410,371
Unrestricted	2,931,042
Total net position	\$ 28,341,413

See accompanying notes to basic financial statements.

CITY OF SACO, MAINE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the year ended June 30, 2024

	Business-type activities
	Enterprise Funds
	Waste Water Treatment Plant
Operating revenues:	
Charges for services	\$ 5,018,116
Total operating revenues	5,018,116
Operating expenses:	
Personnel services	1,485,459
Contractual services	643,003
Utilities	279,361
Repairs and maintenance	282,733
Other supplies and expenses	676,794
Depreciation	231,537
Total operating expenses	3,598,887
Operating income	1,419,229
Nonoperating expenses:	
Interest revenues	116,842
Interest expense	(3,573)
Total nonoperating expenses	113,269
Income before capital contributions and transfers	1,532,498
Transfers from (to) other funds	920,000
Change in net position	2,452,498
Total net position - beginning	25,888,915
Total net position - ending	\$ 28,341,413

See accompanying notes to basic financial statements.

CITY OF SACO, MAINE
Statement of Cash Flows
Proprietary Fund
For the year ended June 30, 2024

	Business-type activities
	Enterprise Funds
	Waste Water Treatment Plant
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 5,017,291
Payments to suppliers	(462,639)
Payments to employees	(1,476,783)
Net cash provided by operating activities	3,077,869
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfer from General Fund	920,000
Increase (decrease) in interfund loans	(2,017,088)
Net cash provided by (used in) non-capital financing activities	(1,097,088)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital asset purchases	(8,295,166)
Proceeds from debt issuance	6,265,701
Principal paid on debt	(64,585)
Interest paid on debt	(3,573)
Net cash used in capital and related financing activities	(2,097,623)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	116,842
Net cash provided by investing activities	116,842
Net increase (decrease) in cash and cash equivalents	-
Balances- beginning of the year	-
Balances- end of the year	\$ -
Reconciliation of operating income to net cash provided	
(used) by operating activities:	
Operating income	\$ 1,419,229
Adjustments to reconcile operating income to net cash provided by	
operating activities:	
Depreciation expense	231,537
Change in assets and liabilities:	
Receivables	(825)
Accounts payables	1,419,252
Accrued liabilities	8,676
Net cash provided by operating activities	\$ 3,077,869

CITY OF SACO, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Saco, Maine was incorporated in 1867 under the laws of the State of Maine. The City operates under a Mayor-Council and City Administrator form of government and provides the following services: general governmental services, education, public safety, public works (highways, streets, and sewers), health, sanitation and welfare, culture and recreation, planning and zoning and public improvements. The Council is made up of seven members elected by registered voters.

The criteria used to determine which accounting entities, agencies, commissions, boards and authorities are part of the City's operations include how the budget is adopted, whether debt is secured by general obligation of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions. The City has one discretely presented component unit, the Dyer Library Association, which is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Founded in 1881, the Dyer Library was funded by a generous bequest from Olive Dyer in the name of her husband Oliver. The Dyer Library Association operates Saco's busy and beloved public library as well as the Saco Museum, a regional center for local history, art and education. It is governed by a board to which the City of Saco appoints one staff liaison and one Council liaison. The Board of the Dyer Library oversees the Executive Director, who manages day-to-day operations and staff. The annual budget is proposed to the Board by the Executive Director and approved. The portion of the budget to be funded by the City of Saco is then submitted to Council as part of the annual budget process. Although Council has no direct control over programming, the City of Saco funds a majority of Dyer Library expenses annually and, as such, has some measure of control over the scope of programming each year.

The accounting policies of the City of Saco conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The following is a summary of the more significant of such policies.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions, and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due. General capital asset acquisitions, including entering into contracts giving the City of Saco, Maine the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The School Operations Fund, a special revenue fund, is the School Department's primary operating fund. It accounts for all financial resources of the School Department, except those required to be accounted for in another fund.

The City reports the following major proprietary fund:

The Wastewater Treatment Plant accounts for the costs of construction and operation of the treatment plant. It is self-supported through sewer user fees and is therefore considered an enterprise fund.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund is charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits, certificates of deposit, and short-term investments with original maturities of three months or less from the date of acquisition. The City policy is that deposits can only be made in financial institutions insured by the FDIC. The City's investment policy authorizes investments in obligations of the U. S. Treasury, U.S. Agencies, commercial paper, corporate bonds, and repurchase agreements.

Investments are stated at fair value. Income earned from the investments of pooled cash is allocated to the various funds on the basis of the average cash balance allocated to each fund. Interest earned on bond funds is allocated to the General Fund to cover a portion of the cost of financing. For purposes of the Statement of Cash Flows, the City considers all highly liquid investments to be cash equivalents.

E. Interfund Loans

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables" or "interfund payables" on the balance sheet. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

F. Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out (FIFO) method. The costs of governmental fund-type inventories are generally recorded as expenditures when consumed rather than when purchased. Inventories include the value of U.S. Department of Agriculture commodities donated to the School Food Services Program.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Allowance for Doubtful Accounts

The City develops its estimated allowance for doubtful accounts based on past experience of collectability with customers.

H. Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, sewer system and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of three years.

As the City of Saco, Maine constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at the estimated acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land, infrastructure, and construction in process are not depreciated. Property, plant, and equipment, of the primary government are depreciated using the straight-line method over the following estimated useful lives:

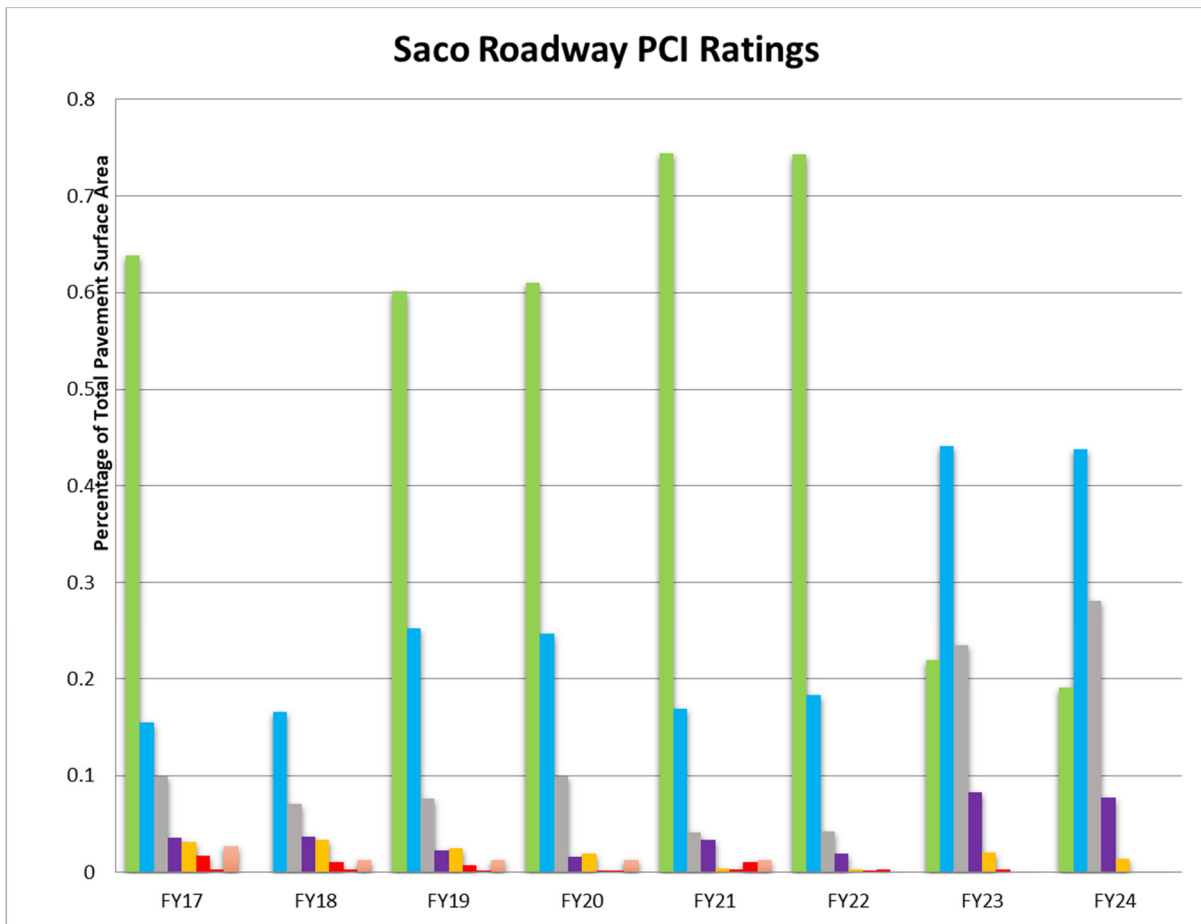
<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	40
Vehicles	5
Equipment, including furniture and fixtures	10
Computer equipment	3
Right-to-use leased equipment	5 to 20

The City defines infrastructure as the basic physical assets that allow the City to function. The assets include the street system; water purification and distribution system; sewer collection and treatment system; park and recreation lands and improvement system; storm water conveyance system; and buildings site amenities such as parking used by the City in the conduct of its business. Each major infrastructure system can be divided into subsystems. For example, the street system can be divided into concrete and asphalt pavements, concrete curbing, sidewalks, streetlights, traffic control devices (signs, signals, and pavement markings), landscaping, and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The City elected to use the Modified Approach as defined by Statement No. 34 for infrastructure reporting. Originally the City commissioned a physical assessment of all infrastructure conditions in 2000 (fiscal year 2001). Subsequent to the initial assessment, City staff has performed condition assessments based on a combination of physical inspections and statistical modeling. In 2022, the City of Saco changed its condition assessment software from Micropaver to Streetlogix and a comprehensive reassessment of road condition scores was completed as part of the implementation process. As a result, road condition scores dropped, but remained within target.



The Streetlogix program assesses the inspection criteria and develops a condition rating or Pavement Condition Index (PCI). The PCI index rates the roads between 0 and 100 with 100 being a new road. For the underground utilities, the City has jointly purchased a camera and truck with two neighboring municipalities to inspect the storm and sanitary collection systems. Since fiscal year 2014, the Public Works Department inspected approximately 60,000 feet of sewer line. In 2001, 2004, 2007, and 2010 the City subcontracted with an independent engineering firm to inventory and perform a condition assessment on all other City infrastructure assets. These other infrastructure assets, sewer pipe, catch basins and manholes, storm drainage, sidewalks, traffic lights and signage, were then combined with the streets on the City's Asset Management System. Per the rating system noted above, each infrastructure asset was assigned a condition assessment based on a visual inspection conducted on each asset. The City's policy is to achieve a minimum rating of 56 (fair) for all infrastructure assets.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

I. Compensated Absences

Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. Employees are paid for allowable accruals upon termination of employment. The long-term portion of debt related to compensated absences, amounting to \$1,448,129 for governmental activities and \$92,121 for business-type activities at June 30, 2024, is expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the general fund and the enterprise fund.

In the fund financial statements, no amount is recorded unless the amount is to be paid out shortly after year-end. The full liability is recorded in the government-wide statements.

J. Long-term Obligations

Long-term debt is recognized as a liability of a governmental fund when due. In the fund financial statements, for other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

K. Fund Balance

Governmental fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent. The five classifications of fund balance for the Governmental Funds are as follows:

- *Nonspendable* – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact.
- *Restricted* – resources with constraints placed on the use of resources which are either a) externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or; b) imposed by law through constitutional provisions or enabling legislation.
- *Committed* – resources which are subject to limitations the City imposes on itself at its highest level of decision-making authority, and that remain binding unless removed in the same manner. The City Council is the highest level of decision-making authority and has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments by passage of an order.
- *Assigned* – resources that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council has delegated the authority to assign fund balance to the City's Finance Director based on prescribed policies previously established by the City Council.
- *Unassigned* – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City's fund balance policy states when both restricted and unrestricted resources are available for use, it is the City's intent to use restricted resources first, then unrestricted resources as they are needed. When committed, assigned, and unassigned resources are available for use, it is the City's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

L. Interfund Transactions

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except internal services provided and used for transactions and reimbursements, are reported as transfers.

M. Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data has not been presented in all statements because its inclusion would make certain statements unduly complex and difficult to understand.

N. Use of Estimates

Preparation of the City's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

O. Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Other Post-Employment Benefits (OPEB)

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined based on actuary reports prepared by the OPEB Plan's actuary. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Q. Deferred Inflows and Outflows of Resources

In addition to assets and liabilities, the statement of net position and balance sheet will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. These separate financial statement elements, deferred outflows of resources and deferred inflows of resources, represent a consumption or acquisition of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The governmental funds report three types of deferred inflows of resources; unavailable revenue from property taxes, unavailable revenue from settlement proceeds, and lease related deferred inflows. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

The governmental activities also have deferred outflows and inflows that relate to the net pension and OPEB liabilities, which include the City's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension and OPEB liabilities in the subsequent year. They include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between City contributions and proportionate share of contributions, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan. They also include the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized over a five-year period.

R. Net Position

Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds payable, notes payable, bond premiums, financed purchases payable, and leases payable and adding back any unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The City's net investment in capital assets was calculated as follows at June 30, 2024:

	Governmental activities	Business-type activities
Capital assets	\$ 132,278,576	44,262,987
Accumulated depreciation	(50,707,561)	(11,004,766)
Bonds payable	(14,440,449)	(7,788,701)
Bonds premium	(763,056)	-
Notes payable	(101,971)	-
Lease liability	(1,038,636)	-
Financed purchases	(4,457,924)	(59,149)
Unspent proceeds	1,118,061	-
Net investment in capital assets	\$ 61,887,040	25,410,371

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

S. Leases

Lessee: The City of Saco is a lessee for a non-cancellable lease of equipment. The City of Saco recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City of Saco recognizes lease liabilities with an initial, individual value of \$10,000 or more.

At the commencement of a lease, the City of Saco initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City of Saco determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City of Saco uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City of Saco generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City of Saco is reasonably certain to exercise.

The City of Saco monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

Lessor: The City of Saco is a lessor for a noncancellable lease of a cell tower. The City of Saco recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City of Saco initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City of Saco determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City of Saco uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The City of Saco monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

An annual budget is adopted by the City Council for the General Fund, the School Operations Fund, and the Waste Water Fund. The budgets are prepared substantially in accordance with accounting principles generally accepted in the United States of America, except that the general fund revenues and expenditures related to “on-behalf payments” made by the State of Maine to the Maine Public Employees Retirement System for teachers and other school employees are not budgeted. These amounts have not been budgeted in the General Fund and result in a difference in reporting on a budgetary basis of accounting versus reporting under accounting principles generally accepted in the United States of America of \$3,149,810.

These amounts have been included as an intergovernmental revenue and as an education expense/expenditure on Statements 2 and 4 (GAAP basis). There is no effect on the net position/fund balance at the end of the year. The Sewer Use Fund budgets for debt service principal and interest payments as an expense and does not budget for depreciation expense. In addition, capital contributions from other funds are not budgeted.

Per City Charter, the level of budgetary control is at the department level.

The City employs encumbrance accounting in the governmental funds. Encumbrances outstanding at year-end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year is \$658,927 in the General Fund.

B. Deficit Fund Balances

At June 30, 2024, the following funds had deficit fund balances:

Brownfields Grant	\$ 9,523
New School Construction	433,704

These deficits will be funded by future grant revenue, charges for services, bond proceeds, or transfers.

C. Excess of Expenditures Over Appropriations

The following General Fund appropriations were over-expended by the indicated dollar amounts:

Culture and recreation	\$ 209,389
------------------------	------------

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

The following School Operations appropriations were over-expended by the indicated dollar amounts:

Other instruction	\$ 56,897
System administration	14,679
Transportation	143,761

DEPOSITS AND INVESTMENTS

Custodial credit risk- deposits – Custodial Credit Risk- City Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does have a deposit policy for custodial credit risk. This policy details eligibility for authorization to include banks or savings and loans that are a member of the FDIC and qualify as a depository of public funds in the State of Maine as defined in Title 30-A, Section 5706 of the Maine Revised Statutes. As of June 30, 2024, the City reported deposits of \$27,641,173 with a bank balance of \$29,022,777 of which \$1,703,847 was uninsured.

Custodial Credit Risk- City Investments: For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does have a deposit policy for custodial credit risk as is outlined above. Of the City's \$21,074,918 in investments, 100% of the money market funds (\$80,022) were collateralized by underlying securities held by the related bank in the City's name.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the City's investments are Level 1 inputs.

At June 30, 2024, the City had the following investments and maturities:

	Fair Value	Not Applicable	Less than 1 year	1-5 years	6-10 years	More than 10 years
Money market funds	\$ 80,022	80,022	-	-	-	-
Exchange traded funds	50,276	50,276	-	-	-	-
Stock	495,002	495,002	-	-	-	-
Corporate bonds	356,000	-	5,001	240,702	15,696	94,601
US Treasury notes	20,093,618	-	20,093,618	-	-	-
Total investments	\$ 21,074,918	625,300	20,098,619	240,702	15,696	94,601

Interest rate risk – The City does have a policy related to investment rate risk. This policy details that the investment and cash management portfolio be designed to attain a market value rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities and cash flow requirements. Unless matched to a specific cash flow, the City is not allowed to directly invest in securities maturing more than three years from the date of purchase.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

Credit Risk: Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The City does have a formal policy related to credit risk as is detailed above. At June 30, 2024, the City's investments were rated as follows by Standard & Poor's. The remainder of the City's investments are not rated.

<u>Corporate Bond Rating</u>	<u>Asset Value</u>
BBB+	\$ 65,446
BBB	82,228
BBB-	188,668
BB+	19,658
Total	\$ 356,000

PROPERTY TAX

The City's property tax is levied on the assessed value listed as of the prior April 1 for all taxable real and personal property located in the City. Assessed values are periodically established by the assessor at 100% of assumed market value. Each property must be reviewed no less than once every four years. The assessed value for the list of April 1, 2023, upon which the levy for the year ended June 30, 2024, was based, was \$3,861,514,991. This assessed value was 100% of the estimated market value and 102.4% of the 2024 state valuation of \$3,772,200,000.

The City 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 \$152,193 for the year ended June 30, 2024, per the revised Assessor's documents submitted to the State.

Tax liens are placed on real estate property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid. Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

The following summarizes the fiscal year 2023 and fiscal year 2022 levies, respectively:

	<u>Fiscal Year 2024</u>	<u>Fiscal Year 2023</u>
Assessed Value	\$ 3,861,514,991	\$ 2,885,132,050
Tax Rate (per \$1,000)	14.75	18.33
Commitment	56,957,346	52,884,470
Supplemental Taxes Assessed	83,122	92,954
	57,040,468	52,977,424
Less: Collections and Abatements	(56,230,410)	(52,415,058)
Receivable at Years' End	810,058	562,366
Due Dates	10/13/23	9/9/2022
	3/8/2024	3/31/2023
Interest Rates on Delinquent Taxes	8%	4%
Collection Rate	98.58%	98.94%

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The City elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting. As a result, no accumulated depreciation or depreciation expense has been recorded for these assets. A more detailed discussion of the “modified approach” is presented in the Required Supplementary Information section of this report. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense has been recorded. The table below presents summary information on non-depreciable assets for the years ending June 30, 2024, and 2023.

		Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:					
Modified Approach:					
Catch basins and manholes	\$	2,302,711	-	-	2,302,711
Storm drainage		18,763,733	-	-	18,763,733
Sidewalks		2,459,559	69,917	-	2,529,476
Street pavement system		16,205,338	-	-	16,205,338
Traffic signals		851,455	1,089,409	-	1,940,864
Streetlights		734,908	-	-	734,908
Street signs		44,818	-	-	44,818
Land		6,350,343	450,000	-	6,800,343
Construction in progress		689,426	1,976,263	(1,334,326)	1,331,363
Total	\$	48,402,290	3,585,589	(1,334,326)	50,653,553
Accumulated Depreciation					
Catch basins and manholes	\$	-	-	-	-
Storm drainage		-	-	-	-
Sidewalks		-	-	-	-
Street pavement system		-	-	-	-
Traffic signals		-	-	-	-
Streetlights		-	-	-	-
Street signs		-	-	-	-
Land		-	-	-	-
Construction in progress		-	-	-	-
Total	\$	-	-	-	-
Total Governmental Activities	\$	48,402,290	3,585,589	(1,334,326)	50,653,553
Business-type Activities:					
Land	\$	-	40,423	-	40,423
Sewer pipe		17,108,891	-	-	17,108,891
Construction in progress		3,278,497	8,208,305	-	11,486,802
Total	\$	20,387,388	8,248,728	-	28,636,116
Accumulated Depreciation					
Land	\$	-	-	-	-
Sewer pipe		-	-	-	-
Construction in progress		-	-	-	-
Total	\$	-	-	-	-
Total Business-type Activities	\$	20,387,388	8,248,728	-	28,636,116

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

Other assets are depreciated, with depreciation cost for governmental activities reported on the Government-Wide Statement of Activities and depreciation cost for business activities recorded on both the Government-Wide Statement of Activities and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position.

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities:				
Buildings and improvements	\$ 58,623,272	703,805	-	59,327,077
Vehicles	12,798,567	1,491,612	(485,502)	13,804,678
Machinery and equipment	6,467,442	648,250	(372,776)	6,742,916
Right-to-use leased equipment	1,750,352	-	-	1,750,352
Total	\$ 79,639,634	2,843,667	(858,278)	81,625,023
Accumulated Depreciation				
Buildings and improvements	\$ (32,972,795)	(1,220,236)	-	(34,193,031)
Vehicles	(9,956,889)	(1,450,434)	485,502	(10,921,821)
Machinery and equipment	(4,661,315)	(492,740)	342,575	(4,811,480)
Right-to-use leased equipment	(520,820)	(260,410)	-	(781,230)
Total	\$ (48,111,818)	(3,423,820)	828,077	(50,707,561)
Total Governmental Activities	\$ 31,527,815	(580,152)	(30,201)	30,917,462
Business-type Activities:				
Buildings and improvements	\$ 10,891,786	-	-	10,891,786
Vehicles	476,493	-	-	476,493
Machinery and equipment	4,212,153	46,439	-	4,258,592
Total	\$ 15,580,432	46,439	-	15,626,871
Accumulated Depreciation				
Buildings and improvements	\$ (6,409,728)	(175,045)	-	(6,584,773)
Vehicles	(440,341)	(18,076)	-	(458,417)
Machinery and equipment	(3,923,160)	(38,416)	-	(3,961,576)
Total	\$ (10,773,229)	(231,537)	-	(11,004,766)
Total Business-type Activities	\$ 4,807,203	(185,098)	-	4,622,105

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 202,407
Public safety	940,479
Public works	823,454
Culture and recreation	201,486
Education	1,255,994

Total depreciation expense – governmental activities \$ 3,423,820

Depreciation expense (\$231,537) for proprietary funds was charged entirely to the sewer fund.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation and building obligations	\$ 15,591,054	-	(1,150,605)	14,440,449	1,100,605
Notes from direct borrowings	153,452	-	(51,481)	101,971	52,317
Financed purchases payable	3,716,312	2,437,969	(1,696,361)	4,457,924	1,156,547
Lease liability	1,287,231	-	(248,595)	1,038,636	246,785
Premium on bonds	804,579	-	(41,523)	763,056	41,522
Accrued compensated absences	1,397,795	50,334	-	1,448,129	72,406
Other post-employment benefits (1)	6,085,576	503,787	-	6,589,363	-
Net pension liability (1)	4,377,692	1,184,015	-	5,561,707	-
Governmental activities long-term liabilities	\$ 33,413,690	4,176,105	(3,188,565)	34,401,235	2,670,182
Business-type activities:					
Financed purchases payable	\$ 123,734	-	(64,585)	59,149	52,586
Accrued compensated absences	88,669	3,452	-	92,121	18,424
Bonds Payable (2)	1,523,000	6,265,701	-	7,788,701	-
Business-type activities long-term liabilities	\$ 1,735,403	6,269,153	(64,585)	7,939,971	71,010

(1) Other postemployment benefits and net pension obligations are generally liquidated by the General Fund.

(2) The Business-Type activities long-term bond payable has been issued on an interim basis subject to a binding financing agreement that is non-cancelable by the lender. The loan is approved up to \$51 million with loan forgiveness up to \$1,000,000 over thirty years for a Water Resource Recovery Facility Upgrade.

LONG-TERM DEBT

Bonds payable and notes from direct borrowing at June 30, 2024, are comprised of the following:

Bond / Note Name	Year Borrowed	Interest Rate	Maturity Date	Balance End of Year	Due Within One Year
2023 School SRF	2023	0.00%	6/30/2033	\$ 680,449	75,605
\$4,095,000 2020 Refunding Bond	2020	2.00% - 5.00%	5/1/2048	3,235,000	215,000
\$11,750,000 2018 GOB	2018	3.00% - 5.00%	4/1/2039	9,150,000	470,000
\$495,000 MDOT Bridge Loan*	2017	1.63%	3/24/2026	101,971	52,317
\$4,175,000 2016 GOB (Roads)	2016	2.00% - 4.00%	10/1/2036	1,375,000	340,000
Total Governmental Activities				\$ 14,542,420	1,152,922
 \$51,000,000 Treatment Plant	 2023	 **	 6/30/2053	 \$ 7,778,701	 -
Total Business-type activities				\$ 7,778,701	-

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

** Notes from direct borrowing.*

*** Interest rate to be determined upon close of the long-term financing subject to prevailing market interest rates less the Clean Water State Revolving Fund discount.*

The annual requirements to amortize governmental activities General Obligation and Building Obligations outstanding as of June 30, 2024, are as follows:

Year		Principal	Interest	Total Debt Service
2025	\$	1,100,605	449,894	1,550,499
2026		1,095,605	413,394	1,508,999
2027		1,030,605	375,356	1,405,961
2028		985,605	336,581	1,322,186
2029		785,605	302,831	1,088,436
2030 - 2034		3,742,424	1,114,006	4,856,430
2035 - 2039		3,260,000	635,491	3,895,491
2040 - 2034		1,440,000	280,362	1,720,362
2045 - 2049		1,000,000	70,000	1,070,000
Total	\$	14,440,449	3,977,915	18,418,364

The annual requirements to amortize governmental activities notes from direct borrowings as of June 30, 2024, are as follows:

Year		Principal	Interest	Total Debt Service
2025	\$	52,317	1,714	54,031
2026		49,654	864	50,518
Total	\$	101,971	2,578	104,549

The annual requirements to amortize governmental activities financed purchase obligations outstanding as of June 30, 2024, are as follows:

Year		Principal	Interest	Total Debt Service
2025	\$	1,156,547	152,756	1,309,303
2026		1,007,442	116,184	1,123,626
2027		872,581	82,824	955,405
2028		595,219	50,703	645,921
2029		461,796	25,702	487,498
2030 - 2034		364,340	14,182	378,522
Total	\$	4,457,924	442,351	4,900,275

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

The annual requirements to amortize business-type activities financed purchase obligations outstanding as of June 30, 2024, are as follows:

Year	Principal	Interest	Total Debt Service
2025	\$ 52,586	1,728	54,315
2026	6,563	89	6,651
Total	\$ 59,149	1,817	60,966

Financed purchases payable at June 30, 2024, is comprised of the following:

Year Borrowed	Description	Original Purchase Price	Annual Depreciation	Total Minimum Payments	Interest	Present Value of Minimum Payments
2016	Plow Package Financing	\$ 24,400	4,880	2,844	98	2,746
2016	Fire Truck Financing	484,037	96,807	52,873	1,104	51,769
2019	Vac Truck Financing	301,097	60,219	43,484	1,503	41,981
2019	2 Dump Trucks + F550 Financing	418,104	83,621	73,141	2,529	70,612
2021	Chevy Volt Financing	22,160	4,432	4,179	49	4,130
2021	General Fund 5-Year Financing	301,198	60,240	56,823	668	56,155
2021	General Fund 10-Year Financing	845,329	169,066	547,532	30,625	516,907
2022	WRRD Toolcat Financing	32,383	6,477	13,303	265	13,038
2022	Bus Lease 0554	99,841	19,968	41,943	1,528	40,415
2022	Bus Lease 0562	99,841	19,968	41,943	1,528	40,415
2022	2022 Dpw Street Lights Financing	502,733	100,547	233,454	7,232	226,222
2022	General Fund 5-Year Financing	615,272	123,054	252,753	5,028	247,725
2022	2022 Fire Dept Pumper Financing	732,510	146,502	592,225	62,337	529,888
2023	FY 2023 General Fund 5-Year Financing	1,067,386	213,477	694,797	40,681	654,116
2024	2024 City Copiers	112,884	26,246	131,233	18,349	112,884
2024	2024 Chipper	48,995	11,601	58,003	9,008	48,995
2024	2024 General Equip Lease 5 Yr	1,355,000	250,448	1,252,246	155,837	1,096,409
2024	2024 School Bus 1937-08	110,570	24,358	97,432	11,220	86,212
2024	2024 School Bus 1937-09	110,570	24,358	97,432	11,220	86,212
2024	2024 School Bus 1937-10	124,501	27,427	109,708	12,634	97,074
2024	2024 School Bus 1937-11	124,501	27,427	109,708	12,634	97,074
2024	2024 School Bus 1937-12	124,501	27,427	109,708	12,634	97,074
2024	2024 School Bus 1937-13	124,501	27,427	109,708	12,634	97,074
2024	2024 School Copiers	201,947	46,954	234,772	32,826	201,946
				\$ 4,961,242	444,169	4,517,073

All finance purchases are secured by the underlying assets.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of the state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its stated assessed valuation. The City's outstanding debt at June 30, 2024, of \$26,848,194, was \$538,981,806 below the City's statutory debt limit. Total interest expended for all funds of the City was \$622,173 for the year ended June 30, 2024.

OVERLAPPING DEBT

The City's proportionate share of York County's debt (determined by the percentage of the City's state valuation to the County's state valuation) is not reported in the City's financial statements. Debt service is included in the annual county assessment to the City. Overlapping debt is typically based on the prior year equalized state valuations. At June 30, 2024, the City's equalized State valuation of \$3,772,200,000 was 6.86% of the County's equalized State Valuation of \$54,940,300,000. York County carried no long-term debt outstanding as of June 30, 2024.

The Biddeford-Saco-Old Orchard Beach Transit Committee had no long-term debt outstanding on June 30, 2024. Under the Interlocal Agreement that governs this entity, the communities of Biddeford, Saco, and Old Orchard Beach would become jointly responsible for this debt should the Transit Committee be dissolved. The City's share is 33.33% should they incur any future debt.

CONTINGENT LIABILITIES

Grant Funds - Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowance claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation - The City is subject to certain legal proceedings and claims which arise in the ordinary course of conducting its activities. In the opinion of management, the City has defensible positions and any ultimate liabilities are covered by insurance or will not materially affect the financial position of the City.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND BALANCES AND TRANSFERS

As of June 30, 2024, interfund loans receivable and payable were as follows:

<u>Fund</u>	<u>Interfund receivable</u>	<u>Interfund payable</u>
General Fund	\$ -	24,631,136
Capital Projects	2,227,048	1,248,521
School Operations Fund	6,638,265	-
Permanent Fund	700	-
Special Revenue Funds	13,976,950	1,137,601
Proprietary Funds	4,174,295	-
Total interfund balances	\$ 27,017,258	27,017,258

INTERFUND BALANCES AND TRANSFERS, CONTINUED

As of June 30, 2024, interfund transfers were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$ 670,758	39,202,912
Capital Projects	1,712,260	-
School Operations Fund	30,135,859	450,514
Special Revenue Funds	7,853,755	1,639,206
Proprietary Funds	920,000	-
Total interfund transfers	\$ 41,292,632	41,292,632

The purposes of the interfund receivables and payables are to charge revenue and expenditure activity to the appropriate funds. With centralized cash, everything is received and disbursed through the general fund. With due to/due from accounts, it allows the activity to be recorded within the proper fund, even though the activity occurs within the general fund cash account.

The primary purpose of the transfers is to match budgeted amounts within the General Fund to the funds that finance various projects. For example, the school appropriation is budgeted in the General Fund and then transferred to the School Operations fund. TIF transfers are budgeted in the General Fund and then expended from the appropriate TIF fund per the development agreement with the State. The annual Capital appropriation is budgeted in the General Fund then transferred to the Capital Projects fund where appropriated amounts can be held for up to three years.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCES

As of June 30, 2024, fund balance components consisted of the following:

	General Fund	School Operations Fund	Other Governmental Funds	Total
Nonspendable:				
Prepaid	84,992	22,731	-	107,723
Inventory	-	-	5,648	5,648
Permanent funds	-	-	181,383	181,383
Total Nonspendable	84,992	22,731	187,031	294,754
Restricted				
General Government & Special Projects	-	-	9,420,064	9,420,064
Education	-	2,754,679	1,436,791	4,191,470
Public Safety	-	-	2,283,097	2,283,097
Capital Improvements	-	-	1,275,023	1,275,023
Permanent Funds	-	-	756,309	756,309
Total Restricted	-	2,754,679	15,171,284	17,925,963
Committed				
General Government & Special Projects	308,233	-	2,589,390	2,897,623
Public Safety	-	-	323,542	323,542
Capital Improvements	-	-	1,475,963	1,475,963
Total Committed	308,233	-	4,388,895	4,697,128
Assigned				
Encumbrances	658,927	-	-	658,927
General Government & Special Projects	951,650	-	-	951,650
Total Assigned	1,610,577	-	-	1,610,577
Unassigned	15,782,302	-	(443,227)	15,339,075
Total Fund Balance	17,786,104	2,777,410	19,303,983	39,867,497

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS

The City has established ten tax increment financing districts under the terms of applicable state laws.

TIF Name	Original Value	Increase in Value	TIF Cap	Captured Value	TIF Property Tax Revenue
34 Spring Hill Road (formerly Franklin Fuels)	\$ 167,500	2,334,373	100%	2,334,373	34,432
77 Industrial Park Road (formerly First Light)	62,400	3,349,220	(a)	3,349,220	49,401
Downtown Development Dist.	457,352,238	297,768,068	100%	297,768,068	4,392,079
Industrial Park Road	5,169,200	20,782,441	100%	20,782,441	306,541
Millbrook Omnibus	-	22,558,712	100%	22,558,712	332,741
Park North Route One New	4,940,000	69,498,441	100%	69,498,441	1,025,102
Ready Seafood	258,700	8,671,797	100%	8,671,797	127,909
Saco Island #4 (Chinburg)	280,000	16,082,102	100%	16,082,102	237,211
Spring Hill Omnibus	8,956,900	28,477,085	100%	28,477,085	420,037
Transit Orientated Omnibus	91,495,250	51,426,169	100%	51,426,169	758,536

(a) 100% of real estate value and 50% of personal property value

The City may provide financial assistance to local economic development projects by using the new property taxes that result from the commercial investment and corresponding increase in taxable property valuation. This is accomplished by utilizing municipal tax increment financing district (TIF) in accordance with Chapter 260 of MRSA Title 30-A. The City Council is authorized by statute to establish a Municipal Tax Increment Financing District and establish the Development Plan subject to the approval by the Commissioner of the Maine Department of Economic and Community Development.

Tax increment Financing Districts allow the City to “shelter” the increase property valuation from the computation of its State subsidies (General Purpose Aid to Education and Municipal Revenue Sharing) and City tax assessments. The City would lose 45% - 50% of all new property taxes due to reductions in State subsidies and increase in the City’s share the County taxes.

The Development Plan may authorize the City to enter into a Credit Enhancement Agreement (C.E.A.). The C.E.A. is a mechanism to assist the development project by using all or a portion of the incremental property tax revenues generated by the new investment to pay certain authorized project cost directly to the developer.

The City had ten approved Tax Increment Financing Districts as of June 30, 2024. For fiscal year 2024, the City captured \$7,683,989 in TIF tax revenues and disbursed \$1,046,250 in C.E.A. payments to seven developers. The remaining \$6,637,739 was applied toward eligible local expenditures. The following are the C.E.A. payments that each exceed ten percent of the total amount of C.E.A. payments:

- \$717,571 (70% of tax revenues) was disbursed to the developer of the Park North, LLC. The developer has paid for the costs and financing for the sewer extension and for a pump station serving the project. This includes only large sewer mains, not local service mains within the development. The sewer cost and financing has been established as \$6.5 million. Reimbursement to the developer continues until the company is reimbursed for documented costs. The C.E.A became effective for FY 2009 when the development of Phase II exceeded one million dollars in new property valuation.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS, CONTINUED

- \$117,073 (80% of tax revenues) was disbursed to the developer Mill Brook Q LLC in the Millbrook Omnibus TIF District. This CEA is for 80% of the new actual value for the first 10 years up to a maximum of \$800,000 for reimbursement of development costs. The CEA became effective in FY 2017 and will continue until the earlier of the maximum dollar value has been reached or FY 2026.

NET PENSION LIABILITY

General Information about the Pension Plans

The City contributes to two defined benefit pension plans, (1) the Maine Public Employees Retirement System Consolidated Plan for Participating Local Districts (PLD Plan) and (2) the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan). Both Plans are considered cost-sharing multiple employer defined benefit pensions. As of the year ended June 30, 2024, the City had the following balances reported in the government-wide financial statements:

		Net Pension <u>Liability</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	Pension <u>Expense</u>
PLD Plan	\$	5,170,467	2,876,785	877,400	2,380,267
SET Plan		391,240	869,837	36,296	3,306,926
Total	\$	5,561,707	3,746,622	913,696	5,687,193

Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Description of the Plan - Employees of the City are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan) and teaching-certified employees of the City are provided with pensions through the Maine Public Employees Retirement System State Employee and Teacher Plan (SET Plan), cost-sharing multiple-employer defined benefit pension plans, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute. MPERS issues a publicly available financial report that can be obtained at www.maineopers.org.

Benefits Provided - The PLD and SET Plans provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 (65 for new members to the PLD Plan on or after July 1, 2014). For SET members, normal retirement age is 60, 62, or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. MPERS also provides disability and death benefits, which are established by contract under applicable statutory provisions (PLD Plan) or by statute (SET Plan).

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Contributions - Employee contribution rates are defined by law or Board rule and depend on the terms of the plan under which an employee is covered. Employer contributions are determined by actuarial valuations. The contractually required contribution rates are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

PLD Plan - Employees are required to contribute 6.15% - 6.90% of annual payroll for the AN plan, 6.95% - 7.70% of annual payroll for the AC plan, and 8.1% of annual payroll for the 3N plan. The City's contractually required contribution rate for the year ended June 30, 2024, was 8.90% of annual payroll for the AN plan, 10.20% of annual payroll for the AC plan, and 10.50% of annual payroll for the 3N plan. Contributions to the pension plan from the City were \$1,734,099 for the year ended June 30, 2024.

SET Plan - Maine statute requires the State to contribute a portion of the City's contractually required contributions. Employees are required to contribute 7.65% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2024, was 18.98% of annual payroll of which 4.47% of payroll was required from the City and 14.51% was required from the State. Contributions to the pension plan from the City were \$814,565 for the year ended June 30, 2024.

Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

The net pension liability was measured as of June 30, 2023, and the total pension asset/liability used to calculate the net pension liability was determined by actuarial valuations as of that date. The City's proportion of the net pension liability was based on projections of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating local districts (PLD Plan) and of all participating School Administrative Units and the State (SET Plan), actuarially determined.

PLD Plan - At June 30, 2024, the City reported a liability of \$5,170,467 for its proportionate share of the net pension liability. At June 30, 2023, the City's proportion of the PLD Plan was 1.64%.

SET Plan - At June 30, 2024, the City reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the City were as follows:

City's proportionate share of the net pension liability	\$ 391,240
State's proportionate share of the net pension liability associated with the City	<u>17,637,941</u>
Total	<u>\$ 18,029,181</u>

At June 30, 2023, the City's proportion of the SET Plan was 0.03%.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

For the year ended June 30, 2024, the City recognized pension expense of \$2,380,267 for the PLD Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the PLD plan from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 959,905	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	877,400
Changes in proportion and differences between City contributions and proportionate share of contributions	182,781	-
City contributions subsequent to the Measurement date	1,734,099	-
Total	\$ 2,876,785	877,400

\$1,734,099 is reported as deferred outflows of resources related to the PLD Plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30:</u>	<u>Governmental Activities</u>
2025	\$ 32,083
2026	(697,507)
2027	889,922
2028	40,787

For the year ended June 30, 2024, the City recognized pension expense of \$3,306,926 for the SET Plan with revenue of \$2,644,146 for support provided by the State. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the SET Plan from the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 32,055	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	36,296
Changes in proportion and differences between City contributions and proportionate share of contributions	23,217	-
City contributions subsequent to the measurement date	814,565	-
Total	\$ 869,837	36,296

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

\$814,565 is reported in governmental activities as deferred outflows of resources related to the SET plan resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liabilities in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2025	\$ (12,810)
2026	(28,140)
2027	58,089
2028	1,836

Actuarial Assumptions - The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	<u>PLD Plan</u>	<u>SET Plan</u>
Inflation	2.75%	2.75%
Salary increases, per year	2.75% - 11.48%	2.80% - 13.03%
Investment return, per annum, compounded annually	6.50%	6.50%
Cost of living benefit increases, per annum	1.91%	2.20%

Mortality rates for the PLD Plan were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model. Mortality rates for the SET Plan were based on 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period July 1, 2015, to June 30, 2020.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023, are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	6.0%
U.S. Government	7.5%	2.6%
Private equity	15.0%	7.6%
Real estate	10.0%	5.2%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.0%
Traditional credit	5.0%	3.2%
Alternative credit	10.0%	7.4%
Diversifiers	7.5%	5.0%

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

Discount Rate - The discount rate used to measure the total pension liability was 6.5% for the PLD Plan and SET Plan. The projection of cash flows used to determine the discount rates assumed that employee contributions will be made at the current contribution rate and that contributions from participating local districts will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liabilities.

Sensitivity of the City's Proportionate Share of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 6.50% for the PLD Plan and SET Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

<u>PLD Plan</u>	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$ 14,167,455	5,170,467	(2,251,317)
 <u>SET Plan</u>	 1% Decrease (5.50%)	 Current Discount Rate (6.50%)	 1% Increase (7.50%)
City's proportionate share of the net pension liability (asset)	\$769,269	391,240	76,551

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued MPERS financial report.

Payables to the Pension Plan - None as of June 30, 2024.

DEFERRED COMPENSATION PLAN

In lieu of coverage under the Maine Public Employees Retirement System, City employees may elect to participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments).

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The plan vests at the end of two years of service and 100% at the end of three years. The City expended \$101,744 (5%) for the year ended June 30, 2024, \$78,751 (5%) for the year ended June 30, 2023, and \$118,820 (5%) for the year ended June 30, 2022. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

Assets of the plan are placed in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on plan assets, are not included in the City's financial statements.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

RISK MANAGEMENT

The City 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 City either carries commercial insurance or participates in a public entity risk pool. Currently, the City participates in a public entity risk pool for its workers compensation insurance sponsored by the Maine Municipal Association. Based on the coverage provided by the pool, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2024. There were no significant reductions in insurance coverage from that of the prior year. Settled claims have not exceeded insurance coverage for any of the past three fiscal years. The amount of unpaid claims was \$0 at June 30, 2024, and 2023.

RELATED PARTY TRANSACTIONS

The Lucia Kimball Deering Trust is related to the Kimball Health Center through common directorships. Beginning in May 1986, the amount due to the Trust from the Kimball Health Center was being reimbursed at the rate of \$500 per month. However, the reimbursement amount is left to the discretion of the Board of Directors. No interest is charged on this loan, which had an outstanding balance of \$813,440 at June 30, 2024.

OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information about the OPEB Plans

The City contributes to three postemployment defined benefit plans, (1) the Maine Municipal Employee Health Trust (Health Plan), (2) the Maine Public Employees Retirement System State Employee and Teacher Group Term Life Plan (Life Plan), and (3) the Maine Education Association Benefits Trust (School Plan). As of the year ended June 30, 2024, the City had the following balances reported in the government-wide financial statements:

	Total OPEB <u>Liability</u>	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>	OPEB (Gain) <u>Expense</u>
Health Plan (MMEHT)	\$ 2,217,526	388,047	176,110	108,915
Life Plan (SET OPEB Plan)	-	-	-	55,094
School Plan (MEABT)	4,371,837	89,172	400,145	96,444
Total	\$ 6,589,363	477,219	576,255	260,453

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – GROUP TERM LIFE INSURANCE

Plan Description - The City sponsors a post-retirement benefit plan providing group term life insurance to retiring employees. Teachers participate in the Group Term Life Insurance Plan for State Employees and Teachers (SET). This plan is a cost-sharing multiple-employer defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MPERS). The MPERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan. MPERS issues a publicly available financial reports that are available at www.mainebers.org.

Benefits Provided - Under the SET OPEB plan, MPERS provides basic group life insurance benefits, during retirement, to retirees who participated in the plan prior to retirement for a minimum of 10 years. The level of coverage is initially set to an amount equal to the retirees average final compensation. The initial amount of basic life is then subsequently reduced at the rate of 15% per year to the greater of 40% of the initial amount or \$2,500.

Contributions - Premium rates for the SET OPEB plans are determined by the MPERS Board of Trustees to be actuarially sufficient to pay anticipated claims. SET OPEB Plan - The State of Maine is required to remit the total dollar amount of each year's annual required contribution. Contributions to the OPEB plan by the State of Maine on-behalf of the City were \$55,094 for the year ended June 30, 2024. Employers and employees are not required to contribute to the SET OPEB plan.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability for the SET OPEB plan was measured as of June 30, 2023, and the OPEB liabilities used to calculate the net OPEB liabilities was determined by actuarial valuations as of that same date. The City's proportion of the net OPEB liabilities was based on a projection of the City's long-term share of contributions to the SET OPEB plan relative to the projected contributions of all participating employers, actuarially determined.

SET OPEB Plan - At June 30, 2024, the City reported no liability related to the plan. The State of Maine's proportionate share of the net OPEB liability associated with the City was \$401,726 as of June 30, 2024. At June 30, 2023, the City's proportion was 0.00%.

For the year ended June 30, 2024, the City recognized OPEB expense of \$55,094 and also revenues of \$55,094 for support provided by the State related to the SET OPEB plan. At June 30, 2024, the City reported no deferred outflows of resources nor deferred inflows of resources related to the SET OPEB plan.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – LIFE INSURANCE, CONTINUED

Actuarial Assumptions - The net OPEB liability in the June 30, 2023, actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

	SET OPEB Plan
Inflation	2.75%
Salary increases	2.80%-13.03%
Investment rate of return	6.50%

Mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Tables, for males and females, projected generationally using the RPEC 2020 Model.

The actuarial assumptions used in the June 30, 2023, valuations were based on the results of an actuarial experience study conducted for the period June 30, 2016, to June 30, 2020.

The long-term expected rate of return on the SET OPEB plan investments was determined using a building-block method which best estimates ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	70.0%	6.0%
Real estate	5.0%	5.2%
Traditional credit	15.0%	3.0%
U.S. government securities	10.0%	2.3%

Discount Rate - The rate used to measure the net OPEB liability for the SET OPEB plan was 6.50%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at contractually required rates, actuarially determined. Based on this assumption, the OPEB plans fiduciary net position was projected to be available to make all projected OPEB payments for current and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate - Sensitivity of the City's proportionate share of the net SET OPEB plan liability to the changes in the discount rate are not presented as the City does not have any liability related to this plan given that the SET OPEB plan is 100% funded by contributions from the State of Maine.

OPEB Plan Fiduciary Net Position - Detailed information about the SET OPEB plan's fiduciary net positions is available in a separately issued MPERS financial report.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT

Plan Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees (hereafter referred to as the Health Plan). The plan is a single-employer defined benefit OPEB plan administered by the Maine Municipal Employees Health Trust (MMEHT). The City Council has the authority to establish and amend the benefit terms and financing requirements. 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*.

Benefits Provided - Retirees with a minimum of age 55 and 5 years of service at retirement are eligible for postretirement health insurance benefits. Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the City makes no actual contributions.

Employees Covered by Benefit Terms – At January 1, 2024, the following employees were covered by the Health Plan benefit terms:

Inactive employees or beneficiaries currently receiving benefits	9
Inactive employee entitled to but not yet receiving benefits	-
Active employees	153
Total	<u>162</u>

Contributions - Eligible retirees are required to pay 100% of health insurance premiums to receive health benefit coverage and therefore, the City makes no actual contributions.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total Health Plan OPEB liability of \$2,217,526 was measured as of January 1, 2024, and was determined by an actuarial valuation as of that same date.

Changes in the Total Health Plan OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 1,829,591
Changes for the year:	
Service Cost	77,205
Interest	69,902
Changes of benefit terms	-
Differences between expected and actual experience	(35,630)
Changes in assumptions or other inputs	332,408
Benefit payments	(55,950)
Net changes	<u>387,935</u>
Balance at June 30, 2024	<u>\$ 2,217,526</u>

Change in assumptions reflects a change in the discount rate from 3.72% to 3.26%.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT

For the year ended June 30, 2024, the City recognized OPEB expense of \$108,915 related to the Health Plan. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to the Health Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	176,110
Changes of assumption or other inputs	347,692	-
City contributions subsequent to the measurement date	40,355	-
Total	\$ 388,047	176,110

\$40,355 is reported as deferred outflows of resources related to the Health Plan OPEB resulting from City contributions subsequent to the measurement date and will be recognized as a reduction of the OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Health Plan OPEB will be recognized in OPEB expense as follows:

Year ended June 30:

2025	\$ 30,158
2026	30,158
2027	32,405
2028	48,260
2029	8,631
Thereafter	21,970

Actuarial Assumptions and Other Inputs - The total OPEB liability in the January 1, 2024, measurement for the Health Plan was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.38% per annum
Salary increases	2.75% per annum
Discount rate	3.26% per annum
Healthcare cost trend rates	7.72% for 2024, decreasing to 4.55% for 2044
Retirees' share of the benefit related costs	5%-100% of projected health insurance premiums

Mortality rates for the Health Plan were based on the 2010 Public Plan General Benefits Weighted Healthy Retiree Mortality Table, for males and females.

The actuarial assumptions used in the January 1, 2024, valuation for the Health Plan were based on the results of an actuarial experience study for the period June 30, 2016, through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability for the Health Plan was 3.26%. Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year tax-exempt general obligation municipal bond index. The rate is assumed to be an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MMEHT, CONTINUED

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Discount Rate - The following presents the City's total OPEB liability related to the Health Plan calculated using the discount rate of 3.26%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.26%) or 1 percentage- point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 2,588,877	2,217,526	1,915,449

Sensitivity of the Total Health Plan OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the City's total OPEB liability related to the Health Plan calculated using the healthcare cost trend rates, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage- point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 1,877,665	2,217,526	2,656,140

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT

General Information about the OPEB Plan

Plan Description - The City sponsors a post-retirement benefit plan providing health insurance to retiring employees. The plan is a single-employer defined benefit OPEB plan administered by the Maine Education Association Benefits Trust (MEABT). The State Legislature has the authority to establish and amend the benefit terms and financing requirements. 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*.

Benefits Provided - MEABT provides healthcare insurance benefits for retirees and their dependents. The employee must have participated in the MEABT health plan for the 12 months prior to retirement and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits. The retiree is eligible for a State subsidy of 45% of the blended single premium for the retiree only. Under State laws, the blended premium is determined by blending rates for active members and retired members. The retiree pays 55% of the blended premium rate for coverage selected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and or spouse.

Employees Covered by Benefit Terms – At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	86
Inactive employee entitled to but not yet receiving benefits	-
Active employees	312
Total	398

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT, CONTINUED

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City's total OPEB liability of \$4,371,837 was measured as of June 30, 2023, and was determined by an applying roll forward procedures to an actuarial valuation as of June 30, 2022.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023	\$ 4,255,985
Changes for the year:	
Service cost	86,859
Interest	152,796
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions or other inputs	(70,178)
Benefit payments	(53,625)
Net changes	<u>115,852</u>
Balance at June 30, 2024	<u>\$ 4,371,837</u>

Change in assumptions reflects a change in the discount rate from 3.54% to 3.65%.

For the year ended June 30, 2024, The City recognized OPEB expense for governmental activities of \$96,444. At June 30, 2024, The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumption or other inputs	\$ -	281,359
Differences between expected and actual experience	-	118,786
City contributions subsequent to the measurement date	89,172	-
Total	<u>\$ 89,172</u>	<u>400,145</u>

\$89,172 is reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	
2025	\$ (54,037)
2026	(25,208)
2027	(62,185)
2028	(62,191)
2029	(91,444)
Thereafter	(105,080)

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

OTHER POSTEMPLOYMENT BENEFITS (OPEB) – HEALTH INSURANCE – MEABT, CONTINUED

Actuarial Assumptions - The total OPEB liability in the June 30, 2023, measurement for the total OPEB liability was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	2.75% per year
Discount rate	3.65% per annum
Healthcare cost trend rates - Pre-Medicare	7.96% for 2023 grading over 19 years to 4.00%
Healthcare cost trend rates – Medicare	0.00% for 2023 and 5.62% for 2024 grading over 18 years to 4.29%
Retirees' share of the benefit related costs	55% of the blended premium rate with a State subsidy for the remaining 45% of the blended premium rate

Mortality rates were based on the 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table.

The actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period June 30, 2015, through June 30, 2020.

Discount Rate - The rate used to measure the total OPEB liability was 3.65% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon high quality AA/Aa or higher bond yields in effect for 20 years, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the City's total OPEB liability calculated using the discount rate of 3.54%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.65%) or 1 percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 5,074,577	4,371,837	3,802,262

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the City's total OPEB liability calculated using the healthcare cost trend rates, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 3,723,241	4,371,837	5,192,107

CITY OF SACO, MAINE
Notes to Basic Financial Statements, Continued

LEASE RECEIVABLE

The City of Saco leases land to a cellular provider. The lease is for another 5 years, during which the City of Saco receives payments of \$2,283 monthly, which increases 3% annually at the start of each calendar year. The City of Saco recognized \$27,390 in lease revenue, including \$5,783 in interest revenue during the current fiscal year. As of June 30, 2024, the City of Saco's receivable for lease payments was \$151,856 and the balance of the deferred inflow of resources was \$139,234.

LEASE PAYABLE

The City of Saco has two leases related to expanding school spaces for students. An initial lease liability and right to use asset was recorded in the amount of \$1,704,712 for the pre-school location at 5 Wiley Road. As of June 30, 2024, the value of the lease liability was \$1,037,310. The City of Saco is required to make monthly principal and interest payments of \$22,731. The lease has an interest rate of 3%. In addition, the City of Saco has a right to use asset in the amount of \$45,640 for Building #347 located in the Young School complex. As of June 30, 2024, the value of the related lease liability was \$1,326. The City of Saco is required to make monthly principal and interest payments of \$1,329. The lease has an interest rate of 3%.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Year		Principal	Interest	Total
2025	\$	246,785	27,772	274,557
2026		258,465	20,227	278,692
2027		271,977	12,289	284,266
2028		261,409	3,937	265,346
Total	\$	1,038,636	64,225	1,102,861

DISCRETELY PRESENTED COMPONENT UNIT - LIBRARY

Capital Asset activity for the Dyer Library for the year ended June 30, 2024, was as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital Assets				
Buildings and improvements	\$ 954,990	-	-	954,990
Furniture, fixtures, and equipment	94,466	-	-	94,466
Total Capital Assets	1,049,456	-	-	1,049,456
Accumulated Depreciation	(669,194)	(32,367)	-	(701,561)
Total Dyer Library Capital Assets	\$ 380,262	(32,367)	-	347,895

Investments, which are measured on a recurring basis using Level 1 inputs, consisted of the following:

	2024
Corporate bonds	\$ 854,688
Equity/stocks	2,916,411
Total	\$ 3,771,099

Level 1 Quoted prices in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

CITY OF SACO, MAINE
Required Supplementary Information
June 30, 2024

MODIFIED APPROACH FOR CITY INFRASTRUCTURE & CAPITAL ASSETS

In accordance with GASB Statement No. 34, the City is required to account for and report infrastructure capital assets. The City defines infrastructure as the basic physical assets as:

- Street system including pavement, sidewalks, street lighting, traffic signals and curbing; Storm water and sanitary collection system;
- Wastewater treatment facility;
- Park and recreation lands; and
- Building site amenities such as parking and landscaped areas.

The City has elected to use the “Modified Approach” as defined by GASB Statement No. 34 for infrastructure reporting for its infrastructure assets. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated under the following requirements:

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of:
 - An up-to-date inventory;
 - Perform condition assessments and summarize the results using a measurement scale;
 - and estimate annual amount to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed assessment level.

In 2000 (fiscal year 2001), the City commissioned a physical condition assessment of the streets which was completed and dated February 2001. A pavement condition index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street. In 2023, the City migrated the road condition assessments to a new program called Streetlogix. The Streetlogix program is a more feature-rich assessment tool and the program rates the roads more severely than the previous assessment software (Micropaver). The City’s Public Works Department has been conducting condition assessments in the fall of each year. Based on their research and an analysis of the data compiled, the City has determined that, on average, a road needs to be overlaid every 12 years. The frequency and extent of the maintenance will depend on factors such as traffic volume, the amount of truck traffic, road base materials, and drainage conditions.

Based on a 50 year life cycle, and the continued improvement of the overall road network over the past 8 years, the annual sustainable pavement needs will be approximately \$1,616,558 to maintain our current overall network condition. Since completing the work associated with a \$2.3 million dollar road paving bond in 2010, the City has invested in a sustainable pavement management program and invested adequately in pavement preservation in the annual operating budget. However, maintenance costs continue to climb due to the expansion of the City’s road network, acceptance of streets built by private developers, and inflatio

CITY OF SACO, MAINE
Required Supplementary Information, continued
June 30, 2024

MODIFIED APPROACH FOR CITY INFRASTRUCTURE & CAPITAL ASSETS, CONTINUED

The City's Policy is to achieve a minimum rating of 56 (fair) for all roads. From June 30, 2022, through June 30, 2024, the City's roads had established condition assessment levels as follows.

Street Condition Average	FY 2022 % of Roads	FY 2023 % of Roads	FY 2024 % of Roads	Rating to PCI Conversion
Good to Satisfactory	66.0%	62.8%	62.3%	1 = 71 - 100
Fair	23.4%	28.1%	29.2%	2 = 56 - 70
Poor to Failed	10.6%	9.1%	8.5%	3 to 4 = 0 to 55

Because of the change in street monitoring software, roads previously classified as Satisfactory have been downgraded to either Fair or Poor. This is due to the comprehensive street assessment work that was done as part of implementation.

Parking Lot Condition Average	FY 2022 % of Parking Lots	FY 2023 % of Parking Lots	FY 2024 % of Parking Lots	Rating to PCI Conversion
Good to Satisfactory	91.0%	91.0%	79.90%	1 = 71 - 100
Fair	8.9%	8.9%	19.8%	2 = 56 - 70
Poor to Failed	0.1%	0.1%	0.3%	3 to 4 = 0 to 55

As of June 30, 2023, the City had 0.1% of its parking lots rated below the established fair rating of 2 or 56 by the new StreetLogix program. Since then, the percentage of items below satisfactory rating has increased slightly. In that same time frame, the percentage in the category of good to satisfactory has decreased from 91.0% to 79.9%.

Sewer pipe has been assessed similar to roads.

Sewer Condition Average	FY 2022 % of Sewer	FY 2023 % of Sewer	FY 2024 % of Sewer
Good to Satisfactory	49.0%	41.2%	33.9%
Fair	31.0%	33.4%	34.1%
Poor to Failed	13.0%	25.4%	32.0%

Other infrastructure assets, sewer pipe, catch basins and manholes, storm drainage, sidewalks, traffic lights and signage, have been combined with the streets on the City's Asset Management System (AMP). The City is continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. The City is working toward having assessments on all infrastructure similar to paving. As of June 30, 2024, the City had approximately 485,087 feet of sewer pipe with a carrying amount of \$17,108,891 and an estimated replacement cost of \$59,411,129; A closed drainage system (pipe, catch basins, manholes) totaling approximately 357,790 feet with a carrying amount of \$2,302,711 and an estimated replacement cost of \$130,002,997; 1,617,635 square feet of sidewalks with a carrying amount of \$2,529,476 and a replacement cost of \$10,401,339; 16 traffic signalized intersections with a carrying amount of \$1,940,864 and a replacement cost of \$5,712,000; and 991 street signs with a carrying amount of \$44,818 and a replacement cost of \$71,400.

CITY OF SACO, MAINE
Required Supplementary Information, continued
June 30, 2024

MODIFIED APPROACH FOR CITY INFRASTRUCTURE & CAPITAL ASSETS, CONTINUED

For the years listed below, the City estimated the following amounts for maintenance and preservation of assets of each network or subsystem at the minimum required condition level. In fiscal year 2023, thanks to updated development programs across TIF districts and strong Council support, these estimates were revised to reflect a 50-year life cycle for paving/sidewalks and a 75-year life cycle for all others.

Estimated Required Funding to Preserve Infrastructure

		2020	2021	2022	2023	2024
Sewer	\$	616,642	631,642	631,642	696,149	715,469
Storm drainage		536,540	536,540	536,540	1,458,025	1,498,490
Sidewalks		99,000	99,000	99,000	169,722	174,432
Street pavement system		1,372,117	1,616,558	1,616,558	1,856,358	1,907,878
Street lights		-	-	-	8,238	8,446
Traffic signals		60,000	60,000	60,000	74,667	76,739
Signs		675	1,013	1,519	1,519	1,561

Actual Expenditures to Maintain Infrastructure

		2020	2021	2022	2023	2024
Sewer	\$	446,434	697,783	233,618	403,280	364,558
Storm drainage		30,818	35,346	78,742	368,517	108,624
Sidewalks		55,252	58,037	157,671	176,897	84,493
Street pavement system		760,595	672,271	1,171,256	742,898	404,582
Street lights		-	-	-	54,700	66,198
Traffic signals		2,827	-	96,980	36,158	253,248
Signs		20,566	22,368	36,506	15,736	17,774

CITY OF SACO, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the City's Total Health Plan - MMEHT OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service cost	\$ 77,205	92,773	87,857	75,448	52,233	59,150	48,971
Interest	69,902	41,763	44,086	51,438	60,246	53,178	56,885
Changes of benefit terms	-	-	-	-	(38,417)	-	-
Differences between expected and actual experience	(35,630)	-	(205,508)	-	65,624	-	(105,422)
Changes of assumptions or other inputs	332,408	(210,565)	72,326	116,133	291,042	(142,747)	85,038
Benefit payments	(55,950)	(57,575)	(54,201)	(52,116)	(39,943)	(38,407)	(70,572)
Net change in total OPEB Liability	387,935	(133,604)	(55,440)	190,903	390,785	(68,826)	14,900
Total OPEB liability - beginning	1,829,591	1,963,195	2,018,635	1,827,732	1,436,947	1,505,773	1,490,873
Total OPEB liability - ending	\$ 2,217,526	1,829,591	1,963,195	2,018,635	1,827,732	1,436,947	1,505,773
Covered-employee payroll	\$ 10,476,868	9,155,231	9,155,231	8,587,307	8,587,307	7,699,854	7,699,854
Total OPEB liability as a percent of covered-employee payroll	21.2%	20.0%	21.4%	23.5%	21.3%	18.7%	19.6%

*Only seven years of information available.

CITY OF SACO, MAINE
Required Supplementary Information, Continued

Schedule of Changes in the City's Total Health Plan - MEABT OPEB Liability and Related Ratios
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total OPEB Liability						
Service cost	\$ 86,859	113,191	118,759	53,024	45,131	47,934
Interest	152,796	105,796	104,578	164,624	169,240	161,845
Changes of benefit terms	-	-	-	(372,331)	-	-
Differences between expected and actual experience	-	(487,887)	-	494,261	-	-
Changes of assumptions or other inputs	(70,178)	(212,406)	38,899	(260,171)	258,851	(201,829)
Benefit payments	(53,625)	(94,480)	(87,025)	(145,506)	(155,618)	(150,239)
Net change in total OPEB Liability	115,852	(575,786)	175,211	(66,099)	317,604	(142,289)
Total OPEB liability - beginning	4,255,985	4,831,771	4,656,560	4,722,659	4,405,055	4,547,344
Total OPEB liability - ending	\$ 4,371,837	4,255,985	4,831,771	4,656,560	4,722,659	4,405,055
Covered-employee payroll	\$ 13,394,398	13,067,706	13,503,599	13,174,243	12,675,118	12,335,881
Total OPEB liability as a percent of covered-employee payroll	32.6%	32.6%	35.8%	35.3%	37.3%	35.7%

*Only six years of information available.

CITY OF SACO, MAINE
Required Supplementary Information, Continued

**Schedule of City's Proportionate Share of the Net OPEB Liability - Group Term Life
Maine Public Employees Retirement System State Employee and Teacher Plan (SET)**
Last 10 Fiscal Years*

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>SET Plan</u>							
City's proportion of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
City's proportionate share of the net OPEB liability	-	-	-	-	-	-	-
State's proportionate share of the net OPEB liability associated with the City	401,726	456,837	246,575	343,332	572,922	389,616	372,841
Total	\$ 401,726	456,837	246,575	343,332	572,922	389,616	372,841
Plan fiduciary net position as a percentage of the total OPEB liability	56.97%	52.39%	62.90%	49.51%	49.22%	48.04%	47.29%

* Only seven years of information available.

The amounts presented for each fiscal year were determined as of the prior fiscal year.

CITY OF SACO, MAINE
Required Supplementary Information, Continued

Schedule of City's Proportionate Share of Net Pension Liability (Asset)
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>PLD Pension Plan</u>										
City's proportion of the net pension liability (asset)	1.62%	1.53%	1.52%	1.39%	1.16%	1.17%	1.17%	1.01%	0.86%	0.78%
City's proportionate share of the net pension liability (asset)	\$ 5,170,467	4,054,085	(487,108)	5,512,932	3,552,131	3,193,462	4,801,993	5,382,513	2,734,227	1,197,303
City's covered payroll	14,482,328	12,194,961	10,491,907	10,394,611	9,417,245	9,073,372	8,505,764	6,173,213	7,985,222	7,498,831
City's proportionate share of net pension liability (asset)										
as a percentage of its covered payroll	35.70%	33.24%	-4.64%	53.04%	37.72%	35.20%	56.46%	87.19%	34.24%	15.97%
Plan fiduciary net position as a percentage of the total pension liability	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.61%	88.27%	94.10%
<u>SET Pension Plan*</u>										
City's proportion of the net pension liability	0.026%	0.022%	0.023%	0.032%	0.031%	0.034%	0.043%	0.038%	0.034%	N/A
City's proportionate share of the net pension liability	\$ 391,240	323,607	197,500	523,806	459,068	451,672	617,459	665,731	460,147	N/A
State's proportionate share of the net pension liability associated with the City	17,637,941	17,424,596	10,019,422	19,447,622	15,468,150	13,372,330	15,879,517	16,090,542	12,454,874	N/A
Total	\$ 18,029,181	17,748,203	10,216,922	19,971,428	15,927,218	13,824,002	16,496,976	16,756,273	12,915,021	N/A
City's covered payroll	\$ 17,489,332	17,241,527	16,401,060	15,862,424	13,877,981	12,593,323	12,494,477	12,576,562	N/A	N/A
City's proportion share of the net pension liability as a percentage of its covered payroll	2.24%	1.88%	1.20%	3.30%	3.31%	3.59%	4.94%	5.29%	N/A	N/A
Plan fiduciary net position as a percentage of the total pension liability	86.03%	85.79%	90.90%	81.03%	82.73%	82.90%	80.78%	76.21%	81.18%	83.91%

The amounts presented for each fiscal year were determined as of the prior fiscal year.

CITY OF SACO, MAINE
Required Supplementary Information, Continued

Schedule of City Contributions
Maine Public Employees Retirement System Consolidated Plan (PLD) and State Employee and Teacher Plan (SET)
Last 10 Fiscal Years

		<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>PLD Plan</u>											
Contractually required contribution	\$	1,734,099	1,486,731	1,197,294	1,026,257	894,896	681,666	657,291	590,779	374,320	342,859
Contributions in relation to the contractually required contribution		(1,734,099)	(1,486,731)	(1,197,294)	(1,026,257)	(894,896)	(681,666)	(657,291)	(590,779)	(374,320)	(342,859)
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	-
<u>SET Plan</u>											
Contractually required contribution	\$	814,565	671,590	662,075	682,284	659,877	451,672	499,955	419,814	422,572	N/A
Contributions in relation to the contractually required contribution		(814,565)	(671,590)	(662,075)	(682,284)	(659,877)	(451,672)	(499,955)	(419,814)	(422,572)	N/A
Contribution deficiency (excess)	\$	-	-	-	-	-	-	-	-	-	N/A
Town's covered payroll	\$	12,570,307	14,482,328	12,194,961	10,491,907	10,394,611	9,417,245	9,073,372	8,505,764	6,173,213	7,985,222
Contributions as a percentage of covered payroll		13.80%	10.27%	9.82%	9.78%	8.61%	7.24%	7.24%	6.95%	6.06%	4.29%
Town's covered payroll	\$	18,222,923	17,489,332	17,241,527	16,401,060	15,862,424	13,877,981	12,593,323	12,494,477	12,576,562	N/A
Contributions as a percentage of covered payroll		4.47%	3.84%	3.84%	4.16%	4.16%	3.25%	3.97%	3.36%	3.36%	N/A

CITY OF SACO, MAINE
Notes to Required Supplementary Information

Net Pension Liability

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2022</u>	<u>2021</u>	<u>2019</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Discount rate - PLD	6.50%	6.75%	6.75%	6.875%	6.875%	7.250%	7.25%
Discount rate - SET	6.50%	6.75%	6.75%	6.875%	7.125%	7.125%	7.25%
Inflation rate	2.75%	2.75%	2.75%	2.75%	3.50%	3.50%	3.50%
Salary increases - PLD	2.75%-11.48%	2.75% + merit	2.75-9.00%	2.75-9.00%	3.50-9.50%	3.50-9.50%	3.50-9.50%
Salary increases - SET	2.80%-13.03%	2.75% + merit	2.75-14.50%	2.75-14.50%	3.50-13.50%	3.50-13.50%	3.50-13.50%
Cost of living increases - PLD	1.91%	1.91%	1.91%	2.20%	2.20%	2.55%	3.12%
Cost of living increases - SET	2.20%	2.20%	2.20%	2.20%	2.55%	2.55%	2.55%

Mortality rates:

In 2015, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2016 using Scale AA. Between 2016 and 2021, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Starting 2022, Mortality rates were based on the 2010 Public Plan General Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Net OPEB Liability

Changes of Benefit Terms - None

Changes of Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Discount rate - SET	6.50%	6.75%	6.75%	6.75%	6.875%
Discount rate - PLD	6.50%	6.75%	4.98%	5.13%	5.41%
Salary Increases	2.80%-13.03%	2.75% plus merit	2.75% plus merit	2.75% plus merit	2.75-14.50%

Mortality rates:

In 2016, mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2016 using Scale AA. Between 2018 and 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. Starting 2021, Mortality rates were based on the 2010 Public Plan General Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Total OPEB Liability

Changes of Benefit Terms - Change for MEABT plan in 2021 due to addition of Medicare Advantage Plan.

Changes of Assumptions - Changes of assumptions and other inputs reflects the changes in the discount rate each period. The following are the discount rates used in each period:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Discount rate - MMEHT Health Plan	3.26%	3.72%	2.06%	2.12%	2.74%	4.10%	3.44%	3.78%
Discount rate - MEABT Health Plan	3.65%	3.54%	2.16%	2.21%	3.50%	3.87%	3.58%	N/A
Inflation - MMEHT Health Plan	2.38%	3.00%	2.40%	2.00%	2.00%	2.00%	N/A	N/A
Inflation - MEABT Health Plan	2.70%	2.70%	2.00%	2.00%	2.00%	2.00%	N/A	N/A

Additionally, the valuation method for the City Health Plan was changed from the Projected Unit Credit funding method in 2018 to the Entry Age Normal funding method in 2019.

Mortality rates:

In 2019, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table. In 2020 and going forward, mortality rates were based on the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, for males and females, projected generationally using the RPEC 2020 model.

Other Information - There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

** This schedule is intended to show information for ten years, but only the years in which changes occurred have been displayed. Additional years' information will be displayed as it becomes available.*

GENERAL FUND

The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The fund pays general operating expenditures, fixed charges and capital improvement costs which are not paid through other funds.

This page left blank intentionally.

CITY OF SACO, MAINE
Comparative Balance Sheets - General Fund
June 30, 2024 and 2023

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 24,199,534	\$ 17,554,644
Investments	20,173,640	18,442,982
Accounts receivable	342,175	766,962
Taxes receivable:		
Current year	810,058	562,366
Prior year	65,085	192,808
Tax liens	348,220	275,313
Lease receivable	151,856	176,402
Prepaid items	84,992	80,416
Interfund receivable	-	2,263,781
Tax acquired property	105,303	105,303
Total assets	\$ 46,280,863	\$ 40,420,977
LIABILITIES		
Accounts payable	\$ 2,256,211	\$ 2,393,823
Accrued liabilities	423,116	441,266
Taxes collected in advance	78,311	782,956
Interfund payable	24,631,136	21,583,280
Total liabilities	27,388,774	25,201,325
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	966,751	815,790
Lease related	139,234	166,625
Total deferred inflows of resources	1,105,985	982,415
FUND BALANCE		
Nonspendable	84,992	80,416
Committed	308,233	-
Assigned	1,610,577	330,020
Unassigned	15,782,302	13,826,801
Total fund balance	17,786,104	14,237,237
Total liabilities, deferred inflows of resources and fund balance	\$ 46,280,863	\$ 40,420,977

CITY OF SACO, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

				Variance Positive (Negative)
	Budget	Actual		
REVENUES:				
Taxes:				
Real and Personal Property	\$ 56,432,520	\$ 56,904,974	\$	472,454
Excise Taxes	4,628,000	5,603,327		975,327
Interest and Lien Costs on Taxes	130,000	82,836		(47,164)
Total taxes	61,190,520	62,591,137		1,400,617
Licenses and Permits:				
City Clerk Fees	37,500	38,550		1,050
Building Permits	553,600	1,058,527		504,927
Cable Television Franchise	280,000	244,472		(35,528)
Plumbing Permits	22,000	25,834		3,834
Electrical Inspection Fees	67,000	151,124		84,124
Canine Licenses and Late Fees	9,500	24,717		15,217
Victualers' License	16,400	12,570		(3,830)
Total licenses and permits	986,000	1,555,794		569,794
Intergovernmental:				
State Assistance:				
Revenue Sharing	3,770,976	4,362,287		591,311
Local Road Assistance	222,000	257,576		35,576
Welfare Reimbursement	84,420	71,554		(12,866)
Homestead Exemptions	1,507,225	1,370,746		(136,479)
Other State Aid	591,305	473,979		(117,326)
Federal Assistance	-	7,173		7,173
Other	-	10,000		10,000
Total intergovernmental	6,175,926	6,553,315		377,389
Charges for Services:				
Police	103,106	132,513		29,407
Community Policing-Thornton Academy	54,075	7,350		(46,725)
Public Works	61,350	96,142		34,792
Transfer Station Fees	183,500	191,542		8,042
Sewer Inspection Fees	2,500	12,276		9,776
Recreation Department	1,150,000	1,457,956		307,956
False Alarm Fines	16,200	15,800		(400)
Miscellaneous Fees	81,311	78,933		(2,378)
Total charges for services	1,652,042	1,992,512		340,470
Other Revenues:				
Interest Earnings	914,709	1,384,030		469,321
Sale of City Assets	200,000	-		(200,000)
Building Rentals	45,024	58,755		13,731
Planning/Zoning Board and Engineering Studies	82,851	70,661		(12,190)
Recycled Waste and Fees	8,400	141		(8,259)
Fire revenues	-	100		100
Unclassified	10,000	3,277		(6,723)
Total other revenues	1,260,984	1,516,964		255,980
TOTAL REVENUES	71,265,472	74,209,722		2,944,250

CITY OF SACO, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
EXPENDITURES:			
General Government:			
Council	\$ 24,334	\$ 18,102	\$ 6,232
City Administration	338,577	322,238	16,339
Finance	764,837	792,015	(27,178)
Technology	501,702	467,794	33,908
City Clerk	399,655	476,463	(76,808)
Human resources	231,303	197,185	34,118
Assessor	654,634	229,928	424,706
Communications	232,458	230,001	2,457
Solicitor	157,286	199,927	(42,641)
Code enforcement	428,738	434,427	(5,689)
Planning/Economic Development	290,286	246,562	43,724
Total general government	4,023,810	3,614,642	409,168
Public Safety:			
Police Department	5,156,738	4,768,227	388,511
Fire/Ambulance	4,591,269	4,646,510	(55,241)
Total public safety	9,748,007	9,414,737	333,270
Public Works:			
Administration/Maintenance	6,025,257	5,761,350	263,907
Total public works	6,025,257	5,761,350	263,907
Culture and Recreation:			
Parks & Recreation	2,066,726	2,276,115	(209,389)
Total culture and recreation	2,066,726	2,276,115	(209,389)
County Tax	1,369,705	1,346,355	23,350
Unclassified:			
Fringe Benefits	6,040,809	5,659,028	381,781
Insurance	200,710	205,089	(4,379)
Supported entities	1,012,502	1,000,439	12,063
Grant projects	-	8,754	(8,754)
Contingency	362,930	406,729	(43,799)
Total unclassified	7,616,951	7,280,039	336,912
Debt Service:			
Principal	1,917,529	1,922,396	(4,867)
Interest	544,519	513,067	31,452
Total debt service	2,462,048	2,435,463	26,585

CITY OF SACO, MAINE
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Budgetary Basis
General Fund
For the Year Ended June 30, 2024

	Budget	Actual	Variance Positive (Negative)
EXPENDITURES (Continued):			
TOTAL EXPENDITURES	33,312,504	32,128,701	1,183,803
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)			
EXPENDITURES	37,952,968	42,081,021	4,128,053
OTHER FINANCING SOURCES (USES):			
Use of fund balance	579,291	-	(579,291)
Transfers In:			
Special Revenue Fund	670,653	670,758	105
Transfers Out:			
Capital Projects Fund	(1,255,811)	(1,255,811)	-
Special Revenue Fund	(37,947,101)	(37,947,101)	-
Total other financing sources (uses)	(37,952,968)	(38,532,154)	(579,186)
NET CHANGE IN FUND BALANCE	-	3,548,867	3,548,867
Fund balance beginning of year		14,237,237	
Fund balance end of year		\$ 17,786,104	

ALL OTHER NON-MAJOR GOVERNMENTAL FUNDS

This page left blank intentionally.

CITY OF SACO, MAINE
Combining Balance Sheet
All Other Non-major Governmental Funds
June 30, 2024

	Special Revenue Funds	Capital Project Funds	Permanent Fund	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 1,996,714	\$ 1,409,211	\$ 35,714	\$ 3,441,639
Investments	-	-	901,278	901,278
Accounts receivable (net)	2,996,943	-	-	2,996,943
Interfund receivables	13,976,950	2,227,048	700	16,204,698
Inventory	5,648	-	-	5,648
Total assets	18,976,255	3,636,259	937,692	23,550,206
LIABILITIES				
Accounts payable	393,079	70,456	-	463,535
Accrued liabilities	68,767	-	-	68,767
Unearned revenues	1,120,736	-	-	1,120,736
Interfund payables	1,137,601	1,248,521	-	2,386,122
Total liabilities	2,720,183	1,318,977	-	4,039,160
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	207,063	-	-	207,063
Total deferred inflows of resources	207,063	-	-	207,063
FUND BALANCE (DEFICIT)				
Nonspendable	5,648	-	181,383	187,031
Restricted	13,139,952	1,275,023	756,309	15,171,284
Committed	2,912,932	1,475,963	-	4,388,895
Unassigned	(9,523)	(433,704)	-	(443,227)
Total fund balances	16,049,009	2,317,282	937,692	19,303,983
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,976,255	\$ 3,636,259	\$ 937,692	\$ 23,550,206

CITY OF SACO, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
All Other Non-major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds	Capital Project Funds	Permanent Fund	Total Other Governmental Funds
REVENUES				
Intergovernmental	\$ 4,670,438	\$ 885,830	\$ -	\$ 5,556,268
Charges for services	1,879,165	-	-	1,879,165
Interest income/investment earnings (loss)	449,246	63,245	103,951	616,442
Other revenues	380,389	33,815	-	414,204
Total revenues	7,379,238	982,890	103,951	8,466,079
EXPENDITURES				
Current:				
Special projects	1,860,040	-	18,520	1,878,560
Public safety	141,608	-	-	141,608
Education	4,575,160	-	-	4,575,160
Debt service	451,731	-	-	451,731
Capital expenditures	3,442,137	3,637,280	-	7,079,417
Total expenditures	10,470,676	3,637,280	18,520	14,126,476
Excess (deficiency) of revenues over (under) expenditures	(3,091,438)	(2,654,390)	85,431	(5,660,397)
OTHER FINANCING SOURCES (USES)				
Transfers in	7,853,755	1,712,260	-	9,566,015
Transfers out	(1,639,206)	-	-	(1,639,206)
Total other financing sources (uses)	6,214,549	1,712,260	-	7,926,809
Net change in fund balances	3,123,111	(942,130)	85,431	2,266,412
Fund balances - beginning of year	12,925,898	3,259,412	852,261	17,037,571
Fund balances - end of year	\$ 16,049,009	\$ 2,317,282	\$ 937,692	\$ 19,303,983

NON-MAJOR SPECIAL REVENUE FUNDS

Nonmajor special revenue funds account for specific resources, the expenditure of which is restricted by law or administrative action for particular purposes.

This page left blank intentionally.

CITY OF SACO, MAINE
Combining Balance Sheet - Non-major Special Revenues Funds
June 30, 2024

		Assets				
		Cash and cash equivalents	Accounts receivable (net allowance of \$195,049)	Interfund receivables	Inventory	Total Assets
2010	34 Spring Hill Rd T.I.F. 2039	\$ -	-	86,322	-	86,322
2009	77 Industrl Pk Rd T.I.F. 2028	-	-	124,826	-	124,826
2062	A.R.P.A Grant Funding	-	-	1,137,229	-	1,137,229
2046	Age Friendly Saco	-	-	271	-	271
	Adult Education	-	-	5,000	-	5,000
2001	Ambulance Fund	-	442,575	1,637,709	-	2,080,284
2052	Bay View Fund	-	-	229,901	-	229,901
2056	Blight Elimination Fund	-	-	21,802	-	21,802
2064	Brownfields Grant	-	-	-	-	-
2050	Call Firefighters Retirement	92,419	-	-	-	92,419
2000	Camp Ellis Fund	-	-	30,960	-	30,960
2065	Camp Ellis Harborfest	-	-	24,405	-	24,405
2049	CDBG Fund	-	-	-	-	-
2063	Community Action Grant	-	-	6,222	-	6,222
2044	Saco Isl#4 Chinbrg T.I.F. 2045	-	-	89,819	-	89,819
2054	Downtown Dev T.I.F. 2047	-	-	4,545,779	-	4,545,779
2007	Economic Development	-	-	1,196,412	-	1,196,412
2059	FD Central Station	1,700	-	-	-	1,700
2043	Fire Impact Fees	-	-	112,840	-	112,840
2008	Fire Reserves	-	-	8,449	-	8,449
2031	GA Assistance Donations	-	-	41,321	-	41,321
2012	Historic Preservation	-	-	13,160	-	13,160
2013	Industrial Pk Rd T.I.F. 2038	-	-	859,770	-	859,770
2014	J Riley Fund	1,841	-	151	-	1,992
2053	Johnston Renewable Energy Fnd	-	-	17,053	-	17,053
2004	Lucia Kimball Deering Health	1,679,619	813,440	-	-	2,493,059
2047	Millbrook Omnibus T.I.F. 2038	-	-	158,094	-	158,094
2048	Open Space Impact Fees	-	-	487,140	-	487,140
2069	Opioid Funds	-	225,981	32,677	-	258,658
2017	Park North Rt 1 T.I.F. 2038	-	-	395,238	-	395,238
2006	Police Fed Asset Forfeiture	-	-	33	-	33
2015	Police Grant	-	-	4,747	-	4,747
2058	Police Fundraisers	-	-	5,742	-	5,742
2003	Police State Asset Forfeiture	-	-	29,537	-	29,537
2057	Ready Seafood T.I.F 2049	-	-	71,138	-	71,138
2019	Recreation Donations	-	-	19,877	-	19,877
2020	Recreation Impact Fees	-	-	446,136	-	446,136
2021	Saco Community Garden	-	-	3,828	-	3,828
2051	Saco Fire Dept Benevolant Fund	4,359	-	-	-	4,359
2066	Sale of City Property	-	-	5,196	-	5,196
	School Lunch Fund	100	142,015	985,268	5,648	1,133,031
	School Other Grants & Special Rev	59,066	1,372,932	-	-	1,431,998
	Student Activity Funds	157,610	-	-	-	157,610
2068	EMS Grant	-	-	119,974	-	119,974
2023	Spring Hill T.I.F. 2032	-	-	438,885	-	438,885
2061	Transit T.I.F. 2040	-	-	494,198	-	494,198
2024	Wellness Grant	-	-	89,841	-	89,841
Totals		\$ 1,996,714	2,996,943	13,976,950	5,648	18,976,255

CITY OF SACO, MAINE
Combining Balance Sheet - Non-major Special Revenues Funds
June 30, 2024

		Liabilities					Fund Balance (deficits)						
		Accounts payable	Accrued wages	Unearned Revenue	Interfund payables	Total Liabilities	Deferred Inflows of Resources	Nonspendable	Restricted	Committed	Unassigned	Total Fund Balances (deficits)	Total Liabilities, deferred inflows of resources, and Fund Balance
2010	34 Spring Hill Rd T.I.F. 2039	-	-	-	-	-	-	-	86,322	-	-	86,322	86,322
2009	77 Industrl Pk Rd T.I.F. 2028	-	-	-	-	-	-	-	124,826	-	-	124,826	124,826
2062	A.R.P.A Grant Funding	221	1,461	995,329	-	997,011	-	-	140,218	-	-	140,218	1,137,229
2046	Age Friendly Saco	-	-	-	-	-	-	-	271	-	-	271	271
	Adult Education	-	-	-	-	-	-	-	5,000	-	-	5,000	5,000
2001	Ambulance Fund	7,740	-	-	-	7,740	-	-	2,072,544	-	-	2,072,544	2,080,284
2052	Bay View Fund	-	-	-	-	-	-	-	-	229,901	-	229,901	229,901
2056	Blight Elimination Fund	-	-	-	-	-	-	-	21,802	-	-	21,802	21,802
2064	Brownfields Grant	-	-	-	9,523	9,523	-	-	-	-	(9,523)	(9,523)	-
2050	Call Firefighters Retirement	-	7,000	-	227	7,227	-	-	-	85,192	-	85,192	92,419
2000	Camp Ellis Fund	4,305	1,246	-	-	5,551	-	-	-	25,409	-	25,409	30,960
2065	Camp Ellis Harborfest	-	-	-	-	-	-	-	-	24,405	-	24,405	24,405
2049	CDBG Fund	-	-	-	-	-	-	-	-	-	-	-	-
2063	Community Action Grant	-	-	-	-	-	-	-	6,222	-	-	6,222	6,222
2044	Saco Isl#4 Chinbrg T.I.F. 2045	-	-	-	-	-	-	-	89,819	-	-	89,819	89,819
2054	Downtown Dev T.I.F. 2047	34,816	7,272	-	-	42,088	-	-	4,503,691	-	-	4,503,691	4,545,779
2007	Economic Development	-	-	-	-	-	-	-	1,196,412	-	-	1,196,412	1,196,412
2059	FD Central Station	-	-	-	-	-	-	-	1,700	-	-	1,700	1,700
2043	Fire Impact Fees	-	-	-	-	-	-	-	112,840	-	-	112,840	112,840
2008	Fire Reserves	-	-	-	-	-	-	-	-	8,449	-	8,449	8,449
2031	GA Assistance Donations	-	-	-	-	-	-	-	-	41,321	-	41,321	41,321
2012	Historic Preservation	-	-	-	-	-	-	-	13,160	-	-	13,160	13,160
2013	Industrial Pk Rd T.I.F. 2038	207,580	-	-	-	207,580	-	-	652,190	-	-	652,190	859,770
2014	J Riley Fund	-	-	-	-	-	-	-	1,992	-	-	1,992	1,992
2053	Johnston Renewable Energy Fnd	-	-	-	-	-	-	-	17,053	-	-	17,053	17,053
2004	Lucia Kimball Deering Health	-	-	-	-	-	-	-	-	2,493,059	-	2,493,059	2,493,059
2047	Millbrook Omnibus T.I.F. 2038	-	-	-	-	-	-	-	158,094	-	-	158,094	158,094
2048	Open Space Impact Fees	-	-	-	-	-	-	-	487,140	-	-	487,140	487,140
2069	Opioid Funds	-	-	-	-	-	207,063	-	51,595	-	-	51,595	258,658
2017	Park North Rt 1 T.I.F. 2038	1,414	-	-	-	1,414	-	-	393,824	-	-	393,824	395,238
2006	Police Fed Asset Forfeiture	-	-	-	-	-	-	-	33	-	-	33	33
2015	Police Grant	-	-	-	-	-	-	-	4,747	-	-	4,747	4,747
2058	Police Fundraisers	-	-	-	-	-	-	-	5,742	-	-	5,742	5,742
2003	Police State Asset Forfeiture	-	-	-	-	-	-	-	29,537	-	-	29,537	29,537
2057	Ready Seafood T.I.F 2049	-	-	-	-	-	-	-	71,138	-	-	71,138	71,138
2019	Recreation Donations	-	-	-	-	-	-	-	19,877	-	-	19,877	19,877
2020	Recreation Impact Fees	-	-	-	-	-	-	-	446,136	-	-	446,136	446,136
2021	Saco Community Garden	-	-	-	-	-	-	-	3,828	-	-	3,828	3,828
2051	Saco Fire Dept Benevolant Fund	-	-	-	-	-	-	-	4,359	-	-	4,359	4,359
2066	Sale of City Property	-	-	-	-	-	-	-	-	5,196	-	5,196	5,196
	School Lunch Fund	4,087	6,500	6,549	-	17,136	-	5,648	1,110,247	-	-	1,115,895	1,133,031
	School Other Grants & Special Rev	96,041	44,172	-	1,127,851	1,268,064	-	-	163,934	-	-	163,934	1,431,998
	Student Activity Funds	-	-	-	-	-	-	-	157,610	-	-	157,610	157,610
2068	EMS Grant	-	1,116	118,858	-	119,974	-	-	-	-	-	-	119,974
2023	Spring Hill T.I.F. 2032	-	-	-	-	-	-	-	438,885	-	-	438,885	438,885
2061	Transit T.I.F. 2040	36,875	-	-	-	36,875	-	-	457,323	-	-	457,323	494,198
2024	Wellness Grant	-	-	-	-	-	-	-	89,841	-	-	89,841	89,841
Totals		393,079	68,767	1,120,736	1,137,601	2,720,183	207,063	5,648	13,139,952	2,912,932	(9,523)	16,049,009	18,976,255

CITY OF SACO, MAINE
Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds
For the Year Ended June 30, 2024

		Revenue				Total Revenue
		Intergovern- mental	Charges for services	Interest income	Other revenue	
2010	34 Spring Hill Rd T.I.F. 2039	\$ -	-	3,403	-	3,403
2009	77 Industrl Pk Rd T.I.F. 2028	-	-	4,427	-	4,427
2062	A.R.P.A Grant Funding	584,730	-	62,271	-	647,001
2046	Age Friendly Saco	-	-	11	-	11
	Adult Education	-	-	-	-	-
2001	Ambulance Fund	-	1,361,321	60,702	-	1,422,023
2052	Bay View Fund	-	50,584	9,863	-	60,447
2056	Blight Elimination Fund	-	-	893	-	893
2064	Brownfields Grant	5,098	-	9	-	5,107
2050	Call Firefighters Retirement	-	-	5,123	-	5,123
2000	Camp Ellis Fund	-	78,658	2,020	-	80,678
2065	Camp Ellis Harborfest	-	23,064	576	-	23,640
2049	CDBG Fund	-	-	3	-	3
2063	Community Action Grant	-	-	1,212	-	1,212
2044	Saco Isl#4 Chinbrg T.I.F. 2045	-	-	3,268	-	3,268
2054	Downtown Dev T.I.F. 2047 1,	-	-	73,560	-	73,560
2007	Economic Development	-	-	53,659	-	53,659
2059	FD Central Station	-	-	11	-	11
2043	Fire Impact Fees	-	65,031	4,838	-	69,869
2008	Fire Reserves	-	-	378	150	528
2031	GA Assistance Donations	-	-	1,807	-	1,807
2012	Historic Preservation	-	-	539	-	539
2013	Industrial Pk Rd T.I.F. 2038	-	-	32,939	-	32,939
2014	J Riley Fund	-	-	20	-	20
2053	Johnston Renewable Energy Fnd	-	-	841	-	841
2004	Lucia Kimball Deering Health	-	-	49,443	-	49,443
2047	Millbrook Omnibus T.I.F. 2038	-	-	1,834	-	1,834
2048	Open Space Impact Fees	-	72,017	21,716	11,681	105,414
2069	Opioid Funds	-	-	-	39,000	39,000
2017	Park North Rt 1 T.I.F. 2038	-	-	10,134	-	10,134
2006	Police Fed Asset Forfeiture	-	-	6	-	6
2015	Police Grant	19,099	-	68	-	19,167
2058	Police Fundraisers	-	-	255	1,380	1,635
2003	Police State Asset Forfeiture	19,222	-	516	-	19,738
2057	Ready Seafood T.I.F 2049	-	-	2,524	-	2,524
2019	Recreation Donations	-	-	806	4,000	4,806
2020	Recreation Impact Fees	-	195,146	17,360	-	212,506
2021	Saco Community Garden	-	-	153	1,596	1,749
2051	Saco Fire Dept Benevolant Fund	-	-	-	59	59
2066	Sale of City Property	-	-	200	-	200
	School Lunch Fund	1,628,966	33,344	-	-	1,662,310
	School Other Grants & Special Rev	2,412,207	-	-	176,001	2,588,208
	Student Activity Funds	-	-	-	105,705	105,705
2068	EMS Grant	1,116	-	-	-	1,116
2023	Spring Hill T.I.F. 2032	-	-	15,396	-	15,396
2061	Transit T.I.F. 2040	-	-	2,714	-	2,714
2024	Wellness Grant	-	-	3,748	40,817	44,565
Totals		\$ 4,670,438	1,879,165	449,246	380,389	7,379,238

CITY OF SACO, MAINE
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits) - Non-major Special Revenue Funds
For the Year Ended June 30, 2024

		Expenditures					Total Expenditures
		Special projects	Public Safety	Education	Debt Service	Capital expenditures	
2010	34 Spring Hill Rd T.I.F. 2039 \$	11,603	-	-	-	37,770	49,373
2009	77 Industrl Pk Rd T.I.F. 2028	-	-	-	-	108,315	108,315
2062	A.R.P.A Grant Funding	92,727	-	-	-	492,003	584,730
2046	Age Friendly Saco	-	-	-	-	-	-
	Adult Education	-	-	156,766	-	-	156,766
2001	Ambulance Fund	-	68,957	-	-	-	68,957
2052	Bay View Fund	4,050	-	-	-	-	4,050
2056	Blight Elimination Fund	20	-	-	-	-	20
2064	Brownfields Grant	-	-	-	-	14,230	14,230
2050	Call Firefighters Retirement	-	14,750	-	-	-	14,750
2000	Camp Ellis Fund	140,587	-	-	-	-	140,587
2065	Camp Ellis Harborfest	10	-	-	-	-	10
2049	CDBG Fund	-	-	-	-	-	-
2063	Community Action Grant	41,472	-	-	-	-	41,472
2044	Saco Isl#4 Chinbrg T.I.F. 2045	22,000	-	-	-	214,125	236,125
2054	Downtown Dev T.I.F. 2047 1,	228,233	-	-	157,106	1,254,314	1,639,653
2007	Economic Development	-	-	-	-	238,661	238,661
2059	FD Central Station	-	-	-	-	-	-
2043	Fire Impact Fees	-	36,799	-	-	-	36,799
2008	Fire Reserves	-	664	-	-	-	664
2031	GA Assistance Donations	42	-	-	-	-	42
2012	Historic Preservation	12	-	-	-	-	12
2013	Industrial Pk Rd T.I.F. 2038	-	-	-	110,000	406,250	516,250
2014	J Riley Fund	-	-	-	-	-	-
2053	Johnston Renewable Energy Fnd	19	-	-	-	-	19
2004	Lucia Kimball Deering Health	45,374	-	-	-	-	45,374
2047	Millbrook Omnibus T.I.F. 2038	157,540	-	-	-	3,812	161,352
2048	Open Space Impact Fees	51,580	-	-	-	-	51,580
2069	Opioid Funds	-	-	-	-	-	-
2017	Park North Rt 1 T.I.F. 2038	717,571	-	-	-	182,781	900,352
2006	Police Fed Asset Forfeiture	-	300	-	-	-	300
2015	Police Grant	-	14,425	-	-	-	14,425
2058	Police Fundraisers	-	2,644	-	-	-	2,644
2003	Police State Asset Forfeiture	-	1,953	-	-	-	1,953
2057	Ready Seafood T.I.F. 2049	89,605	-	-	-	-	89,605
2019	Recreation Donations	9,582	-	-	-	-	9,582
2020	Recreation Impact Fees	17,310	-	-	-	-	17,310
2021	Saco Community Garden	1,577	-	-	-	-	1,577
2051	Saco Fire Dept Benevolant Fund	-	-	-	-	-	-
2066	Sale of City Property	4	-	-	-	-	4
	School Lunch Fund	-	-	1,921,559	-	-	1,921,559
	School Other Grants & Special Rev	-	-	2,395,577	-	-	2,395,577
	Student Activity Funds	-	-	101,258	-	-	101,258
	EMS Grant	-	1,116	-	-	-	1,116
2023	Spring Hill T.I.F. 2032	62,333	-	-	159,625	272,095	494,053
2061	Transit T.I.F. 2040	147,500	-	-	25,000	217,781	390,281
2024	Wellness Grant	19,289	-	-	-	-	19,289
Totals		1,860,040	141,608	4,575,160	451,731	3,442,137	10,470,676

CITY OF SACO, MAINE
Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds
For the Year Ended June 30, 2024

			Other Financing Sources (Uses)		Total Other Financing Sources (Uses)	Net Change in Fund Balances	Beginning Fund Balance (Deficits)	Ending Fund Balance (Deficits)
			Excess (Deficiency) of Revenues Over (Under) Expenditures	Transfers in				
2010	34 Spring Hill Rd T.I.F. 2039 \$	(45,970)	34,432	-	34,432	(11,538)	97,860	86,322
2009	77 Industrl Pk Rd T.I.F. 2028	(103,888)	49,401	-	49,401	(54,487)	179,313	124,826
2062	A.R.P.A Grant Funding	62,271	-	-	-	62,271	77,947	140,218
2046	Age Friendly Saco	11	-	-	-	11	260	271
	Adult Education	(156,766)	161,766	-	161,766	5,000	-	5,000
2001	Ambulance Fund	1,353,066	-	(635,953)	(635,953)	717,113	1,355,431	2,072,544
2052	Bay View Fund	56,397	-	(11,800)	(11,800)	44,597	185,304	229,901
2056	Blight Elimination Fund	873	-	-	-	873	20,929	21,802
2064	Brownfields Grant	(9,123)	-	-	-	(9,123)	(400)	(9,523)
2050	Call Firefighters Retirement	(9,627)	8,000	-	8,000	(1,627)	86,819	85,192
2000	Camp Ellis Fund	(59,909)	-	(22,900)	(22,900)	(82,809)	108,218	25,409
2065	Camp Ellis Harborfest	23,630	-	-	-	23,630	775	24,405
2049	CDBG Fund	3	-	(105)	(105)	(102)	102	-
2063	Community Action Grant	(40,260)	-	-	-	(40,260)	46,482	6,222
2044	Saco Isl#4 Chinbrg T.I.F. 2045	(232,857)	237,211	-	237,211	4,354	85,465	89,819
2054	Downtown Dev T.I.F. 2047 1,	(1,566,093)	4,392,079	(250,000)	4,142,079	2,575,986	1,927,705	4,503,691
2007	Economic Development	(185,002)	-	-	-	(185,002)	1,381,414	1,196,412
2059	FD Central Station	11	-	-	-	11	1,689	1,700
2043	Fire Impact Fees	33,070	-	-	-	33,070	79,770	112,840
2008	Fire Reserves	(136)	-	-	-	(136)	8,585	8,449
2031	GA Assistance Donations	1,765	-	-	-	1,765	39,556	41,321
2012	Historic Preservation	527	-	-	-	527	12,633	13,160
2013	Industrial Pk Rd T.I.F. 2038	(483,311)	306,541	(100,000)	206,541	(276,770)	928,960	652,190
2014	J Riley Fund	20	-	-	-	20	1,972	1,992
2053	Johnston Renewable Energy Fnd	822	-	-	-	822	16,231	17,053
2004	Lucia Kimball Deering Health	4,069	-	-	-	4,069	2,488,990	2,493,059
2047	Millbrook Omnibus T.I.F. 2038	(159,518)	332,741	(200,000)	132,741	(26,777)	184,871	158,094
2048	Open Space Impact Fees	53,834	-	-	-	53,834	433,306	487,140
2069	Opioid Funds	39,000	-	-	-	39,000	12,595	51,595
2017	Park North Rt 1 T.I.F. 2038	(890,218)	1,025,102	(200,000)	825,102	(65,116)	458,940	393,824
2006	Police Fed Asset Forfeiture	(294)	-	-	-	(294)	327	33
2015	Police Grant	4,742	-	-	-	4,742	5	4,747
2058	Police Fundraisers	(1,009)	-	-	-	(1,009)	6,751	5,742
2003	Police State Asset Forfeiture	17,785	-	-	-	17,785	11,752	29,537
2057	Ready Seafood T.I.F 2049	(87,081)	127,909	(50,000)	77,909	(9,172)	80,310	71,138
2019	Recreation Donations	(4,776)	-	-	-	(4,776)	24,653	19,877
2020	Recreation Impact Fees	195,196	-	-	-	195,196	250,940	446,136
2021	Saco Community Garden	172	-	-	-	172	3,656	3,828
2051	Saco Fire Dept Benevolent Fund	59	-	-	-	59	4,300	4,359
2066	Sale of City Property	196	-	-	-	196	5,000	5,196
	School Lunch Fund	(259,249)	-	-	-	(259,249)	1,375,144	1,115,895
	School Other Grants & Special Rev	192,631	-	(48,448)	(48,448)	144,183	19,751	163,934
	Student Activity Funds	4,447	-	-	-	4,447	153,163	157,610
	EMS Grant	-	-	-	-	-	-	-
2023	Spring Hill T.I.F. 2032	(478,657)	420,037	(120,000)	300,037	(178,620)	617,505	438,885
2061	Transit T.I.F. 2040	(387,567)	758,536	-	758,536	370,969	86,354	457,323
2024	Wellness Grant	25,276	-	-	-	25,276	64,565	89,841
Totals		(3,091,438)	7,853,755	(1,639,206)	6,214,549	3,123,111	12,925,898	16,049,009

This page left blank intentionally.

NON-MAJOR CAPITAL PROJECT FUNDS

Nonmajor capital project funds account for resources obtained and expended for the acquisition of major capital facilities.

CITY OF SACO, MAINE
Combining Balance Sheet - Non-major Capital Projects Funds
June 30, 2024

	Assets				Liabilities			Fund Balance (deficit)			Total Fund Balances (deficits)	Total Liabilities and Fund Balance
	Cash and Cash Equivalents	Investments	Interfund Receivables	Total Assets	Accounts payable	Interfund payables	Total Liabilities	Restricted	Committed	Unassigned		
2018 Infrastructure Bond	\$ 173,925	-	-	173,925	-	16,963	16,963	156,962	-	-	156,962	173,925
City Capital Projects	-	-	2,203,788	2,203,788	69,990	681,095	751,085	-	1,452,703	-	1,452,703	2,203,788
New School Construction	38,885	-	-	38,885	466	472,123	472,589	-	-	(433,704)	(433,704)	38,885
Revolving Renovation Fund	1,196,401	-	-	1,196,401	-	78,340	78,340	1,118,061	-	-	1,118,061	1,196,401
CE Erosion Mitigation (\$ 111)	-	-	23,260	23,260	-	-	-	-	23,260	-	23,260	23,260
Totals	\$ 1,409,211	-	2,227,048	3,636,259	70,456	1,248,521	1,318,977	1,275,023	1,475,963	(433,704)	2,317,282	3,636,259

CITY OF SACO, MAINE
Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficit) - Non-major Capital Projects Fund
For the Year Ended June 30, 2024

		Revenue			Expenditures					
	Fund Balance (Deficits) 07/01/23	Intergovern- mental	Interest income	Other revenue	Debt service	Capital expenditures	Transfers in	Transfers (out)	Bonds issued	Fund Balance (Deficits) 06/30/24
2018 Infrastructure Bond	\$ 154,543	-	2,419	-	-	-	-	-	-	156,962
City Capital Projects	1,964,667	885,830	60,205	33,815	-	2,747,624	1,255,810	-	-	1,452,703
New School Construction	(326,275)	-	621	-	-	558,050	450,000	-	-	(433,704)
Revolving Renovation Fund	1,447,927	-	-	-	-	329,866	-	-	-	1,118,061
CE Erosion Mitigation (S 111)	18,550	-	-	-	-	1,740	6,450	-	-	23,260
Totals	\$ 3,259,412	885,830	63,245	33,815	-	3,637,280	1,712,260	-	-	2,317,282

This page left blank intentionally.

NONMAJOR PERMANENT FUNDS

Nonmajor permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

CITY OF SACO, MAINE
Balance Sheet - Non-major Permanent Fund
June 30, 2024

	City of Saco Permanent Fund
ASSETS	
Cash and cash equivalents	\$ 35,714
Investments	901,278
Interfund receivable	700
Total assets	937,692
FUND BALANCE	
Fund balance:	
Nonspendable	181,383
Restricted	756,309
Total fund balance	937,692
Total fund balance	\$ 937,692

CITY OF SACO, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Permanent Fund
For the Year Ended June 30, 2024

	City of Saco Permanent Fund
REVENUES	
Interest and dividends	\$ 33,709
Net increase (decrease) in fair value of investments	70,242
Total revenues	103,951
EXPENDITURES	
Administrative expenditures	18,520
Total expenditures	18,520
Net change in fund balance	85,431
Fund balance - beginning of year	852,261
Fund balance - end of year	\$ 937,692

This page left blank intentionally.

STATISTICAL SECTION

Table 1

CITY OF SACO, MAINE
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net investment in capital assets	\$ 43,392,550	47,580,462	49,367,109	49,955,485	50,847,343	52,577,347	55,689,170	58,214,921	61,257,996	61,887,040
Restricted:										
Nonexpendable trust principal	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383
Other purposes	3,129,029	3,698,458	5,894,661	5,454,551	5,643,904	4,542,122	6,024,913	10,692,798	3,458,854	18,710,651
Unrestricted	2,448,439	4,502,538	2,462,047	5,048,266	3,874,041	3,833,374	4,229,253	5,998,616	17,469,998	9,926,513
Total governmental activities net position	\$ 49,151,401	55,962,841	57,905,200	60,639,685	60,546,671	61,134,226	66,124,719	75,087,718	82,368,231	90,705,587
Business-type Activities										
Net investment in capital assets	\$ 20,481,112	20,356,473	20,372,320	20,142,465	20,444,452	21,407,185	22,273,576	23,082,372	23,547,857	25,410,371
Unrestricted	(2,447,131)	(1,230,909)	-633,470	64,220	1,134,684	868,311	1,075,633	1,105,786	2,341,058	2,931,042
Total business-type activities net position	\$ 18,033,981	19,125,564	19,738,850	20,206,685	21,579,136	22,275,496	23,349,209	24,188,158	25,888,915	28,341,413
Total Primary Government										
Net investment in capital assets	\$ 63,873,662	67,936,935	69,739,429	70,097,950	71,291,795	73,984,532	77,962,746	81,297,293	84,805,853	87,297,411
Restricted:										
Nonexpendable trust principal	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383
Other purposes	3,129,029	3,698,458	5,894,661	5,454,551	5,643,904	4,542,122	6,024,913	10,692,798	3,458,854	18,710,651
Unrestricted	201,308	3,271,629	1,828,577	5,112,486	5,008,725	4,701,685	5,304,886	7,104,402	19,811,056	12,857,555
Total primary government net position	\$ 67,385,382	75,088,405	77,644,050	80,846,370	82,125,807	83,409,722	89,473,928	99,275,876	108,257,146	119,047,000

CITY OF SACO, MAINE
Change in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities:										
Expenses										
General government	9,828,320	7,673,018	6,297,085	10,128,699	9,508,549	11,192,448	13,127,059	12,166,208	14,286,654	14,693,685
Public safety	6,945,027	6,762,816	9,421,034	7,542,615	7,647,975	8,394,463	8,478,669	9,163,227	9,894,331	10,496,824
Public works	8,314,846	7,473,386	7,344,697	7,292,534	9,327,914	9,090,204	7,885,891	7,546,354	7,988,362	11,037,461
Culture and recreation	1,565,775	1,611,285	2,003,491	1,691,818	1,812,894	1,856,046	1,811,312	2,219,449	2,270,493	2,646,669
Education	34,398,667	38,270,033	39,073,087	40,181,698	42,224,362	47,176,313	51,015,961	52,846,450	55,555,939	56,582,711
Interest on debt	590,962	588,475	394,231	499,257	628,979	820,299	670,097	567,474	417,866	632,738
Total governmental activities expenses	61,643,597	62,379,013	64,533,625	67,336,621	71,150,673	78,529,773	82,988,989	84,509,162	90,413,645	96,090,088
Program Revenues										
Charges for Services										
General government	643,217	1,863,889	1,969,889	1,309,850	1,738,820	1,450,371	3,950,641	2,853,873	1,385,624	1,589,460
Public safety	914,345	170,671	182,822	1,025,290	867,616	1,066,645	913,862	805,625	1,217,344	1,582,015
Public works	90,490	83,762	64,566	697,835	951,171	212,394	251,927	286,984	809,781	300,101
Culture and recreation	997,250	1,072,005	1,017,203	903,474	1,000,095	741,300	427,349	1,066,637	1,282,935	1,826,841
Education	-	781,316	927,534	732,333	716,292	523,713	385,734	510,669	747,301	494,424
Operating grants and contributions	16,181,277	16,343,807	14,648,253	15,585,458	16,249,848	18,608,475	23,611,118	27,162,756	26,475,120	27,437,627
Capital grants and contributions	219,344	299,477	236,191	562,949	796,530	351,757	213,535	221,604	1,145,531	919,645
Total governmental activities program revenues	19,045,923	20,614,927	19,046,458	20,817,189	22,320,372	22,954,655	29,754,166	32,908,148	33,063,636	34,150,113
Net (expense)/revenue, governmental activities	(42,597,674)	(41,764,086)	(45,487,167)	(46,519,432)	(48,830,301)	(55,575,118)	(53,234,823)	(51,601,014)	(57,350,009)	(61,939,975)
General Revenues and Other Changes in Net Position										
Taxes										
Property taxes, levied for general purposes	37,824,974	39,551,705	40,826,468	42,403,652	44,459,593	46,730,677	47,912,746	50,299,047	53,006,470	57,138,771
Motor vehicle excise taxes	3,561,343	3,805,133	4,121,860	4,333,196	4,725,708	4,570,160	4,706,464	4,684,268	5,163,386	5,603,327
Franchise tax	269,818	271,040	277,670	358,422	295,924	289,542	291,976	279,899	268,693	244,472
Grants and contributions not restricted										
Homestead exemption	368,955	383,631	575,735	771,645	976,937	980,812	1,306,967	1,257,327	1,324,195	1,370,746
Other State aid	832,016	344,881	421,722	446,541	471,492	431,519	395,677	585,453	617,756	473,979
State revenue sharing	1,058,579	1,086,466	1,004,914	1,080,968	1,175,187	1,789,063	2,287,667	3,456,890	3,941,580	4,362,287
Unrestricted investment earnings	46,815	88,688	139,668	303,209	736,568	521,267	90,157	11,391	1,308,530	2,000,472
Miscellaneous revenues	238,770	43,982	61,489	2,660	11,824	4,460	68,179	20,083	11,088	3,277
Transfers	-	-	(920,000)	-	-	406,035	-	(30,345)	(1,050,000)	(920,000)
Total governmental activities general revenues/other changes	44,201,270	45,575,526	46,509,526	49,700,293	52,853,233	55,723,535	57,059,833	60,564,013	64,591,698	70,277,331
Extraordinary Item/Special Item										
Transfer of funds (to) from Regional School Unit #23 (1)	849,746	-	-	-	-	-	-	-	-	-
Total extraordinary item	849,746	-	-	-	-	-	-	-	-	-
Change in Net Position - Governmental activities	2,453,342	3,811,440	1,022,359	3,180,861	4,022,932	148,417	3,825,010	8,962,999	7,241,689	8,337,356
Business-type Activities:										
Expenses										
Waste Water Treatment Plant	2,643,474	2,560,603	2,664,920	2,798,811	2,734,703	3,263,912	3,540,911	3,306,314	3,704,036	3,602,460
Total business-type activities expenses	2,643,474	2,560,603	2,664,920	2,798,811	2,734,703	3,263,912	3,540,911	3,306,314	3,704,036	3,602,460
Program Revenues										
Charges for services	2,591,094	3,428,291	3,252,688	3,214,286	3,503,780	3,147,523	3,632,234	4,099,146	4,315,049	5,018,116
Capital grants and contributions	-	-	-	-	-	1,194,082	967,354	-	-	-
Total business-type activities program revenues	2,591,094	3,428,291	3,252,688	3,214,286	3,503,780	4,341,605	4,599,588	4,099,146	4,315,049	5,018,116
Net (expense)/revenue, business-type activities	(52,380)	867,688	587,768	415,475	769,077	1,077,693	1,058,677	792,832	611,013	1,415,656
General Revenues and Other Changes in Net Position										
Unrestricted investment earnings	-	-	116,842	-	-	-	15,036	15,772	39,745	116,842
Miscellaneous revenues	209,442	23,895	25,518	52,356	603,374	24,702	-	-	-	-
Loss on disposal of assets	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	920,000	-	-	(406,035)	-	30,345	1,050,000	920,000
Total business-type activities general revenues/other changes	209,442	23,895	1,062,360	52,356	603,374	(381,333)	15,036	46,117	1,089,745	1,036,842
Change in Net Position - Business-type activities	157,062	891,583	1,650,128	467,831	1,372,451	696,360	1,073,713	838,949	1,700,758	2,452,498
Change in Net Position - Primary Government	2,610,404	4,703,023	2,672,487	3,648,692	5,395,383	844,777	4,898,723	9,801,948	8,942,447	10,789,854

(1) In 2015, the Saco School Department withdrew from Regional School Unit 23 and became a department of the City.

Table 3

CITY OF SACO, MAINE
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(accrual basis of accounting)

Fiscal Year ended	Property Taxes	Interest and Costs on Taxes	Excise Taxes	Total
June 30, 2015	37,672,943	152,031	3,561,343	41,386,317
June 30, 2016	39,416,562	135,143	3,805,133	43,356,838
June 30, 2017	40,693,595	132,873	4,121,860	44,948,328
June 30, 2018	42,281,201	122,451	4,333,196	46,736,848
June 30, 2019	44,329,888	129,705	4,725,708	49,185,301
June 30, 2020	46,606,893	123,784	4,570,160	51,300,837
June 30, 2021	47,728,826	183,920	4,706,464	52,619,210
June 30, 2022	50,185,539	113,509	4,684,268	54,983,316
June 30, 2023	52,922,157	84,313	5,163,386	58,169,856
June 30, 2024	57,055,935	82,836	5,603,327	62,742,098

Table 4

CITY OF SACO, MAINE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable										
Prepaid items	144,234	144,165	143,851	164,149	1,873	2,704	73,390	80,316	80,416	84,992
Committed	90,300	89,733	87,841	16,407	-	-	-	-	-	308,233
Assigned										
Subsequent budget	334,665	497,329	686,254	514,690	580,404	492,480	384,157	355,966	330,020	1,610,577
Capital improvements	1,417,982	1,710,869	1,677,668	1,929,639	1,644,855	-	-	-	-	-
Unassigned	4,779,487	5,755,852	6,840,715	7,113,072	9,193,359	10,144,304	11,184,770	11,571,906	13,826,801	15,782,302
Total General Fund	6,766,668	8,197,948	9,436,329	9,737,957	11,420,491	10,639,488	11,642,317	12,008,188	14,237,237	17,786,104
All other governmental funds										
Nonspendable										
Special Revenue Funds	919,982	880,664	883,708	3,162	103,849	18,307	6,539	37,452	32,779	28,379
Capital Project Funds	-	-	-	-	-	-	-	-	-	-
Permanent Funds	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383
Restricted										
Special Revenue Funds	1,643,279	2,252,891	3,384,125	4,173,131	5,941,639	4,609,416	5,446,874	8,547,666	10,965,464	15,894,631
Capital Project Funds	127,961	1,012,295	1,093,242	12,265,673	8,632,046	1,837,139	764,658	185,406	1,602,470	1,275,023
Permanent Funds	468,620	497,608	533,586	520,674	566,692	536,966	736,823	638,611	670,878	756,309
Committed										
Special Revenue Funds	603,393	486,731	521,813	1,803,307	1,675,096	1,946,510	2,112,385	3,605,390	4,114,304	2,912,932
Capital Project Funds	10,500	65,250	136,484	121,750	140,300	1,957,332	2,073,185	2,299,873	1,983,217	1,475,963
Assigned										
Special Revenue Funds	4,295	8,879	-	-	-	-	-	-	-	-
Capital Project Funds	524,712	435,313	-	-	-	-	-	-	-	-
Unassigned										
Special Revenue Funds	(1,567,078)	(377,221)	(2,003,345)	(791,509)	(222,530)	(1,127,615)	(751,527)	(33,186)	(171,812)	(9,523)
Capital Project Funds	(379,494)	(205,818)	(282,145)	(32,142)				(15,384)	(326,275)	(433,704)
Total all other governmental funds	2,537,553	5,237,975	4,448,851	18,245,429	17,018,475	9,959,438	10,570,320	15,447,211	19,052,408	22,081,393

Table 5

CITY OF SACO, MAINE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
All Governmental Funds										
Revenues										
Property taxes	41,505,716	43,325,170	44,962,933	46,508,400	49,158,179	51,146,583	53,003,200	54,947,444	58,275,956	62,591,137
Licenses and permits	724,518	1,034,945	839,726	1,102,620	1,122,211	1,168,538	1,110,604	1,122,089	1,082,561	1,555,794
Intergovernmental	15,965,921	16,560,045	15,291,023	16,067,315	17,626,728	19,121,100	24,913,600	29,404,748	29,545,557	31,000,170
Intergovernmental on-behalf payments	1,562,535	1,515,316	1,525,566	1,867,535	2,011,124	2,890,523	2,901,361	3,014,512	3,028,983	3,149,810
Charges for services	2,795,050	2,522,784	2,922,606	3,046,954	3,031,385	2,688,292	2,289,265	2,935,403	3,645,728	4,284,616
Other revenues	810,344	1,200,525	948,735	1,357,145	2,196,856	1,102,865	2,979,959	2,042,435	2,461,624	2,595,751
Total Governmental Fund revenues	63,364,084	66,158,785	66,490,589	69,949,969	75,146,483	78,117,901	87,197,989	93,466,631	98,040,409	105,177,278
Expenditures										
General government	2,487,017	2,410,443	2,992,647	2,846,036	2,966,562	3,068,383	3,160,006	3,047,902	3,184,997	5,264,086
Public safety	6,632,398	6,697,421	8,809,704	6,975,947	7,146,593	7,819,896	7,816,316	8,531,536	8,950,848	9,556,345
Public works	5,053,368	5,096,513	6,245,409	5,425,048	5,533,073	5,731,932	5,839,478	5,940,821	6,044,152	5,761,350
Culture and recreation	1,555,900	1,611,285	1,923,501	1,616,769	1,748,130	1,756,455	1,494,500	1,857,266	2,067,228	2,445,183
Education	32,714,069	35,611,466	37,048,657	38,240,047	39,807,339	43,934,609	47,832,411	49,121,364	51,779,723	52,849,599
Intergovernmental on-behalf payments	1,562,535	1,515,316	1,525,566	1,525,566	2,011,124	2,890,523	2,901,361	3,014,512	3,028,983	3,149,810
Unclassified	7,086,749	4,888,576	1,566,252	5,296,944	6,033,980	6,003,663	7,649,896	8,287,150	9,499,506	7,340,087
County tax	1,231,018	1,243,927	1,276,339	1,293,389	1,197,241	1,238,045	1,330,196	1,292,266	1,329,811	1,346,355
Debt Service										
Principal	2,196,750	2,214,959	2,228,559	2,525,114	1,685,232	2,228,511	2,333,854	2,488,095	2,205,533	2,265,021
Interest and other charges	556,089	586,968	413,499	442,488	624,255	901,044	719,737	614,301	602,859	622,173
Capital improvements	3,555,248	2,501,408	3,000,950	4,021,677	7,906,254	11,976,644	6,710,229	6,048,504	5,063,112	9,517,386
Total Governmental Fund expenditures	64,631,141	64,378,282	67,031,083	70,209,025	76,659,783	87,549,705	87,787,984	90,243,717	93,756,752	100,117,395
Other financing sources (uses)										
Proceeds from financed purchases	1,213,408	1,323,160	494,751	1,029,050	1,968,880	1,251,524	2,049,153	2,050,196	1,067,386	2,437,969
Bond Proceeds		4,175,000	495,000	12,603,854	-	4,095,000	-	-	1,527,074	-
Bond Premium	-	-	-	574,467	-	-	-	-	-	-
Premium on refunding bonds issued	-	388,339	-	-	-	84,206	-	-	-	-
Payment to refunded bond escrow agent	-	(3,535,300)	-	-	-	(4,245,000)	-	-	-	-
Transfers in	22,613,058	24,017,111	24,518,140	27,255,651	30,085,525	33,005,206	33,397,296	34,755,264	36,183,628	40,372,632
Transfers out	(22,613,058)	(24,017,111)	(24,518,140)	(27,255,651)	(30,085,525)	(32,599,171)	(33,397,296)	(34,785,609)	(37,233,628)	(41,292,632)
Total Governmental Fund other financing sources (uses)	1,213,408	2,351,199	989,751	14,207,371	1,968,880	1,591,765	2,049,153	2,019,851	1,544,460	1,517,969
Extraordinary item/special item										
Transfer of funds to/from Regional School Unit #23 (1)	(496,963)	-	-	-	-	-	-	-	-	-
Legal settlement	-	-	-	-	-	-	-	-	-	-
Total extraordinary item/special item	(496,963)	-	-	-	-	-	-	-	-	-
Net change in fund balance	(550,612)	4,131,702	449,257	13,948,315	455,580	(7,840,039)	1,459,158	5,242,765	5,828,117	6,577,852
Debt service as a percentage of noncapital expenditures	4.51%	4.48%	4.08%	4.39%	3.20%	3.99%	3.70%	3.65%	3.13%	3.04%

(1) Effective July 1, 2014, the Saco School Department withdrew from Regional School Unit #23.

Table 6

CITY OF SACO, MAINE
Assessed Value and State Equalized Value of Taxable Property
Last Ten Fiscal Years

Years ended	Real Property		Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	State Equalized Value (2)	Assessed Value as a Percentage of Equalized Value
	Residential Property	Commercial Property						
June 30, 2015	1,655,395,000	441,158,304	59,068,000	137,122,100	2,018,499,204	18.01	2,042,100,000	98.8%
June 30, 2016	1,653,882,940	440,603,104	87,293,549	139,467,000	2,042,312,592	18.61	2,122,650,000	96.2%
June 30, 2017	1,712,029,000	456,761,972	64,760,847	142,105,100	2,091,446,719	18.81	2,160,300,000	96.8%
June 30, 2018	1,787,970,200	491,756,456	61,468,854	147,701,000	2,193,494,510	18.78	2,244,050,000	97.7%
June 30, 2019	1,787,970,200	662,781,456	61,468,854	231,240,300	2,280,980,210	18.86	2,379,700,000	95.9%
June 30, 2020	1,873,630,856	697,993,922	60,472,942	232,197,800	2,399,899,920	18.87	2,653,400,000	90.4%
June 30, 2021	1,897,130,821	713,954,786	61,666,619	249,511,700	2,423,240,526	19.14	2,740,150,000	88.4%
June 30, 2022	2,292,403,104	574,750,821	50,184,400	265,204,200	2,652,134,125	18.38	2,925,550,000	90.7%
June 30, 2023	2,423,112,003	674,691,205	48,582,800	261,253,958	2,885,132,050	17.88	3,198,550,000	90.2%
June 30, 2024	3,386,502,114	605,144,264	50,102,700	180,234,087	3,861,514,991	14.41	3,772,200,000	102.4%

(1) Saco Assessing Office

(2) State of Maine, Bureau of Taxation

Table 7

CITY OF SACO, MAINE
Property Tax Rates - All Direct and Overlapping
Governments (Per \$1,000 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year Ended	Direct		Total Direct Tax Rate	Overlapping	
	Municipal Tax Rate	School Tax Rate		County Tax Rate	Total Tax Rate
June 30, 2015	7.84	10.17	18.01	0.61	18.62
June 30, 2016	7.94	10.67	18.61	0.61	19.22
June 30, 2017	8.09	10.72	18.81	0.61	19.42
June 30, 2018	7.75	11.03	18.78	0.60	19.38
June 30, 2019	7.00	11.86	18.86	0.52	19.38
June 30, 2020	8.03	10.84	18.87	0.51	19.38
June 30, 2021	8.03	11.11	19.14	0.53	19.67
June 30, 2022	7.41	10.97	18.38	0.50	18.88
June 30, 2023	8.09	9.79	17.88	0.45	18.33
June 30, 2024	6.77	7.64	14.41	0.34	14.75

Source: Saco Assessing Office

Table 8

CITY OF SACO, MAINE
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024			2015		
	Current year Assessed Value	Rank	Percentage of Total Assessed Value	Current year Assessed Value	Rank	Percentage of Total Assessed Value
Central Maine Power Co.	\$ 64,694,019	1	1.68%	\$ 39,718,713	1	1.97%
Ferry Road Associates	42,255,000	2	1.09%	26,435,300	3	1.31%
General Dynamics Armament Systems	20,990,200	3	0.54%	36,314,600	2	1.80%
Saco Mill No 4 LLC	16,362,100	4	0.42%			
Saco Real Estate Holdings LLC	15,052,600	5	0.39%	13,756,600	4	0.68%
Maine Water Company	13,862,527	6	0.36%			
Northern Utilities Inc.	12,174,700	7	0.32%			
Cormier Land Co Inc	11,137,100	8	0.29%			
Saco Valley LLC	11,051,900	9	0.29%	8,251,300	9	0.41%
Saco & Biddeford Savings Inst	10,772,200	10	0.28%	10,081,200	8	0.50%
Biddeford & Saco Water Co.				12,312,300	5	0.61%
FPL Energy Maine Hydro LLC				11,695,900	6	0.58%
CSP Mobile Productions				10,941,300	7	0.54%
Shaw's Supermarket				7,999,600	10	0.40%
Total Principal Taxpayers			5.65%			8.79%
All Other Taxpayers			94.35%			91.21%

Source: Saco Assessing Office

Table 9

CITY OF SACO, MAINE
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
June 30, 2015	37,661,871	36,879,630	97.92%	779,784	37,659,414	99.99%
June 30, 2016	39,338,914	38,417,135	97.66%	919,194	39,336,329	99.99%
June 30, 2017	40,698,693	39,900,303	98.04%	795,546	40,695,849	99.99%
June 30, 2018	42,591,127	41,637,698	97.76%	950,454	42,588,152	99.99%
June 30, 2019	44,267,351	43,174,110	97.53%	1,080,946	44,255,056	99.97%
June 30, 2020	46,610,402	45,403,990	97.41%	1,196,604	46,600,594	99.98%
June 30, 2021	47,737,704	46,960,939	98.37%	700,658	47,661,597	99.84%
June 30, 2022	50,188,818	49,545,853	98.72%	568,889	50,114,742	99.85%
June 30, 2023	52,977,424	52,415,058	98.94%	327,270	52,742,328	99.56%
June 30, 2024	57,040,468	56,230,410	98.58%	-	56,230,410	98.58%

(1) Tax commitment plus supplemental taxes assessed during the fiscal year.

Table 10

CITY OF SACO, MAINE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year ended	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Debt	Financed Purchases	Notes Payable	Premium on Bonds	Lease Liability	General Obligation Debt	Financed Purchases			
June 30, 2015	13,163,163	2,548,437	336,185	-	-	290,000	-	16,337,785	3.37%	883.98
June 30, 2016	12,957,097	2,994,112	224,124	382,676	-	145,000	-	16,703,009	3.44%	903.74
June 30, 2017	10,921,031	2,577,325	557,562	363,259	-	-	-	14,419,177	2.97%	780.17
June 30, 2018	21,304,965	2,574,375	398,766	919,562	-	-	-	25,197,668	5.19%	1,363.36
June 30, 2019	20,225,000	3,347,618	351,272	882,251	-	-	231,097	25,037,238	5.16%	1,354.68
June 30, 2020	18,670,000	3,230,970	303,006	929,145	-	-	248,784	23,381,905	3.47%	1,208.87
June 30, 2021	17,290,000	3,861,007	253,956	887,623	-	-	215,672	22,508,258	2.99%	1,104.37
June 30, 2022	15,915,000	4,200,158	204,108	846,101	1,523,320	-	186,531	22,875,218	3.04%	1,122.38
June 30, 2023	15,591,054	3,716,312	153,452	804,579	1,287,231	1,523,000	123,734	23,199,362	2.46%	1,111.51
June 30, 2024	14,440,449	4,457,924	101,971	763,056	1,038,636	7,788,701	59,149	28,649,886	3.03%	1,366.88

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) - See the Schedule of Demographic and Economic Statistics on table 14 for personal income and population data.

Table 11

CITY OF SACO, MAINE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Debt	State Assessed Value of Property (1)	Per Capita (2)
2015	13,453,163	0.66%	728
2016	13,484,773	0.64%	730
2017	11,284,290	0.52%	611
2018	22,224,527	0.99%	1,202
2019	21,107,251	0.89%	1,142
2020	19,599,145	0.74%	1,013
2021	18,177,623	0.66%	892
2022	16,761,101	0.57%	822
2023	17,918,633	0.56%	859
2024	22,992,206	0.61%	1,097

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) - See the schedule of Assessed Value and State Equalized Value of Taxable Property on table 6 for property value data.

(2) - Population data can be found in the Schedule of Demographics and Economic Statistics on table 14.

CITY OF SACO, MAINE
Direct and Overlapping Governmental Activities Debt
General Obligation Bonds
As of June 30, 2024

Jurisdiction	Total debt outstanding	Percentage applicable to government	Amount applicable to government
Direct:			
City of Saco general obligation debt	\$ 14,440,449	100.00%	\$ 14,440,449
City of Saco notes from direct borrowing	101,971	100.00%	101,971
City of Saco financed purchases	4,457,924	100.00%	4,457,924
City of Saco lease liability	1,038,636	100.00%	1,038,636
City of Saco premium on bonds	763,056	100.00%	763,056
Subtotal Direct	<u>\$ 20,802,036</u>		<u>\$ 20,802,036</u>
Overlapping debt:			
Biddeford-Saco-Old Orchard Beach Transit Committee (1)	-	33.33%	-
York County (2)	-	6.86%	-
Subtotal Overlapping	<u>-</u>		<u>-</u>
Grand Total	<u>\$ 20,802,036</u>		<u>\$ 20,802,036</u>

(1) The City's share is 33.33% (Biddeford, Saco, Old Orchard Beach get equal share).

(2) The City's share is 6.86% (percentage of property value for York County).

Table 13

CITY OF SACO, MAINE
Statutory Debt Margin Information
Last Ten Fiscal Years
In Accordance with 30 MRSA, Section 5061 as Amended

Fiscal Year	Debt Limit	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to limit as a percentage of debt limit
2015	306,315,000	16,337,785	289,977,215	5.33%
2016	318,397,500	16,320,333	302,077,167	5.13%
2017	324,045,000	14,055,918	309,989,082	4.34%
2018	336,607,500	24,278,106	312,329,394	7.21%
2019	356,955,000	24,154,987	332,800,013	6.77%
2020	398,010,000	22,452,760	375,557,240	5.64%
2021	411,022,500	21,620,635	389,401,865	5.26%
2022	438,832,500	20,505,797	418,326,703	4.67%
2023	479,782,500	21,107,551	458,674,949	4.40%
2024	565,830,000	26,848,194	538,981,806	4.74%

Legal Debt Margin Calculation for Fiscal Year 2024

	Outstanding bonds, notes, and financed purchases	Percent of state assessed value \$3,772,200,000	Allowable Amount	Margin
For school purposes	\$ 1,523,945	10.00%	\$ 377,220,000	\$ 375,696,055
For waste water treatment plant	7,847,850	7.50%	282,915,000	275,067,150
For municipal	17,476,399	7.50%	282,915,000	265,438,601
Total	\$ 26,848,194	15.00%	\$ 565,830,000	\$ 538,981,806

Table 14

CITY OF SACO, MAINE
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (1)	Per Capita Personal Income (1)	Median Age (1)	School Enrollment (2)	Unemployment Rate (3)
2015	18,482	485,300,356	26,258	41.9	2,797	4.7%
2016	18,482	485,300,356	26,258	41.9	2,753	3.7%
2017	18,482	485,300,356	26,258	41.9	2,725	2.8%
2018	18,482	485,300,356	26,258	41.9	2,705	2.3%
2019	18,482	485,300,356	26,258	41.9	2,772	1.8%
2020	19,342	673,469,098	34,819	41.7	2,751	6.6%
2021	20,381	752,690,711	36,931	41.7	2,706	4.9%
2022	20,381	752,690,711	36,931	41.7	2,688	2.3%
2023	20,872	941,932,488	45,129	41.7	2,736	2.1%
2024	20,960	945,903,840	45,129	43.2	2,713	2.3%

(1) - U.S. Department of Commerce, Bureau of Census (2010 and 2020)

(2) - Maine Department of Education. Figures are based on April 1 enrollment

(3) - Maine Department of Labor

Table 15

CITY OF SACO, MAINE
Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Saco's Labor Force	Employees	Rank	Percentage of Saco's Labor Force
Saco School Department	414	1	3.34%	349	1	3.40%
Ready Seafood	252	2	2.03%			
Sweetser Children's Services	246	3	1.98%	329	2	3.21%
General Dynamics	222	4	1.79%	243	4	2.37%
Hannaford Brothers	188	5	1.52%	160	7	1.56%
Group 1 Automotive	191	6	1.54%			
City of Saco	185	7	1.49%	164	6	1.60%
Thornton Academy	180	8	1.45%	218	5	2.13%
Saco & Biddeford Savings	170	9	1.37%	125	10	1.22%
Shaw's Supermarkets	150	10	1.21%	140	9	1.37%
Atlantic Heights				160	7	1.56%
Prime Toyota				306	3	2.99%
Total Principal Employers	2,198		17.73%	2,194		21.40%
Total City Employment	<u>12,400</u>			<u>10,250</u>		

Source: Maine Department of Labor, U.S. Department of Labor, and data compiled by City of Saco Planning & Development.

Table 16

CITY OF SACO, MAINE
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function:										
General government	29.5	29.5	33	30	31	31.5	29.5	34	37	35
Public safety										
Police	47	47	49	49	46.5	47.5	47	46	42	41
Fire	36	36	36	38	37	40	39	41	43	44
Public works	31.6	31.6	33	37.5	36.5	38.5	39.5	40	40	38
Parks and recreation	11	11	11	14	18	14	14	14	15.5	16
Education	342	342	342.3	342.6	363.3	422	402	388	403	396
Total Governmental Funds	497.1	497.1	504.3	511.1	532.3	593.5	571	563	580.5	570
Waste Water Treatment Plant	14	14	14	9	9	10	11	10	10	10
Total Enterprise Fund	14	14	14	9	9	10	11	10	10	10
Total all Functions	511.1	511.1	518.3	520.1	541.3	603.5	582	573	590.5	580
Percent of Total										
General government	5.8%	5.8%	6.4%	5.8%	5.7%	5.2%	5.1%	5.9%	6.3%	6.0%
Public safety	16.2%	16.2%	16.4%	16.7%	15.4%	14.5%	14.8%	15.2%	14.4%	14.7%
Public works	6.2%	6.2%	6.4%	7.2%	6.7%	6.4%	6.8%	7.0%	6.8%	6.6%
Parks and recreation	2.2%	2.2%	2.1%	2.7%	3.3%	2.3%	2.4%	2.4%	2.6%	2.8%
Education	66.9%	66.9%	66.0%	65.9%	67.1%	69.9%	69.1%	67.7%	68.2%	68.3%
Waste Water Treatment Plant	2.7%	2.7%	2.7%	1.7%	1.7%	1.7%	1.9%	1.7%	1.7%	1.7%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Table 17

CITY OF SACO, MAINE
Operating Indicators by Function

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function										
General government										
Building permits (from March to February each year)										
Plumbing permits	178	193	193	270	244	239	238	234	244	196
Electrical permits	344	328	384	483	483	506	543	650	648	795
Building permits	415	486	519	557	523	562	626	560	505	699
Certificates of occupancy	99	119	142	135	178	176	176	153	154	132
Seasonal rental permits	165	167	166	178	177	171	114	129	139	143
Total number permits issued	1,201	1,293	1,404	1,623	1,605	1,654	1,697	1,726	1,690	1,965
Estimated construction value (in millions)	N/A	\$40.8 M	\$36.1 M	\$40.5 M	\$55.2 M	\$63.1 M	\$56.6 M	\$43 M	\$70 M	\$104 M
Information technology helpdesk tickets	N/A	N/A	N/A	1,186	1,286	1,608	1,502	1,792	1,702	1,768
Public safety										
Police										
Number of calls for service	30,211	29,297	27,647	28,899	29,796	29,378	25,393	27,029	26,595	26,519
Number of traffic stops	6,611	6,664	6,523	6,021	7,344	7,819	6,117	6,760	4,637	4,577
Number of traffic summons issued	907	985	896	842	1,272	1,454	1,080	1,059	594	526
Number of warnings issued	5,244	5,247	5,145	4,797	5,683	5,895	4,681	5,701	5,261	3,549
Number of traffic related arrests	121	116	96	109	138	365	663	402	416	169
Number of non-traffic related arrests & summons	745	724	588	488	485	277	429	296	423	208
Number of parking tickets issued	275	355	262	198	547	551	448	813	1,681	2,303
Fire										
Number of calls for service	726	687	746	907	837	956	941	872	945	1,148
Ambulance										
Number of calls for service	2,801	2,611	2,867	2,744	2,759	2,744	2,875	3,302	3,261	3,466
Public works										
Acres of public area maintained	414	414	414	414	414	516	639	639	639	668
Education										
Student enrollment	2,797	2,753	2,725	2,705	2,772	2,751	2,706	2,688	2,736	2,713
Water resource recovery (Sewer)										
Daily average treatment (in millions of gallons)	1.84	1.90	1.83	2.21	2.11	2.13	2.17	2.08	2.63	2.48

Table 18

CITY OF SACO, MAINE
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Function										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	8	9	10	10	10	11	11	12
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Vehicles										
Fire Engines	4	4	4	4	4	4	4	4	4	4
Ladder Truck	1	1	1	1	1	1	1	1	1	1
Tank Truck	1	1	1	1	1	1	1	1	1	1
Brush Truck	1	1	1	1	1	1	1	1	1	1
ATV/AUTV	1	1	1	1	1	1	1	1	1	1
Ambulances	3	3	3	3	3	3	3	3	3	3
Fire /Rescue Boats	2	2	2	2	2	2	2	2	2	2
Support Vehicles	7	7	7	7	7	7	7	7	7	7
Public works										
Lane miles of streets	290	290	290	290	292	292	292	292	292	293
Recreation										
Parks	25	25	24	24	24	27	27	27	27	27
Park acreage maintained	143	143	143	143	143	125	143	146	146	168
Tennis and basketball courts	7	7	8	8	8	8	8	8	8	8
Pickleball courts							6	6	6	6
Education										
High School (Thornton Academy)	1	1	1	1	1	1	1	1	1	1
Middle School	1	1	1	1	1	1	1	1	1	1
Elementary Schools	3	3	3	3	3	3	3	3	3	3
Water Resource Recovery (Sewer)										
Treatment Plants	1	1	1	1	1	1	1	1	1	1
Miles of sanitary sewers	71.7	71.7	71.7	71.7	72.0	78.5	78.5	78.5	78.5	78.5
Number of service connections	4,858	4,877	4,989	5,039	5,152	5,189	5,251	5,300	5,345	5,469
Maximum daily capacity of treatment (in millions of gallons)	8	8	8	8	8	8	8	8	8	8

Sources: Various City departments.

[This page left intentionally blank.]

APPENDIX B

PROPOSED FORM OF LEGAL OPINION

[This page left intentionally blank.]

December 18, 2025

[address]

Attn: [underwriter]

FORM OF OPINION

Re: City of Saco
2025 General Obligation Bonds in principal amount of \$62,845,000, dated December 18, 2025
Final CUSIP: 785785__

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by the City of Saco (the “Issuer”) of the Issuer’s registered 2025 General Obligation Bonds in the principal amount of \$62,845,000, dated December 18, 2025 (the “Bonds”).

We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion. In our examination of the foregoing, we have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted to us as certified or photostatic copies, and the authenticity of the originals of such copies. As to questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials furnished to us, and we have not undertaken to verify the same by independent investigation.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of any offering material relating to the Bonds, and we express no opinion relating thereto.

The Bonds are dated December 18, 2025, and will bear interest payable on May 1, 2026, and semi-annually thereafter on November 1 and May 1 of each year thereafter until maturity. The Bonds are issued in the following denominations and principal amounts and will mature on November 1 of each year as reflected hereinbelow:

Year	Installment	Interest Rate	Year	Installment	Interest Rate
2026	\$ 3,145,000		2036	\$ 3,140,000	
2027	\$ 3,145,000		2037	\$ 3,140,000	
2028	\$ 3,145,000		2038	\$ 3,140,000	
2029	\$ 3,145,000		2039	\$ 3,140,000	
2030	\$ 3,145,000		2040	\$ 3,140,000	
2031	\$ 3,145,000		2041	\$ 3,140,000	
2032	\$ 3,145,000		2042	\$ 3,140,000	
2033	\$ 3,145,000		2043	\$ 3,140,000	
2034	\$ 3,145,000		2044	\$ 3,140,000	
2035	\$ 3,140,000		2045	\$ 3,140,000	
			Total	62,845,000	

Bonds maturing on and before November 1, 2035 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on or after November 1, 2036 are subject to redemption prior to their stated

dates of maturity, at the option of the Issuer, on and after November 1, 2035, in whole or in part at any time, in such order of maturity as the Issuer, in its discretion, may determine at a price of par (100% of original stated amount of value at maturity), together with interest accrued and unpaid to the redemption date, if any.

Each of the Bonds has been signed by the Treasurer of the Issuer, countersigned by the Mayor of the Issuer, and attested to by the Clerk of the Issuer, and bear the signed certificate of the authenticating agent identified thereon. The Bonds are issued in fully registered form without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company. Purchases of the Bonds will be made in book-entry form, in the denominations of \$5,000 or any integral multiple thereof.

In formulating our opinion we have made such examination of Maine law and federal tax law as we have deemed relevant for the purposes of this opinion but have not made an independent review of the laws of any other state or jurisdiction. Accordingly, we express no opinion as to the laws of any state or jurisdiction other than those of the State of Maine and the tax laws of the United States of America.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds, executed and authenticated as described above, have been duly authorized and are valid and binding general obligations of the Issuer, enforceable in accordance with its terms.
2. Unless paid from other sources, the Bonds are payable as to both principal and interest from ad valorem taxes which may be levied without limit as to rate or amount upon all the property within the territorial limits of the Issuer and taxable by it, except to the extent that the Issuer may enter into an agreement under Title 30-A, Chapter 223, Subchapter 5 of the Maine Revised Statutes, as amended, to share its assessed valuation with another municipality; and except to the extent that the Issuer establishes or has established development districts either as tax increment financing districts or affordable housing development districts pursuant to Title 30-A, Chapter 206 and former (now repealed) Chapter 207 of the Maine Revised Statutes, as amended, the captured tax increment of which may not be available for payment of debt service on the Bonds.
3. Under existing statutes and court decisions, interest on the Bonds (i) is excludable from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) is not treated as a preference item in calculating the alternative minimum tax under the Code. However, such interest is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. The opinions set forth herein are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements, however, may cause the inclusion of interest on the Bonds in gross income for federal income tax purposes to be retroactive to the date of the issuance of the Bonds. We express no opinion regarding any other federal tax consequences arising with respect to the Bonds.
4. Interest payable on the Bonds is not subject to Maine income taxes imposed upon individuals under existing statutes, regulations, and court decisions. We express no opinion with respect to taxation of the Bonds and the interest thereon under the laws of any state other than the State of Maine.

5. The Bonds are **not** designated as a qualified tax-exempt obligation by the Issuer pursuant to section 265(b)(3) of the Code.

The foregoing opinions are qualified to the extent that the enforceability of obligations of the Issuer, including the Bonds, may be limited by bankruptcy, moratorium, or insolvency, or other laws affecting the rights and remedies of creditors generally and are subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We have not examined and assume no responsibility for the financial condition of the Issuer and nothing set forth herein shall be construed as an assurance as to the Issuer's financial condition or ability to make payment on the Bonds.

The opinions rendered herein are given as of the date hereof and we assume no obligation to update, revise or supplement such opinions to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

DRUMMOND WOODSUM & MACMAHON

[This page left intentionally blank.]

APPENDIX C

**PROPOSED FORM
OF
CONTINUING DISCLOSURE AGREEMENT**

[This page left intentionally blank.]

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

In connection with the issuance by the City of Saco, Maine (the “Issuer”) of its \$ __, __, 000 2025 General Obligation Bonds dated December __, 2025 (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, and officially interpreted from time to time (the “Rule”), the Issuer hereby covenants under this Continuing Disclosure Agreement (the “Agreement”) that it will engage in the undertakings described in Section 1, 2 and 3 herein for the benefit of the beneficial owners of the Bonds, subject to the conditions and limitations specified herein. Under the Agreement, the Issuer is obligated to provide certain updated financial information and operating data annually, and timely notice of specified material events, to the MSRB (defined below). This information will be available from the MSRB via the Electronic Municipal Market Access (“EMMA”) system at www.emma.msrb.org. The Issuer reserves the right to incorporate by reference its Official Statement dated December __, 2025 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB, as hereinafter defined, at the time of delivery of the Bonds, in any future disclosure provided hereunder.

In addition to the definitions set forth above in the undertaking, which apply to any capitalized term used in this Agreement unless otherwise defined, if used the following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean the financial information or operating data of the type included in the final Official Statement, provided at least annually by the Issuer pursuant to, and as described in, Sections 1 of this Agreement.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Business Day” shall mean a day other than a Saturday or a Sunday or a day on which banks in Maine are authorized or required by law to close.

“Dissemination Agent” shall mean the Issuer or any Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Financial Obligation” shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the MSRB consistent with SEC Rule 15c2-12.

“Holders” shall mean the registered Holders of the Bonds, as recorded in the registration books of the Registrar.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, established under the Securities and Exchange Act of 1934, or any successor thereto, with an address of 1300 I Street NW, Suite 1000, Washington, DC 20005.

“State” shall mean the State of Maine.

1. The Issuer will provide to the MSRB: (a) not later than 270 days after the end of each fiscal year, commencing with the fiscal year ending June 30, 2025, certain updated Annual Financial Information and operating data relating to the Issuer for the preceding fiscal year of the type presented in the Official Statement prepared in connection with the Bonds under the headings “CITY FINANCES,” “INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A to the Official Statement and such other Annual Financial Information and operating data as may be required to comply with the Rule; and (b)

the updated information discussed in clause (a) above will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide audited financial statements when and if such audited financial statements become available. Such filings, if not completed by the required time in clause (a) above, but if filed when available, will not be deemed to be a “late filing”. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX A to the Official Statement or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

The Issuer reserves the right to modify from time to time the specific types of information provided under clause (a) above or the format of the presentation of such information to reflect changed circumstances, provided that any such modification will be done in a manner consistent with the Rule.

2. The Issuer will provide in a timely manner, not in excess of ten (10) Business Days, after the occurrence of an event listed in this Section 2 to the MSRB through EMMA (in an electronic format as prescribed by the MSRB) notice of the occurrence of any of the following events with respect to the Bonds.

(a) Certain events whether material or not material:

- (1) Principal and interest payment delinquencies;
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (4) Substitution of credit or liquidity providers, or their failure to perform;
- (5) Adverse tax opinions or events affecting the tax-exempt status of the Bonds, the issuance by the Internal Revenue Service of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (6) Tender offers;
- (7) Defeasances;
- (8) Rating changes;
- (9) Bankruptcy, insolvency, receivership or similar event of the Issuer (Note: For the purposes of the event identified in Section 1, the event is considered to occur when any of the following occur: The appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.);or
- (10) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation of the Issuer or obligated person, any of which reflect financial difficulties

(b) Certain events if material:

- (1) Non-payment related defaults;
- (2) Modifications to the rights of Holders of the Bonds;
- (3) Bond calls;
- (4) The release, substitution, or sale of property securing repayment of the Bonds;
- (5) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business,

- the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
- (6) Appointment of a successor or additional trustee or the change of name of a trustee; and
 - (7) Incurrence of a Financial Obligation of the Issuer or obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or obligated person, any of which affect security Holders, if material.

The Issuer from time to time may choose to provide notice of the occurrence of certain other events, in addition to those listed above, but the Issuer does not undertake to commit to provide any such notice of the occurrence of any material event except those listed above.

- 3. The Issuer will provide in a timely manner to the MSRB notice of a failure to satisfy the requirements of Section 1 herein.
- 4. The intent of the Issuer's undertaking in this Agreement is to provide on a continuing basis the information described in the Rule. The provisions of the Agreement may be amended by the Issuer without the consent of, or notice to, any Beneficial Owners of the Bonds, (a) to comply with or conform to the provisions of the Rule or any amendments thereto or authoritative interpretations thereof by the Securities and Exchange Commission ("SEC") or its staff (whether required or optional), (b) to add a Dissemination Agent for the information required to be provided by such undertakings and to make any necessary or desirable provisions with respect thereto, (c) to add to the covenants of the Issuer for the benefit of the Beneficial Owners of the Bonds, (d) to modify the contents, presentation and format of the Annual Financial Information from time to time as a result of a change in circumstances that arises from a change in legal requirements, or (e) to otherwise modify the undertakings in a manner consistent with the requirements of the Rule concerning continuing disclosure; provided, however, that in the case of any amendment pursuant to clause (d) or (e), (i) the undertaking, would have complied with the requirements of the Rule at the time of the offering of the Bonds, after taking into account any amendments or authoritative interpretations of the Rule, as well as any change in circumstances, and (ii) the amendment does not materially impair the interests of the Beneficial Owners of the Bonds, as determined either by a party unaffiliated with the Issuer (such as bond counsel), or by the vote or consent of Beneficial Owners of a majority in outstanding principal amount of the Bonds affected thereby at or prior to the time of such amendment.

Furthermore, the Issuer's obligations under this Agreement shall terminate upon the legal defeasance, prior redemption or payment of in full of all of the Bonds or to the extent that the Rule, as in effect from time to time, no longer requires the issuers of municipal securities to provide all or any portion of the information the Issuer has agreed to provide pursuant to the Agreement, the obligation of the Issuer to provide such information also shall cease immediately.

- 5. The purpose of the Issuer's undertaking is to conform to the requirements of the Rule and, except for creating the right on the part of the Beneficial Owners of the Bonds, from time to time, to specifically enforce the Issuer's obligations hereunder, not to create new contractual or other rights for any Beneficial Owner of the Bonds, any municipal securities broker or dealer, any potential purchaser of the Bonds, the SEC or any other person. The sole remedy in the event of any actual or alleged failure by the Issuer to comply with any provision herein shall be an action for the specific performance of the Issuer's obligations hereunder and not for money damages in any amount. Any failure by the Issuer to comply with any provision of this undertaking shall not constitute an event of default with respect to the Bonds.
- 6. Except as disclosed in its Official Statement, the Issuer has never failed to comply in all material respects with any previous undertakings to provide Annual Financial Information or notices of material events in accordance with the Rule.

- 7 The Issuer's Treasurer, or such official's designee from time to time, shall be the contact person on behalf of the Issuer from whom the foregoing information, data and notices may be obtained. The name, address and telephone number of the initial contact person is: Ryan Pinheiro, Treasurer, City of Saco, 300 Main, Saco, ME 04072; Telephone: (207) 283-3303.

CITY OF SACO, MAINE

Dated: _____, 20__

By: _____

Its: _____