



MOORS & CABOT
INVESTMENTS
Banking & Advisory Group

October 8, 2026

**ERRATA AND CORRECTIONS TO
PRELIMINARY OFFICIAL STATEMENT, DATED
OCTOBER 5, 2026**

**TOWN OF ORONO, MAINE
\$10,250,000
2026 GENERAL OBLIGATION BONDS**

**Please replace pages 13, 24, 25 and 33 with the attached
addenda.**

<u>FYE June 30,</u>	<u>Date of EMMA Filing</u>	<u>Days Following the FYE</u>
2025	May 4, 2026	308
2024	May 12, 2025	316
2023	February 18, 2025	599
2022	January 11, 2023	195
2021	March 16, 2022	259

Senior level and operating staff transitions over the last few years resulted in unforeseen delays or training gaps in various aspects of Town office operations, leading to the above-listed late filings under its CDA dated October 29, 2024. This situation has since been rectified. The Town has since received guidance and training to ensure that it will meet its annual filing obligations, on an on-going basis, in the future. The Town intends to satisfy its fiscal year ended June 30, 2025 and June 30, 2026 Operating Data filing obligation by submission of the Preliminary Official Statement for this financing prior to the sale date.

The Town Council adopted a ~~Financial and Fiscal Policy September 5, 2018, that incorporated a~~ Post Issuance ~~Reporting and Compliance Policy on October 19, 2020 (Order #20-177).~~ The policy ~~designates a Compliance Officer and sets forth outlines procedures to monitor the Town's compliance with post-issuance requirements applicable to its tax-exempt obligations, and provides guidelines and responsibilities.~~ The policy recognizes that as an issuer of tax-exempt bonds, the Town is required by the Code, and various regulations promulgated under the Treasury Regulations, to take certain actions subsequent to the issuance of such bonds to ensure the continuing tax-exempt status of bonds. ~~The Town recognizes that compliance with applicable provisions of the Code and Treasury Regulations is an on-going process, necessary during the entire term of the obligation(s), and is an integral component of the Town's overall debt management.~~ In addition to its post-issuance compliance requirements ~~under the policy also addresses,~~ the Town's ~~has agreed to provide~~ Continuing Disclosure ~~undertakings under , such as annual financial information and material event notices obligated by~~ the Rule.

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 Town provided, however, that the Town 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 MSRB and has acted as Municipal Advisor to the Town 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

CAPITAL IMPROVEMENT PLAN

Section 1.1.8.J of the Town's Charter provides that the Town will have a Capital Improvement Program ("CIP"). The Town Manager is directed by the Charter to prepare and submit a capital program at least three months prior to the final date for 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 Town Council who adopt the program, as amended if necessary, following a public hearing.

The Capital Improvement Program includes an inventory of possible capital projects, some of which may ultimately be financed through the issuance of indebtedness. The issuance of debt, however, is subject to the prior review and approval of the Town Council. A complete version of the Town's CIP for FY2027 is on the Town's website at <https://www.orono.org/DocumentCenter/View/13205/Final-Orono-Capital-Improvement-Plan-2026?bidId=>

REPEAL OF PRIOR ADOPTION OF FINANCIAL POLICIES

On ~~September 5, 2018~~ June 12, 2006, the Town Council adopted its *Financial and Fiscal Policy Policies* (Order # 06-118), as amended on January 8, 2018 (Order #18-14). The *Financial Policies* follow Government Finance Officers Association recommendations that, at a minimum, financial policies be developed by professional staff and formally adopted by the jurisdiction's governing board as well as the governing boards of component units. ~~This policy incorporated (and repealed as separate policies) its Debt Management Policy, adopted on March 21, 2012; its Investment Policy, adopted on March 21, 2012; its Fund Balance Policy, adopted on September 17, 1997, amended on January 20, 2010; and replaced a policy adopted by the Council on November 2, 2016; and its Capital Planning Policy, adopted on September 9, 2016.~~ In addition to the above *Financial Policies*, and the *Post Issuance Compliance Policy* discussed above, the Town Council has also adopted an *Investment Policy and Guidelines* and a *General Fund, Fund Balance Policy* (adopted August 10, 2026; Order #26-176). The stated purpose of the *Financial Policies* is to frame major policy initiatives, to be summarized in the budget process, in the following areas: Revenue Policy, Expenditure Policy, New Program Request, Capital Expenditures, Contingency, Reserve Policy, Debt Limitation Policy, and Cash Management Policy. One section of the *Financial Policies (Use of Undesignated Fund Balance Monies Policy)*, has been superseded by the subsequently adopted *General Fund, Fund Balance Policy*.

INVESTMENT POLICY

The Town Council adopted an *Investment Policy and Guidelines* ~~In Section II of the Financial and Fiscal Policy, the Town established a formal Investment Policy~~ on September 12, 2016 (Order #16-151) subsequently revised on July 9, 2018 (Order #18-127). Pursuant to ~~its Investment Policy~~ the policy, and Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes, as amended (the "Act"), all investments of the Town 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 its policy, the Town'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 Town is invested principally in direct obligations of the United States government and its agencies. The Town 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

The Town Council adopted a *General Fund, Fund Balance Policy* on August 10, 2026, the (Order # 26-176). The purpose of the policy is to institute a target and minimum level of unassigned fund balance for, and applies solely to, the Town’s General Fund. The policy outlines a process for maintaining, evaluating, and reporting fund balance levels, and provides guidance on the use of excess funds. The policy establishes an Unassigned Fund Balance in the General Fund at a target level of 16.67% of General Fund revenues (“GAAP” basis). A minimum threshold of 12% is established to ensure fiscal stability but if the Unassigned Fund Balance falls below 12%, the Town will develop a plan to restore it to at least the target level within three (3) years. Amounts exceeding the 16.67% target may be used for capital improvements or one-time expenditures, as recommended by the Town Manager and approved by the Town Council. ~~In Section III of the *Financial and Fiscal Policy*, the Town established a formal *Fund Balance Policy*. The purpose of the Policy is to identify the minimum and maximum ranges of Undesignated Fund Balance monies, and to identify potential uses of the funds. In the policy, the “Town aspires to reach an Unassigned Fund Balance of 16.67% (two months or 1/6) of the prior year’s Operating Budget.”~~

~~Pursuant to the Policy, until the Town maintains an Undesignated Fund Balance equal to 10% of total annual Operating Budget consideration should be given to raise the minimum level of Unassigned Fund Balance until the aspirational goal is met. Once the Town achieves an Unassigned Fund Balance greater than 12%, but less than 16.67% of the Town’s Operating Budget, any excess above 12% may be assigned according to the policy. Once the Town achieves an Unassigned Fund Balance greater than 16.67% of the Town’s Operating Budget, any excess above 16.67% would be assigned according to the policy. In the event that the balance drops below the established minimum level, the Town Council will develop a plan to replenish the fund balance to the established minimum level within two years.~~

	Fiscal Year Ended June 30,				
	2021	2022	2023	2024	2025
	Audited				
Unassigned General Fund Balance	\$2,028,471	\$1,848,282	\$5,214,618	\$5,973,604	\$4,657,675
Total Operating Budget	21,588,909	20,952,153	21,588,909	22,127,863	25,215,042
Fund Bal as % Oper. Budget	9.40%	8.82%	24.15%	27.00%	18.47%
Unassigned General Fund Balance	\$2,028,471	\$1,848,282	\$5,214,618	\$5,973,604	\$4,657,675
Total Revenues (Current Year)	17,289,302	17,450,068	21,315,193	22,657,210	24,884,885
Fund Bal as % Revenues	11.73%	10.59%	24.46%	26.37%	18.72%

FINANCIAL STATEMENTS

Title 30-A, Chapter 223, Subchapter VIII of the Maine Revised Statutes, as amended, and Section 1.1.2(M) of the Town’s Charter provide for independent annual audits of the Town’s accounts and establishes procedures for such audits. The Town, in conformance with this statute and its Charter currently engages the services of Runyon Kersteen Ouellette, Certified Public Accountants (“RKO”) for this review. The Town’s fiscal year 2025 Annual Financial Report, audited by RKO, is presented as APPENDIX A to this Official Statement. The Town has not requested the consent of RKO for the incorporation of the Financial Statements included in APPENDIX A, nor has it been received.

FUNDS

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.”

Town Local Debt Limits

While the Town adheres to the provisions of Title 30-A, Section 5702 of the Maine Revised Statutes, as amended, relating to the limitations on debt issuance, (see “INDEBTEDNESS - LIMITATIONS AND EXCLUSIONS - Statutory Debt Limits”, herein), Section H of the *Financial Policies* discussed above establishes a separate, local *Debt Limitation Policy*. ~~In accordance with Town Council Order No. 12-37, dated March 21, 2012, the Town of Orono~~ The policy restricts that the Town cannot exceed 15% of its last equalized State Valuation and the Town cannot exceed 7.5% of its last equalized State Valuation for all debt issued including Town, School, and WPCF. ~~shall not incur debt, which would cause its total debt outstanding at any time to exceed the below listed percentage of the Town’s last equalized State Valuation:~~

<u>Purpose</u>	<u>% _____ equalized State Valuation</u>
School	5.0%
Storm or Sanitary	4.0%
Airport, Water, Special Districts	1.5%
Other	4.0%
Total Debt	8.5%

The Town’s 2026 equalized state valuation (“equalized State Valuation”) is \$865,400,000. The ~~87.5%~~ total (local) debt limit is ~~\$73,559~~**64,905**,000. As of June 30, 2025 the Town’s long-term debt outstanding was \$14,946,130, or 1.73% of the 2026 equalized State Valuation.

The Town will certify on the date of issue of the Bonds that the Town has not exceeded the foregoing debt limits and that issuance of the Bonds will not cause the Town to exceed such debt limits.

DEBT SUMMARY

<u>Issue Date</u>	<u>Fund⁽¹⁾</u>	<u>Amount Issued</u>	<u>Final Maturity</u>	<u>Balance on 6/30/2025 (Audited)</u>	<u>Paid 6/30/2026 (Projected)</u>	<u>Balance on 6/30/2027 (Projected)</u>
10/30/2008	GF	\$500,000	11/1/2028	\$100,000	\$75,000	\$50,000
10/29/2020	GF	4,120,000	8/1/2043	3,485,000	3,265,000	3,045,000
10/29/2020	GF	5,485,000	11/1/2038	5,145,000	4,790,000	4,425,000
10/29/2020	EF	5,730,000	11/1/2038	5,370,000	4,995,000	4,595,000
4/23/2024	EF	890,663	10/1/2043	<u>846,130</u>	<u>801,597</u>	<u>757,064</u>
Subtotal				14,946,130	13,926,597	12,872,064
10/29/2026	GF	2,600,000 ⁽²⁾	10/15/2056			2,600,000
10/29/2026	GF	1,650,000 ⁽²⁾	10/15/2056			1,650,000
10/29/2026	EF	6,000,000 ⁽²⁾	10/15/2046			<u>6,000,000</u>
Total				\$14,946,130	\$13,926,597	\$23,122,064

NOTE: ⁽¹⁾ “GF” indicates General Fund. “EF” indicates Enterprise Fund.

⁽²⁾ Portion of 2026 Bonds, preliminary, subject to change.

DEBT SERVICE COMPONENT OF OPERATING EXPENDITURES

	<u>Audited</u>				
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Total Current Year Debt Service:	\$4,874,328	\$850,170	\$921,547	\$907,821	\$911,142