


MOORS & CABOT
INVESTMENTS

Banking & Advisory Group
**Moody's:
S&P:**

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 D" herein.

**MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
(CUMBERLAND & NORTH YARMOUTH, MAINE)**

\$53,490,000^(*)

2026 GENERAL OBLIGATION BONDS

Dated: Date of Delivery
Due: November 15, as shown below

<u>Year of Maturity</u>	<u>Amount^(*)</u>	<u>Interest Rate</u>	<u>Yield or Price</u>	<u>Year of Maturity</u>	<u>Amount^(*)</u>	<u>Interest Rate</u>	<u>Yield or Price</u>
2028	\$1,985,000			2042	\$1,980,000		
2029	1,985,000			2043	1,980,000		
2030	1,985,000			2044	1,980,000		
2031	1,985,000			2045	1,980,000		
2032	1,985,000			2046	1,980,000		
2033	1,985,000			2047	1,980,000		
2034	1,980,000			2048	1,980,000		
2035	1,980,000			2049	1,980,000		
2036	1,980,000			2050	1,980,000		
2037	1,980,000			2051	1,980,000		
2038	1,980,000			2052	1,980,000		
2039	1,980,000			2053	1,980,000		
2040	1,980,000			2054	1,980,000		
2041	1,980,000						

The 2026 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 15, 2027 and semi-annually on each November 15 and May 15 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 Maine School Administrative District No. 51 (the "District" or "MSAD 51") 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 MSAD 51 (which territory includes the towns of Cumberland, Maine and North Yarmouth, Maine (the "Member Municipalities") and taxable by it, except to the extent that a Member Municipality 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 a Member Municipality 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. Both Member Municipalities have 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, a municipality has the right to designate additional development districts pursuant to Title 30-A, Chapter 206 of the Maine Revised Statutes, as amended. Officials of the Member Municipalities will certify that no agreements under Chapter 223, Subchapter 5 of the Maine Revised Statutes now exist. The opinion will indicate that the enforceability of the obligations of the Issuer, 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.

The Bonds maturing on and before November 15, 2036 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on and after November 15, 2037 are subject to optional redemption prior to their stated dates of maturity, at the option of the District, on and after November 15, 2036 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 District. It is expected that the Bonds in definitive form will be available for delivery to DTC on or about November 19, 2026.

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

No dealer, broker, salesman or other person has been authorized by the District 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 District 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 District. 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 District 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 District and are included solely for the convenience of the holders of the Bonds. Neither the District 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 District 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.

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**CERTIFICATE
CONCERNING OFFICIAL STATEMENT**

The information contained herein has been prepared by Maine School Administrative District No. 51 (“MSAD 51”) with the assistance of Moors & Cabot, Inc., its Municipal Advisor, from MSAD 51’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 or 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 MSAD 51 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 MSAD 51 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 MSAD 51 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 issuer 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.

Jeffrey J. Porter
Treasurer
Maine School Administrative District No. 51

OFFICIAL STATEMENT
MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
(CUMBERLAND & NORTH YARMOUTH, MAINE)
\$53,490,000^(*)
2026 GENERAL OBLIGATION BONDS

This Official Statement is provided for the purpose of presenting certain information relating to the sale of the above-referenced Maine School Administrative District No. 51, 2026 Series Bonds (the “Bonds”).

THE DISTRICT

Maine School Administrative District No. 51 (the “District” or “MSAD 51”) received its Certificate of Organization dated January 26, 1966 (the “Original District”). As a result of the State of Maine school consolidation legislation, Chapter 240 of the Public Law of 2007, as subsequently amended (the “School Consolidation Act”), the Original District became a regional school unit (an “RSU”) (See “REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS IN MAINE INTO REGIONAL SCHOOL UNITS”) and received a revised Certificate of Organization dated June 19, 2009, even though the District had not merged with other districts or municipalities into a larger school administrative unit. Pursuant to Chapter 240 of the Public Law of 2007, the District is subject to Title 20-A, Chapter 103-A of the Maine Revised Statutes and other public laws relating to public education and applicable to RSUs, but remains the same legal entity and may keep and continue to use the name Maine School Administrative District No. 51, for official purposes, including for all contracts and debt instruments, including the Notes. See “REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS IN MAINE INTO REGIONAL SCHOOL UNITS” and “MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51” herein.

THE BONDS

DESCRIPTION OF THE BONDS

The Bonds will mature as follows:

<u>Amount^(*)</u>	<u>November 15,</u>	<u>CUSIP</u>	<u>Amount^(*)</u>	<u>November 15,</u>	<u>CUSIP</u>
\$1,985,000	2028	807688KX3	\$1,980,000	2042	807688LM6
1,985,000	2029	807688KY1	1,980,000	2043	807688LN4
1,985,000	2030	807688KZ8	1,980,000	2044	807688LP9
1,985,000	2031	807688LA2	1,980,000	2045	807688LQ7
1,985,000	2032	807688LB0	1,980,000	2046	807688LR5
1,985,000	2033	807688LC8	1,980,000	2047	807688LS3
1,980,000	2034	807688LD6	1,980,000	2048	807688LT1
1,980,000	2035	807688LE4	1,980,000	2049	807688LU8
1,980,000	2036	807688LF1	1,980,000	2050	807688LV6
1,980,000	2037	807688LG9	1,980,000	2051	807688LW4
1,980,000	2038	807688LH7	1,980,000	2052	807688LX2
1,980,000	2039	807688LJ3	1,980,000	2053	807688LY0
1,980,000	2040	807688LK0	1,980,000	2054	807688LZ7
1,980,000	2041	807688LL8			

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

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 15, 2027, and semi-annually thereafter on November 15 or May 15 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 November 19, 2026.

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 District 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 15, 2036 are not subject to optional redemption prior to their stated dates of maturity. Bonds maturing on or after November 15, 2037 are subject to redemption prior to their stated dates of maturity, at the option of the District, on and after November 15, 2036, as a whole or in part at any time, in such order of maturity as the District, 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.

GENERAL PROVISIONS REGARDING REDEMPTION OF THE BONDS

Notice of Optional Redemption

In the case of every Optional Redemption of the Bonds, the District shall cause notice of such Optional Redemption to be given to the registered owner of any Bonds designated for Optional Redemption in whole or in part, at such address as shall appear upon the registration books kept by the Paying Agent by mailing a copy of the Optional Redemption notice by first class mail not less than thirty (30) days prior to the Optional 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 District to give notice to a Bondholder or any defect in such notice shall not affect the validity of the Optional Redemption of any Bond of any other owner.

Each notice of Optional Redemption shall specify the date fixed for Optional 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 Optional 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 Optional 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 District 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 District, a Participant or otherwise) to notify the Beneficial Owner so affected, shall not affect the validity of the Optional 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 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), the Bonds to be redeemed shall not be deemed to be outstanding.

Cancellation

All Bonds that 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 District or returned to the District 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 MSAD 51 by lot or in such other manner, as MSAD 51 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 1st 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 AND THE PROJECT

Maine regional school units ("RSUs") are authorized to issue notes or bonds for school construction and other purposes under and pursuant to the laws of the State of Maine, including Sections 1490 and 1501 and Chapter 609 of Title 20-A of the Maine Revised Statutes.

At its meeting held on March 18, 2024, the District School Board (as defined herein) voted affirmatively to ask the District's voters to consider approving \$53,492,000, to provide funds to finance constructing and equipping a new pre-K-grade 1 primary school building, a maintenance building, and an addition to Mabel I. Wilson School on the District's Cumberland campus (collectively, the "Project"). On June 11, 2024, the voters of the District approved authorization of the issue of bonds or notes, in an amount not to exceed \$53,492,000, to provide funds to finance the Project. The Project also includes a new artificial turf athletic field, vehicular circulation improvements, and other improvements to and reconfiguration of the Mabel I. Wilson School; and to acquire and convey such easements and other real estate interests as the school board deem necessary for the Project (also sometimes collectively referred to as the "One Campus Project").

The expenses for the construction and equipping of the Project will be a *non-State financed major capital school construction project* and debt service on any bonds issued by the District to finance the Project *will not* be included in the District’s total debt service allocation for the purpose of calculating the District’s total cost of education or the State contribution thereto. The District will be responsible for the entire debt service on any debt issued by the District for the Project.

On January 30, 2025, the District issued notes, that matured on December 30, 2025, in the amount of \$16,000,000 to provide initial funds to finance the Project (the “2025 Series A Notes”). On December 29, 2025, the District issued notes, that will mature on December 15, 2026, in the amount of \$53,490,000, (the “2025 Series B Notes”) to provide funds to refund the 2025 Series A Notes, on a current basis, and to provide additional funds to finance the Project. The District intends to refund the 2025 Series B Notes, on a current basis, with a portion of the proceeds of the Bonds. See “THE BONDS – PLAN OF FINANCING” herein.

One Campus Project

Current school buildings on the Greely campus do not have enough capacity for all enrollees, and many students are being instructed in 29 modular classrooms. In addition to a new pre-K-grade 1 primary school building and turf field, the Project includes the addition of four classrooms at Mabel I. Wilson School, along with other renovations there, a new maintenance facility, the addition of new athletic and play spaces, and an investment in traffic and parking design. The District also relies on three on-site fields for athletics, but must frequently have practices elsewhere because of capacity constraints and the impact of bad weather on grass fields. MSAD 51 leadership has developed the “One Campus School Project” as a solution to these problems for any needed future expansion.



Proposed One Campus Footprint



Aerial View of the Campus

PLAN OF FINANCING

		<u>Month</u>	<u>Amount</u>	<u>Cumulative</u>	<u>New</u>	<u>Refd'g</u>	<u>Total</u>
FY 2023/2024		Jan-24	37,400	37,400			
		Feb-24	98,500	135,900			
		Mar-24	99,000	234,900			
		Apr-24	104,800	339,700			
		May-24	67,900	407,600			
	Referendum	Jun-24	67,400	475,000			
FY 2024/2025		Jul-24	732,500	1,207,500			
		Aug-24	285,500	1,493,000			
		Sep-24	288,500	1,781,500			
		Oct-24	137,000	1,918,500			
		Nov-24	201,000	2,119,500			
	BAN	Dec-24	259,000	2,378,500			
	(sell Jan 15 close Jan 30)	Jan-25	264,750	2,643,250	16,000,000		16,000,000
		Feb-25	264,500	2,907,750			
		Mar-25	259,750	3,167,500			
		Apr-25	135,000	3,302,500			
FY 2025/2026		May-25	82,000	3,384,500			
		Jun-25	91,750	3,476,250			
		Jul-25	939,890	4,416,140			
		Aug-25	1,453,360	5,869,500			
		Sep-25	1,797,330	7,666,830			
		Oct-25	1,604,580	9,271,410			
		Nov-25	1,926,050	11,197,460			
	BAN	Dec-25	2,209,020	13,406,480	37,492,000	16,000,000	53,490,000
	(sell Dec 11 close Dec 23)	Jan-26	2,454,490	15,860,970			
		Feb-26	2,805,710	18,666,680			
FY 2026/2027		Mar-26	3,498,150	22,164,830			
		Apr-26	3,572,650	25,737,480			
		May-26	3,562,210	29,299,690			
		Jun-26	5,202,710	34,502,400			
		Jul-26	5,371,490	39,873,890			
		Aug-26	5,057,770	44,931,660			
		Sep-26	3,292,830	48,224,490			
		Oct-26	2,314,110	50,538,600			
	Bonds	Nov-26	1,819,110	52,357,710			53,492,000
	(sell Nov 17 close Dec 15)	Dec-26	1,134,290	53,492,000			
			53,492,000				

SOURCE OF PAYMENT AND REMEDIES

General Obligation Pledge; Local Assessments

Bonds or Notes are general obligations of MSAD 51 and their payment is not limited to a particular fund or revenue source. MSAD 51 comprises the towns of Cumberland and North Yarmouth (the "Member Municipalities"). Each Member Municipalities' contribution to the annual school budget, which includes MSAD 51's annual debt service obligation, is determined in accordance with the cost sharing formula approved by the voters of the Member Municipalities.

The School Board issues warrants to the assessor of each Member Municipality requiring the assessor to assess upon the taxable estates of the respective Member Municipality an amount equal to each Member Municipality's contribution the District's budget. The assessor of each Member Municipality is required to commit the assessment of the District to that Member Municipality's tax collectors, who have all the same authority to collect the District's taxes as they do to collect State of Maine, county, and municipal taxes.

Ad valorem property taxes may be levied without limit as to rate or amount upon all the taxable property within the territorial limits of each Member Municipality to pay principal of and interest on the Bonds, except to any extent that a Member Municipality 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 a Member Municipality establishes or has established municipal 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, the captured tax increment of which may not be available for payment of debt service on the Bonds. Each Member Municipality 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 development projects described in the development programs adopted with respect to the districts. Within the limits established by statute, towns have the right to designate additional development districts pursuant to Chapter 206 of Title 30-A and former (now repealed) Chapter 207 of the Maine Revised Statutes. There is no statutory provision for a lien on any portion of the tax levy to secure the Bonds, or judgments thereon, in priority to other claims. The District is, however, subject to suit on the Bonds.

Pursuant to Title 20-A, Section 1490(5) of the Maine Revised Statutes, the District is a quasi-municipal corporation within the meaning of Title 30-A, Section 5701 of the Maine Revised Statutes. Section 5701 provides that the personal property of the residents and the real estate within the boundaries of a quasi-municipal corporation may be taken to pay any debt due from the body corporate. However, there has been no judicial determination of whether this remedy is constitutional under current due process and equal protection standards. Further, Title 20-A, Section 1489(6) of the Maine Revised Statutes, provides that if the treasurer of a Member Municipality fails to pay an assessment when due, the District's Treasurer, following notice and a 60-day cure period from the due date, may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the Member Municipality to the District and shall order the Member Municipality's Treasurer to pay all delinquent installments and accrued interest (along with court costs and reasonable attorney's fees). To ensure prompt payment of the delinquent installments, the court may require that amounts due to the Member Municipality from the State under Title 30-A, Section 5681 and Title 36, Sections 578 and 685 be paid to the District until the amount determined by the court is satisfied. The court shall promptly notify the disbursing State agency of the determination and direct the agency to make the required change in payee and the amounts to be paid.

If additional funds are needed to satisfy the amount determined by the court to be paid to the District, the court may order the attachment or trustee process and sale of real or personal property owned by the Member Municipality or the attachment of the Member Municipality's bank accounts or require property tax payments to the Member Municipality to be turned over to the court and may pay the amount owed the District from the proceeds and return any excess to the municipality.

The District's assessments of its Member Municipalities do not include amounts for expenses, including debt service, to the extent the expenses are expected to be paid from budgeted revenues other than revenues from the assessment of taxes. 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 notes 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 school administrative units (“SAUs”), of which the District is one, 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 of Education (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.

In April 2026, LD 2226 was signed into law which introduced two changes to the EPS funding formula. The first change is a regional adjustment based in the regional differences in the cost of living as computed by a statewide education policy research institute using a nationwide index or combination of nationwide indices. The second change adjusts a municipality’s expected contribution based on its ability to pay by incorporating a 10% poverty measure. The poverty measure is determined by the percentage of economically disadvantaged students, as calculated in Section 15688 of Title 20-A. These changes take effect in fiscal year 2027-2028. For any SAU projected to see a reduction in state subsidy, a three-year phase-in is built into the law (beginning in fiscal year 2027-2028 through 2032-2033) so that state subsidies are not reduced by more than a certain percentage in a given year.

The legislative body of an SAU, such as MSAD 51, may approve an additional local appropriation that exceeds the SAU’s local allocation for EPS costs 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. For SAUs whose legislative bodies are budget meetings conducted as a New England-style open meeting of voters, the additional local appropriation is accomplished by a secret ballot, simple majority vote. 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.

The legislative body for MSAD 51 comprises the voters of the Member Municipalities. The legislative body initially approves the annual school budget, including additional local appropriations, at an open New England-style budget meeting. The budget approved at the budget meeting is then subject to ratification by the legislative body at a secret ballot referendum. See “REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS INTO REGIONAL SCHOOL UNITS - REGIONAL SCHOOL UNITS – Budgets and Assessments,” 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. In any case, however, debt service on the Bonds is not included in EPS costs as State approved debt service for subsidy purposes.

Recent Years’ State General Purpose Aid to Local Schools

The State set targets that include EPS costs *plus* the State contribution to teacher retirement, retired teacher health insurance, and retired teacher life insurance. 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). Transferring 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.

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 District 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 District will make certain representations with respect to the use of the proceeds of the Bonds and the Project 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 District’s representations made with respect to the use of the proceeds of the Bonds and the Project and the District’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. See “PROPOSED FORM OF LEGAL OPINION” in APPENDIX D herein.

Designated as Qualified Tax-Exempt Obligations

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

Original Issue Discount

Pursuant to Title 20-A, Section 1490(2)(A) of the Maine Revised Statutes, the District may not sell the Bonds for less than par.

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 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 D) 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, such interest will be taken into account included 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 issuer 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 issuer 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 issuer 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 issuer 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 issuer 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 District 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 District believes to be reliable, but the District 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 District 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 E and referred to under “THE BONDS – CONTINUING DISCLOSURE” herein, the District 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 District 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 E. The Agreement will be executed by the Treasurer of the District. Except as discussed below, in the past five years the District has complied with the Rule in all material respects with financial information or notices of material events. The following is a list of recent filings by the District:

Financial Statements		Days After Fiscal
<u>FY ended June 30,</u>	<u>Filing Date</u>	<u>Period End</u>
2025	June 30, 2026	>270
2024	August 26, 2025	>270
2023	March 27, 2024	271
2022	August 7, 2023	> 270
2021	March 29, 2022	272

Filing and Event Disclosure

The District’s CDA, dated August 1, 2018, obligated the District to “... provide to the MSRB: (a) not later than *March 31* following the end of each fiscal year (the “Original Filing”) until it was amended, on December 29, 2025, to “... not later than *270 days* following ...” Following the District’s fiscal year ended June 30, 2014, the District includes Operating Data as a Section of its financial statements to assure that annual operating data is also filed. (See APPENDIX A – FINANCIAL REPORT, JUNE 30, 2025 – Schedule 22, page 65 *et seq.*)

- The Filings for the fiscal periods ended June 30, 2021 and 2023 were filed on a timely basis.
- The Filing for the fiscal period ended June 30, 2022 was posted on EMMA on August 7, 2023 along with an *Event Filing – Late Filing* failure also posted on August 7, 2023; and
- The Filing for the fiscal period ended June 30, 2024 was posted on EMMA on August 26, 2024 along with an *Event Filing – Late Filing* failure, posted on December 2, 2025.
- The Filing for the fiscal period ended June 30, 2025 was posted on EMMA on June 30, 2026 along with an *Event Filing – Late Filing* failure, posted on October 17, 2026.

Assurances of Future Compliance

The District adopted a Post-Issuance Compliance Policy on July 24, 2017 that, among other things, provides for timely filings with EMMA or its successor repository, if any, with respect to its existing and future continuing disclosure undertakings. In addition, the District 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 District provided, however, that the District 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 District 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 D 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 D herein.

No Litigation

Upon delivery of the Bonds, the District 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 District 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 District, nor the title of any of said officers to their respective offices, is being contested.

REORGANIZATION OF SCHOOL ADMINISTRATIVE UNITS INTO REGIONAL SCHOOL UNITS

THE SCHOOL CONSOLIDATION ACT

The School Consolidation Act was enacted in 2007 with the goal of reorganizing and consolidating certain existing SAUs into RSUs, (including the District as Regional School Unit No. 51 d/b/a School Administrative Unit No. 51 and is included in this section as an “RSU”). The law sets forth State policy to provide for certain existing SAUs to be reorganized into regional, State approved, units of school administration in order to provide: equitable educational opportunities, rigorous academic programs, uniformity in delivering programs, a greater uniformity in tax rates, more efficient and effective use of limited resources, preservation of school choice and maximum opportunity to deliver services in an efficient manner. All SAUs were directed to work with other units to reorganize into larger, more efficient units, or where expansion of the SAU would be impractical or inconsistent with state policy, reorganize their own administrative structures to reduce costs and to achieve administrative efficiencies.

Subject to certain exceptions, existing SAUs were directed to form regional school units of at least 2,500 resident students, or 1,200 resident students in certain situations where geography, demographics, population density, transportation challenges and other obstacles make 2,500 impractical. SAUs that were exempt from the requirement were, nonetheless, required to submit a plan to achieve efficiencies.

The School Consolidation Act also provided for any Maine school administrative district (“SAD”) that had not merged with other SAUs into an RSU by January 30, 2009 to be recreated as an RSU under Title 20-A, Chapter 103-A, effective July 1, 2009, without dissolving the SAD. The School Consolidation Act further provided for such “recreated” RSUs to be subject to all public laws relating to public education and applicable to RSUs, and to remain the same legal entity, but to be permitted to keep and continue to use the same name, including the term “School Administrative District,” for official purposes, including all contracts and debt instruments.

REGIONAL SCHOOL UNITS

Organization

An RSU is organized under and governed by Chapter 103-A (Sections 1451 – 1512) of Title 20-A of the Maine Revised Statutes. Pursuant to Chapter 103-A, Section 1490(5) of Title 20-A of the Maine Revised Statutes, an RSU is a body politic and corporate of the State and is a quasi-municipal corporation within the meaning of Title 30-A, Section 5701 of the Maine Revised Statutes.

Operation

Pursuant to Title 20-A, Section 1471 of the Maine Revised Statutes, an RSU is governed by a school board. The school board elects and hires the Superintendent, who serves as its Secretary and Treasurer.

Budget and Assessments

The RSU budget preparation and approval process are conducted pursuant to Title 20-A, Sections 1482 - 1489 of the Maine Revised Statutes. The RSU budget is prepared by the school board and then must be approved at New England town meeting-style budget meeting, followed by voter approval at a budget validation referendum. The budget validation referendum must be held on or before the 45th calendar day following the scheduled date of the RSU budget meeting. If the voters do not validate the budget at the budget validation referendum, the school board must hold another budget meeting to approve a new budget

at least 10 days and not more than 45 days after the referendum. The new budget approved at the budget meeting must again be submitted to the voters for validation at referendum. The process must be repeated until a budget is approved at a district budget meeting and validated at referendum. The voters of an RSU may vote to discontinue the budget validation referendum process, in which case the RSU budget is finally approved at an RSU budget meeting.

Pursuant to Title 20-A, Section 1487 of the Maine Revised Statutes, if a budget is not approved prior to July 1st, the latest budget approved at an RSU budget meeting and submitted for approval at a budget validation referendum is automatically considered the budget for operational expenses for the ensuing year until a final budget is approved. If a budget is not approved by July 1st and the officers of an RSU member municipality determine that property taxes must be committed in a timely manner, such property taxes may be committed based on the latest budget approved at an RSU budget meeting and submitted for approval at a budget validation referendum.

In accordance with the approved budget, the RSU's school board issues warrants to the assessors of each member municipality for its share of the RSU's costs. The assessors commit the assessment to the respective tax collectors, who have the authority and powers to collect the RSU's taxes as is vested in them by law to collect state, county, and municipal taxes. The RSU's school board also notifies the member municipalities of the monthly installments that will become payable during the RSU's fiscal year, due on or before the 20th of each month.

In accordance with Title 20-A, Section 1489(6) of the Maine Revised Statutes, if a treasurer of one of the RSU's member municipalities fails to pay an assessment when due, the RSU treasurer, following notice and a 60-day cure period from the due date, may initiate an action in Superior Court to compel payment of the delinquent installment. The court shall determine the amount owed by the municipality to the RSU and order the municipal treasurer to pay all delinquent installments and accrued interest (along with court costs and reasonable attorney's fees). To ensure prompt payment of the delinquent installments, the court may require that amounts due to the municipality from the State be paid to the RSU until the amount determined by the court is satisfied, promptly notifying the disbursing state agency of the determination and directing the agency to make the required change in payee and the amounts to be paid; or if additional funds are needed the court may order the attachment or trustee process and sale of real or personal property owned by the municipality or the attachment of the municipality's bank accounts or require property tax payments to the municipality to be turned over to the court and may pay the amount owed the RSU from the proceeds and return any excess to the municipality.

Power to Borrow Money

Pursuant to Title 20-A, Section 1490 of the Maine Revised Statutes, an RSU school board may borrow money to pay for current operating expenses, minor capital costs, and, school construction costs. The aggregate principal amount of outstanding debt issued or assumed by an RSU for major and minor capital costs (i.e., school construction purposes and renovation, improvement, and repair purposes), shall not exceed 10% of the total of the last preceding State valuation of all of the municipalities within the RSU (plus, for State-subsidized school projects, an amount not to exceed 4% of the total RSU valuation set by the State Board of Education ("BOE") at the time of initial approval of a school construction project).

Additions to an RSU

An SAU not originally a member of an RSU may be included in the RSU by filing with the Commissioner a notice of intent to engage in planning and negotiations to join with the RSU. The Commissioner shall provide information regarding the process and whether the intended action complies with the requirements of Chapter 103-A of Title 20-A. An SAU may join an existing RSU generally in the same manner required

for the formation of the RSU. The municipal officers of each municipality in a proposed reorganized SAU shall submit the question to the voters of such SAU. If the SAU vote was in the affirmative, the existing RSU shall call an RSU referendum to vote on the question. If a reorganization plan is approved, the Commissioner shall file notice of approval of the unit with the BOE and the Commissioner shall issue an amended certificate of organization to the reorganized RSU.

Withdrawals from an RSU

A municipality may withdraw from the RSU pursuant to Title 20-A, Section 1466 of the Maine Revised Statutes. The process of a municipality's withdrawal from an RSU is initiated by a petition signed by at least 10% of the voters of the municipality that voted in the last gubernatorial election. After a public hearing, the municipality holds a referendum election on whether to file the withdrawal petition with the School Board and the Commissioner of Education. If the municipal vote in favor of the petition receives less than 45% of the votes cast, that municipality may not petition to withdraw within two years of the date of that vote.

If the voters approve the withdrawal petition, the municipal officers shall form a withdrawal committee, composed of one of the municipal officers, one member from the general public, one member from the group filing the petition, and one of the municipality's representatives on the school board.

The withdrawal committee must negotiate a withdrawal agreement with the RSU school board. The withdrawal agreement must contain provisions to address aspects of the withdrawal, including distribution of financial commitments arising from the RSU's outstanding bonds, notes, and other contractual obligations. The statute governing withdrawals expressly provides that the RSU "remains intact for the purpose of securing and retiring [outstanding] indebtedness" of the RSU.

The Commissioner then reviews the withdrawal agreement, and either gives it conditional approval or recommends changes. If changes are recommended, they must be made by the withdrawal committee within the time period specified by the commissioner.

After the withdrawal agreement receives conditional approval from the Commissioner, the RSU school board calls a public hearing to discuss the merits of the withdrawal agreement. Following the public hearing, the withdrawal committee forwards the final agreement back to the commissioner. The commissioner then schedules the date and time for the referendum to consider the withdrawal agreement.

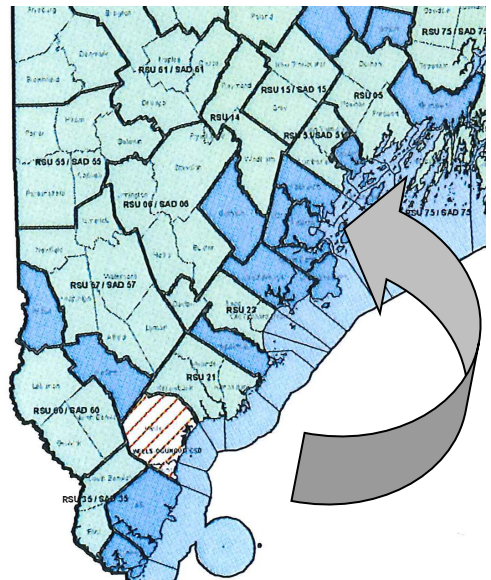
At the referendum, only the municipality proposing to withdraw may vote on whether to approve the withdrawal agreement. For a municipality to withdraw from an RSU formed pursuant to a reorganization plan approval of a withdrawal agreement requires a simple majority vote of the withdrawing municipality, however, the number of votes cast for and against the withdrawal must exceed 50% of the voters in the last gubernatorial election. In this type of RSU, if the municipal vote in favor of the withdrawal agreement receives less than 45% of the votes cast, that municipality may not petition to withdraw within two years of the date of that vote. For a municipality to withdraw from an RSU that was reformulated from a school administrative RSU pursuant to Public Law 2007, Chapter 240, Section XXXX-36(12), as amended, approval of the withdrawal agreement requires a 2/3 vote, but there is no minimum number that must vote. In this type of RSU, if the municipal vote in favor of the withdrawal agreement receives less than 60% of the votes cast, that municipality may not petition to withdraw within two years of the date of that vote.

Following the above procedures, upon withdrawal of a municipality from an RSU that is composed of a single municipality, the RSU is dissolved.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

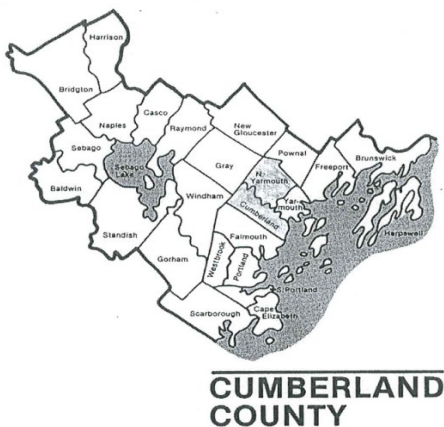
GENERAL

Maine School Administrative District No. 51 was originally organized and became operative on February 7, 1966. On June 19, 2009 the District received a new Certificate of Organization replacing, but not dissolving, the District as Regional School Unit No. 51 d/b/a School Administrative Unit No. 51. The District's territory (both the prior District and as reconstituted as an RSU) is comprised of the towns of Cumberland and North Yarmouth, Maine and serves the educational needs for grades pre-Kindergarten ("K") through 12 for all of the residents of these communities. The District's administrative offices are located in Cumberland Center. Under the School Consolidation Act, the District operates pursuant to Title 20-A, Chapter 103-A of the Maine Revised Statutes.



THE MEMBER MUNICIPALITIES

The Member Municipalities are located on the southern coast of the State of Maine in the northeastern section of the County of Cumberland, the State's most populous county. Cumberland is approximately 10 miles north of Portland, Maine; North Yarmouth is approximately 15 miles north of Portland; and the towns are contiguous. The Member Municipalities' territory is bordered by the towns of Pownal on North Yarmouth's northeast, Gray and Windham to the northwest of both Member Municipalities, Falmouth on Cumberland's south and Yarmouth northeast of Cumberland and southeast of North Yarmouth. The Atlantic Ocean forms Cumberland's southeastern border. The Royal River flows through the center of North Yarmouth. Access to the Towns is provided by Exit 10 of U.S. Interstate 295 in Falmouth, Exits 15 and 17 of U.S. Interstate 295 in Yarmouth, Exits 52 and 53, and Exit 63 of the Maine Turnpike (U.S. Interstate 95) in Falmouth and Gray, respectively. U.S. Route 1 and State Route 88 follow Cumberland's coastal plain, with State Routes 26 and 100 intersecting its southwestern corner. State Route 9 bisects the Towns from a north/south direction, spurring off State Routes 115 and 231 in North Yarmouth.



The area embracing the Towns was first settled in 1636 but was abandoned twice before successful final settlement in 1713. The Town of North Yarmouth, chartered on September 22, 1680, originally encompassed the present towns of Cumberland, Freeport, Harpswell, North Yarmouth, Pownal and Yarmouth. The "North" in the name was intended to differentiate it from the Town of Yarmouth, Massachusetts in Cape Cod. The Town of Harpswell set off and incorporated in 1750; the Town of Freeport set off in 1789; the Town of Pownal, then part of Freeport, set off in 1808; and Cumberland set off and incorporated on April 2, 1821, deriving its name from its County. On July 1, 2007, Great Chebeague Island and the "Outer Islands" (as defined herein) set off from the Town of Cumberland, forming Maine's newest

town, the Town of Chebeague Island. Settling originally on Casco Bay, by 1830 North Yarmouth's town center shifted upstream to the lower part of the Royal River. Yarmouth constituted the southern section of North Yarmouth until it separated and incorporated as the Town of Yarmouth on August 8, 1849. This made North Yarmouth an inland community, four miles from the ocean, but allowed North Yarmouth's

citizens to “hold in common” with the people of Yarmouth all rights and privileges in all of Yarmouth’s public landings, mussel beds, flats, and fisheries. Cumberland is a suburban coastal community with highly developed shorefront areas contrasted with rural characteristics in the western portions. North Yarmouth is a suburban community contrasted with rural characteristics. The Towns have primarily single-family, owner-occupied dwellings. The land area of the Towns is comprised of residential, local business, industrial, commercial and resource protection zones, open space and woodland areas. The combined area of the territory totals 42.56 square miles.

GOVERNANCE

The District School Board is formed pursuant to Title 20-A, Chapter 103-A, Subchapter 3 of the Maine Revised Statutes. The District has a nine member School Board of which six are residents of the Town of Cumberland and three are residents of the Town of North Yarmouth. Each Director has one vote. The delegation from each community is elected for three-year staggered terms. The Superintendent is the Secretary, Treasurer, and chief administrator of the District.

THE SCHOOLS

The District has four schools located in three buildings which include a primary school, an elementary school and junior high school, and a high school. The staff consists of one superintendent, four principals, and 244.7 full-time equivalent (“FTE”) teachers and various other professional and non-professional staff. The District’s schools are:

<u>Location</u>	<u>School</u>	<u>Grades</u>	<u>Capacity</u>	<u>October 1, 2025</u>
				<u>Projected Enrollment</u>
Cumberland	Mabel I. Wilson	Pre K – 3	750	673
Cumberland	Greely Middle	4 – 5	400	373
Cumberland	Greely Middle	6 – 8	700	546
Cumberland	Greely High	9 – 12	800	647

ENROLLMENTS

The following tables show the student population sent from the Member Municipalities and its respective percentage of the District’s Resident Student population over the last five years, based upon the State of Maine Department of Education’s October 1st Annual Census:

	<u>Town of Cumberland</u>		<u>Town of North Yarmouth</u>		<u>Total Resident Enrollment⁽¹⁾</u>	
<u>Oct 1,</u>	<u>Students</u>	<u>%</u>	<u>Students</u>	<u>%</u>	<u>Students</u>	<u>%</u>
2025	1,495	67.74%	712	32.26%	2,207	99.00%
2024	1,515	68.52%	696	31.48%	2,207	99.00%
2023	1,473	67.99%	697	32.12%	2,170	98.23%
2022	1,444	67.63%	691	32.37%	2,135	99.03%
2021	1,414	68.11%	662	31.89%	2,076	98.76%
2020	1,388	67.41%	671	32.59%	2,059	98.33%

NOTE: ⁽¹⁾ Does not include Tuition students. **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.

The following tables display the trend of the District's school enrollments by Member Municipality, and then consolidated for the entire District, including Tuition Students, based upon the State of Maine Department of Education's October 1st Annual Census.

Town of Cumberland, School Enrollment Trend

Oct 1,	Grades					% Resident Enrollment
	K-3	4-5	6-8	9-12	Total	
2025	442	250	379	424	1,495	67.74%
2024	489	256	351	418	1,514	68.52%
2023	478	252	331	412	1,473	67.88%
2022	500	228	322	394	1,444	67.63%
2021	479	219	323	393	1,414	68.11%

Town of North Yarmouth, School Enrollment Trend

Oct 1,	Grades					% Resident Enrollment
	K-3	4-5	6-8	9-12	Total	
2025	222	120	162	208	712	32.26%
2024	234	117	161	183	695	31.48%
2023	255	109	142	191	697	32.12%
2022	256	89	151	195	691	32.37%
2021	228	103	136	195	662	31.89%

MSAD 51 Consolidated Enrollments, School Enrollment Trend

Oct. 1,	Consolidated Attending Enrollment							Member Municipalities as % Total
	Member Municipalities					Tuition	Total	
	K-3	4-5	6-8	9-12	Total			
2025	664	370	541	632	2,207	32	2,239	98.57%
2024	723	371	512	601	3,207	27	2,234	98.79%
2023	734	361	475	604	2,174	35	2,209	98.42%
2022	756	317	473	589	2,135	21	2,156	99.03%
2021	707	322	459	588	2,076	26	2,102	98.76%

NOTE: **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.

Portland Arts and Technology High School

Title 20-A, Chapter 313 of the Maine Revised Statutes, provides for “applied technology education” or a course or program of education which is designed to create or improve job-related skills that are part of a secondary school curriculum. The programs may be offered via a center (a “Center”), a satellite program (a “Satellite Program”) or a region (a “Region”). A Center is an administrative entity governed, operated and administered by a single SAU.

As a Center, the Portland Arts & Technology High School (“PATHS”) is owned, operated and maintained by the Department of Education of the City of Portland. The law regarding the funding of PATHS was changed by Chapter 226 of the Private and Special Laws of Maine (1999) such that sending SAUs (as

defined herein) no longer pay per student tuition to Portland but pays for attendance through a cost sharing agreement. State subsidy for PATHS no longer goes entirely to Portland, but each SAU receives some subsidy for Career Technical Education based on their costs for student enrollment at PATHS.

LABOR RELATIONS

District employees (other than managerial and confidential employees) are entitled to join unions and to bargain collectively on questions of wages, hours and other terms and conditions of employment. Teachers are represented by the MSAD 51 Education Association (“MSAD 51 Ed Assoc”) through its affiliation with the Maine Education Association (“MEA”). School Secretaries, Educational Technicians, and Library Technicians may also be represented by MEA, as a separate bargaining unit. Custodians and Maintenance Personnel, Bus Drivers, and School Lunch Workers may be represented by unions, as separate bargaining units. Other District employees are not represented by a union.

<u>Union</u>	<u>Members</u>	<u>Bargaining Unit</u>	<u>Date of Contract</u>	
			<u>Effective</u>	<u>Expiration</u>
MSAD 51 Ed Assoc.	253	Teachers	Sept. 1, 2024	Aug. 31, 2027
MSAD 51 Ed Assoc.	84	Secretaries, Ed Tech, Lib Tech	July 1, 2022	June 30, 2028
Local Union	22	Custodians	July 1, 2023	June 30, 2029
MSAD 51 Ed Assoc.	20	Bus Drivers	July 1, 2024	June 30, 2027
Local Union	12	School Lunch Workers	July 1, 2024	June 30, 2027

COMMUTER PATTERNS

The following table displays the geographic place of employment for residents located in the District’s Member towns and commuters that work in the District’s Member towns:

<u>Member Municipalities Workers</u>				<u>Workers that Commute to Member Municipalities</u>			
<u>Live in:</u>	<u>Work in:</u>	<u>#</u>	<u>%</u>	<u>Live in:</u>	<u>Work in:</u>	<u>#</u>	<u>%</u>
Cumberland	Portland	1,419	23.67%	Cumberland	Cumberland	534	25.21%
North Yarmouth	Portland	673	11.23%	North Yarmouth	North Yarmouth	329	15.53%
Cumberland	Cumberland	534	8.91%	Gray	Cumberland	158	7.46%
North Yarmouth	North Yarmouth	329	5.49%	Falmouth	Cumberland	132	6.23%
Cumberland	Scarborough	290	4.84%	North Yarmouth	Cumberland	127	6.00%
Cumberland	South Portland	286	4.77%	Portland	Cumberland	113	5.34%
Cumberland	Falmouth	203	3.39%	Windham	Cumberland	89	4.20%
Cumberland	Freeport	202	3.37%	Yarmouth	Cumberland	55	2.60%
Cumberland	Yarmouth	160	2.67%	Yarmouth	North Yarmouth	55	2.60%
Cumberland	Westbrook	159	2.65%	New Gloucester	Cumberland	45	2.12%
North Yarmouth	Yarmouth	159	2.65%	Winthrop	Cumberland	42	1.98%
North Yarmouth	Freeport	143	2.39%	Freeport	Cumberland	35	1.65%
North Yarmouth	South Portland	139	2.32%	Cape Elizabeth	North Yarmouth	33	1.56%
North Yarmouth	Cumberland	127	2.12%	Gray	North Yarmouth	29	1.37%
North Yarmouth	Westbrook	111	1.85%	Portland	North Yarmouth	27	1.27%
All Other		<u>1,060</u>	<u>17.68%</u>	All Other		<u>315</u>	<u>14.87%</u>
Member Total Workers		5,994	100.00%	Commuters to Members Towns		2,118	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.

DEMOGRAPHIC CHARACTERISTICS

Population	Town of		% Change from Previous Census		
	<u>Cumberland</u>	<u>North Yarmouth</u>	<u>Towns</u>	<u>State</u>	<u>USA</u>
1980	5,284	1,919	31.5%	13.4%	11.4%
1990	5,836	2,429	14.7	9.2	9.8
2000	7,159	3,210	25.5	3.8	13.2
2010	7,211	3,565	3.9	4.2	8.9
2020	8,473	4,072	16.4	1.2	6.3

Population Characteristics	Town of		Cumberland		
	<u>Cumberland</u>	<u>North Yarmouth</u>	<u>County</u>	<u>State</u>	<u>USA</u>
Median age	41.9	47.4	42.3	43.6	38.8
% under 5 yrs	7.2%	5.9%	4.5%	4.3%	5.4%
% under 18 yrs	25.6%	22.4%	17.2%	17.3%	21.1%
% 65 and over	19.8%	16.7%	22.5%	24.6%	18.9%
Persons/household	2.77	2.70	2.26	2.26	2.53

Income	Town of		Cumberland		
	<u>Cumberland</u>	<u>North Yarmouth</u>	<u>County</u>	<u>State</u>	<u>USA</u>
Med. household income	\$173,894	\$129,267	\$95,677	\$74,733	\$80,734
% below poverty	3.1%	4.8%	8.0%	10.6%	10.2%
Per capita income	\$89,176	\$64,608	\$55,739	\$43,742	\$44,673

Housing	Town of		Cumberland		
	<u>Cumberland</u>	<u>North Yarmouth</u>	<u>County</u>	<u>State</u>	<u>USA</u>
% owner occupied	90.9%	86.1%	69.8%	74.3%	65.2%
Owner occ. med val.	\$616,800	\$496,500	\$451,200	\$596,600	\$332,700
Median gross rent	\$2,143	\$1,708	\$1,589	\$1,139	\$1,413

SOURCE: 2020 Census, U.S. Department of Commerce, Bureau of the Census – Quick Facts.

Unemployment	Town of		Cumberland		
	<u>Cumberland</u>	<u>North Yarmouth</u>	<u>County</u>	<u>State</u>	<u>USA</u>
2025	2.3%	2.3%	2.7%	3.4%	4.3%
2024	2.3	2.0	2.5	3.1	4.0
2023	2.0	1.8	2.4	2.9	3.6
2022	2.2	1.9	2.4	3.0	3.6
2021	3.0	3.2	4.0	4.6	5.5
2020	4.3	3.9	5.3	5.4	8.1
2019	2.2	1.9	2.4	3.0	3.7
2018	2.2	1.9	2.4	3.4	3.9
2017	2.2	2.1	2.5	3.3	4.4
2016	2.7	2.3	2.9	3.9	4.9

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

DISTRICT FINANCES

BUDGETARY PROCESS

See “Regional School Units – Budgets and Assessments” for the Budget process. The following table sets forth trends in the District’s General Fund budgets:

General Fund Budgets					
<u>Fiscal Year Ending June 30,</u>					
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
REVENUES					
Charges for services:					
Town assessments	\$30,701,864	\$32,248,410	\$34,412,352	\$36,663,452	\$39,528,483
State subsidy	12,943,022	14,600,555	15,614,832	16,824,564	16,927,757
Interest	10,000	0	0	0	165,000
Chebeague Island debt service	127,641	134,364	107,923	27,457	0
Other	20,000	60,000	115,000	311,648	129,597
TOTAL REVENUES	43,802,527	47,043,329	50,250,107	53,827,121	56,767,888
EXPENDITURES					
Regular instruction	18,769,540	20,960,946	21,829,979	23,976,660	25,294,492.
Special ed instruction	7,443,350	8,615,402	9,381,146	10,226,334	10,943,161
Other instruction	824,916	933,735	998,836	1,077,586	1,146,687
Student and staff support	3,321,871	3,339,075	3,806,395	4,546,914	4,387,996
System administration	1,314,386	1,362,829	1,565,868	1,692,248	1,607,273
School administration	1,816,940	1,892,534	2,013,715	2,147,761	2,351,280
Transportation and buses	2,170,343	2,009,849	2,253,499	2,302,341	2,278,923
Facilities maintenance	5,158,856	4,966,079	5,615,317	5,879,877	6,114,101
Debt service	2,982,325	2,962,880	2,785,352	1,977,401	2,643,975
TOTAL EXPENDITURES	\$43,802,527	\$47,043,329	\$50,250,107	\$53,827,121	\$56,767,888
REVENUES OVER/UNDER					
EXPENSES	\$0	\$0	\$0	\$0	\$0

INVESTMENT POLICY

The District has an established a formal Investment Policy known as “Policy DFA”. Under its policy the District follows applicable Maine law [Title 30-A, Section 5706 *et seq.* of the Maine Revised Statutes (the “Act”)] whereby all investments of the District 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. The District’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 District is invested principally in direct obligations of the United States government and its agencies. The District 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

The 9% Law

Title 20-A, Section 15689-B(6) of the Maine Revised Statutes provides as follows:

“Notwithstanding any other law, general operating fund balances at the end of a school administrative unit's fiscal year must be carried forward to meet the unit's needs in the next year or over a period not to exceed 3 years. Unallocated balances in excess of 9% of the previous fiscal year's school budget must be used to reduce the state and local share of the total allocation for the purpose of computing state subsidy. School boards may carry forward unallocated balances in excess of 9% of the previous fiscal year's school budget and disburse these funds in the next year or over a period not to exceed 3 years.”

Except for the above temporary exception, the SAU may be subject to reduction in state subsidy if it maintains an unallocated fund balance in an amount exceeding 9% of the budget, and does not disburse the funds above that limit within 3 years. The 9% law applies only to “unallocated” fund balances. An SAU’s “allocated” balances are not subject to this limitation. An SAU’s legislative body may “allocate” its fund balance to the next year’s budget or into a reserve account through their annual budget process and/or a special article. The following is a worksheet that the State Department of Education (“DOE”) provides to each SAU to calculate its “unallocated” fund balance.

Unallocated Fund Balance Calculation

- | | | |
|--|---|----------|
| 1) Prior Fiscal Year (“Prior FY”) Operating Budget (Prior FY EF-M-46, page 2, column 6, line 22) | = | \$ _____ |
| 2) x% of Operating Budget (x% x \$ _____) | = | \$ _____ |
| 3) Actual ending balance (Prior FY EF-M-45, page 12, column 1, line 13) | = | \$ _____ |
| 4) Balance used for budget purposes (allocated) (Current Fiscal Year EF-M-46, page 3, line 30) | = | \$ _____ |
| 5) Unallocated ending balance (3. minus 4.) | = | \$ _____ |
| 6) x% x prior year’s budget (2.) | = | \$ _____ |
| 7) Amount in excess of x% (5. minus 6. or zero if less than zero) | = | \$ _____ |

Typically, the State DOE assumes that some or all excess is used to reduce any amounts raised locally without State participation. If some or all of the excess remains, then the State DOE will assume that the State share of the EPS allocation should have been reduced and prorate the State share, accordingly.

Fund Balance for Member Municipalities

Year ended June 30,	<u>Town of Cumberland</u>			<u>Town of North Yarmouth</u>		
	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Assigned & Unassigned:	\$5,004,785	\$5,397,656	\$5,425,499	\$1,934,208	\$2,992,112	\$3,760,955
Total Revenues:	38,140,827	40,387,675	42,723,245	13,922,302	15,053,252	15,692,790
Fund Bal %/Revenues:	13.12%	13.36%	12.70%	13.89%	19.88%	23.97%

FINANCIAL STATEMENTS

Title 20-A, Chapter 221, Subchapter 2 of the Maine Revised Statutes, provides for independent annual audits of the District's accounts and establishes procedures for such audits. The District, in conformance with this statute, currently engages the services of Royer Advisors & Accountants ("Royer"). The District's fiscal year 2025 Annual Financial Statements, prepared by Royer, is presented as APPENDIX A to this Preliminary Official Statement. The consent of Royer for the incorporation of the Financial Statements included in APPENDIX A has not been requested by the District, nor has it been received.

The Member Municipalities' most recent audited fiscal year's Financial Statements are presented as APPENDIX B (for the Town of Cumberland, Maine) and APPENDIX C (for the Town of North Yarmouth, Maine) to this Official Statement. Being of public record, neither the consent of the Member Municipalities' nor its auditors has been requested by the District, nor has it been received, for the incorporation as appendices to this Official Statement.

FUNDS

The accounts of the District are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts which comprise its assets, liabilities, equities, revenues and expenditures or expenses. The following fund types and account groups are used by the District:

Governmental Funds

The **General Fund** is the general operating fund of the District. It is used to pay the general operating expenditures, the fixed charges and the capital improvement costs that are not paid through other funds.

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust, or major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action.

Capital Projects Funds are used to account for financial resources to be used for the acquisition, construction or improvement of major capital facilities.

Proprietary Funds are **Enterprise Funds** that are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services on a continuing basis be financed or recovered primarily through charges, or where the governing body had decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Account Groups

The **General Long-term Debt Account Group** is established to account for all long-term obligations of the District, except those accounted for in the Proprietary Fund (if any).

The **General Fixed Assets Account Group** the District does not maintain this group of accounts which would otherwise account for the fixed assets of the District.

COMPARATIVE FINANCIAL STATEMENTS

The District

Displayed on the following pages are the comparative financial statements of the *District's Combined Balance Sheet – General Fund* and the District's *Comparative Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund* for its most recent five audited fiscal periods.

The Member Municipalities

Also displayed on the following pages, are the comparative financial statements of the Town of Cumberland's and Town of North Yarmouth's *Combined Balance Sheet – General Fund* and *Comparative Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund*, for its most recent three audited fiscal periods.

MSAD 51
COMPARATIVE BALANCE SHEET
GENERAL FUND
(As of June 30,)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
ASSETS					
Cash and investments	\$9,386,857	\$11,610,809	\$12,571,282	\$12,082,168	\$9,284,174
Cash held by third party	133,589	120,546	109,949	94,163	101,665
Accounts receivable	42,843	33,825	52,264	42,241	34,239
Prepaid expenses	0	15,402	51,864	12,147	11,629
Due from other funds	<u>2,049,789</u>	<u>696,828</u>	<u>82,576</u>	<u>281,308</u>	<u>207,484</u>
TOTAL ASSETS	11,613,078	12,477,410	12,867,935	12,512,027	9,639,191
LIABILITIES & FUND EQUITY					
Liabilities:					
Accounts payable	323,002	240,882	127,002	168,421	135,163
Accrued wages	4,212,812	4,506,063	4,021,812	3,629,704	3,402,584
Unearned revenue	1,122	1,122	1,122	1,122	0
Due to other	<u>2,173,675</u>	<u>3,677,601</u>	<u>3,945,975</u>	<u>2,273,201</u>	<u>2,281,057</u>
TOTAL LIABILITIES	6,710,611	8,425,668	8,095,911	6,072,448	5,818,804
FUND EQUITY:					
Non-spendable	0	15,402	51,864	12,147	11,629
Restricted	0	0	0	0	0
Committed	1,512,685	1,512,685	1,323,620	1,073,044	373,044
Assigned	0	0	0	0	0
Unassigned	<u>3,389,782</u>	<u>2,523,655</u>	<u>3,396,540</u>	<u>5,354,388</u>	<u>3,435,717</u>
TOTAL FUND EQUITY	4,902,467	4,051,742	4,772,024	6,439,579	3,820,390
TOTAL LIABILITIES AND EQUITY	<u>\$11,613,078</u>	<u>\$12,477,410</u>	<u>\$12,867,935</u>	<u>\$12,512,027</u>	<u>\$9,639,194</u>

Prepared from Audited Financial Statements

MSAD No. 51
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GENERAL FUND

(For the Years Ended June 30,)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
REVENUES					
Town Assessments	\$34,412,352	\$32,248,410	\$30,701,864	\$29,022,476	\$28,003,015
Inter-governmental	15,783,591	14,753,522	12,957,514	13,839,987	11,989,712
Charges for services	14,081	13,300	12,559	0	0
Interest earned	198,905	247,560	157,247	9,515	12,800
Intergovernmental on behalf	3,621,051	3,480,728	3,315,311	2,954,002	2,798,090
Chebeague Island debt	107,597	134,364	131,798	133,477	138,116
Miscellaneous	<u>128,442</u>	<u>140,638</u>	<u>108,938</u>	<u>129,459</u>	<u>63,564</u>
TOTAL REVENUES	54,266,019	51,018,522	47,385,231	46,088,916	43,005,297
EXPENDITURES					
Instructions	21,042,602	20,249,538	18,686,834	17,456,527	16,422,738
Special ed instruction	8,871,606	8,402,233	7,005,776	6,503,556	6,307,600
Other instruction	993,393	994,308	826,405	741,092	622,040
Student and staff report	3,935,678	3,538,663	3,318,866	3,103,967	3,256,882
System administration	1,729,093	1,537,274	1,317,561	1,181,547	1,206,826
School administration	1,934,547	1,892,095	1,773,403	1,608,530	1,595,770
Transportation and buses	2,288,499	2,242,275	2,187,851	2,051,000	1,629,853
Facilities maintenance	5,631,781	4,938,466	5,158,194	4,908,370	4,423,447
Debt service	2,867,044	2,949,724	2,982,325	3,075,300	3,157,063
Site improvements and tech	0	700,000	0	0	0
MainePERS	<u>3,621,051</u>	<u>3,480,728</u>	<u>3,315,311</u>	<u>2,954,002</u>	<u>2,798,090</u>
TOTAL EXPENDITURES	52,915,294	50,925,304	46,572,526	43,583,891	41,420,309
EXCESS REVENUES OVER (UNDER) EXPENDITURES	1,350,725	93,218	812,705	2,505,025	1,584,988
OTHER FINANCING SOURCES					
Operating transfers in (out)	<u>(500,000)</u>	<u>(813,500)</u>	<u>(2,480,260)</u>	<u>114,164</u>	<u>(236,398)</u>
TOTAL OTHER	(500,000)	(813,500)	(2,480,260)	114,164	(236,398)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	850,725	(720,282)	(1,667,555)	2,619,189	1,348,590
FUND BALANCE, JULY 1	<u>3,551,742</u>	<u>4,772,024</u>	<u>6,439,579</u>	<u>3,820,390</u>	<u>2,471,800</u>
FUND BALANCE, JUNE 30	\$4,902,467	\$4,051,742	\$4,772,024	\$6,439,579	\$3,820,390

Prepared from Audited Financial Statements

TOWN OF CUMBERLAND, MAINE
COMPARATIVE BALANCE SHEET
GENERAL FUND
(As of June 30,)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash and equivalents	\$9,952,280	\$9,665,927	\$9,918,717
Receivables:			
Accounts	131,844	136,220	211,775
Rescue	42,822	65,174	31,896
Intergovernmental	245,282	183,538	207,941
Taxes - Prior Years	203,973	79,858	127,370
Taxes - Current Year	263,412	250,876	153,281
Leases	449,141	477,950	441,777
Prepaid items	182,643	100,657	127,841
Inventory	<u>24,202</u>	<u>28,858</u>	<u>28,858</u>
TOTAL ASSETS	11,495,599	10,989,058	11,249,456
LIABILITIES			
Accounts payable	459,611	346,708	351,822
Accrued payroll	489,902	527,268	350,411
Escrow liabilities	310,135	340,039	380,498
Taxes paid in advance	98,772	48,271	91,153
Unearned revenue	823,220	802,395	766,774
Inter-fund Loans Payable	<u>2,900,424</u>	<u>2,648,754</u>	<u>3,486,311</u>
TOTAL LIABILITIES	5,082,064	4,713,435	5,426,969
DEFERRED REVENUES	781,191	748,452	661,003
EQUITY			
Non-spendable	206,845	129,515	156,699
Restricted	0	0	0
Committed	0	0	0
Assigned	471,607	735,509	569,281
Unassigned	<u>4,953,892</u>	<u>4,662,147</u>	<u>4,435,504</u>
TOTAL EQUITY	5,632,344	5,527,171	5,161,484
TOTAL LIABILITIES AND EQUITY	\$11,495,599	\$10,989,058	\$11,249,456

Prepared from Audited Financial Statements.

TOWN OF NORTH YARMOUTH, MAINE
COMPARATIVE BALANCE SHEET
GENERAL FUND
(As of June 30,)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
ASSETS			
Cash and investments	\$3,764,728	\$2,943,232	\$2,129,276
Receivables:			
Taxes	13,517	8,113	8,270
Liens	98,390	84,488	64,001
Other	109,974	148,072	168,857
Due from other governments	0	4,404	0
Prepaid items	10,250	7,000	5,400
Due from other Funds	<u>170,583</u>	<u>169,198</u>	<u>3,334</u>
TOTAL ASSETS	4,167,442	3,364,507	2,379,138
LIABILITIES			
Accounts payable	25,583	16,873	22,487
Accrued expenses	51,916	36,449	34,060
Accrued payroll	140,529	167,463	0
Due to other governments	0	0	0
Due to other funds	<u>0</u>	<u>0</u>	<u>224,095</u>
TOTAL LIABILITIES	218,028	220,785	280,642
DEFERRED REVENUES			
Prepaid taxes	17,529	17,529	35,507
Deferred tax	<u>73,117</u>	<u>69,542</u>	<u>57,893</u>
DEFERRED REVENUES	90,646	87,071	93,400
EQUITY			
Non-spendable	10,250	7,000	5,400
Restricted	0	0	0
Committed	87,563	57,539	65,488
Assigned	60,000	60,000	60,000
Unassigned	<u>3,700,955</u>	<u>2,932,112</u>	<u>1,874,208</u>
TOTAL EQUITY	3,858,768	3,056,651	2,005,096
TOTAL LIABILITIES AND EQUITY	\$4,167,442	\$3,364,507	\$2,379,138

TOWN OF CUMBERLAND, MAINE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND

(For the Years Ended June 30,)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
REVENUES			
Taxes	\$35,240,815	\$32,785,879	\$31,009,185
Licenses and permits	310,690	253,545	304,061
Intergovernmental	2,675,702	3,165,352	2,848,970
Charges for services	4,115,211	3,803,054	3,551,442
Other	<u>380,827</u>	<u>379,845</u>	<u>427,169</u>
TOTAL REVENUES	42,723,245	40,387,675	38,140,827
EXPENDITURES			
General government	2,048,167	2,025,160	1,675,702
Public safety	3,846,755	3,585,292	3,034,574
Public services	2,832,186	2,774,696	2,828,042
Recreation	2,714,902	2,650,685	2,227,184
Library	790,576	828,238	624,993
Health and assistance	248,160	234,708	189,370
Unclassified	386,376	613,975	315,978
Insurance	633,717	532,085	509,409
Education	24,896,828	23,103,879	21,851,719
Capital outlay	340,694	44,638	0
County tax	1,291,191	1,189,045	1,509,811
Debt service	<u>1,425,630</u>	<u>1,495,220</u>	<u>1,694,221</u>
TOTAL EXPENDITURES	41,455,182	39,077,621	36,461,003
EXCESS OF REVENUES			
OVER EXPENDITURES	1,268,063	1,310,054	1,679,824
OTHER FINANCING SOURCES:			
Operating transfers in	936,117	1,352,219	757,791
Operating transfers out	<u>(2,099,007)</u>	<u>(2,296,586)</u>	<u>(1,688,093)</u>
TOTAL OTHER FINANCING:	(1,162,890)	(944,367)	(930,302)
NET CHANGE IN			
FUND BALANCES	105,173	365,687	749,522
FUND BALANCE, JULY 1	<u>5,527,171</u>	<u>5,161,484</u>	<u>4,411,962</u>
FUND BALANCE, JUNE 30	\$5,632,344	\$5,527,171	\$5,161,484

TOWN OF NORTH YARMOUTH, MAINE
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GENERAL FUND

(For the Years Ended June 30,)

	<u>2025</u>	<u>2024</u>	<u>2023</u>
REVENUES			
Taxes:			
Property	\$12,454,983	\$11,792,006	\$10,935,894
Excise	1,293,756	1,215,774	1,104,030
Intergovernmental	1,202,836	1,283,122	1,263,273
Interest income	217,503	186,419	59,631
Charges for services	408,955	444,489	432,618
Misc.	<u>114,757</u>	<u>131,442</u>	<u>126,856</u>
TOTAL REVENUES	15,692,790	15,053,252	13,922,302
EXPENDITURES			
Municipal administration	1,642,780	1,404,923	681,650
Community services	590,306	572,474	268,936
Public safety	857,902	750,571	480,522
Public works	1,131,634	903,989	553,880
Buildings and grounds	0	0	139,802
Solid waste and recycle	391,138	521,041	293,937
Municipal finances	23,972	43,866	775,021
County assessment	490,577	436,889	376,893
Education	9,515,524	9,144,530	8,850,145
Overlay	2,012	23,167	75,318
Debt service	<u>0</u>	<u>0</u>	<u>270,150</u>
TOTAL EXPENDITURES	14,645,845	13,801,450	12,766,254
EXCESS OF REVENUES			
OVER EXPENDITURES	1,046,945	1,251,802	1,156,048
OTHER FINANCING			
Operating transfers in/(out)	(269,828)	(200,247)	(588,683)
EXCESS OF REVENUES AND			
OTHER OVER	777,117	1,051,555	567,365
BEGINNING FUND			
BALANCE	<u>3,056,651</u>	<u>2,005,096</u>	<u>1,437,731</u>
Restatement	25,000	0	0
ENDING FUND BALANCE	\$3,858,768	\$3,056,651	\$2,005,096

Prepared from Audited Financial Statements

PROPERTY TAXATION

The principal tax of the Member Municipalities 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 tax collector for each of the Towns receives the tax commitment from its respective assessor, with assessed values as of April 1 of each year, after which time the tax bills are mailed.

For the current fiscal year, the tax due dates for the Town of Cumberland are in mid-September and mid-March with specific dates set by the Assessor; and for the Town of North Yarmouth, the tax due dates are in early-October and early-April with specific dates set by the Assessor. All taxes paid after the due date are subject to interest established under Title 36, Section 186 of the Maine Revised Statutes.

Real Estate Taxes

Collection of real estate taxes is ordinarily enforced in the Member Municipalities by the “tax lien” procedure as provided in the Maine Revised Statutes, for the collection of delinquent real estate taxes. Real Estate tax liens are recorded against the individual property at the Cumberland 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 respective municipality.

Business Personal Property Taxes

Title 36, Chapter 105, Subchapter 4-C of the Maine Revised Statutes, 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 two 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. 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.

For the purposes of identifying the municipality's valuation for determining the local property tax rate, the value of all property made exempt by this legislation 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 this law in the Member Municipality will also be considered part of that municipality's equalized State Valuation to the extent the Member Municipality 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 Increment Financing Districts and Affordable Housing Development Districts

Chapter 206 and former (now repealed) Chapter 207 of Title 30-A of the Maine Revised Statutes, enable 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 dedicate 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. TIF 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, transit-oriented TIF districts 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 of the Maine Revised Statutes.

The Towns of Cumberland and North Yarmouth have each designated various TIF districts and may consider proposals for other districts on an ongoing basis. All districts will be evaluated based upon the town's comprehensive plan for economic development, which includes TIF as one of its aspects. In no event will the districts exceed the statutory limitation of total area and aggregate equalized value within all districts, determined as of their date of designation, as set out above.

Town of Cumberland, Maine

Fiscal	Equalized	Assessed	Tax	Tax	Collections (after Supplements and Abatements)	
Yr. End	State	Valuation	Rate	Levy	Year End	% of
<u>June 30,</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>Levy</u>
2025	\$2,640,150	\$1,540,409	\$23.25	\$35,815	\$35,551	99.26%
2024	2,337,300	1,504,875	22.15	33,333	33,082	99.25%
2023	1,910,200	1,474,628	21.20	31,262	31,109	99.51%
2022	1,614,950	1,440,712	20.55	29,607	29,501	99.64%
2021	1,503,000	1,412,394	20.35	28,756	28,742	99.58%

Town of North Yarmouth, Maine

Fiscal	Equalized	Assessed	Tax	Tax	Collections (after Supplements and Abatements)	
Yr. End	State	Valuation	Rate	Levy	Year End	% of
<u>June 30,</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>(000)</u>	<u>Levy</u>
2025	\$991,850	\$629,144	\$19.80	\$12,457	NA	NA
2024	890,500	638,665	19.18	11,785	NA	NA
2023	701,350	625,009	18.10	11,785	10,792	99.50%
2022	602,750	597,320	17.10	10,844	9,716	98.14%
2021	617,650	578,151	16.55	9,813	9,198	99.63%

REVENUES FROM THE STATE

In accordance with the provisions of applicable Maine law, the State subsidizes most SAUs through the EPS model of calculating and distributing state education aid. All education expenditures, including state approved debt service, flow through the EPS model. 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 school administrative units are an annual item in the State's budgetary process and are subject to legislative appropriation in that process. No assurance can be given that future legislation will not have an adverse impact on school funding in Maine. Because of these uncertainties, it is not possible to predict the level of State subsidy to local units in future years or whether the State's subsidy program will continue in its present form. The following table displays revenues received by the District from the State for the last five audited fiscal periods:

Fiscal Yr.	General Revenue	Medicaid	Total State
<u>End June 30,</u>	<u>& Debt Service</u>	<u></u>	<u>Subsidy</u>
2025	\$15,688,999	\$19,818	\$15,708,817
2024	14,672,881	34,375	14,707,256
2023	12,923,022	34,492	12,957,514
2022	13,830,878	9,109	13,839,987
2021	11,961,206	28,506	11,989,712

LOCAL COST

That part of the District's budget not funded from State aid, grants or other programs is funded from assessments to the Member Municipalities (the "Local Cost"). The assessments have two components. First, the Towns must share the District's share (the "Local Allocation") of EPS costs (the "Total Allocation") that qualify for State subsidy (the "State Allocation"). Second, the Member Municipalities must also share the additional local costs of the District that are not funded by other budgeted revenues or carry-forwards and that do not qualify for inclusion in the Total Allocation. The assessments for the District are determined by the Property Valuation Method, whereby the costs are shared in the same proportion as each municipality's equalized State Valuation to the District's combined equalized State Valuation.

The District's Equalized State Valuation

The following is a list of the last five years' equalized State Valuation filed by the State Tax assessor to the Secretary of State pursuant to Title 36, Sections 208 and 305 of the Maine Revised Statutes:

Consolidated Equalized State Valuation for Member Municipalities Comprising MSAD 51

Year	<u>Town of Cumberland</u>		<u>Town of North Yarmouth</u>		<u>MSAD 51</u>
	<u>Valuation</u>	<u>% of District</u>	<u>Valuation</u>	<u>% of District</u>	<u>Valuation</u>
2026	\$2,751,500,000	70.61%	\$1,145,500,000	29.39%	\$3,897,000,000
2025	2,640,150,000	72.69%	991,850,000	27.31%	3,632,000,000
2024	2,337,300,000	72.41%	890,500,000	27.59%	3,227,800,000
2023	1,910,200,000	73.14%	701,350,000	26.86%	2,611,550,000
2022	1,614,950,000	72.82%	602,750,000	27.18%	2,217,700,000

The District's Budget and Assessments

The following table shows the District's budget and its assessments from each of the Member Municipalities, for operating and capital costs, for the last five audited fiscal years and the most recent ended fiscal year (unaudited):

FY End June 30,	<u>MSAD 51</u>		<u>Town of Cumberland</u>			<u>Town of North Yarmouth</u>		
	<u>Budget</u>	<u>Assessment</u>	<u>Assessment</u>	<u>Budget</u>	<u>Assessment</u>	<u>Assessment</u>	<u>Budget</u>	<u>Assessment</u>
2027	\$56,767,888	\$39,528,483	\$29,630,832	52.20%	72.72%	\$11,115,138	19.58%	27.28%
2026	53,827,121	36,662,653	26,676,167	49.56%	72.76%	9,986,486	18.55%	27.24%
2025	50,250,107	34,412,352	24,896,829	49.55%	72.35%	9,515,524	18.94%	27.65%
2024	47,043,329	32,248,410	23,103,880	49.11%	71.64%	9,144,530	19.44%	28.36%
2023	43,802,527	30,701,864	21,851,719	49.89%	71.17%	8,850,145	20.20%	28.83%

INDEBTEDNESS

LIMITATIONS AND EXCLUSIONS

The District's Debt Limitations

In accordance with Title 20-A, Section 1490(6) of the Maine Revised Statutes, the "aggregate principal amount of outstanding bonds or notes issued by an RSU for school construction purposes shall not exceed, at any one time, 10% of the total of the last preceding state valuation of all the municipalities within the RSU, plus an amount not to exceed 4% of that total RSU valuation set by the state board at the time of the

initial approval of the school construction project.”; or, if issued pursuant to Title 20-A, Section 1490(7) of the Maine Revised Statutes, cannot exceed 1% of the total of the last State valuation of all the municipalities of the RSU.

The consolidated 2026 equalized State Valuation for the Member Municipalities is \$3,897,000,000. The District’s 10% debt limitation is \$389,700,000. As of June 30, 2025, the District’s long-term debt outstanding was reported to be \$13,626,641 or 0.35% of the consolidated 2026 equalized State Valuation of the Member Municipalities. The District will certify on the date of issue of the Notes that the District has not exceeded the foregoing debt limits and that issuance of the Notes will not cause the District to exceed the debt limit.

The Towns’ Debt Limitations

Although the Notes are indebtedness of the District, and not of the Member Municipalities, the tax base of the District is the same as the tax base of the Member Municipalities. Therefore, the current indebtedness of the Member Municipalities is included in the discussions below.

In accordance with Title 30-A, Section 5702 of the Maine Revised Statutes “No municipality may 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 7 1/2% 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 sanitary sewer purposes to an amount outstanding at any time not exceeding 7 1/2% 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, 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 from other revenues previously appropriated by or committed to the municipality, and the state reimbursable portion of school debt.”

Town of Cumberland, Maine

The Town of Cumberland, Maine’s 2026 equalized State Valuation is \$2,751,500,000. The Town’s overall 15% debt limit is \$412,725,000. As of June 30, 2025, the Town’s long-term debt outstanding was \$11,730,000 or 0.30% of the 2026 equalized State Valuation.

Town of North Yarmouth, Maine

The Town of North Yarmouth, Maine’s 2026 equalized State Valuation is \$1,145,500,000. The Town’s overall 15% debt limit is \$171,825,000. As of June 30, 2025, the Town’s long-term debt outstanding was \$2,848,152 or 0.25% of the 2026 equalized State Valuation.

DEBT SUMMARY

The District's long-term debt payable at June 30, 2025 (audited), projected for June 30, 2026 (unaudited), and June 30, 2027 (unaudited) are comprised of the following issues ⁽¹⁾:

<u>Purpose</u>	<u>Issue Amount</u>	<u>Amount Forgiven</u>	<u>Issue Date</u>	<u>Final Maturity</u>	<u>June 30, 2025</u>	<u>June 30, 2026</u>	<u>June 30, 2027</u>
2003&2005 Ref'd'g	\$10,800,000	0	6/5/2012	10/15/2025	\$250,000	\$0	\$0
Greely Middle	2,000,000	0	3/1/2014	10/15/2034	1,000,000	900,000	800,000
2009 Ref'd'g	6,855,000	0	5/31/2017	10/15/2029	3,425,000	2,740,000	2,055,000
GCA	9,300,000	0	7/17/2018	8/1/2039	6,975,000	6,510,000	6,045,000
MMBB SRRF	1,452,609	(734,729)	10/7/2022	9/1/2033	642,636	567,394	496,470
Land Acq.	700,000	0	7/25/2023	9/1/2028	560,000	420,000	280,000
MMBB SRRF	1,000,000	(478,300)	11/29/2023	5/1/2034	469,530	417,360	365,190
Sub-totals					\$13,322,166	\$11,554,754	\$10,041,660
2026	53,490,000	0	11/19/2026	11/15/2054	0	0	53,490,000
Totals					\$13,322,166	\$11,554,754	\$63,531,660

NOTE: "SRRF" indicates a loan financed through the School Revolving Renovation Fund, created by the Legislature in 1998, the Maine Municipal Bond Bank ("MMBB") serves as financial manager of the SRRF in cooperation with the Maine Department of Education administered through the MMBB.

⁽¹⁾ Does not include \$831,218 QECB ("Qualified Energy Conservation Bonds") capital lease issued in 2015.

PROJECTED PRINCIPAL PAYMENTS, BY ISSUE

<u>FY</u>	<u>2012</u>	<u>2014</u>	<u>2017</u>	<u>2018</u>	<u>2022</u>	<u>2023A</u>	<u>2023B</u>	<u>Sub-total</u>	<u>2026</u>	<u>Total Principal</u>
2025/2026	250,000	100,000	685,000	465,000	75,243	140,000	52,170	1,767,413	0	
2026/2027		100,000	685,000	465,000	70,924	140,000	52,170	1,513,094	0	
2027/2028		100,000	685,000	465,000	70,924	140,000	52,170	1,513,094	0	
2028/2029		100,000	685,000	465,000	70,924	140,000	52,170	1,513,094	1,985,000	
2029/2030		100,000	685,000	465,000	70,924		52,170	1,373,094	1,985,000	
2030/2031		100,000		465,000	70,924		52,170	688,094	1,985,000	
2031/2032		100,000		465,000	70,924		52,170	688,094	1,985,000	
2032/2033		100,000		465,000	70,924		52,170	688,094	1,985,000	
2033/2034		100,000		465,000	70,924		52,170	688,094	1,985,000	
2034/2035		100,000		465,000				565,000	1,980,000	
2035/2036				465,000				465,000	1,980,000	
2036/2037				465,000				465,000	1,980,000	
2037/2038				465,000				465,000	1,980,000	
2038/2039				465,000				465,000	1,980,000	
2039/2040				465,000				465,000	1,980,000	
2039/2041									1,980,000	
2039/2042									1,980,000	
2039/2043									1,980,000	
2039/2044									1,980,000	
2039/2045									1,980,000	
2039/2046									1,980,000	
2039/2047									1,980,000	
2039/2048									1,980,000	
2039/2049									1,980,000	
2039/2050									1,980,000	
2039/2051									1,980,000	
2039/2052									1,980,000	
2039/2053									1,980,000	
2039/2054									1,980,000	
2039/2055									1,980,000	
6/30/2025 paid	250,000	1,000,000	3,425,000	6,975,000	642,636	560,000	469,530	13,322,166	53,490,000	0
	(250,000)	(100,000)	(685,000)	(465,000)	(75,243)	(140,000)	(52,170)	(1,767,413)	0	0
6/30/2026	0	900,000	2,740,000	6,510,000	567,394	420,000	417,360	11,554,754	53,490,000	0

PROJECTED DEBT SERVICE REQUIREMENTS

FY end June 30,	Prior Debt			Projected Debt (This Issue)			Total Debt Service
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2027	\$1,513,094	\$362,475	\$1,875,569				
2028	1,513,094	309,025	1,822,119				
2029	1,513,094	255,200	1,768,294				
2030	1,373,094	203,100	1,576,194				
2031	688,094	166,800	854,894				
2032	688,094	146,525	834,619				
2033	688,094	127,994	816,088				
2034	688,094	108,881	796,975				
2035	565,000	89,769	654,769				
2036	465,000	72,656	537,656				
2037	465,000	56,963	521,963				
2038	465,000	40,688	505,688				
2039	465,000	24,413	489,413				
2040	465,000	8,138	473,138				
2041							
2042							
2043							
2044							
2045							
2046							
2047							
2048							
2049							
2050							
2051							
2052							
2053							
2054							
2055							
	\$11,554,754	\$1,972,627	\$13,527,381	\$0	\$0	\$0	\$0

DEBT RATIOS

The following table sets forth the ratios of bonded debt to equalized State Valuation and Per Capita Debt ratios by Member Municipality within the District, and then consolidated, including the District:

Town of Cumberland, Maine

Fiscal Yr. End June 30,	<u>Population</u>	Equalized State <u>Valuation</u>	<u>Debt (\$)</u>	Debt as % <u>Eq. Val.</u>	Per Capita <u>Debt</u>
2025	8,754	\$2,640,150,000	\$11,730,000	0.44%	\$1,339.96
2024	8,754	2,337,300,000	17,436,693	0.66%	1,991.85
2023	8,754	1,910,200,000	19,386,481	1.01%	2,214.59
2022	8,754	1,614,950,000	20,644,065	1.28%	2,358.24
2021	8,754	1,503,000,000	22,528,931	1.50%	2,573.56

Town of North Yarmouth, Maine

<u>Fiscal</u> <u>Yr. End:</u>	<u>Population</u>	<u>Equalized</u> <u>State</u> <u>Valuation</u>	<u>Debt (\$)</u>	<u>Debt</u> <u>as %</u> <u>Eq. Val.</u>	<u>Per</u> <u>Capita</u> <u>Debt</u>
2025	4,095	\$991,850,000	\$2,848,152	0.29%	\$695.52
2024	4,095	890,500,000	3,125,000	0.32%	763.13
2023	4,095	701,350,000	2,730,000	0.31%	666.67
2022	4,095	602,750,000	2,905,000	0.41%	709.4
2021	4,095	617,650,000	3,080,000	0.51%	752.14

Member Municipalities and the District

<u>FY end</u> <u>June 30,</u>	<u>Consolidated</u>		<u>Total Debt</u>				<u>Consolidated</u>	
	<u>Pop.</u>	<u>Eq. Val.</u>	<u>Cumberland</u>	<u>North</u> <u>Yarmouth</u>	<u>MSAD 51</u>	<u>Total Debt</u>	<u>Debt %</u> <u>Eq. Val.</u>	<u>Debt Per</u> <u>Capita</u>
2025	12,849	\$3,632,000,000	\$11,730,000	\$2,848,152	\$13,626,641	\$28,204,793	0.78%	\$2,195.10
2024	12,849	3,227,800,000	17,436,693	3,125,000	15,864,137	36,425,830	1.00%	2,834.92
2023	12,849	2,611,550,000	19,386,481	2,730,000	16,997,427	39,113,908	1.40%	3,044.12
2022	12,849	2,217,700,000	20,644,065	2,905,000	18,560,000	42,109,065	1.82%	3,277.23
2021	12,849	2,120,650,000	22,528,931	3,080,000	20,895,000	46,503,931	2.21%	3,619.26

OVERLAPPING DEBT

The District does not have any obligations for which it is responsible for on an overlapping basis.

CONTINGENT DEBT

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

FUTURE FINANCING

See “THE NOTES - AUTHORIZATION AND PURPOSE; THE PROJECT and PLAN OF FINANCING” herein.

RETIREMENT

DEFINED BENEFIT PENSION PLAN

The MainePERS (“MainePERS”) is established and administered under Maine law, and the authority to establish and amend benefit provisions rests with the State legislature. The MainePERS issues a publicly available financial report which may be obtained by writing the Maine Public Employees Retirement System, 46 State House Station, Augusta, ME 04333-0046 or at www.mainebers.org.

Maine Public Employees Retirement System

All School teachers, plus other qualified educators, participate in the Maine Public Employees Retirement System’s State Employee and Teacher (“SET”) Plan. The SET plan is a cost-sharing multiple employer defined benefit plan with a special funding situation, established by the Maine State legislature. The State is a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher

members. Eligible employees other than teachers participate in the Maine Public Employees Retirement System's Participating Local District ("PLD") Plan. The PLD plan is a multiple-employer cost sharing defined benefit plan. Eligible employers (districts) are defined in Maine statute.

Pension Benefits

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Legislature to amend them. MainePERS's retirement programs 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 (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for judges, legislators, and employees of PLDs). 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 or 65. 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 MainePERS also provides disability and death benefits which are established by statute for State employee and teacher members and by contract with other participating employers under applicable statutory provisions. 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 rate of interest credited to members' accounts is set by the MainePERS's Board of Trustees, currently 3.88%

Contributions

Member contribution rates are defined by law or by the MainePERS's Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. The District 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 Statements. See "APPENDIX A – MAINE SCHOOL ADMINISTRATIVE NO. 51, FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025", Note 10, pages 30 *et seq.*" in the report.

DEFINED BENEFIT OPEB PLAN

The District sponsors two post-retirement benefit plans providing group term life insurance to retiring employees. The Group Life Insurance Plan for Retired Participating Local District (the "PLD Consolidated Plan") employees is a multiple-employer cost sharing plan. The Group Life Insurance Plan for Retired State Employees and Teachers (the "SET Plan") is a multiple-employer cost sharing plan with a special funding situation. The State is also a non-employer contributing entity in that the State pays contributions for retired public-school teachers in the plan.

Group Life Insurance

Under both the PLD and SET OPEB Plans, 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.

Group Health Insurance

The District 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 Education Association Benefits Trust (“MEABT”). The State Legislature has the authority to establish and amend the benefit terms and financing requirements.

Under the Health Plan, 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.

The District reports on the benefits provided and the contributions for these OPEB plans, as well as the actuarial methodology and assumptions in its Annual Financial Statements. See “APPENDIX A – MAINE SCHOOL ADMINISTRATIVE NO. 51, FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2025”, Note 11, pages 36 *et seq.*” in the report.

ENVIRONMENTAL MATTERS

Securities and Exchange Commission Regulation 229.103 (the “Regulation”) requires that issuers subject to the disclosure requirements of the Securities Exchange Act of 1934 disclose, among other things, any material pending legal proceedings, including without limitation, legal proceedings involving environmental issues. The Regulation states that no information need be given with respect to any proceeding that involves primarily a claim for damages if the amount involved, exclusive of interest and costs, does not exceed ten percent (10%) of the current assets of the issuer, and, if a governmental authority is a party to such proceeding and such proceeding involves potential monetary sanctions, unless the issuer reasonably believes that such proceeding will result in no monetary sanctions, or in monetary sanctions, exclusive of interest and costs, of less than \$100,000. Although the District, as an issuer of municipal securities, is not subject to the provisions of the Regulation or the Securities Exchange Act of 1934, the District is voluntarily making the disclosure required by the Regulation with respect to environmental liabilities:

The District is not subject to any pending legal proceedings involving environmental matters that would require disclosure under the Regulation were the District subject to its provisions.

LITIGATION

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

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APPENDIX A

**MSAD 51
ANNUAL FINANCIAL STATEMENTS
AND SUPPORTING SCHEDULES
FOR THE
YEAR ENDED JUNE 30, 2025**

(With Report of Independent Auditors' Thereon)

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MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51 FINANCIAL REPORT



JUNE 30, 2025

Independently Audited By



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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Maine School Administrative District No. 51
Cumberland Center, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Maine School Administrative District No. 51 (MSAD #51), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of MSAD # 51, as of June 30, 2025, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MSAD #51 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 MSAD #51'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 Responsibility 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 MSAD #51'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 MSAD #51'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, the budgetary comparison schedule, and the pension schedules on pages 4 - 11 and 43 - 51 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise MSAD # 51's basic financial statements. Schedules 9 through 22 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Schedules 9 through 21 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules 9 through 21 are fairly stated in all material respects in relation to the basic financial statements as a whole.



The statistical schedule, Schedule 22, has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2026 on our consideration of MSAD #51'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 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 MSAD #51's internal control over financial reporting and compliance.

Royer Advisors & Accountants

Royer Advisors and Accountants
Certified Public Accountants
Falmouth, Maine
June 24, 2026



MSAD #51

The Schools of Cumberland and North Yarmouth, Maine

Jeffrey Porter, *Superintendent of Schools*

Scott Poulin, *Director of Finance, Human Resources & Operations*

Julie Olsen, Ed.D., *Director of Instructional Support*

Mar-E Trebilcock, Ph.D., *Director of Academic Services*

Carla Fancy, *Assistant Director of Instructional Support*

Dirk Van Curan, *Director of Technology Services*



Management's Discussion and Analysis Required Supplementary Information

Year Ended June 30, 2025

This discussion and analysis of the Maine School Administrative District #51 (the District) financial condition provides a narrative overview and analysis of the District's financial activities for the fiscal year ending June 30, 2025. It is the belief of management that all information contained is accurate in all material respects and reflects fairly the financial position and operations of the District. This management's discussion and analysis is designed to offer further explanation of the information contained herein. We encourage readers to consider the information that we have furnished in the District's basic financial statements that follow this section.

The management discussion and analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (currently, GASB Codification Section 2200.106-109). Certain comparative information between the current year and the prior year is included in the MD&A.

FINANCIAL HIGHLIGHTS

Financial highlights for the past year include the following:

- Assets of the District exceeded its liabilities by \$43,743,315.
- Capital assets of the District, net of depreciation, totaling \$59,402,721.

OVERVIEW OF THE FINANCIAL STATEMENTS

Our discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE STATEMENTS

Government-wide statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector company.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District'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 event 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 (for example, accrued salaries).

Additionally, to assess the District's overall health, one needs to consider additional non-financial factors such as the condition of school buildings and other facilities.

Both of the government-wide financial statements distinguish functions of the District that are principally supported by the local assessments from other functions that are intended to recover a significant portion of their costs through user fees and charges.

In the government-wide financial statements, the District's activities are reported in one category:

Governmental activities: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Local assessments, local non-tax revenues, and state revenues finance most of these activities.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The District's funds can be divided into two categories: governmental funds, and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide financial statements. However, unlike the governmental-wide statements, governmental fund financial statements focus on the 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 government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the governmental-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the District'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.

Fiduciary funds: The District is responsible for assets that, because of a trust arrangement, can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position (Statement 7) and a statement of changes in fiduciary net position (Statement 8). We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations. Further detail regarding the accounts is listed in the audited financial schedules and exhibits.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position may serve over time as a useful indicator of a District's financial position. The District's total net position increased by \$2,404,671, due to current year operations.

Table 1
Fiscal Year Ended June 30
Statement of Net Position

	<u>Governmental Activities</u>	
	<u>2025</u>	<u>2024</u>
Current and other assets	\$ 32,625,501	\$ 22,316,293
Capital assets	<u>59,402,721</u>	<u>55,309,252</u>
Total assets	92,028,222	77,625,545
Deferred outflows	<u>1,750,272</u>	<u>1,798,656</u>
Long-term debt outstanding	37,708,643	24,694,934
Other liabilities	<u>11,284,624</u>	<u>12,211,237</u>
Total liabilities	<u>48,993,267</u>	<u>36,906,171</u>
Deferred inflows	<u>1,041,912</u>	<u>1,179,386</u>
Net position		
Net investment in capital assets	39,976,873	37,430,597
Restricted	1,605,091	1,383,687
Unrestricted	<u>2,161,351</u>	<u>2,524,360</u>
Total net position	<u>\$ 43,743,315</u>	<u>\$ 41,338,644</u>

A large portion of the District's net position reflects its investment in capital assets (e.g., land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. The District uses these assets to provide services to its students; 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 the net position represents resources that are subject to external restrictions on how they may be expended. The remaining unrestricted balance of net position may be used to meet the District's ongoing obligations to students and creditors.

Table 2 presents a summary of the District's changes in net position for the fiscal years ended June 30, 2025 and 2024.

Table 2
Fiscal Year Ended June 30
Changes in Net Position

	<u>2025</u>	<u>2024</u>
Revenues		
Program revenues:		
Charges for services	\$ 343,694	\$ 326,800
Operating grants and contributions	7,372,114	6,438,483
General revenues:		
Property taxes	34,412,352	32,248,410
Grants & entitlements	15,688,999	14,672,881
Other	<u>433,318</u>	<u>388,198</u>
Total revenues	<u>58,250,477</u>	<u>54,074,772</u>
Expenditures		
Instructions	30,510,154	29,349,474
Other instructions	990,593	996,040
Student and staff support	4,049,077	3,638,711
System administration	1,622,010	1,553,529
School administration	1,938,505	1,886,553
Transportation and buses	2,291,311	2,156,636
Facilities maintenance	8,040,179	5,726,534
Debt service	445,037	538,745
Site and capital improvements	426,390	1,366,384
Program expenditures	1,911,499	1,722,976
Maine state retirement on behalf payments	<u>3,621,051</u>	<u>3,480,728</u>
Total expenditures	<u>55,845,806</u>	<u>52,416,310</u>
Change in net position	<u><u>\$ 2,404,671</u></u>	<u><u>\$ 1,658,462</u></u>

The total cost of Governmental Activities this year is \$55,845,806 (\$52,416,310 in 2024). However, after taking into account state subsidies and other non-property tax revenues, the ultimate cost to the taxpayers of Cumberland and North Yarmouth is \$34,412,352 (\$32,248,410 in 2024).

General Fund Revenues Budget to Actual Summary

For FY 2025, revenues were higher than estimated revenues by \$378,397 due to the increase in the state subsidy and interest earnings.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues			
Town assessments	\$ 34,412,352	\$ 34,412,352	\$ -
Intergovernmental	15,670,832	15,783,592	112,760
Charges for services	-	14,081	14,081
Interest earnings	30,000	198,905	168,905
Chebeague Island funds	107,923	107,597	(326)
Miscellaneous	29,000	111,977	82,977
	<u>\$ 50,250,107</u>	<u>\$ 50,628,504</u>	<u>\$ 378,397</u>

The following chart depicts program revenues by source.

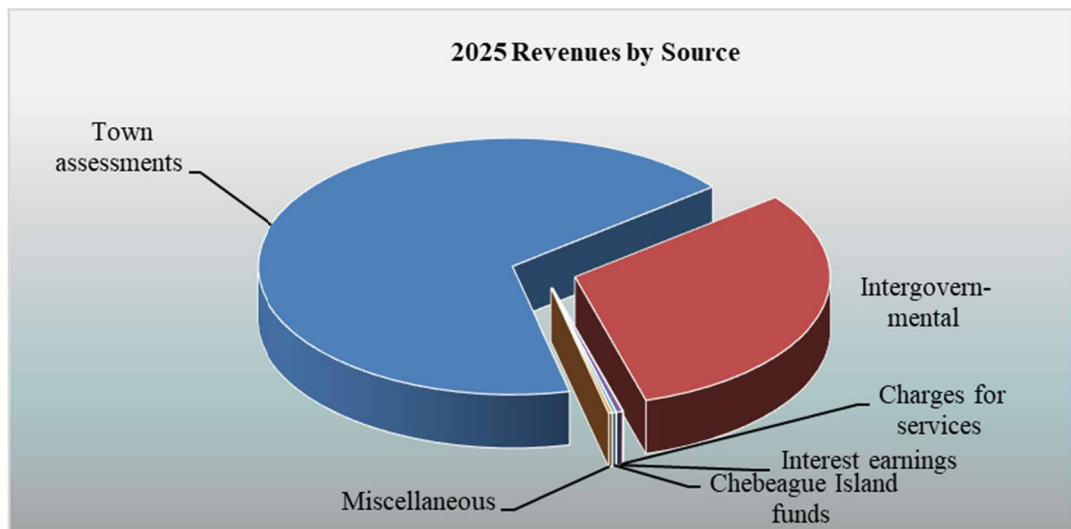


Chart A - 2025 Revenues by Source

General Fund Expenditures Budget to Actual Summary

Expenditures were less than budgeted by \$972,328.

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures			
Instructions	\$ 30,784,433	\$ 29,914,208	\$ 870,225
Other instructions	998,836	993,393	5,443
Student and staff support	3,936,395	3,935,678	717
System administration	1,745,868	1,729,093	16,775
School administration	2,013,715	1,934,547	79,168
Transportation and buses	2,288,499	2,288,499	-
Facilities maintenance	5,615,317	5,615,317	-
Debt service	2,867,044	2,867,044	-
	<u>\$ 50,250,107</u>	<u>\$ 49,277,779</u>	<u>\$ 972,328</u>

Chart B graphically depicts expenditures by function.

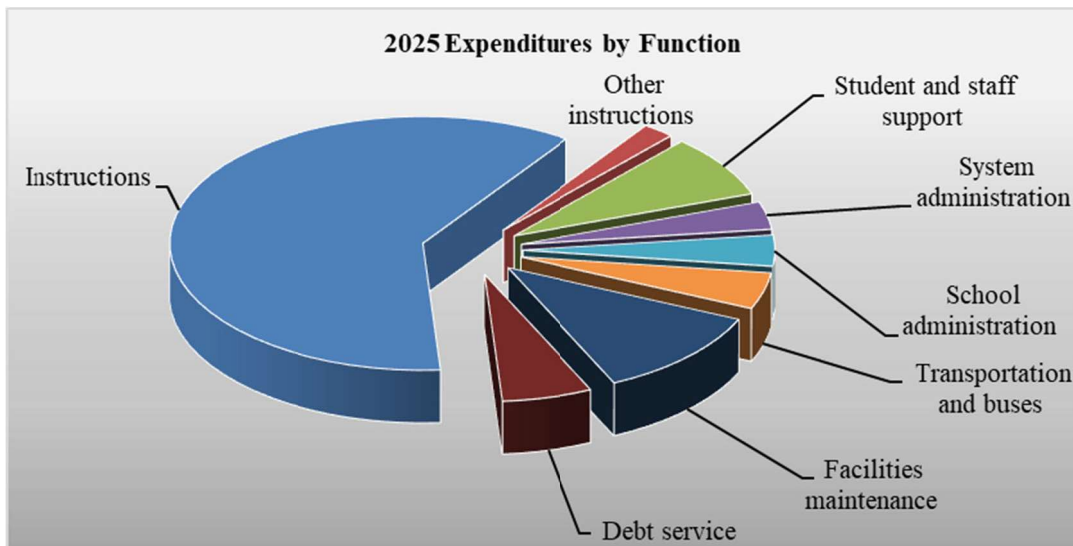


Chart B - 2025 Expenditures by Function

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The financial performance of the District as a whole is reflected in its governmental funds.

Governmental funds: The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances available for spending. Governmental funds report the differences between their assets and liabilities as fund balances. Reserved amounts reflect amounts which are not available to be spent except for specific purposes while unassigned amounts reflect amounts that are available to be used. Approximately 17.4% of the total fund balance of \$19,526,880, constitutes unassigned fund balance (\$3,389,782).

Budgetary highlights: Title 20-A, Chapter 103, subchapter IV, sections 1302-1310 provides a budget process for the District. The District's fiscal budget year begins on the first day of July and ends on the last day in June of the following year. Pursuant to State of Maine statutes, the Board of Directors of the District prepares a budget annually. At least seven days before the Board calls a budget meeting, the Board makes available to the legislative body (its citizens) a detailed budget document that includes anticipated revenues and estimated expenditures for final budget approval. At the public meeting, the voters approve the annual budget. Approximately one week later, there is a budget validation vote. The Board of Directors then issues warrants to the assessors of each member community, and their respective municipal treasurer will pay the District amounts in monthly installments due the 20th day of each month. North Yarmouth accounts for approximately 28% of the property tax assessment and Cumberland is approximately 72%.

CAPITAL ASSETS

At June 30, 2025, the District had \$59,402,721 (\$55,309,252 in 2024) invested in a broad range of capital assets, including land, buildings, furniture and equipment.

Table 3
Fiscal Year Ended June 30
Capital Assets (Net of Depreciation)

	2025	2024
Land	\$ 1,495,615	\$ 952,993
Construction in progress	2,795,231	794,068
Land improvements	1,852,731	340,221
Buildings and improvements	50,460,372	50,296,508
Equipment and transportation	2,798,772	2,925,462
	<u>\$ 59,402,721</u>	<u>\$ 55,309,252</u>

The chart below provides a graphic depiction of the distribution of the 2025 net book value of fixed assets (capital assets, net of depreciation) by asset class.

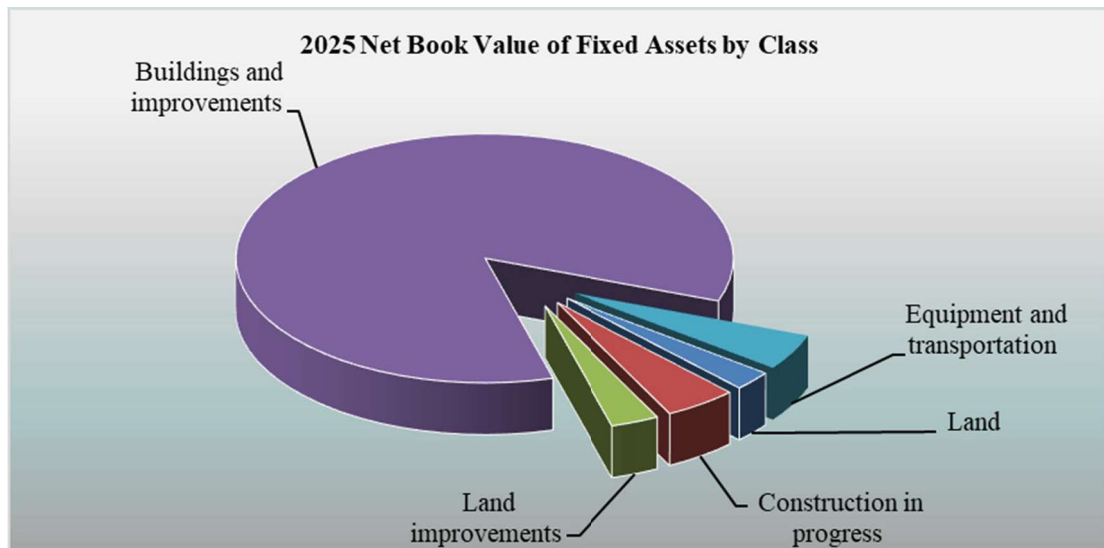


Chart C - Net Book Value of Fixed Assets by Class

DEBT ADMINISTRATION

At year-end the District had a total of \$30,196,883 (\$16,693,535 in 2024) of general obligation long-term debt. In addition, the financed purchase obligations totaled \$1,951,510 (\$2,238,465 in 2024) and the operating lease liabilities obligations totaled \$5,560,250 (\$5,762,934 in 2024).

The following is a summary of long-term debt transactions, financed purchases and operating lease obligations of the District for the year ended June 30, 2025 and 2024.

Table 4
Fiscal Year Ended June 30
General Long-Term Debt and Lease Obligations

	General Long-term Debt and Lease Obligations	
	2025	2024
Debt Payable at July 1	\$ 24,694,934	\$ 26,032,717
Additions	17,040,245	1,761,762
Retired	<u>(4,026,536)</u>	<u>(3,099,545)</u>
Debt Payable at June 30	<u>\$ 37,708,643</u>	<u>\$ 24,694,934</u>

More detailed information about our long-term liabilities is included in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's general fund expenditure budget increased by 7.12% for fiscal year 2026. An increase in State subsidy of \$1,209,731 related to enrollment growth and increased valuation limited the tax mil rate to a moderate 3.70% in Cumberland and 1.90 % in North Yarmouth.

The School District is currently constructing a new Primary school and an addition onto the Elementary school to address student enrollment growth in our communities. Debt service payments will begin in FY 2027, with a plan to soften that debt until FY 2031, when there is a significant reduction in debt service as some existing debt retires. Looking out to future budgets, in FY 2028, there will be pressure on the budget due to enrollment increases, required staffing for the new Primary school and increased debt service, all of which is needed to address ongoing growth in student population.

Please feel free to contact the district's management with any questions you may have.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of The District's finances and demonstrate The District's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, please contact Jeff Porter, Superintendent, or Scott Poulin, Director of Finance, Human Resources and Operations at 357 Tuttle Road, Cumberland, ME 04021, (207) 829-4800.

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BASIC FINANCIAL STATEMENTS

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Statement of Net Position

As of June 30, 2025

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 23,912,894
Cash held by third party	1,121,602
Accounts receivable	434,970
Prepaid expenses	69,820
Inventory	31,504
Capital assets:	
Land and construction in progress	1,495,615
Other capital assets, net of depreciation	<u>57,907,106</u>
Total capital assets	59,402,721
Intangible right-to-use lease assets, net of amortization	<u>7,054,711</u>
TOTAL ASSETS	<u>92,028,222</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amount on refunding	87,178
Deferred outflows for pensions	1,369,066
Deferred outflows for other post-employment benefits	<u>294,028</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,750,272</u>
LIABILITIES	
Accounts payable	632,614
Accrued wages and benefits	4,281,845
Unearned revenue	431,594
Due to students	22,935
Due to fiduciary funds	47,561
Accrued interest expense	155,371
Long-term liabilities:	
Bonds and leases due within one year (includes current portion of bond premiums of \$80,759)	2,611,090
Bonds and leases due beyond one year (including bond premiums of \$489,483)	35,097,553
Accrued compensated absences	401,947
Net pension liability	596,939
Net other post-employment benefits liability	<u>4,713,818</u>
TOTAL LIABILITIES	<u>48,993,267</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows for pensions	241,638
Deferred inflows for other post-employment benefits	<u>800,274</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,041,912</u>
NET POSITION	
Net investment in capital assets	39,976,873
Restricted for:	
Special revenues	1,605,091
Unrestricted	<u>2,161,351</u>
TOTAL NET POSITION	<u>\$ 43,743,315</u>

The Accompanying Notes are an Integral Part of these Statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Statement of Activities
For the Year Ended June 30, 2025

Functions / Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes In Net Position
		Charges for Services	Grants and Contributions	Governmental Activities
PRIMARY GOVERNMENT				
Governmental Activities				
Regular instructions	\$ 21,212,381	\$ 109,776	\$ 385,601	\$ (20,717,004)
Special education instruction	9,297,773	-	485,352	(8,812,421)
Other instruction	990,593	-	-	(990,593)
Student and staff support	4,049,077	-	-	(4,049,077)
System administration	1,622,010	-	-	(1,622,010)
School administration	1,938,505	-	-	(1,938,505)
Transportation and buses	2,291,311	-	-	(2,291,311)
Facilities maintenance	8,040,179	-	-	(8,040,179)
Debt service	445,037	-	107,597	(337,440)
Site improvements and technology purchases	426,390	-	841,546	415,156
Program expenditures	1,911,499	233,918	1,930,967	253,386
MainePERS on-behalf payments	3,621,051	-	3,621,051	-
TOTAL PRIMARY GOVERNMENT	\$ 55,845,806	\$ 343,694	\$ 7,372,114	(48,129,998)

General Revenues:

Taxes:

Local assessments - K - 12	34,412,352
State allocation	15,688,999
Investment earnings	304,875
Miscellaneous	128,443
Total general revenues	50,534,669
Change in net position	2,404,671
Beginning Net Position	41,338,644
Ending Net Position	\$ 43,743,315

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Balance Sheet
Governmental Funds
As of June 30, 2025

	General Fund	New Elementary School Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 9,386,857	\$ 14,117,329	\$ 408,708	\$ 23,912,894
Cash held by third party	133,589	-	-	133,589
Accounts receivable	42,843	-	392,127	434,970
Due from other funds	2,049,789	-	2,126,113	4,175,902
Inventories	-	-	31,504	31,504
TOTAL ASSETS	\$ 11,613,078	\$ 14,117,329	\$ 2,958,452	\$ 28,688,859
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 323,002	\$ 266,367	\$ 43,244	\$ 632,613
Accrued wages and benefits	4,212,812	-	69,033	4,281,845
Unearned revenues	1,122	-	-	1,122
Due to students	-	-	22,935	22,935
Due to other funds	2,173,675	1,957,702	92,087	4,223,464
Total liabilities	6,710,611	2,224,069	227,299	9,161,979
Fund Balances				
Nonspendable	-	-	31,504	31,504
Restricted for:				
Special revenue funds	-	-	1,605,090	1,605,090
Committed for:				
Capital Improvement expenditures	-	11,893,260	1,094,559	12,987,819
Operating budget expenditures	250,000	-	-	250,000
Technology expenditures	23,044	-	-	23,044
Emergencies expenditures	1,239,641	-	-	1,239,641
Unassigned	3,389,782	-	-	3,389,782
Total fund balances	4,902,467	11,893,260	2,731,153	19,526,880
TOTAL LIABILITIES AND FUND BALANCES	\$ 11,613,078	\$ 14,117,329	\$ 2,958,452	\$ 28,688,859

The reconciliation of the ending fund balances of governmental funds to the net position in the statement of net position is presented on a separate schedule on the next page.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position
As of June 30, 2025

Total governmental funds balances (from Statement 3) **\$ 19,526,880**

Amounts reported for governmental activities in the Statement of Net Position (Statement 1) are different because (see Note 1, also):

Cash held by third party 988,014

Capital assets and right-to-use assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 66,457,432

Prepaid expenses related to lease activity 69,820

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable	(29,626,641)
Financed purchases	(1,951,510)
Lease liabilities	(5,560,250)
Accrued interest	(155,371)
Bond premiums	(570,242)
Amount deferred on refunding	87,178
Accrued compensated absences	(401,947)
Unearned SRRF Revenues	(430,473)

Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds.

Net pension liability	(596,939)
Net other post-employment benefits liability	(4,713,818)

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, not reported in the funds.

Deferred outflows of resources related to pensions	1,369,066
Deferred inflows of resources related to pensions	(241,638)
Deferred outflows of resources related to other post-employment benefits	294,028
Deferred inflows of resources related to other post-employment benefits	(800,274)

Net position of governmental activities (see Statement 1) **\$ 43,743,315**

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Improvement Fund	New Elementary School Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 34,412,352	\$ -	\$ -	\$ -	\$ 34,412,352
Intergovernmental	15,783,591	-	-	2,186,408	17,969,999
Charges for services	14,081	-	-	329,613	343,694
Interest earned	198,905	-	105,970	-	304,875
Intergovernmental on behalf payments	3,621,051	-	-	-	3,621,051
Chebeague Island debt service payment	107,597	-	-	-	107,597
Miscellaneous	128,442	-	-	520,921	649,363
Total revenues	<u>54,266,019</u>	<u>-</u>	<u>105,970</u>	<u>3,036,942</u>	<u>57,408,931</u>
EXPENDITURES					
Regular instructions	21,042,602	-	-	243,623	21,286,225
Special education instruction	8,871,606	-	-	485,352	9,356,958
Other instruction	993,393	-	-	-	993,393
Student and staff support	3,935,678	-	-	131,247	4,066,925
System administration	1,729,093	-	-	-	1,729,093
School administration	1,934,547	-	-	-	1,934,547
Transportation and buses	2,288,499	-	-	-	2,288,499
Facilities maintenance	5,631,781	-	-	1,009,444	6,641,225
Debt service	2,867,044	-	-	-	2,867,044
Site improvements and technology purchases	-	-	3,922,178	2,106,479	6,028,657
Program expenditures	-	-	-	1,923,813	1,923,813
Maine state retirement on-behalf payments	3,621,051	-	-	-	3,621,051
Total expenditures	<u>52,915,294</u>	<u>-</u>	<u>3,922,178</u>	<u>5,899,958</u>	<u>62,737,430</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,350,725	-	(3,816,208)	(2,863,016)	(5,328,499)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	-	-	16,205,635	1,009,444	17,215,079
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,350,725</u>	<u>-</u>	<u>12,389,427</u>	<u>(1,853,572)</u>	<u>11,886,580</u>
BEGINNING FUND BALANCES, as previously presented	4,051,742	2,701,038	-	887,520	7,640,300
Transfer of fund balance	(500,000)	-	-	500,000	-
Change within financial reporting entity					
(nonmajor to major)	-	-	(496,167)	496,167	-
(major to nonmajor)	-	(2,701,038)	-	2,701,038	-
BEGINNING FUND BALANCES (DEFICIT), restated	<u>3,551,742</u>	<u>-</u>	<u>(496,167)</u>	<u>4,584,725</u>	<u>7,640,300</u>
ENDING FUND BALANCES	<u>\$ 4,902,467</u>	<u>\$ -</u>	<u>\$ 11,893,260</u>	<u>\$ 2,731,153</u>	<u>\$ 19,526,880</u>

The reconciliation of the net change in fund balances of governmental funds to the change in net position in the statement of activities is presented on a separate schedule on the next page.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
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, 2025

Excess of revenues over (under) expenditures - total governmental funds (from Statement 5) \$ 11,886,580

Amounts reported for governmental activities in the Statement of Activities
(Statement 2) are different because (see Note 1, also):

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 and reported as depreciation expense. This is the
amount by which depreciation and amortization exceeded capital outlay in the
current period:

Capital outlay	\$ 5,870,570	
Depreciation	(1,707,280)	
Amortization of right-to-use asset	<u>(1,283,238)</u>	2,880,052

Bond and lease proceeds are reported as other financing sources in the
governmental funds, but are reported as additions to long-term liabilities in the
Statement of Net Position. Repayment of bond principal and payments on the
principal portion of leases are reported as expenditures in the governmental
funds, but are reported as reductions to long-term liabilities in the Statement of
Net Position. This is the amount by which proceeds exceeded repayments in
the current period:

Long-term bond proceeds	(15,090,028)	
Deferred bond proceeds	(1,077,869)	
Long-term bond principal repayments	2,439,010	
Financed purchases proceeds	(110,048)	
Financed purchases repayment	397,003	
Lease liabilities repayments	<u>927,245</u>	(12,514,687)

Some expenses reported in the Statement of Activities, such as accrued
compensated absences, do not use current financial resources and, therefore,
are not reported as expenditures in the governmental funds.

Change in accrued interest expense		19,455
Change in deferred bond premiums		(104,318)
Change in the amount deferred on refunding		(78,765)
Change in accrued compensated absences		98,954
Change in the pension contribution		176,746
Change in the other post-employment benefits contribution		<u>40,654</u>

Change in net position of governmental activities (see Statement 2) \$ 2,404,671

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Statement of Fiduciary Net Position

Fiduciary Funds

As of June 30, 2025

	Private- purpose Trusts
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 11,303
Due from other funds	<u> 47,562</u>
TOTAL ASSETS	<u> 58,865</u>
 NET POSITION	
Principal	10,335
Income	<u> 48,530</u>
TOTAL NET POSITION	<u><u> \$ 58,865</u></u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended June 30, 2025

	<u>Private-purpose Trusts</u>
ADDITIONS	
Interest	\$ 238
Donations received	<u>2,430</u>
	2,668
DEDUCTIONS	
Scholarship	<u>3,295</u>
CHANGE IN NET POSITION	(627)
NET POSITION - JULY 1, 2024	<u>59,492</u>
NET POSITION - JUNE 30, 2025	<u><u>\$ 58,865</u></u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

Maine School Administrative District No. 51 is a Quasi-Municipal Corporation having received its Certificate of Organization on January 26, 1966, pursuant to Title 20-A and Chapter 103 of the Maine Revised Statutes, as amended. The School District's territory includes the Towns of Cumberland and North Yarmouth, Maine, providing the educational needs for grades kindergarten through 12 for the residents of these communities. The District has an eight-member Board of Directors of which five are residents of the Town of Cumberland and three are residents of the Town of North Yarmouth. The Directors are elected for three-year staggered terms. The Superintendent is the Secretary, Treasurer and Chief Administrator of the School District.

In evaluating the District as a reporting entity, management has addressed all potential component units for which the District may or may not be financially accountable and, as such, be includable within the District's basic financial statements. In accordance with the Governmental Accounting Standards Board (GASB), the District (the primary government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) it is able to impose its will on the organization or (2) there is a potential for the organization to provide specific financial benefit to or impose specific financial burden on the District. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's basic financial statements to be misleading or incomplete. Based on the application of these criteria, the District has not identified any component units that should be included in these financial statements.

The Governmental Accounting Standards Board is the authoritative standard-setting body for the establishment of governmental accounting and financial reporting principles.

The financial statements of the District have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) as applied to governmental units. The following is a summary of the more significant policies.

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements, comprised of the statement of net position and the statement of activities, report information on all the non-fiduciary activities of the District. The statement of net position presents the financial condition of the governmental activities of the District. The statement of activities presents a comparison between expenses, both direct and indirect, and program revenues for each program of the governmental activities. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues. The comparison of program revenues and direct expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Fund Financial Statements

Fund financial statements report detailed information about the School District. Since the focus is on major funds rather than reporting funds by type, each major fund is presented in a separate column. GASB sets forth minimum criteria (percentages of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by fund type.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting

The accounting and reporting treatment applied to a fund is determined by its measurement focus and basis of accounting. The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liability is incurred, regardless of when the related cash flow takes place. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements 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 (recorded) in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current fiscal period. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within 60 days after the end of the fiscal year. Revenue sources susceptible to accrual include intergovernmental revenues and investment earnings. Expenditures are recognized when the corresponding liabilities are incurred, except for principal and interest on general long-term debt, which are recognized when due, and compensated absences, which are recognized when paid to the employees. Allocations of cost, such as depreciation, are not recognized in governmental funds.

Fiduciary funds are reported using the economic resources measurement focus.

Fund Accounting

The District uses individual funds to maintain its financial records during the year in order to aid financial management and to demonstrate legal compliance. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues, and expenditures/expenses. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

Governmental Funds

Governmental funds are identified as either general, special revenue, or capital projects, based upon the following guidelines.

The General Fund is the operating fund of the District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific sources (other than major capital projects or expendable trusts) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for financial resources to be used for acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). The Capital Improvement Fund is reported as a major fund.

Fiduciary Funds (Not included in the government-wide statements)

Private-Purpose Trust and Custodial Funds - Trust funds are used to account for assets received by the District and held in a trustee capacity. Custodial funds are generally used to account for assets that the District holds on behalf of others as their agent. Custodial funds are custodial in nature (assets equal liabilities).

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The policy is that deposits can only be made in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) and/or Excess Share Insurance Corporation (ESI). The District's policy authorizes investments in obligations of the U. S. Treasury and U. S. Agencies, repurchase agreements, certain certificates of deposit and certain money market funds. The District invests its funds in an effort to ensure preservation of capital, remain sufficiently liquid and attain a reasonable market rate of return. Investments are reported at fair value except for money market investments that have a remaining maturity at time of purchase of one year or less stated at amortized cost.

Receivables

Accounts receivable in all funds report amounts that have arisen in the ordinary course of business. Governmental fund type receivables consist primarily of amounts due from the state or federal governments. These intergovernmental receivables are generally collected within 90 days of the end of the fiscal year and are considered collectible. As such, no allowance for doubtful accounts is recorded.

Inventories

School lunch inventories are valued at the lower of cost (first-in, first-out basis) or net realizable value.

Capital Assets

Capital assets, which include property, plant and equipment, are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. These assets are reported in the governmental column in the government-wide financial statements. Such purchased assets are recorded at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed in the Leases section below) and depreciated over their estimated useful lives (excluding salvage value) or, for lease assets, over the term of the lease. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation is used based on the following estimated useful lives:

Buildings and Building Improvements	5 - 75 years
Vehicles and Equipment	5 - 10 years

The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. However, interest incurred during the construction phase of the capital asset is not included as part of the capitalized value of the asset.

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures upon acquisition. Fixed assets are not capitalized, and the related depreciation is not reported in the fund financial statements.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Transactions

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the combined balance sheet of the governmental funds and fiduciary funds. Generally, the effect of interfund activity has been removed from the government-wide statements.

Operating transfers are used to move unrestricted resources from various funds to finance programs that the School must account for in other funds in accordance with budgetary authorizations.

Leases

The District routinely engages in lease agreements to meet operational needs. The District’s lease agreements generally relate to buildings and improvements, and technology. For short-term leases with a maximum possible term of 12 months or less at commencement, the District recognizes periodic expense based on the provisions of the lease agreement. For all other agreements where the District is the lessee, at the commencement of a lease, the District 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 the lease payments made. The intangible right-to-use 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. The intangible right-to-use lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. Intangible right-to-use lease assets, reported similar to other assets, and lease liabilities, reported similar to long-term debt, are included in the statement of net position. The District monitor changes in circumstances that would require a remeasurement of its lease and will remeasure the intangible right-to-use lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of assets. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows of resources of \$1,750,272 related to an advance debt refunding and pension and other post-employment benefits obligations as of June 30, 2025.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows of resources of \$1,041,912 related to a pension and other post-employment benefits obligations as of June 30, 2025.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions and Other Post-Employment Benefits (OPEB)

For purposes of measuring the District's net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the MainePERS State Employee and Teacher Plan (the Plan), the Participating Local District Plan (PLD), and additions to/deductions from the Plan and PLD's fiduciary net position have been determined on the same basis as they are reported by the Plan and PLD. For purposes of measuring the District's 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 MainePERS Group Life Insurance (GLI) Plan and the SAD 51 Cumberland and North – Maine Education Association Benefits Trust (MEABT) Postretirement Benefit Plan (the OPEB Plans) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB Plans.

For these purposes, the Pension Plan and the OPEB Plans recognize benefits and contributions and premium refunds and withdrawals to the plans' members and beneficiaries are recognized as deductions when due and payable in accordance with the terms of the statutes. In addition, an estimate is made for group life insurance death benefits incurred before year end but not reported to the OPEB Plan until after year end. Investments of the plans are measured at fair value.

Due to timing differences between audited information about the plans becoming available from MainePERS and MEABT and the statutorily required deadlines for audited financial statements for the District, the District uses measurement dates from the plan's account balances and activities that are 12 months prior to the date of the Statement of Net Position. Appropriate adjustments are made to the Statement of Net Position and Statement of Activity to reflect these divergent measurement dates. The use of the different measurement date is allowed under GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

Net Position and Fund Equity Classifications

Net position is required to be classified in the government-wide statements into the following three components:

Net Investment in Capital Assets - This component consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Capital assets	\$ 83,275,433
Accumulated depreciation	(23,872,712)
Bonds and leases payable	(18,942,784)
Bond premiums	(570,242)
Amount deferred on refunding	87,178
Net investment in capital assets	<u>\$ 39,976,873</u>

Restricted - This component consists of constraints placed on the use of net position which are either externally imposed by debt covenants, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component consists of net position that does not meet the definition of "restricted" or "net investment in capital assets".

Fund Balance

In the fund financial statements, governmental fund balance is presented in five possible categories:

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

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

Restricted - This classification represents those portions of fund equity that have externally enforceable legal restrictions.

Committed - This classification describes the portion of the fund balance that represents resources whose use is constrained by limitations that the government imposes upon itself at its highest level of decision making and that remain binding unless removed in the same manner.

Assigned - This classification reflects the amounts constrained by the District's "intent" to be used for specific purposes, but are neither restricted nor committed. The School Board has the authority to assign amounts to be used for specific purposes.

Unassigned - This classification represents amounts that are available for any purpose.

The District has no formal revenue spending policy for programs with multiple revenue sources. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and lastly unassigned fund balance.

Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. These estimates and assumptions affect the reported amounts of assets, liabilities, the disclosure of contingent liabilities, and the reported revenues and expenses.

Note 2: DEPOSITS AND INVESTMENTS

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the bank's failure, the District will not be able to recover the value of its deposits and investments that are in the possession of an outside party.

Deposits

The District does not have a deposit policy for custodial credit risk. As of June 30, 2025, all of the District's bank balances were either insured by the FDIC, National Credit Union Administration (NCUA), and Excess Share Insurance Corporation (ESI), or by irrevocable standby letters of credit.

Cash Held by Third Parties

The District owns assets held by the Maine School Management Association and by Maine Municipal Bond Bank. These amounts are invested by the custodian in money market accounts or similar very low risk investment vehicles that invest in U.S. government obligations. Management believes the custodial credit risk of the assets to be low. As of June 30, 2025, the carrying value of amounts held was \$1,121,602. Carrying value approximates fair value. None of the underlying securities are in the District's name.

Concentration of Credit Risk

The District places no limit on the amount the District may invest in any one issuer. All of the District's investments are in external investment pools.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 3: INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivables and payables balances at June 30, 2025, were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 2,049,789	\$ 2,173,675
New elementary school fund	-	1,957,702
Nonmajor special revenues	1,028,645	85,503
Nonmajor capital projects	1,097,468	6,584
Fiduciary	47,562	-
	<u>\$ 4,223,464</u>	<u>\$ 4,223,464</u>

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized account.

Equity Transfers

Interfund equity transfers of \$500,000 from the general fund to the capital improvement fund were authorized for the year ended June 30, 2025

Equity transfers are used to move unrestricted resources from various funds to finance programs that the District must account for in other funds in accordance with budgetary authorizations.

Note 4: CAPITAL ASSETS

Included in the capital assets below are capital assets that were obtained with capital leases. They are as follows:

	<u>Cost</u>	<u>Accumulated Depreciation</u>
Operations and maintenance	<u>\$ 3,356,139</u>	<u>\$ 1,025,553</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 4: CAPITAL ASSETS (Continued)

Capital asset activity during 2025 was:

	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2025</u>
Capital assets not being depreciated:			
Land	\$ 952,993	\$ 542,622	\$ 1,495,615
Construction in progress	794,068	2,001,163	2,795,231
Total capital assets not being depreciated	<u>1,747,061</u>	<u>2,543,785</u>	<u>4,290,846</u>
Capital assets being depreciated:			
Land improvements	971,827	1,583,772	2,555,599
Building and improvements	68,307,170	1,361,522	69,668,692
Transportation	4,401,392	139,160	4,540,552
Equipment	3,754,514	172,511	3,927,025
Total capital assets being depreciated	<u>77,434,903</u>	<u>3,256,965</u>	<u>80,691,868</u>
Total capital assets	79,181,964	5,800,750	84,982,714
Accumulated depreciation:			
Land improvements	631,606	71,262	702,868
Building and improvements	18,010,662	1,197,658	19,208,320
Transportation	2,808,498	234,018	3,042,516
Equipment	2,421,946	204,343	2,626,289
Total accumulated depreciation	<u>23,872,712</u>	<u>1,707,281</u>	<u>25,579,993</u>
Capital assets, net	<u>\$ 55,309,252</u>	<u>\$ 4,093,469</u>	<u>\$ 59,402,721</u>
	<u>Balance</u> <u>June 30, 2024</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2025</u>
Intangible right-to-use lease assets			
Building and improvements	\$ 8,930,093	\$ -	\$ 8,930,093
Equipment	806,005	727,744	1,533,749
Total intangible right-to-use lease assets	<u>9,736,098</u>	<u>727,744</u>	<u>10,463,842</u>
Accumulated amortization:			
Building and improvements	1,929,989	1,052,666	2,982,655
Equipment	192,721	233,755	426,476
Total accumulated amortization	<u>2,122,710</u>	<u>1,286,421</u>	<u>3,409,131</u>
Intangible right-to-use assets, net	<u>\$ 7,613,388</u>	<u>\$ (558,677)</u>	<u>\$ 7,054,711</u>

Depreciation and amortization were charged to functions as follows:

Operations and maintenance	\$ 2,419,101
Transportation	220,613
Program expenditures	9,796
Instructions	<u>344,192</u>
Total depreciation and amortization	<u>\$ 2,993,702</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 5: CHANGES IN LONG-TERM LIABILITIES

Long-Term Liabilities

The following is a summary of long-term liability activity of the District for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
General obligation bonds	\$ 16,227,610	\$ 16,000,000	\$ (2,600,969)	\$ 29,626,641	\$ 1,829,455
Bond Premiums	465,925	205,635	(101,318)	570,242	80,759
Financed purchases	2,238,465	110,048	(397,003)	1,951,510	236,608
Lease liabilities	5,762,934	724,562	(927,246)	5,560,250	464,268
Accrued compensated absences	500,901	-	(98,954)	401,947	-
Net pension liability	684,466	-	(87,527)	596,939	-
Net other post-employment benefits liability	4,675,840	37,978	-	4,713,818	-
	<u>\$ 30,556,141</u>	<u>\$ 17,078,223</u>	<u>\$ (4,213,017)</u>	<u>\$ 43,421,347</u>	<u>\$ 2,611,090</u>

Note 6: LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS

Long-Term Debt Obligations

General long-term debt consists of the following:

The Bank of New York Mellon:

2012 General Obligation Refunding Bonds (Middle School and Greely Junior High School Renovation), maturing 10/15/2025, annual series principal payments are \$845,000 (2015), \$1,100,000 (2016-2017), \$1,090,000 (2018), \$1,085,000 (2019-2023), \$990,000 (2024), and \$250,000 (2025). Various interest rates of 2% to 5%; interest paid semi-annually; authorized and issued \$ 250,000

The Bank of New York Mellon:

2014 General Obligation Bonds (Greely Grades 4-5 Addition), maturing 10/15/2034, annual series principal payments of \$100,000; various interest rates of 3% to 4%; interest paid semi-annually; authorized and issued \$2,000,000. 1,000,000

Banc of America Leasing & Capital LLC

2015 Qualified Energy Conservation Bond, maturing 11/18/2029, annual series payments between \$74,000 and \$80,000, taxable QECBs interest rate of 4.61% and federal tax credit rate of 4.40%, authorized and issued \$831,218. 304,474

U. S. Bank:

2017 General Obligation Refunding Bonds (Greely High Renovation), maturing 10/15/2029, annual series principal payments of \$685,000 to \$690,000 beginning 10/15/2020; various interest rates of 2.5% to 4%; interest paid semi-annually; authorized and issued \$6,855,000. 3,425,000

U. S. Bank:

2018 General Obligation Bonds (Performing Arts Center), maturing 08/01/2039, annual series principal payments of \$465,000; various interest rates of 3% to 4%; interest paid semi-annually; authorized and issued \$9,300,000. 6,975,000

Maine Municipal Bond Bank:

2022 School Revolving Renovation Fund (SRRF) Bond (Mabel I Wilson Upgrades), maturing 09/01/2033, annual series principal payments of \$75,243, interest rate of 0%; authorized and issued \$752,427. 642,636

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 6: LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)

Long-Term Debt Obligations (Continued)

William Wyatt:

2023 General Obligation Bond (Land Purchase), maturing 09/01/2028, annual series principal payments of \$140,000, interest rate of 3%; authorized and issued \$700,000.

560,000

Maine Municipal Bond Bank:

2023 School Revolving Renovation Fund (SRRF) Bond (Greely High School Upgrades), maturing 05/01/2034, annual series principal payments of \$52,170, interest rate of 0%; authorized and issued \$521,700.

469,530

Bank of New York Mellon Capital Market, LLC:

2025 Bond anticipation note (PreK-1 School Construction), maturing 12/30/2025 but expected to be converted to permanent financing in FY2027, estimated annual series principal payments of \$800,000, interest rate of 4.5%; issued \$16,000,000.

16,000,000

Total \$ 29,626,641

The annual requirement to amortize debt outstanding as of June 30, 2025, is as follows:

2026	\$ 1,829,455	\$ 432,261	\$ 2,261,716
2027	2,378,283	1,092,915	3,471,198
2028	2,381,547	1,000,423	3,381,970
2029	2,384,933	907,403	3,292,336
2030	2,210,045	815,952	3,025,997
2031-2035	7,317,378	3,161,969	10,479,347
2036-2040	6,325,000	1,822,857	8,147,857
2041-2045	4,000,000	720,000	4,720,000
2046	<u>800,000</u>	<u>36,000</u>	<u>836,000</u>
Total	<u>\$ 29,626,641</u>	<u>\$ 9,989,780</u>	<u>\$ 39,616,421</u>

Interest expense paid was \$570,304 for the year.

Under a provision of state law, the State of Maine reimburses the District for a portion of the financing costs of various approved school construction projects. The District's State aid subsidy is dependent upon continued annual appropriation by the State legislature.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 6: LONG-TERM DEBT AND CAPITAL LEASE OBLIGATIONS (Continued)**Long-Term Debt Obligations (Continued)****Financed Purchases Obligations**

The District has various leases of vehicles, and equipment, including energy efficient equipment expiring at different times. Annual payments are made in the amount of principal and interest due on the debt.

The following is a summary of financed purchases transactions of the District for the year ended June 30, 2025:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 236,607	\$ 53,736	\$ 290,343
2027	243,770	49,352	293,122
2028	254,286	41,696	295,982
2029	265,228	33,700	298,928
2030	221,072	24,606	245,678
2031-2034	730,547	43,694	774,241
Total financed purchased obligations	<u>\$ 1,951,510</u>	<u>\$ 246,784</u>	<u>\$ 2,198,294</u>

Note 7: LEASE LIABILITIES

The District leases equipment through Androscoggin Bank and portable classrooms through Schiavi Leasing Corporation. The lease payments on lease liabilities at June 30, 2025, are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 464,268	\$ 145,625	\$ 609,893
2027	459,432	126,543	585,975
2028	458,168	107,809	565,977
2029	246,943	92,661	339,604
2030	219,542	81,088	300,630
2031-2035	461,024	338,976	800,000
2036-2040	507,015	292,985	800,000
2041-2045	557,594	242,406	800,000
2046-2050	613,218	186,782	800,000
2051-2055	674,392	125,608	800,000
2056-2060	741,668	58,332	800,000
2061	156,986	3,014	160,000
Total lease liabilities obligations	<u>\$ 5,560,250</u>	<u>\$ 1,801,829</u>	<u>\$ 7,362,079</u>

Total operating lease expense for the year ending June 30, 2025, was \$1,402,196.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 8: 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 disallowed 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 District expects such amounts, if any, to be immaterial.

Litigation

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

Note 9: OTHER DISCLOSURES

Risk Management

The District 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 District either carries commercial insurance, or participates in a public entity risk pool. Currently, the District participates in several public entity risk pools sponsored by the Maine State Management Association. Based on the coverage provided by the pools, as well as coverage provided by commercial insurance purchased, the District is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2025. 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 on June 30, 2025.

Unemployment Compensation Fund

The District is self-insured for unemployment compensation, thereby retaining the full liability of these risks. The unemployment compensation fund consists of a reserve account held with the Maine School Management Association. Contributions during the year are invested and held temporarily to administer unemployment benefits for the School, if any. As of the date of this report, there are no unpaid claims outstanding, nor is the District aware of any potential claims which have been incurred yet remain unreported and which should be recorded at June 30, 2025.

Chebeague Island School

Pursuant to negotiations between the Chebeague Island Secession Representatives and the Board, the parties agreed to the following: The Town of Chebeague Island (the Town) will pay their percentage share of the District's debt that equals the ratio of the State valuation of the Town of Chebeague Island to the combined State valuations of the Towns of Cumberland, North Yarmouth, and Chebeague Island.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 10: DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description

The MainePERS State Employee and Teacher Plan (the Plan) is a multiple-employer cost sharing plan with a special funding situation. As of June 30, 2024, there were 241 employers, including the State of Maine, participating in the plan.

The State of Maine is also a non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school districts contribute the normal cost, calculated actuarially, for their teacher members.

The Participating Local District (PLD) Plan is a multiple-employer cost sharing plan. Eligible employers (districts) are defined in Maine statute. As of June 30, 2024, there were 336 employers in the plan.

Each Plan is administered by the Maine Public Employees Retirement System (the System).

Pension Benefits

Benefit terms are established in Maine statute; in the case of the PLD Consolidated Plan, an advisory group, also established by statute, reviews 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 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 (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for State employees and teachers; separate legislation enacted the same reduced requirement for employees of PLDs). 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 or 65. 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 employee and teacher members and by contract with other participating employers under applicable statutory provisions.

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 rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 3.88%.

Member and Employer Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. Member and employer contribution rates are each a percentage of applicable member compensation. Member contribution rates are defined by law or by the System's Board of Trustees and depend on the terms of the plan under which a member is covered. Employer contribution rates are determined through actuarial valuations.

Financial Reporting

MainePERS issues annual financial reports for the Plan which can be found online at:

<http://www.maineopers.org/Publications/Publications.htm#Annual Reports>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

The net pension liability, deferred inflows of resources and deferred outflows of resources related to pensions were measured at June 30, 2024, the latest measurement date available, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. These amounts are reported on the District's financial statements as of June 30, 2025. The District's deferred outflows of resources related to pensions balance, as of the measurement date, was increased by contributions to pensions made in the current fiscal year. These amounts were adjusted accordingly as reductions to expenses in the Statement of Activities.

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability for the SET Plan that reflected a reduction for State pension support provided to the District. The amount recognized by the District 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 District were as follows:

District's proportionate share of the net pension liability	\$ 401,364
State's proportionate share of the net pension liability associated with the District	<u>23,796,143</u>
Total	<u>\$ 24,197,507</u>

The District's proportion of the Plan's net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. At June 30, 2024, for the SET plan, the District's proportion was 0.029250%, which was a decrease of 0.005166% from its proportion measured as of June 30, 2023. At June 30, 2024, for the PLD plan, the District's proportion was 0.048863%, which was an decrease of 0.002008% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the District recognized total pension expense of \$4,675,120 and revenue of \$3,621,051 for support provided by the State related to the SET plan, resulting in a net pension expense of \$1,054,069. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SET Plan		PLD Plan		Net of Both Plans	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 40,597	\$ -	\$ 58,046	\$ -	\$ 98,643	\$ -
Change of assumptions	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	30,569	-	20,335	-	50,904
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	183,868	-	6,866	-	190,734
District contributions subsequent to the measurement date	<u>1,270,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,270,423</u>	<u>-</u>
Total	<u>\$ 1,311,020</u>	<u>\$ 214,437</u>	<u>\$ 58,046</u>	<u>\$ 27,201</u>	<u>\$ 1,369,066</u>	<u>\$ 241,638</u>

Differences due to changes in assumptions about future economic or demographic factors or other inputs were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 10: DEFINED BENEFIT PENSION PLAN (Continued)

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

District contributions to the Plan subsequent to the measurement date, totaling \$1,270,423, are reported as deferred outflows of resources related to pensions and will be recognized in pension expense in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	SET Plan	PLD Plan	Total
Fiscal year 2026	\$ (126,595)	\$ (7,831)	\$ (134,426)
Fiscal year 2027	(22,925)	45,327	22,402
Fiscal year 2028	(18,432)	(2,710)	(21,142)
Fiscal year 2029	(5,888)	(3,941)	(9,829)
Total	<u>\$ (173,840)</u>	<u>\$ 30,845</u>	<u>\$ (142,995)</u>

Actuarial Methods and Assumptions

The collective total pension liability for the Plans was determined by an actuarial valuation as of June 30, 2024, using the following methods and assumptions applied to all periods included in the measurement.

Actuarial Cost Method

The Entry Age Normal cost method is used to develop costs. Under this cost method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits, and dividing it by the value, also as of the member's entry age, of his or her expected future salary. The normal cost for each employee is the product of his or her pay and his or her normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The IUAL of the SET Plan is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. All other gains, losses, and changes are amortized over twenty-year periods beginning on the date as of which they occur.

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 10: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Methods and Assumptions (Continued)

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2024 and June 30, 2023 are as follows:

Investment Rate of Return - For both Plans, 6.50% per annum, compounded annually for 2024 and 2023

Inflation Rate - For both Plans, 2.75% (2024 and 2023)

Salary Increases, Merit and Inflation – For the SET Plan for 2024 and 2023, Teachers, 2.80% to 13.03%; all participants in the PLD Plan for 2024 and 2023, 2.75% to 11.48%;

Cost of Living Benefit Increases – For the SET Plan, 2.20% (2024 and 2023), For the PLD Plan, 1.91% (2024 and 2023)

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

The long-term expected rate of return on pension plan assets 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 class of assets. 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 June 30, 2024 are summarized in the following table:

	Long-Term Expected Real Rate of Return
Public equities	5.6%
US Government	2.2%
Private equity	7.2%
Real assets:	
Real estate	5.8%
Infrastructure	5.3%
Natural resources	5.1%
Traditional credit	2.7%
Alternative credit	6.4%
Diversifiers	4.8%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2024 and 2023 for each of the plans. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. 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 liability.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 10: DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Methods and Assumptions (Continued)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rates

The following table presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the District'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.

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
SET Plan:			
District's proportionate share of the net pension liability	\$ 842,170	\$ 401,364	\$ 34,467
PLD Plan			
Net pension liability (asset)	<u>488,671</u>	<u>195,575</u>	<u>(45,903)</u>
Total	<u>\$ 1,330,841</u>	<u>\$ 596,939</u>	<u>\$ (11,436)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued MainePERS financial report.

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS PLANS

General Information about the OPEB GLI Plans

GLI OPEB Plans Descriptions

The District participates in the two post-retirement benefit plans providing group term life insurance to retiring employees. Teachers participate in the Group Life Insurance Plan for State Employees and Teachers (the SET Plan). For certain District employees, the District contributes to the Group Life Insurance Plan for Participating Local Districts (the PLD Plan). Both plans are a multiple-employer cost-sharing defined benefit OPEB plan administered by the Maine Public Employees Retirement System (MainePERS), however the SET Plan has a special funding situation. The MainePERS Board of Trustees has the authority to establish and amend the benefit terms and financing requirements for each plan.

SET OPEB Plan – As of June 30, 2024, there were 237 employers, including the State of Maine, participating in the SET OPEB plan. The State is also a non-employer contributing entry in that the State pays contributions for retired school teachers in the plan.

PLD OPEB Plan – As of June 30, 2024, there were 156 employers participating in the PLD OPEB plan.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS PLANS (Continued)

GLI OPEB Plans (Continued)

GLI OPEB Plans Benefits

The OPEB plans provides basic group life insurance benefits, during retirement, to retirees who participated in the group life insurance plan prior to retirement for a minimum of 10 years. The level of coverage in retirement is initially set to an amount equal to the retiree's 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.

GLI OPEB Plans Funding Policies

Premium rates are those determined by MainePERS's Board of Trustees to be actuarially sufficient to pay anticipated claims. The premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage while participants are active members. Premiums for basic life insurance coverage for retired teachers are paid by the State of Maine as the total dollar amount of each year's annual required contribution. PLD employers are required to remit a premium of \$0.48 per \$1,000 of coverage for covered active employees, a portion of which is to provide a level of coverage in retirement. PLD employers with retired PLD employees continue to remit a premium of \$0.48 per \$1,000 of coverage per month during the post-employment retired period.

GLI OPEB Plans Financial Reporting

MainePERS issues annual financial reports for the Group Life Insurance Plan which can be found online at:

<http://www.maineopers.org/Publications/Publications.htm#Annual Reports>

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

GLI OPEB Plans

The net OPEB liability, deferred inflows of resources and deferred outflows of resources related to OPEB were measured at June 30, 2024, the latest measurement date available, and the total OPEB liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The District currently has no proportionate share of the collective net OPEB liability for the SET Plan. Therefore, at June 30, 2025, the District reported a liability of \$0 for its proportionate share of the net OPEB liability. The State's proportionate share of the net OPEB liability associated with the District was \$469,666. Likewise, for the year ended June 30, 2025, the District recognized no OPEB expense (related to the MainePERS GLI OPEB SET Plan).

At June 30, 2025, the District reported deferred outflows of resources of \$4,034 and deferred inflows of resources of \$9,575 related to OPEB assets and liabilities.

The District's collective net OPEB liability for the PLD Plan as of June 30, 2024, was \$28,052. For the year ended June 30, 2025, the District paid its premiums for both active and retired employees and recognized a reduction of OPEB expense of \$4,905 (related to the MainePERS GLI OPEB PLD Plan).

GLI OPEB Plan Reporting

Normally, additional disclosures about actuarial methods and assumptions as well as required supplementary information relating to the District's proportionate share of the collective net OPEB liability and a schedule of the District's contributions to the OPEB Plan would be presented. However, due to the District having no or minimal liability nor contributions to the plan, these disclosures and schedules would provide no useful information and, thus, have been omitted.

Detailed information about the OPEB plan is available in the separately issued MainePERS financial report.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS PLANS (Continued)

General Information about the OPEB Health Insurance Plan

Health Insurance OPEB Plan Description

The District 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.

Health Insurance OPEB 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 55% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members. The retiree pays 45% of the blended premium rate for coverage elected. 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 benefit payments	131
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>375</u>
Total	<u><u>506</u></u>

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

Health Insurance OPEB Plan

The District's total OPEB liability of \$4,685,766 was measured as of June 30, 2024, and was determined by an actuarial valuation as of that date.

Changes in the Total OPEB Liability

Balance at June 30, 2023	\$ 4,643,931
Changes for the year:	
Service Cost	109,769
Interest	170,885
Changes of benefit terms	-
Differences between expected and actual experience	(40,733)
Changes in assumptions or other inputs	(52,935)
Benefit payments	<u>(145,151)</u>
Net changes	<u>41,835</u>
Balance at June 30, 2024	<u><u>\$ 4,685,766</u></u>

Change in assumptions reflects a change in the discount rate from 3.65% to 3.93%.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS PLANS (Continued)

Health Insurance OPEB Plan (Continued)

For the year ended June 30, 2025, the District recognized a OPEB expense reduction of \$35,749. At June 30, 2025, the District 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
Differences between expected and actual experience	\$ 42,930	\$ 517,052
Changes of Assumptions or other inputs	66,801	273,647
District contributions subsequent to measurement date	180,263	-
Total	<u>\$ 289,994</u>	<u>\$ 790,699</u>

District contributions to the Plan subsequent to the measurement date, totaling \$180,263, are reported as deferred outflows of resources related to OPEB and will be recognized in OPEB expense in the next fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended	
June 30:	
2026	\$ (101,407)
2027	(145,945)
2028	(145,945)
2029	(124,447)
2030	(130,010)
Thereafter	<u>(33,214)</u>
	<u>\$ (680,968)</u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75%
Salary increases	2.75% - 13.03% per year
Discount rate	3.93% per annum
Healthcare cost trend rates - Pre-Medicare	Initial trend of 9.0% applied in FY 2025 grading over 20 years to 4.5% per annum
Healthcare cost trend rates - Medicare	Initial trend of 6.0% applied in FYE 2025, 5.7% applied in 2026, 6.1% applied in FYE 2027 grading over 18 years to 4.5% per annum
Retirees' share of the benefit related costs	40% of the blended single premium rate with a State subsidy for the remaining 60%

Mortality rates were based on the 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, 2024 valuation were based on the results of an actuarial experience study covering the period June 30, 2015 through June 30, 2020.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

NOTE 11: OTHER POST-EMPLOYMENT BENEFITS PLANS (Continued)

Health Insurance OPEB Plan (Continued)

Discount Rate

The rate used to measure the total OPEB liability was 3.93% per annum. Since the plan is pay as you go and is not funded, the discount rate was based upon the Bond Buyer 20-Bond GO Index. This 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.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the District's total OPEB liability calculated using the discount rate of 3.93%, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.93%) or 1 percentage-point higher (4.93%) than the current rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 5,470,788	\$ 4,685,766	\$ 4,055,900

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the District's total OPEB liability calculated using the healthcare cost trend rates, as well as what the District'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	\$ 3,994,124	\$ 4,685,766	\$ 5,569,203

Note 12: PURPOSE OF STUDENT ACTIVITY FUNDS

The purpose of the Student Activity Funds is to maintain accountability of the various extracurricular activities for the students at Maine School Administrative District No. 51.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

Note 13: COMPONENTS OF FUND BALANCE

As of June 30, 2025, fund balance components consisted of the following:

	<u>Non- spendable</u>	<u>Restricted</u>	<u>Committed</u>	<u>Unassigned</u>
General fund:				
Prepaid expenses	\$ -	\$ -	\$ -	\$ -
Operating budget expenditures	-	-	250,000	-
Technology expenditures	-	-	23,044	-
Emergencies expenditures	-	-	1,239,641	-
Unassigned	-	-	-	3,389,782
New elementary school	-	-	11,893,260	-
Other governmental funds:				
Special revenues				
MEABT Wellness	-	541	-	-
PEPG Development grant	-	500	-	-
GEER - teens to trails	-	551	-	-
School lunch program	31,504	1,054,368	-	-
Getting to proficiency	-	376	-	-
MLTI repairs & maintenance	-	20,932	-	-
Foundation 51	-	24,529	-	-
Athletic donations	-	5,686	-	-
Ted warner memorial fund	-	6,127	-	-
Mini sunshine grant	-	1,252	-	-
Greely turf	-	846	-	-
NASA grant	-	1,418	-	-
Charitable gifts	-	238	-	-
Casco Bay japanese	-	4,222	-	-
Insurance reimbursement	-	20,217	-	-
Siemens grant	-	5,454	-	-
Go fund me grant	-	3,750	-	-
MEEA outdoor learning grant	-	113	-	-
KyleCares	-	43,381	-	-
Water education grant	-	410	-	-
New reader board	-	634	-	-
The NEA foundation grant	-	750	-	-
PTO grant	-	3	-	-
GHS functional life skills	-	193	-	-
GMS functional life skills	-	13	-	-
Berlin city MIW grant	-	84	-	-
Community development	-	-	-	-
Greely high school student activities	-	281,377	-	-
Greely middle school grades 6-8 student activities	-	57,025	-	-
Mabel I Wilson School Student activities	-	38,497	-	-
Greely middle school grade 4-5 student activities	-	31,603	-	-
Subtotal - special revenues	<u>31,504</u>	<u>1,605,090</u>	<u>-</u>	<u>-</u>
Capital projects				
Capital improvements	<u>-</u>	<u>-</u>	<u>1,094,559</u>	<u>-</u>
Total	<u>\$ 31,504</u>	<u>\$ 1,605,090</u>	<u>\$ 14,500,504</u>	<u>\$ 3,389,782</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Basic Financial Statements

June 30, 2025

NOTE 14: TRANSFER OF FUND BALANCE

During the FY2026 Annual Budget Meeting, the voters authorized the School Board to transfer a sum of \$500,000 from MSAD #51's General Fund's Unassigned Fund Balance to the Capital Improvement Reserve Fund. That transfer is reported as a Transfer of Fund Balance on Statement 5.

NOTE 15: NONMAJOR FUND TO MAJOR FUND, AND MAJOR FUND TO NONMAJOR FUND

GASB sets forth minimum criteria (percentages of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The New Elementary School Fund is reported as a major fund this year and as a nonmajor fund in the prior year. The Capital Improvement Fund is reported as a nonmajor fund this year and as a major fund in the prior year. GASB Standard No. 100 changes the presentation of Statement 5, Schedule 11, and Schedule 17 as follows.

	Reporting Units Affected by Restatements of Beginning Balances			
	Funds			
	General Fund	Capital Improvement Fund	New Elementary School Fund	Nonmajor Governmental
Beginning Fund Balances, as previously reported	\$ 4,051,742	\$ 2,701,038	\$ -	\$ 887,520
Transfer of funds	(500,000)	-	-	500,000
Change from nonmajor to major	-	-	(496,167)	496,167
Change from major to nonmajor	-	(2,701,038)	-	2,701,038
Beginning Fund Balances, as restated	<u>\$ 3,551,742</u>	<u>\$ -</u>	<u>\$ (496,167)</u>	<u>\$ 4,584,725</u>

Note 16: SUBSEQUENT EVENTS

In June 2024, the District voters approved the issuance of a General Obligation Bond not to exceed \$53,492,000 to finance the construction of a new preK-Grade 1 primary school building, a maintenance building, an addition to Mabel I. Wilson School, a new artificial turf athletic field, vehicular circulation improvements, and other improvements to Mabel I Wilson School. The bond is expected to be repaid over a 20-year period at interest rates prevailing at the time of issuance. During FY2025, the District issued \$16,000,000 in bond anticipation notes to fund ongoing construction costs.

The bond anticipation note matures in December 2025 and carries an interest rate of 4.50%. The District intends to draw down the remaining authorized funds in December 2025.

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through the date the financial statements were available to be issued – the date of the independent auditor's report.

REQUIRED SUPPLEMENTARY INFORMATION

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MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Budgetary Comparison Schedule

Budget and Actual - General Fund - Budgetary Basis

Year Ended June 30, 2025

	<u>Initial Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Town assessments	\$ 34,412,352	\$ 34,412,352	\$ 34,412,352	\$ -
Charges for services:				
Tuition	-	-	14,081	14,081
State shared revenues:				
General and debt service	15,614,832	15,614,832	15,688,998	74,166
Medicaid reimbursement (net)	33,500	33,500	19,818	(13,682)
Other	<u>22,500</u>	<u>22,500</u>	<u>74,775</u>	<u>52,275</u>
Total State shared revenue	<u>15,670,832</u>	<u>15,670,832</u>	<u>15,783,591</u>	<u>112,759</u>
Miscellaneous:				
Interest	30,000	30,000	198,905	168,905
Chebeague Island debt service payment	107,923	107,923	107,597	(326)
Other	<u>29,000</u>	<u>29,000</u>	<u>111,978</u>	<u>82,978</u>
Total miscellaneous	<u>166,923</u>	<u>166,923</u>	<u>418,480</u>	<u>251,557</u>
TOTAL REVENUES	<u>50,250,107</u>	<u>50,250,107</u>	<u>50,628,504</u>	<u>378,397</u>
EXPENDITURES-BY FUNCTIONS				
Regular instructions	21,829,979	21,519,979	21,042,602	477,377
Special education instruction	9,381,146	9,264,454	8,871,606	392,848
Other instruction	998,836	998,836	993,393	5,443
Student and staff support	3,806,395	3,936,395	3,935,678	717
System administration	1,565,868	1,745,868	1,729,093	16,775
School administration	2,013,715	2,013,715	1,934,547	79,168
Transportation and buses	2,253,499	2,288,499	2,288,499	-
Facilities maintenance	5,615,317	5,615,317	5,615,317	-
Debt service	<u>2,785,352</u>	<u>2,867,044</u>	<u>2,867,044</u>	<u>-</u>
TOTAL EXPENDITURES-BY FUNCTIONS	<u>50,250,107</u>	<u>50,250,107</u>	<u>49,277,779</u>	<u>972,328</u>
EXCESS OF REVENUES OVER (UNDER)				
EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,350,725</u>	<u>\$ 1,350,725</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Schedule of the District's Proportionate Share of the Net Pension Liability
MainePERS State Employee and Teacher Plan
Employer ID: TD051
For the Last Ten Years *

Fiscal Year Ended June 30,	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State's proportionate share of the net pension liability associated with the District	Total	District's covered-employee payroll	District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.029250%	\$ 401,364	\$ 23,796,143	\$ 24,197,507	\$ 24,448,024	1.64%	87.59%
2024	0.034416%	522,139	22,393,301	22,915,440	22,453,690	2.33%	86.03%
2023	0.049176%	730,220	21,611,313	22,341,533	21,386,648	3.41%	85.79%
2022	0.051437%	435,068	12,180,977	12,616,045	20,205,991	2.15%	90.90%
2021	0.029102%	475,018	24,048,511	24,523,529	19,476,421	2.44%	81.03%
2020	0.036135%	529,694	21,133,681	21,663,375	18,868,234	2.81%	82.73%
2019	0.024869%	335,593	20,067,824	20,403,417	18,578,296	1.81%	82.90%
2018	0.027945%	405,911	21,449,234	21,855,145	18,191,511	2.23%	80.78%
2017	0.032346%	571,444	24,762,765	25,334,209	16,836,110	3.39%	76.21%
2016	0.024175%	326,391	19,463,820	19,790,211	16,794,091	1.94%	81.18%

* Date headers reflect the reporting fiscal year, but measurement dates are twelve months prior.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Schedule of the District's Employer Contributions

MainePERS State Employee and Teacher Plan

Employer ID: TD051

For the Last Ten Years *

Fiscal Year Ended June 30,	Contractually required contributions	District's contributions in relation to the contractually required contributions	District's contribution deficiency (excess)	District's covered- employee payroll	District's contributions as a percentage of its covered- employee payroll
2025	\$ 1,270,423	\$ 1,270,423	\$ -	\$ 25,416,841	5.00%
2024	1,230,818	1,230,818	-	24,448,024	5.03%
2023	985,958	985,958	-	22,453,690	4.39%
2022	974,284	974,284	-	21,386,648	4.56%
2021	972,300	972,300	-	20,205,991	4.81%
2020	865,448	865,448	-	19,476,421	4.44%
2019	818,004	818,004	-	18,868,234	4.34%
2018	778,321	778,321	-	18,578,296	4.19%
2017	645,945	645,945	-	18,191,511	3.55%
2016	602,800	602,800	-	16,836,110	3.58%

* Date headers reflect both the reporting fiscal year and the measurement date.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Schedule of the District's Proportionate Share of the Net Pension Liability
MainePERS Participating Local District Consolidated Plan
Employer ID: P0198
For the Last Ten Years *

Fiscal Year Ended June 30,	District's proportion of the net pension liability	District's proportionate share of the net pension (asset) liability	District's covered- employee payroll	District's proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	0.048863%	\$ 195,575	\$ 516,068	37.90%	91.06%
2024	0.050871%	162,327	534,192	30.39%	92.34%
2023	0.053786%	142,980	497,894	28.72%	93.26%
2022	0.047265%	(15,189)	410,423	-3.70%	100.86%
2021	0.039516%	157,002	344,879	45.52%	88.35%
2020	0.038712%	118,328	324,397	36.48%	90.62%
2019	0.036365%	99,523	288,388	34.51%	91.14%
2018	0.037224%	154,456	297,466	51.92%	86.43%
2017	0.046707%	248,159	391,376	63.41%	81.61%
2016	0.038049%	121,394	379,343	32.00%	88.27%

* Date headers reflect the reporting fiscal year, but measurement dates are twelve months prior.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Schedule of the District's Employer Contributions

MainePERS Participating Local District Consolidated Plan

Employer ID: P0198

For the Last Ten Years *

Fiscal Year Ended June 30,	Contractually required contributions	District's contributions in relation to the contractually required contributions	District's contribution deficiency (excess)	District's covered- employee payroll	District's contributions as a percentage of its covered- employee payroll
2025	\$ 55,732	\$ 55,732	\$ -	\$ 624,276	8.93%
2024	46,311	46,311	-	516,069	8.97%
2023	45,871	45,871	-	534,192	8.59%
2022	41,145	41,145	-	497,894	8.26%
2021	32,337	32,337	-	410,423	7.88%
2020	25,521	25,521	-	344,879	7.40%
2019	23,681	23,681	-	324,397	7.30%
2018	20,187	20,187	-	288,388	7.00%
2017	19,335	19,335	-	297,466	6.50%
2016	21,917	21,917	-	391,376	5.60%

* Date headers reflect both the reporting fiscal year and the measurement date.

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Schedule of the District's Proportionate Share of the Net OPEB Liability
MainePERS Group Life Insurance OPEB Teacher Plan
Employer ID: TD051
For the Last Eight Years *

Fiscal Year Ended June 30,	District's proportion of the net pension liability	District's proportionate share of the net pension liability	State's		Total	District's covered- employee payroll	District's proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
			District's proportionate share of the net pension liability associated with the District	share of the net pension liability associated with the District				
2025	0.00%	\$ -	\$ 469,666	\$ 469,666	\$ 469,666	\$ 24,448,024	0.00%	66.13%
2024	0.00%	-	652,980	652,980	652,980	22,453,690	0.00%	56.97%
2023	0.00%	-	693,671	693,671	693,671	21,386,648	0.00%	52.39%
2022	0.00%	-	349,551	349,551	349,551	20,205,991	0.00%	62.90%
2021	0.00%	-	735,014	735,014	735,014	19,476,421	0.00%	49.51%
2020	0.00%	-	690,377	690,377	690,377	18,868,234	0.00%	49.22%
2019	0.00%	-	695,511	695,511	695,511	18,578,296	0.00%	48.04%
2018	0.00%	-	644,740	644,740	644,740	18,191,511	0.00%	47.29%

* Date headers reflect the reporting fiscal year, but measurement dates are twelve months prior.

*Note: This schedule is intended to show information for ten years.
The data presented is attributable to those years since the District's
first year of GASB 75 implementation; the fiscal year ended June 30, 2018.*

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Schedule of the District's Proportionate Share of the Net OPEB Liability
MainePERS Group Life Insurance OPEB PLD Plan
Employer ID: P0198
For the Last Eight Years *

Fiscal Year Ended June 30,	District's proportion of the net pension liability	District's proportionate share of the net pension liability	District's covered- employee payroll	District's proportionate share of the net pension liability as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2025	100.00%	\$ 28,052	\$ 516,068	5.44%	67.88%
2024	100.00%	\$ 31,909	\$ 534,192	5.97%	59.71%
2023	100.00%	35,898	497,894	7.21%	55.88%
2022	100.00%	25,309	410,423	6.17%	67.26%
2021	100.00%	32,406	344,879	9.40%	55.40%
2020	100.00%	56,566	324,397	17.44%	43.18%
2019	100.00%	50,880	288,388	17.64%	43.92%
2018	100.00%	55,215	297,466	18.56%	47.42%

* Date headers reflect the reporting fiscal year, but measurement dates are twelve months prior.

*Note: This schedule is intended to show information for ten years.
The data presented is attributable to those years since the District's first year of
GASB 75 implementation; the fiscal year ended June 30, 2018.
The schedule will be updated annually as new information becomes available.*

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Schedule of Changes in the District's Total Health Plan
OPEB Liability and Related Ratios
Maine Education Association Benefits Trust Health Insurance OPEB Plan
For the Last Seven Years *

	2025	2024	2023	2022	2021
A Service cost	\$ 109,769	\$ 104,425	\$ 127,145	\$ 125,307	\$ 58,559
B Interest	170,885	164,329	117,341	116,293	200,222
C Benefit term changes	-	-	-	-	(466,639)
D Experience differences	(40,733)	-	(770,260)	-	114,485
E Assumption changes	(52,935)	(78,421)	(97,759)	44,523	(286,445)
F Benefit payments	<u>(145,151)</u>	<u>(166,614)</u>	<u>(122,431)</u>	<u>(112,931)</u>	<u>(177,026)</u>
G Net change	41,835	23,719	(745,964)	173,192	(556,844)
H Beginning liability	<u>4,643,931</u>	<u>4,620,212</u>	<u>5,366,176</u>	<u>5,192,984</u>	<u>5,749,828</u>
I Ending liability	<u>\$ 4,685,766</u>	<u>\$ 4,643,931</u>	<u>\$ 4,620,212</u>	<u>\$ 5,366,176</u>	<u>\$ 5,192,984</u>
J Covered payroll	17,653,971	16,570,556	16,166,396	16,466,744	16,065,116
K Payroll percentage	26.54%	28.03%	28.58%	32.59%	32.32%

	2020	2019
A Service cost	\$ 49,140	\$ 52,779
B Interest	205,515	195,488
C Benefit term changes	-	-
D Experience differences	-	-
E Assumption changes	311,766	(243,125)
F Benefit payments	<u>(154,360)</u>	<u>(149,025)</u>
G Net change	412,061	(143,883)
H Beginning liability	<u>5,337,767</u>	<u>5,481,650</u>
I Ending liability	<u>\$ 5,749,828</u>	<u>\$ 5,337,767</u>
J Covered payroll	17,040,125	16,584,063
K Payroll percentage	33.74%	32.19%

* Date headers reflect the reporting fiscal year, but measurement dates are twelve months prior.

- A** Service cost related to the District
- B** Interest, which includes interest on service cost
- C** Changes in the Plan's benefit terms
- D** Differences between expected and actual experience
- E** Changes of assumptions
- F** Benefit payments, including refunds of member contributions
- G** Net change in total OPEB liability (sum of A through F)
- H** Total OPEB liability at the beginning of the fiscal year.
- I** Total OPEB liability at the end of the fiscal year.
- J** Covered-employee payroll
- K** Total OPEB liability as a percentage of covered-employee payroll.

*Note: This schedule is intended to show information for ten years.
The data presented is attributable to those years since the District's first year of GASB 75
implementation; the fiscal year ended June 30, 2019.
The schedule will be updated annually as new information becomes available.*

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Notes to the Required Supplementary Information

June 30, 2025

Note 1: BUDGETARY ACCOUNTING

Budgets are adopted for the general fund only. Formal budgetary integration is employed as a management control device during the year for the general fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles. A comparison of budget to actual is presented in these financial statements.

Note 2: BUDGETARY VS. GAAP BASIS OF ACCOUNTING

As required by generally accepted accounting principles (GAAP), the District has reported a revenue and expenditure for Maine Public Employees Retirement contributions in the amount of \$3,621,051, made by the State of Maine on behalf of the School District. Since the amount has not been budgeted, there is a difference in reporting on a budgetary basis of accounting vs. reporting under accounting principles generally accepted in the United States of America. The amount has been included as an intergovernmental revenue and expenditure in the General Fund on Statement 5. There is no effect on the fund balance at the end of the year.

Unanticipated lease revenue of \$16,464 was reported as an addition to revenue on the GAAP statements but reported as a reduction of expenditures on the budgetary basis statements. There is no effect on the fund balance at the end of the year.

The following is an explanation of the various differences and their effect on current year revenues, expenditures, and other financing sources (uses) on a GAAP basis as presented in Statement 5:

Revenues

Total Revenues as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 50,628,504
Differences-budget to GAAP	
Unbudgeted lease revenue	16,464
On behalf payments for Maine State Retirement Contributions made by the state of Maine	<u>3,621,051</u>
Total Revenues as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds (Statement 5)	<u>\$ 54,266,019</u>

Expenditures

Total Expenditures as reported on Budgetary Comparison Schedule	
Budget and Actual- Budgetary Basis (Schedule 1)	\$ 49,277,779
Differences-budget to GAAP	
Unbudgeted lease revenue	16,464
On behalf payments for Maine State Retirement Contributions made by the state of Maine	<u>3,621,051</u>
Total Expenditures as reported on Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental Funds (Statement 5)	<u>\$ 52,915,294</u>

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OTHER SUPPLEMENTARY INFORMATION

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Schedule of Changes in Fund Balance - General Fund
Year Ended June 30, 2025

	<u>Committed</u>	<u>Committed</u>	<u>Committed</u>	<u>Nonspendable</u>	
	Operating Budget				
	Cost Center				
	<u>Unassigned</u>	<u>Reserve</u>	<u>Technology Reserve</u>	<u>Emergencies Reserve</u>	<u>Prepaid Expenses</u>
					<u>Total</u>
BEGINNING FUND BALANCE	\$ 2,523,655	\$ 250,000	\$ 23,044	\$ 1,239,641	\$ 4,051,742
TRANSFER TO CAPITAL IMPROVEMENT RESERVE (ART. 17-JUNE 2025)	(500,000)	-	-	-	(500,000)
BEGINNING FUND BALANCE (restated)	2,023,655	250,000	23,044	1,239,641	3,551,742
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,366,127</u>	<u>-</u>	<u>-</u>	<u>(15,402)</u>	<u>1,350,725</u>
FUND BALANCE - JUNE 30, 2025	<u>\$ 3,389,782</u>	<u>\$ 250,000</u>	<u>\$ 23,044</u>	<u>\$ 1,239,641</u>	<u>\$ 4,902,467</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Combining Balance Sheet - Other Governmental Funds

June 30, 2025

(With comparative totals for the year ended June 30, 2024)

	Special Revenues (Schedule 14)	Capital Projects (Schedule 16)	Totals (Memorandum Only)	
			2025	2024
ASSETS				
Cash/investments	\$ 408,708	\$ -	\$ 408,708	\$ 451,394
Accounts receivable	382,955	9,172	392,127	299,235
Inventories	31,504	-	31,504	35,904
Due from other funds	<u>1,028,645</u>	<u>1,097,468</u>	<u>2,126,113</u>	<u>908,617</u>
TOTAL ASSETS	<u>\$ 1,851,812</u>	<u>\$ 1,106,640</u>	<u>\$ 2,958,452</u>	<u>\$ 1,695,150</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 37,747	\$ 5,497	\$ 43,244	\$ 44,570
Accrued salaries	69,033	-	69,033	39,073
Due to students	22,935	-	22,935	27,159
Due to other funds	<u>85,503</u>	<u>6,584</u>	<u>92,087</u>	<u>696,828</u>
	215,218	12,081	227,299	807,630
Fund balance	<u>1,636,594</u>	<u>1,094,559</u>	<u>2,731,153</u>	<u>887,520</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 1,851,812</u>	<u>\$ 1,106,640</u>	<u>\$ 2,958,452</u>	<u>\$ 1,695,150</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances - Other Governmental Funds

Year Ended June 30, 2025

(With Comparative Totals for the Year Ended June 30, 2024)

	Special Revenues (Schedule 15)	Capital Projects (Schedule 17)	Totals (Memorandum Only)	
			2025	2024
REVENUES				
Intergovernmental	\$ 2,186,408	\$ -	\$ 2,186,408	\$ 2,119,610
Charges for services	329,613	-	329,613	313,500
Other	<u>520,921</u>	<u>-</u>	<u>520,921</u>	<u>548,133</u>
	3,036,942	-	3,036,942	2,981,243
EXPENDITURES	<u>2,784,035</u>	<u>3,115,923</u>	<u>5,899,958</u>	<u>3,460,349</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	252,907	(3,115,923)	(2,863,016)	(479,106)
OTHER FINANCING SOURCES (USES)				
Bond and lease proceeds	-	1,009,444	1,009,444	354,183
Transfer out to other fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	1,009,444	1,009,444	354,183
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	252,907	(2,106,479)	(1,853,572)	(124,923)
BEGINNING FUND BALANCE, as previously presented	<u>1,383,687</u>	<u>(496,167)</u>	<u>887,520</u>	<u>1,012,443</u>
Transfer of fund balance	-	500,000	500,000	-
Change within financial reporting entity				
(nonmajor to major fund)	-	496,167	496,167	-
(major to nonmajor fund)	<u>-</u>	<u>2,701,038</u>	<u>2,701,038</u>	<u>-</u>
BEGINNING FUND BALANCE, (restated)	<u>1,383,687</u>	<u>3,201,038</u>	<u>4,584,725</u>	<u>1,012,443</u>
ENDING FUND BALANCE	<u>\$ 1,636,594</u>	<u>\$ 1,094,559</u>	<u>\$ 2,731,153</u>	<u>\$ 887,520</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Combining Statement of Fiduciary Net Position - Fiduciary Funds
June 30, 2025

Private-purpose Trusts									
	Morton Hamlin Scholarship Fund	Alice W. Lang Scholarship Fund	Bruce Churchill Scholarship Fund	David W. Scully Scholarship Fund	Berkeley Hutchins Scholarship Fund	Spruce Cliff Fund	Elizabeth Clark Scholarship Fund	Jason and Carrie Cianchette Scholarship Fund	Total
ASSETS									
Cash	\$ 5,262	\$ 6,041	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,303
Due from other funds	-	-	2,381	35,000	2,430	750	6,985	16	47,562
Total assets	<u>5,262</u>	<u>6,041</u>	<u>2,381</u>	<u>35,000</u>	<u>2,430</u>	<u>750</u>	<u>6,985</u>	<u>16</u>	<u>58,865</u>
NET POSITION									
Principal	5,000	5,335	-	-	-	-	-	-	10,335
Income	262	706	2,381	35,000	2,430	750	6,985	16	48,530
	<u>\$ 5,262</u>	<u>\$ 6,041</u>	<u>\$ 2,381</u>	<u>\$ 35,000</u>	<u>\$ 2,430</u>	<u>\$ 750</u>	<u>\$ 6,985</u>	<u>\$ 16</u>	<u>\$ 58,865</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Combining Statement of Changes in Fiduciary Net Position - Fiduciary Funds
Year Ended June 30, 2025

	Private-purpose Trust								
	Morton Hamlin Scholarship Fund	Alice W. Lang Scholarship Fund	Bruce Churchill Scholarship Fund	David W. Scully Scholarship Fund	Berkeley Hutchins Scholarship Fund	Spruce Cliff Fund	Elizabeth Clark Scholarship Fund	Jason and Carrie Cianchette Scholarship Fund	Total
ADDITIONS									
Interest earned	\$ 106	\$ 132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238
Donation received	-	-	-	-	2,430	-	-	-	2,430
Total revenue	106	132	-	-	2,430	-	-	-	2,668
DEDUCTIONS									
Scholarships	-	-	-	-	2,440	-	855	-	3,295
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	106	132	-	-	(10)	-	(855)	-	(627)
NET POSITION - BEGINNING OF YEAR	5,156	5,909	2,381	35,000	2,440	750	7,840	16	59,492
NET POSITION - END OF YEAR	\$ 5,262	\$ 6,041	\$ 2,381	\$ 35,000	\$ 2,430	\$ 750	\$ 6,985	\$ 16	\$ 58,865

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Combining Balance Sheet - Nonmajor Special Revenue Funds
June 30, 2025

	ASSETS				LIABILITIES AND FUND BALANCE						Total Liabilities and Fund Balance
	Cash	Due from Other Funds	Accounts Receivable	Inventories	Total Assets	Accounts Payable	Accrued Salaries	Due to Students	Due to Other Funds	Fund Balance	
Federal and State programs											
Title 1A disadvantaged	\$ -	\$ -	\$ 19,975	\$ -	\$ 19,975	\$ -	\$ 1,265	\$ -	\$ 18,710	\$ -	\$ 19,975
Local entitlement Title 6 Part B	-	-	113,313	-	113,313	2,671	43,849	-	66,793	-	113,313
Preschool grant	-	-	-	-	-	-	-	-	-	-	-
MEABT wellness	-	541	-	-	541	-	-	-	-	541	541
PEPG development grant	-	500	-	-	500	-	-	-	-	500	500
MLTI state grant	-	-	-	-	-	-	-	-	-	-	-
GEER - teens to trails	-	551	-	-	551	-	-	-	-	551	551
Literacy grant	-	-	-	-	-	-	-	-	-	-	-
School lunch program	-	862,538	248,407	31,504	1,142,449	10,471	23,171	22,935	-	1,085,872	1,142,449
Getting to proficiency	-	376	-	-	376	-	-	-	-	376	376
Total Federal and State programs	-	864,506	381,695	31,504	1,277,705	13,142	68,285	22,935	85,503	1,087,840	1,277,705
Other programs											
MLTI repairs & maintenance	-	20,932	-	-	20,932	-	-	-	-	20,932	20,932
Foundation 51	-	24,529	-	-	24,529	-	-	-	-	24,529	24,529
GMS ski	-	-	-	-	-	-	-	-	-	-	-
Athletic donations	-	5,686	-	-	5,686	-	-	-	-	5,686	5,686
Ted warner memorial fund	-	6,127	-	-	6,127	-	-	-	-	6,127	6,127
Mini sunshine grant	-	2,000	-	-	2,000	-	748	-	-	1,252	2,000
Greely turf	-	846	-	-	846	-	-	-	-	846	846
NASA grant	-	1,418	-	-	1,418	-	-	-	-	1,418	1,418
Charitable gifts	-	238	-	-	238	-	-	-	-	238	238
Casco Bay Japanese	-	4,222	-	-	4,222	-	-	-	-	4,222	4,222
Pay to play	-	21,486	1,260	-	22,746	22,746	-	-	-	-	22,746
Insurance reimbursement	-	20,217	-	-	20,217	-	-	-	-	20,217	20,217
Siemens grant	-	5,454	-	-	5,454	-	-	-	-	5,454	5,454
Go fund me grant	-	3,750	-	-	3,750	-	-	-	-	3,750	3,750
MEEA outdoor learning grant	-	113	-	-	113	-	-	-	-	113	113
KyleCares	-	45,240	-	-	45,240	1,859	-	-	-	43,381	45,240
Water education grant	-	410	-	-	410	-	-	-	-	410	410
New reader board	-	634	-	-	634	-	-	-	-	634	634
The NEA foundation grant	-	750	-	-	750	-	-	-	-	750	750
PTO grant	-	3	-	-	3	-	-	-	-	3	3
GHS functional life skills	193	-	-	-	193	-	-	-	-	193	193
GMS functional life skills	13	-	-	-	13	-	-	-	-	13	13
Berlin city MIW grant	-	84	-	-	84	-	-	-	-	84	84
Community development	-	-	-	-	-	-	-	-	-	-	-
Greely high school student activities	281,377	-	-	-	281,377	-	-	-	-	281,377	281,377
Greely middle school grades 6-8 student activities	57,025	-	-	-	57,025	-	-	-	-	57,025	57,025
Greely middle school grades 4-5 student activities	31,603	-	-	-	31,603	-	-	-	-	31,603	31,603
Mabel I Wilson School Student activities	38,497	-	-	-	38,497	-	-	-	-	38,497	38,497
Total other programs	408,708	164,139	1,260	-	574,107	24,605	748	-	-	548,754	574,107
TOTAL	\$ 408,708	\$ 1,028,645	\$ 382,955	\$ 31,504	\$ 1,851,812	\$ 37,747	\$ 69,033	\$ 22,935	\$ 85,503	\$ 1,636,594	\$ 1,851,812

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year Ended June 30, 2025

	Fund Balances Beginning of Year	Program Revenues		Program Expenditures	Fund Balances End of Year
		Intergovernmental	Other		
Federal and State programs					
Title 1A disadvantaged	\$ -	\$ 105,223	\$ -	\$ 105,223	\$ -
Local entitlement Title 6 Part B	-	473,572	-	473,572	-
Preschool grant	-	11,780	-	11,780	-
MEABT wellness	41	500	-	-	541
PEPG development grant	500	-	-	-	500
MLTI State Grant	-	130,860	-	130,860	-
GEER - WAVES and teens to trails	551	-	-	-	551
Literacy Grant	-	8,448	-	8,448	-
School lunch program	802,139	1,456,025	233,918	1,406,210	1,085,872
Getting to proficiency	376	-	-	-	376
Total Federal and State programs	803,607	2,186,408	233,918	2,136,093	1,087,840
Other programs					
MLTI repairs & maintenance	20,932	-	-	-	20,932
Foundation 51	24,406	-	13,124	13,001	24,529
GMS ski	583	-	700	1,283	-
Athletic donations	5,686	-	-	-	5,686
Ted warner memorial fund	6,127	-	-	-	6,127
Mini sunshine grant	-	-	5,000	3,748	1,252
Greely turf	846	-	-	-	846
NASA grant	1,418	-	-	-	1,418
Charitable gifts	238	-	-	-	238
Casco Bay Japanese	5,422	-	-	1,200	4,222
Pay to play	-	-	95,695	95,695	-
Insurance reimbursement	20,217	-	-	-	20,217
Siemens grant	5,454	-	-	-	5,454
Go fund me grant	3,750	-	-	-	3,750
MEEA outdoor learning grant	-	-	500	387	113
KyleCares	31,755	-	26,651	15,025	43,381
Water education grant	410	-	-	-	410
New reader board	634	-	-	-	634
The NEA foundation grant	750	-	-	-	750
PTO grant	3	-	-	-	3
GHS functional life skills	162	-	773	742	193
GMS functional life skills	20	-	62	69	13
Berlin city MIW grant	84	-	-	-	84
Community development	43,006	-	4	43,010	-
Greely high school student activities	259,415	-	367,359	345,397	281,377
Greely middle school grades 6-8 student activities	80,343	-	61,525	84,843	57,025
Greely middle school grades 4-5 student activities	31,983	-	28,420	28,800	31,603
Mabel I Wilson School Student activities	36,436	-	16,803	14,742	38,497
Total other programs	580,080	-	616,616	647,942	548,754
TOTAL	\$ 1,383,687	\$ 2,186,408	\$ 850,534	\$ 2,784,035	\$ 1,636,594

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51

Combining Balance Sheet - Nonmajor Capital Projects Funds

June 30, 2025

(With Comparative Totals for the Year ended June 30, 2024)

	Capital Improvement Fund	State Revolving Loan Fund	Totals	
			(Memorandum Only)	
			2025	2024
ASSETS				
Accounts receivable	\$ 2,588	\$ 6,584	\$ 9,172	75,010
Due from other funds	<u>1,097,468</u>	<u>-</u>	<u>1,097,468</u>	<u>-</u>
	<u>\$ 1,100,056</u>	<u>\$ 6,584</u>	<u>\$ 1,106,640</u>	<u>\$ 75,010</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 5,497	\$ -	\$ 5,497	\$ -
Due to other funds	<u>-</u>	<u>6,584</u>	<u>6,584</u>	<u>571,177</u>
Total liabilities	<u>5,497</u>	<u>6,584</u>	<u>12,081</u>	<u>571,177</u>
FUND BALANCE (DEFICIT)	<u>1,094,559</u>	<u>-</u>	<u>1,094,559</u>	<u>(496,167)</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,100,056</u>	<u>\$ 6,584</u>	<u>\$ 1,106,640</u>	<u>\$ 75,010</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
Year Ended June 30, 2025
(With Comparative Totals for the Year ended June 30, 2024)

	New Elementary School Fund	Capital Improvement Fund	State Revolving Loan Fund	Totals (Memorandum Only)	
				2025	2024
REVENUES					
Interest	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>2,106,479</u>	<u>1,009,444</u>	<u>3,115,923</u>	<u>850,350</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(2,106,479)	(1,009,444)	(3,115,923)	(850,350)
OTHER FINANCING SOURCES (USES)					
Loan proceeds	<u>-</u>	<u>-</u>	<u>1,009,444</u>	<u>1,009,444</u>	<u>354,183</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>-</u>	<u>(2,106,479)</u>	<u>-</u>	<u>(2,106,479)</u>	<u>(496,167)</u>
BEGINNING FUND BALANCE (DEFICIT) as previously presented	(496,167)	-	-	(496,167)	-
Transfer of Fund Balance	-	500,000	-	500,000	-
Change within Financial Reporting Entity					
(nonmajor to major)	496,167	-	-	496,167	-
(major to nonmajor)	<u>-</u>	<u>2,701,038</u>	<u>-</u>	<u>2,701,038</u>	<u>-</u>
BEGINNING FUND BALANCE (restated)	-	3,201,038	-	3,201,038	-
ENDING FUND BALANCE (DEFICIT)	<u>\$ -</u>	<u>\$ 1,094,559</u>	<u>\$ -</u>	<u>\$ 1,094,559</u>	<u>\$ (496,167)</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
 Greely High School Student Activity Funds
 Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
 Year Ended June 30, 2025

	Balance 6/30/2024	Receipts	Disbursements	Balance 6/30/2025
Athletics	\$ 45,708	\$ 189,670	\$ 193,769	\$ 41,609
AP exams	12,949	23,917	22,699	14,167
Art club	136	-	-	136
Band	3,436	5,010	5,332	3,114
Best buddies	2,291	454	45	2,700
Bright spot	3,229	150	951	2,428
CCC	762	-	-	762
Chorus	2,119	344	836	1,627
Civil rights team	(98)	-	-	(98)
Class of 2001	28	-	-	28
Class of 2002	465	-	-	465
Class of 2003	683	-	-	683
Class of 2004	1,464	-	-	1,464
Class of 2005	17	-	-	17
Class of 2007	2,451	-	-	2,451
Class of 2009	1,380	-	-	1,380
Class of 2010	974	-	-	974
Class of 2011	1,474	-	-	1,474
Class of 2013	2,558	-	-	2,558
Class of 2014	1,142	-	-	1,142
Class of 2015	1,737	-	-	1,737
Class of 2016	4,817	-	-	4,817
Class of 2017	4,138	-	-	4,138
Class of 2018	2,349	-	-	2,349
Class of 2019	3,489	-	-	3,489
Class of 2020	4,014	-	-	4,014
Class of 2021	(73)	-	-	(73)
Class of 2022	3,120	-	-	3,120
Class of 2023	(25)	-	-	(25)
Class of 2024	7,027	-	5,736	1,291
Class of 2025	8,385	7,786	10,250	5,921
Class of 2026	3,847	12,949	10,190	6,606
Class of 2027	2,374	5,738	1,125	6,987
Class of 2028	-	4,012	2,218	1,794
Community service	705	-	-	705
Debate	7	-	-	7
Drama	30,473	34,364	24,577	40,260
English	523	-	-	523
Faculty fund	75	290	297	68
French	2,097	-	84	2,013
Global awareness	68	-	-	68
Greely Store	-	217	-	217
Guidance	10,668	5,510	3,392	12,786
Hanley denning fund	1,861	-	-	1,861
IB exam fees	686	8,019	-	8,705
Industrial arts	43	-	-	43
Inkwell/literary magazine	1,992	119	130	1,981

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
 Greely High School Student Activity Funds
 Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
 Year Ended June 30, 2025

	Balance 6/30/2024	Receipts	Disbursements	Balance 6/30/2025
Junior classic	242	-	13	229
KyleCares	-	6,823	-	6,823
Library	1,668	47	408	1,307
Math	207	-	-	207
Math team	75	-	19	56
MCL	82	-	-	82
Model U.N.	1,409	500	500	1,409
Natural Helpers	78	-	-	78
National honor society	652	2,654	2,694	612
Office fund	719	787	-	1,506
Office supplies	2,645	-	-	2,645
Outing club	5	-	-	5
Pathways	1,315	-	-	1,315
Project graduation - class 2023	9,669	-	-	9,669
Project graduation - class 2024	3,526	-	3,526	-
Project graduation - class 2025	32,508	5,905	33,694	4,719
Project graduation - class 2026	-	49,540	20,994	28,546
Project graduation - general	13,421	-	-	13,421
PROJECT GOLD	-	259	-	259
Research	409	-	-	409
Science department/math	988	-	901	87
Social studies	384	-	100	284
Spanish club	16	160	160	16
Special olympics	5,132	1,840	734	6,238
Student council	769	25	-	794
Yearbook	5,931	270	23	6,178
	<u>\$ 259,415</u>	<u>\$ 367,359</u>	<u>\$ 345,397</u>	<u>\$ 281,377</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
 Greely Middle School Grades 6-8 Student Activity Funds
 Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
 Year Ended June 30, 2025

	Balance 6/30/2024	Receipts	Disbursements	Balance 6/30/2025
6th grade activity	\$ 179	\$ 249	\$ -	\$ 428
7th grade activity	611	1,213	1,254	570
8th grade activity	1,252	11,764	11,295	1,721
Art	482	-	-	482
Band	422	2,354	207	2,569
Best buddies	15	454	-	469
Chamber singers	10	-	-	10
Community service club	928	-	-	928
Discretionary acct	62	-	-	62
District II fees	9	340	340	9
Drama	2,553	77	919	1,711
Fish release grant	470	-	-	470
Foreign language	148	6,045	4,200	1,993
Found money guidance	1,027	11	-	1,038
Hannaford/target	7,153	1,568	631	8,090
Historical studies grant	225	-	-	225
Japan club	738	-	-	738
Language arts	91	-	-	91
Library	4,871	10,404	10,500	4,775
Life skills	344	450	542	252
Magazine sales	8,384	1,107	7,186	2,305
Office	156	1,582	1,682	56
Outing club (madden)	266	120	-	386
Peabody essex museum	454	-	-	454
Recycling shed fund (md)	1,381	-	-	1,381
Redemption project	107	-	-	107
Rippleeffect cow island	23,503	11,822	35,265	60
School photos	8,272	-	-	8,272
Special olympics	1,587	808	699	1,696
STEM (industrial arts)	1,010	-	-	1,010
Student council	6,336	10,750	9,955	7,131
Student planners	325	-	-	325
Sunshine fund	765	120	168	717
Teams (USM)	529	-	-	529
Tech	955	-	-	955
Town forest grant	300	-	-	300
Yearbook	4,423	287	-	4,710
	<u>\$ 80,343</u>	<u>\$ 61,525</u>	<u>\$ 84,843</u>	<u>\$ 57,025</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
 Greely Middle School Grades 4-5 Student Activity Funds
 Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
 Year Ended June 30, 2025

	Balance 6/30/2024	Receipts	Disbursements	Balance 6/30/2025
Art grades 4-5	\$ 424	\$ -	\$ -	\$ 424
Book fair	10,121	1,551	-	11,672
Donations	346	-	-	346
Field trip	4,312	24,389	26,006	2,695
General	8,338	-	126	8,212
Music	687	416	548	555
Nursing	85	-	-	85
Planners	145	-	-	145
Returned check fee	145	-	-	145
Sprague donations	(121)	-	-	(121)
Student activity	7,501	2,064	2,120	7,445
	<u>\$ 31,983</u>	<u>\$ 28,420</u>	<u>\$ 28,800</u>	<u>\$ 31,603</u>

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
Mabel I. Wilson School Student Activity Funds
Statement of Cash Receipts, Disbursements, and Changes in Cash Balances
Year Ended June 30, 2025

	Balance 6/30/2024	Receipts	Disbursements	Balance 6/30/2025
Wilson school activities	\$ 5,415	\$ 201	\$ 950	\$ 4,666
1st grade acct	3,517	608	77	4,048
2nd grade acct	3,203	612	496	3,319
3rd grade acct	2,126	3,072	2,575	2,623
Anonymous donation	148	-	-	148
Art activity acct	1,589	-	-	1,589
Book fair	4,348	6,517	6,680	4,185
Hannaford-target	4,111	1,467	216	5,362
Kindergarten acct	514	-	-	514
Library	1,699	-	-	1,699
Memorial fund	450	638	978	110
Memorial fund2	632	-	509	123
Multiyear	841	-	494	347
Playground fund	43	-	-	43
School photos	4,964	3,688	1,767	6,885
Soda machine	521	-	-	521
Student olympics	293	-	-	293
Student program	1,144	-	-	1,144
Transportation	878	-	-	878
	<u>\$ 36,436</u>	<u>\$ 16,803</u>	<u>\$ 14,742</u>	<u>\$ 38,497</u>

**MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
ANNUAL OPERATING DATA - 2025**

ENROLLMENTS:

<u>Oct 1,</u>	<u>Town of Cumberland</u>		<u>Town of North Yarmouth</u>		<u>Total Enrollment</u>	
	<u>Students</u>	<u>%</u>	<u>Students</u>	<u>%</u>	<u>Students</u>	<u>%</u>
2024	1,514	68.54%	695	31.46%	2,209	100.00%
2023	1,473	67.88%	697	32.12%	2,170	100.00%
2022	1,444	67.63%	691	32.37%	2,135	100.00%
2021	1,414	68.11%	662	31.89%	2,076	100.00%
2020	1,388	67.41%	671	32.59%	2,059	100.00%
2019	1,418	67.85%	672	32.15%	2,090	100.00%
2018	1,391	67.20%	679	32.80%	2,070	100.00%
2017	1,336	67.10%	655	32.90%	1,991	100.00%
2016	1,388	70.28%	587	29.72%	1,975	100.00%
2015	1,401	70.26%	593	29.74%	1,994	100.00%

Town of Cumberland, School Enrollment Trend

Oct 1,	Grades						% Resident Enrollment
	PK-3	4-5	5-6	6-8	9-12	Total	
2024	489	256	0	351	418	1,514	68.54%
2023	478	252	0	332	411	1,473	67.88%
2022	500	228	0	322	394	1,444	67.63%
2021	479	219	0	323	393	1,414	68.11%
2020	450	207	0	327	404	1,388	67.41%
2019	466	220	0	339	393	1,418	67.85%
2018	419	220	0	328	424	1,391	67.20%
2017	411	214	0	314	397	1,336	67.10%
2016	393	198	0	360	437	1,388	70.28%
2015	381	202	0	357	461	1,401	70.26%

**MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
ANNUAL OPERATING DATA - 2025**

Town of North Yarmouth, School Enrollment Trend

Oct 1,	Grades					% Resident Enrollment
	PK-3	4-5	5-6	6-8	9-12	
2024	234	117	0	161	183	31.46%
2023	256	109	0	143	189	32.12%
2022	256	89	0	151	195	32.37%
2021	228	103	0	136	195	31.89%
2020	213	101	0	139	218	32.59%
2019	221	86	0	136	229	32.15%
2018	191	99	0	155	234	32.80%
2017	183	88	0	163	221	32.90%
2016	175	94	0	145	173	29.72%
2015	174	103	0	134	182	29.74%

MSAD No. 51 Consolidated Enrollments, School Enrollment Trend

Consolidated												Member Towns as % Total
Oct 1,	Member Towns						Tuition		Total			
	PK-3	4-5	5-6	6-8	9-12	Total						
2024	723	373	0	512	601	2,209	25	2,234	98.88%			
2023	734	361	0	475	600	2,170	27	2,197	98.77%			
2022	756	317	0	473	589	2,135	21	2,156	99.03%			
2021	707	322	0	459	588	2,076	26	2,102	98.76%			
2020	663	308	0	466	622	2,059	35	2,094	98.33%			
2019	687	306	0	475	622	2,090	39	2,129	98.17%			
2018	610	319	0	483	658	2,070	54	2,124	97.46%			
2017	594	302	0	477	618	1,991	53	2,044	97.41%			
2016	568	292	0	505	610	1,975	43	2,018	97.87%			
2015	555	305	0	491	643	1,994	37	2,031	98.18%			

**MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
ANNUAL OPERATING DATA - 2025**

LABOR RELATIONS:

Union	Members	Bargaining Unit	Date of Contract	
			Effective	Expiration
MSAD 51 Ed Assoc	185	Teachers	Sept. 1, 2024	Aug. 31, 2027
MSAD 51 Ed Assoc	35	School Secretaries, Ed and Lib Technicians	July 1, 2022	June 30, 2025
Local Union	14	Custodians	July 1, 2023	June 30, 2026
MSAD 51 Ed Assoc	6	Bus Drivers	July 1, 2024	June 30, 2027
Local Union	16	School Lunch Workers	July 1, 2024	June 30, 2027

REVENUES FROM THE STATE:

Fiscal Yr. End June 30,	General Revenue & Debt Service	Adult Education	Total State Subsidy
2025	\$ 15,688,999	\$ -	\$ 15,688,999
2024	14,672,881	-	14,672,881
2023	12,923,022	-	12,923,022
2022	13,830,878	-	13,830,878
2021	11,961,206	-	11,961,206
2020	11,819,725	-	11,819,725
2019	10,880,596	-	10,880,596
2018	11,274,997	-	11,274,997
2017	11,883,466	-	11,883,466
2016	11,575,066	-	11,575,066

**MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
ANNUAL OPERATING DATA - 2025**

Town of Cumberland, Maine

Fiscal Yr. End June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Tax Levy (000)	Collections (after Supplements and Abatements)	
					Year End (000)	% of Levy
2025	\$ 2,337,300	\$ 1,540,409	\$ 23.25	\$ 35,815	In Process	
2024	1,910,200	1,504,875	22.15	33,333	33,082	99.25%
2023	1,614,950	1,474,628	21.20	31,262	31,109	99.51%
2022	1,503,000	1,440,712	20.55	29,607	29,548	99.80%
2021	1,406,550	1,412,394	20.35	28,756	28,621	99.53%
2020	1,328,750	1,397,027	19.85	27,731	27,629	99.63%
2019	1,264,650	1,357,732	19.70	26,747	26,746	100.00%
2018	1,171,250	1,331,143	18.80	25,025	24,966	99.76%
2017	1,144,550	1,301,245	18.25	23,748	23,740	99.97%
2016	1,099,350	1,282,280	18.10	23,209	23,203	99.97%

Town of North Yarmouth, Maine

Fiscal Yr. End June 30,	Equalized State Valuation (000)	Assessed Valuation (000)	Tax Rate (000)	Tax Levy (000)	Collections (after Supplements and Abatements)	
					Year End (000)	% of Levy
2025	\$ 890,500	\$ 649,498	\$ 19.80	\$ 12,457	In Process	
2024	701,350	638,524	19.18	11,785	11,763	99.81%
2023	602,750	625,009	18.10	10,843	10,750	99.14%
2022	617,650	597,320	17.10	9,813	9,731	99.16%
2021	570,400	578,151	16.55	9,250	8,933	96.57%
2020	528,500	531,506	16.62	8,864	8,829	99.61%
2019	484,450	517,179	16.67	8,621	8,524	98.87%
2018	466,000	484,896	16.27	7,887	7,849	99.52%
2017	442,700	425,108	17.62	7,490	7,461	99.61%
2016	431,500	422,300	17.52	7,399	7,367	99.41%

**MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
ANNUAL OPERATING DATA - 2025**

The District's Equalized State Valuation

Year	Equalized State Valuation			
	Town of Cumberland		Town of North Yarmouth	
	Valuation	% of District	Valuation	% of District
2025	\$2,337,300,000	72.41%	\$890,500,000	27.59%
2024	1,910,200,000	73.14%	701,350,000	26.86%
2023	1,614,950,000	72.82%	602,750,000	27.18%
2022	1,503,000,000	70.87%	617,650,000	29.13%
2021	1,406,550,000	71.15%	570,400,000	28.85%
2020	1,328,750,000	71.54%	528,500,000	28.46%
2019	1,264,650,000	72.30%	484,450,000	27.70%
2018	1,171,250,000	71.54%	466,000,000	28.46%
2017	1,144,550,000	72.11%	442,700,000	27.89%
2016	1,099,350,000	71.81%	431,500,000	28.19%
			\$ 3,227,800,000	

The District's Budget and Assessment

Fiscal Yr Ended	MSAD No. 51		Town of Cumberland		Town of North Yarmouth	
	MSAD No. 51		Town of Cumberland		Town of North Yarmouth	
	Budget	Assessment	Assess.	% Budget	Assess.	% Assess.
2025	\$ 50,250,107	\$ 34,412,352	\$ 24,896,828	49.55%	\$ 9,515,524	18.94%
2024	47,104,264	32,248,410	23,103,270	49.05%	9,145,140	19.41%
2023	43,805,527	30,701,864	21,851,719	49.88%	8,850,145	20.20%
2022	41,846,286	29,022,477	20,792,086	49.69%	8,230,390	19.67%
2021	40,252,323	28,003,015	20,104,804	49.95%	7,898,211	19.62%
2020	38,390,121	26,306,422	18,937,757	49.33%	7,368,665	19.19%
2019	37,329,796	26,023,982	18,690,271	50.07%	7,333,711	19.65%
2018	35,950,197	23,979,920	17,208,108	47.87%	6,771,812	18.84%
2017	34,959,382	22,506,952	16,060,474	45.94%	6,446,478	18.44%
2016	33,776,839	21,886,952	15,557,051	46.06%	6,329,901	17.97%
						29.05%

**MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
ANNUAL OPERATING DATA - 2025**

DEBT SUMMARY:

Year Issued	Purpose	Amount Issued	Date of Final Maturity	Balance on June 30,		
				2024	Proceeds	(Paid)
2012	Ref'd'g 2003 & 2005	10,800,000	10/15/2025	\$ 1,240,000	\$ -	\$ (990,000)
2014	Greely Middle	2,000,000	10/15/2034	1,100,000	-	(100,000)
2015	Qualified Energy Improvements	831,218	11/18/2029	363,483	-	(59,009)
2017	Ref'd'g 2009	831,218	11/18/2029	4,110,000	-	(685,000)
2018	Performing Arts Center	9,300,000	10/15/2039	7,440,000	-	(465,000)
2022	School Revolving Fund Loan-MIW	752,427	09/01/2033	752,427	-	(75,243)
2023	Adjacent Land Acquisition	700,000	09/01/2028	700,000	-	(140,000)
2023	School Revolving Fund Loan-GHS	521,700	05/01/2034	521,700	-	(52,170)
2024	Pre-K Building Project Bond Anticipation Note*	16,000,000	12/30/2025	-	16,000,000	-
Totals				\$ 16,227,610	\$ 16,000,000	\$ (2,566,422)
						\$ 29,661,188

* Treated as long-term debt for financial statement presentation

DEBT RATIOS:**Town of Cumberland, Maine**

Fiscal Yr. End June 30,	Population	Equalized State Valuation	Total Debt (\$)		Debt as % Eq. Val.	Per Capita Debt
			General Fund	Enterprise Fund		
2025	8,473	\$ 2,337,300,000	\$ 16,042,533	\$ 510,340	0.71%	\$ 1,954
2024	8,473	1,910,200,000	17,953,196	598,827	0.97%	2,190
2023	8,473	1,614,950,000	19,892,664	693,860	1.27%	2,430
2022	8,473	1,503,000,000	21,406,636	522,185	1.46%	2,588
2021	8,473	1,406,550,000	23,494,906	586,616	1.71%	2,842
2020	8,473	1,328,750,000	24,980,189	651,047	1.93%	3,025
2019	7,211	1,264,650,000	18,984,353	825,833	1.57%	2,747
2018	7,211	1,171,250,000	20,302,680	975,621	1.82%	2,951
2017	7,211	1,144,550,000	21,197,369	1,105,409	1.95%	3,093
2016	7,211	1,099,350,000	14,635,588	1,225,197	1.44%	2,200

MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
ANNUAL OPERATING DATA - 2025

Town of North Yarmouth, Maine

Fiscal Yr. End June 30,	Population	Equalized State Valuation	Total Debt (\$)			Debt as % Eq. Val.	Per Capita Debt
			General Fund	Enterprise Fund	Total Debt		
2025	4072	\$ 890,500,000	\$ 2,848,152	\$ -	\$ 2,848,152	0.32%	\$ 699
2024	4072	701,350,000	3,125,000	-	3,125,000	0.45%	767
2023	4072	701,350,000	2,730,000	-	2,730,000	0.39%	670
2022	4072	602,750,000	2,905,000	-	2,905,000	0.48%	713
2021	4072	617,650,000	3,080,000	-	3,080,000	0.50%	756
2020	4072	528,500,000	3,255,000	-	3,255,000	0.62%	799
2019	3,565	484,450,000	3,430,000	-	3,430,000	0.71%	962
2018	3,565	466,000,000	-	-	-	0.00%	-
2017	3,565	466,000,000	-	-	-	0.00%	-
2016	3,565	442,700,000	13,188	-	13,188	0.00%	4

Member Towns and the District

Fiscal Yr. End June 30,	Consolidated		Total Debt			Consolidated		
	Pop.	Eq. Val. (000)	Cumberland	North Yarmouth	MSAD No. 51	Total Debt	Debt % Eq. Val.	Debt Per Capita
2025	12,545	\$ 3,227,800	\$ 16,552,873	\$ 2,848,152	\$ 29,661,188	\$ 49,062,213	1.52%	\$ 3,910.90
2024	12,545	2,611,550	18,552,023	3,125,000	16,227,610	37,904,633	1.45%	3,021.49
2023	12,545	2,316,300	20,586,524	2,730,000	19,032,840	42,349,364	1.83%	3,375.80
2022	12,545	2,105,750	21,928,821	2,905,000	21,421,316	46,255,137	2.20%	3,687.14
2021	12,545	2,024,200	24,081,522	3,080,000	23,815,019	50,976,541	2.52%	4,063.49
2020	12,545	1,857,250	25,631,236	3,255,000	25,751,103	54,637,339	2.94%	4,355.31
2019	10,776	1,749,100	19,810,186	3,430,000	24,389,662	47,629,848	2.72%	4,419.99
2018	10,776	1,637,250	21,278,301	-	26,333,789	47,612,090	2.91%	4,418.35
2017	10,776	1,610,550	22,302,778	-	22,424,572	44,727,350	2.78%	4,150.64
2016	10,776	1,542,050	15,860,785	13,188	24,361,097	40,235,070	2.61%	3,733.77

APPENDIX B

**TOWN OF CUMBERLAND, MAINE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE
YEAR ENDED JUNE 30, 2025**

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Town of Cumberland, Maine



Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

TOWN OF CUMBERLAND, MAINE

Annual Financial Report

For the Fiscal Year ended June 30, 2025

Prepared by: Helene DiBartolomeo
Director of Finance

TOWN OF CUMBERLAND, MAINE
Annual Financial Report
For the Year Ended June 30, 2025

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TOWN OF CUMBERLAND, MAINE
Annual Financial Report
For the Year Ended June 30, 2025

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INTRODUCTORY SECTION

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TOWN OF CUMBERLAND, MAINE

290 Tuttle Road
Cumberland Center, Maine 04021-9321
Telephone (207) 829-5559 · Fax (207) 829-2214

December 18, 2025

Dear Members of the Town Council and Citizens of the Town of Cumberland:

State law and Town charter requires that the Town publish after the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles in the United States of America ("GAAP") and audited in accordance with auditing standards generally accepted in the United States of America by a licensed certified public accountant. Pursuant to these requirements, we hereby issue the Annual Comprehensive Financial Report ("ACFR") of the Town of Cumberland, Maine (the "Town") for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The audit staff of Runyon Kerstein Ouellette, Certified Public Accountants, have audited the Town's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2025, are free from 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 concluded that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for fiscal year ended June 30, 2025, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE GOVERNMENT

The Town of Cumberland, incorporated on March 19, 1821, is governed using the council-manager form of government. Policy making and legislative authority is vested in a seven-member elected Town Council ("Council"). The Council is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the Town Manager ("Manager"). The Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the Town, and for appointing the heads of the Town's departments.

The geographic boundaries of the Town are within the county of Cumberland, Maine. Services provided by the Town include police, ambulance, and fire protection; sanitation services; construction and maintenance of highways, streets, and infrastructure; emergency preparedness; municipal planning and code enforcement; human services; senior housing; wastewater system; recreational activities (including a golf course) and cultural events. Other than these general government activities, it has been determined that the Town is not financially accountable for any other entity, board or commission.

ECONOMIC CONDITION AND OUTLOOK

Cumberland is a quaint small-town located on the coast of Southern Maine. The Town has a total area of 26.25 square miles, of which 22.88 square miles of it is land and 3.37 square miles is water. The Town is located 11 miles northeast of the City of Portland and 11 miles southwest of Freeport. The Town was established in 1821 and officially named by Ephraim Studivant, a ship captain and the Town's first treasurer. Cumberland has a rich farming history that still remains a vital part of the community. Since 1868, the Town's local farmers club has put on the Cumberland Fair at the end of September, which is one of the State's largest agricultural fairs.

The Town is included among one of the wealthiest and safest places to live in the State of Maine. The Town is home to the Maine School Administrative District (MSAD) #51 that provides education to students K-12. The school district is comprised of Cumberland & North Yarmouth residents operating three schools and is ranked as a top performing school district in the state of Maine by Backgroundchecks.org and Niche.com. The middle and high school are number one in the State of Maine by U.S. News & World Report rankings.

Since 2012, the Town has been named "Certified Business Friendly" by the Maine Department of Economic and Community Development.

MAJOR INITIATIVES AND LONG-TERM PLANNING

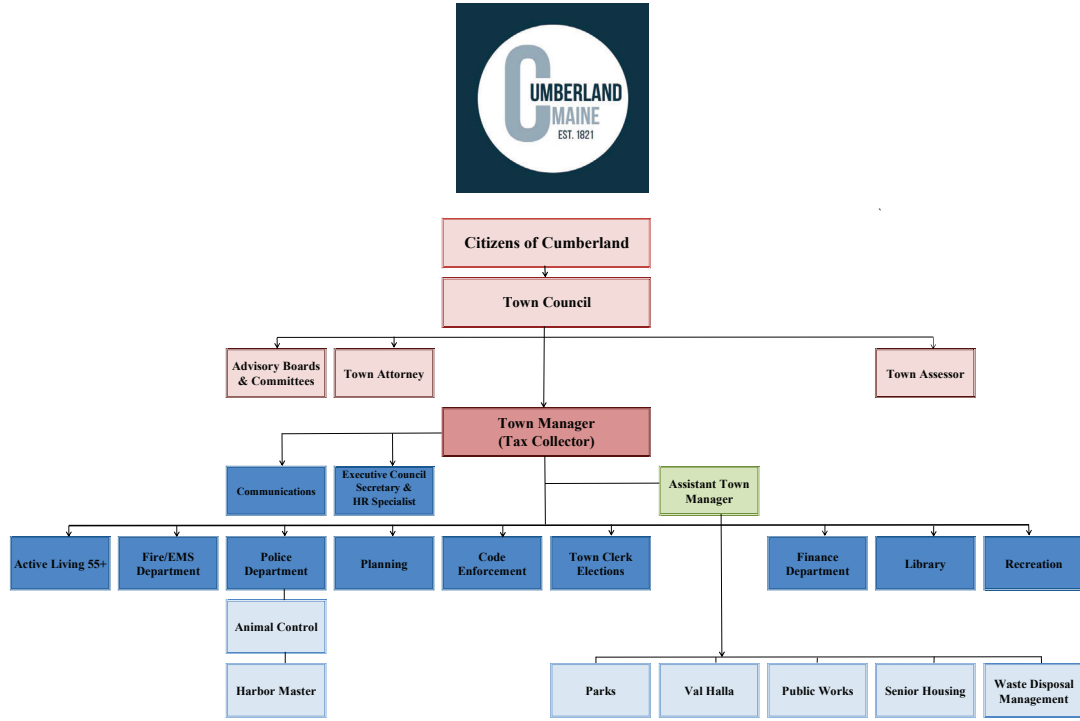
The major capital projects underway at the end of fiscal year 2025 includes the review of the potential round-a-bout on Route 100 in West Cumberland in partnership with the Maine DOT, correcting the line of sight at Route 100 and Range Road, Val Hallia Recreation Center renovations, culverts along Greely Road, and review of a potential public safety communications tower.

The Town has an established Pavement Management Plan to maintain and upgrade the Town's facilities and infrastructure. The Plan has a schedule of planned road maintenance and improvement projects that extends through 2034. While this schedule will be amended along the way, it is an important component of a comprehensive road improvement plan that can be used to create sustainable budgets for future road upkeep.

The Town continues to make a concerted effort to provide assistance for older residents to remain in their homes, enriching the community with their experiences and abilities. For the past few years, the Council has funded the Aging in Place project, to develop resources to assist senior residents. The name was changed in FY 2023 to Active Living. The Town has been recognized by several State and national organizations for the innovative programs. These programs include:

- The Cumberland Area Ride (CAR) program – This program coordinates volunteers to drive residents who have limited transportation options;
- Luncheon and Social Hour – Once a month, Active Living coordinates a social hour and luncheon. This program helps with community connections and prevents isolation;
- Wreaths for Veterans – Every year, Home Depot donates funds to purchase wreaths for Cumberland's veterans;
- Thanksgiving & Christmas meal – Each year, the program provides a meal for each of the holidays and if unable to attend, the meal is delivered to the senior's home;
- Sand bucket Delivery – Each year, Home Depot, donates buckets so that a sand/salt mixture bucket can be delivered to each Cumberland senior resident;
- The Shoveling program – This program provides shoveling of snow for seniors/older adults; and
- The Handyman program - To help with light maintenance including yard work, and other chores. Health classes, monthly social gatherings, loans of durable medical goods, and a daily call-in program run by the Fire Department are also made available to the Town's senior residents. When the State of Maine ended their Senior Property Tax Relief program, the Town established a similar program for senior residents within Cumberland. Through an application process, Cumberland seniors have the ability to qualify for up to \$750 of property tax rebates. For 2024-25, 203 senior residents benefited from the Town's program.

Town of Cumberland, Maine Organizational Chart



4

FINANCIAL POLICIES

The Town operates in accordance with State law and has developed a long-range comprehensive plan (Plan). The Plan sets forth goals and objectives for progress in all areas of the Town operations and outlines steps to be taken for their achievement. As part of the comprehensive plan for the Town, the Council adopts goals and objectives to serve as a guide for planning in all areas of operations. The Plan is updated and reviewed by the Council at least every 10 years. The next plan is currently underway and should be complete by Spring 2026.

The Town has an investment policy in place for the investment of temporarily idle funds. The purpose of the policy is to outline the responsibility, authority, and general guidelines of the investment management of the Town's cash reserves and to ensure compliance with Maine Statutes. See related Notes to the Basic Financial Statements for more information on the investment policy.

BUDGETARY CONTROLS

The annual budget serves as the basis for the Town's financial planning and control and the level of budgetary control is established at the org and object level. Activities of the General Fund are included in the annual appropriation budget.

Budgetary information is integrated into the accounting system. In order to provide budgetary control for salaries, the Town utilizes a centralized position control system. Additionally, support and administrative positions are created based upon established criteria.

ACKNOWLEDGEMENTS

A comprehensive financial report of this nature could not have been prepared without the efficient and dedicated efforts of the Town's management team. We would like to also express appreciation to all staff members who assisted in providing a wealth of information for the preparation of this report.

In closing, we would also like to thank the members of the Council for their leadership and support in establishment of policies and approving processes for financial operations of the Town.

Sincerely,

Matthew E. Sturgis
Matthew E. Sturgis, CMM
Town Manager

Helene DiBartolomeo
Helene DiBartolomeo, CPA
Director of Finance

3

TOWN OF CUMBERLAND, MAINE

List of Principal Officials – Appointed



Matt E. Sturgis, CMM
Town Manager



Christopher Bolduc
Assistant Town Manager



Jennifer Doten, CCM



Helene DiBartolomeo, CPA



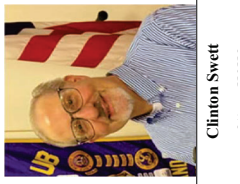
Whitney Hanken



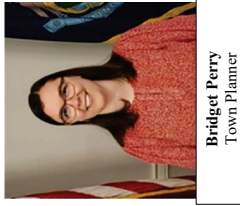
Devon Galvan



William Longley



Clinton Swett



Bridget Perry
Town Planner



Charles J. Rumsey, IV
Police Chief



Daniel Small, EFO



Peter Bingham, Jr.
Recreation Director



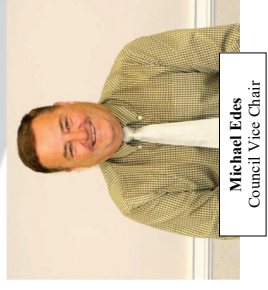
Stacy Mazur
Library Director

TOWN OF CUMBERLAND, MAINE

List of Principal Officials – Elected



Tig Filson
Council Chair



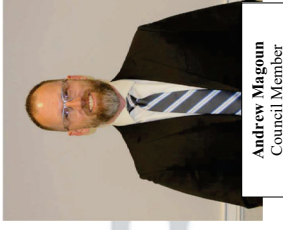
Michael Edes
Council Vice Chair



Billy Douglass
Council Member



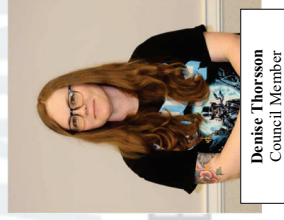
Robert Vail
Council Chair



Andrew Magoun
Council Member



Geoff Michalak
Council Member



Denise Thorsson
Council Member

FINANCIAL SECTION

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Independent Auditor's Report

Town Council
Town of Cumberland, 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, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Maine as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Cumberland, 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, each major fund, and the aggregate remaining fund information of the Town of Cumberland, Maine as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof, and the budgetary comparison for the General 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 Town of Cumberland, 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.

Town Council
Town of Cumberland, Maine

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Cumberland, 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 Town of Cumberland, 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 Town of Cumberland, 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.

Town Council
Town of Cumberland, Maine

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules related to the Town's net pension liability 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 Town of Cumberland, Maine's basic financial statements. The accompanying combining and individual nonmajor 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 nonmajor 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.

Town Council
Town of Cumberland, Maine

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2025, on our consideration of the Town of Cumberland, 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 Town of Cumberland, Maine's internal control over financial reporting.

or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Cumberland, Maine's internal control over financial reporting and compliance.



December 18, 2025
South Portland, Maine

The management of the Town of Cumberland presents the following discussion and analysis of the Town's financial performance for the fiscal year ended June 30, 2025. The intent of this narrative is to help readers understand the Town's financial condition by highlighting significant financial activities, identifying material changes from prior years, and explaining key factors that influenced the results.

This information should be reviewed in conjunction with the Town's basic financial statements and accompanying notes.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements, which include the following components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

The report also includes supplementary information to provide additional detail in support of the basic statements.

Government-wide Financial Statements

The government-wide statements provide a broad overview of the Town's finances in a manner similar to a private-sector entity.

- **Statement of net position** – Presents all assets, deferred outflows, liabilities, and deferred inflows, with the residual reported as net position. Changes in net position over time serve as an indicator of the Town's financial health.
- **Statement of activities** – Shows how the Town's net position changed during the fiscal year. Revenues and expenses are recognized when the underlying event occurs, regardless of when cash is received or paid.

Government-wide information is presented separately for:

- **Governmental activities** – General government, public safety, public services, health and welfare, recreation, Val Halla Golf Center, education, and the library. These activities are funded primarily through property taxes, intergovernmental revenues, and user charges.
- **Business-type activities** – Senior Housing and the Sewer System, which operate like private enterprises and are financed through user fees.

Fund Financial Statements

Fund financial statements provide more detailed information about the Town's most significant funds and demonstrate compliance with budgetary and legal requirements. A fund is a grouping of related accounts used to maintain control over resources with specific purposes.

Governmental Funds

Governmental funds focus on near-term inflows, outflows, and balances of spendable resources. This perspective assists in evaluating the Town's short-term financing needs.

Because governmental fund reporting differs from the government-wide perspective, reconciliation schedules are presented to explain major differences. The Town's major governmental funds include the General Fund, TIF Fund, and Road Improvements Fund. Nonmajor funds are presented in combining statements in the supplementary section.

The Town adopts an annual budget for the General Fund, and budget-to-actual comparisons are included to demonstrate compliance.

Proprietary Funds

Proprietary funds report activities for which the Town charges fees to customers, and they are presented using full accrual accounting, consistent with the government-wide statements. The Town's enterprise funds—Senior Housing and the Sewer System—are reported here with additional detail.

Fiduciary Funds

Fiduciary funds account for resources held for the benefit of external parties and are not available to support governmental programs. The Town reports:

- Private-Purpose Trust Funds – Scholarship trusts
- Custodial Funds – Cumberland Community Food Pantry

Notes to the Basic Financial Statements

The notes provide essential background and explanatory information necessary for a full understanding of the financial statements. The Notes to the Basic Financial Statements are pages 40-66.

Implementation of New Accounting Standard – GASB 101

During the fiscal year, the Town implemented GASB Statement No. 101, *Compensated Absences*. GASB 101 requires governments to recognize a liability for compensated absences when the leave is earned and more likely than not to be used or paid, rather than only when vested and accumulated.

The Town reviewed its leave policies and updated its methodology for estimating compensated absences under the new standard. As a result of the implementation:

- Beginning net position for governmental and business-type activities decreased by \$344,513.
- The decrease reflects the recognition of additional compensated absences that under prior guidance would not have been recorded.

This change affected long-term liabilities but did not affect cash flows. The Town will continue monitoring leave trends to ensure ongoing compliance.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2025

Financial Highlights

Government-wide Financial Statements

- Total net position on June 30, 2025, was \$47,490,844, an increase of \$1.7 million (3.7%) over the prior year.
- Governmental activities net position increased by \$1.8 million (4.1%), primarily due to revenues exceeding expenses.
- General revenues totaled \$41.7 million (85.8%), while program revenues totaled \$6.9 million (14.2%). General revenues increased due to a 5.0% tax rate increase, strong motor vehicle excise tax collections, and higher interest and penalty revenues.
- Expenses totaled \$46.9 million. After program revenues, \$40.0 million were funded from general revenues. Overall, total revenues exceeded expenses by \$1.7 million.

Fund Financial Statements

- The General Fund ending fund balance was \$5.6 million, representing 13.2% of General Fund revenues, an increase of 1.9% over the prior year.
- Business-type activities net position decreased 3.6%, primarily due to water assessment expenses in the Sewer Fund exceeding revenues.

Government-Wide Financial Analysis

The Town's net position on June 30, 2025, compared to June 30, 2024, is summarized in the accompanying tables in the financial statements.

	Town of Cumberland, Maine - Net Position				
	Governmental Activities		Business-Type Activities		Total
	2025	2024	2025	2024	2025
Current & other assets	\$ 11,645,010	11,067,080	671,799	697,319	12,316,809
Capital assets	56,194,611	55,985,845	2,111,870	2,271,386	58,306,481
Total assets	67,839,621	67,052,925	2,783,669	2,968,705	70,623,290
Deferred outflows	1,024,664	755,648	-	-	1,024,664
Long-term liabilities	16,909,744	17,792,483	417,954	512,862	17,327,698
Other liabilities	6,095,128	5,492,761	148,221	153,842	6,243,349
Total liabilities	23,004,872	23,285,244	566,175	666,704	23,571,047
Deferred inflows	586,063	672,330	-	-	586,063
Net position:					
Net investment in capital assets	39,791,099	37,788,836	1,601,530	1,672,559	41,392,629
Restricted - other	506,111	579,658	-	-	506,111
Unrestricted	4,976,140	5,482,505	615,964	629,442	5,592,104
	\$ 45,273,350	43,850,999	2,217,494	2,302,001	47,490,844
					46,153,000

The largest portion of net position—\$41.4 million—represents the Town's investment in capital assets, net of related debt. These assets are used to provide services and are not available to fund future operations.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2025

Restricted net position totaled \$0.5 million, representing resources subject to external constraints. Unrestricted net position was \$5.6 million, an 8.5% decrease from the prior year, and represents amounts available to support operations without legal restrictions.

The key elements of the changes in the Town's net position for the fiscal year ended June 30, 2025, and June 30, 2024, are as follows:

	Town of Cumberland, Maine - Change in Net Position			
	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
Program revenues:				
Charges for services	\$ 4,846,774	4,517,498	1,739,955	1,568,596
Operating grants & contributions	224,178	332,576	-	-
Capital grants & contributions	117,229	427,190	-	-
General revenues:				
Property taxes	35,917,316	33,408,252	-	-
Motor vehicle excise tax	2,788,377	2,514,841	-	-
Interest and penalties	72,530	25,972	-	-
Homestead and BETE exemptions	642,237	1,016,153	-	-
State revenue sharing	1,660,908	1,734,568	-	-
Investment earnings (loss)	317,442	383,026	458	233
Miscellaneous revenues	329,290	408,684	-	-
Total revenues	46,916,281	44,768,760	1,740,413	1,568,829
Program expenses:				
General government	6,643,643	5,993,658	-	-
Public safety	4,306,619	4,026,237	-	-
Public services	4,823,526	5,628,308	-	-
Recreation	2,931,987	2,862,455	-	-
Education	24,896,828	23,103,879	-	-
Library	954,131	1,049,463	-	-
Health & public assistance	330,791	289,766	-	-
Interest on debt	262,831	329,528	-	-
Senior Housing	-	-	348,470	381,715
Sewer system	-	-	1,475,511	1,356,496
Total expenses	45,150,356	43,283,294	1,823,981	1,738,211
Change in net position	1,765,925	1,485,466	(83,568)	(169,382)
Net position - July 1	43,850,999	42,365,533	2,302,001	2,471,383
Restatement, change in accounting principle (GASB 101)	(343,574)	-	(939)	-
Net position - June 30	\$ 45,273,350	43,850,999	2,217,494	2,302,001
				47,490,844
				46,153,000

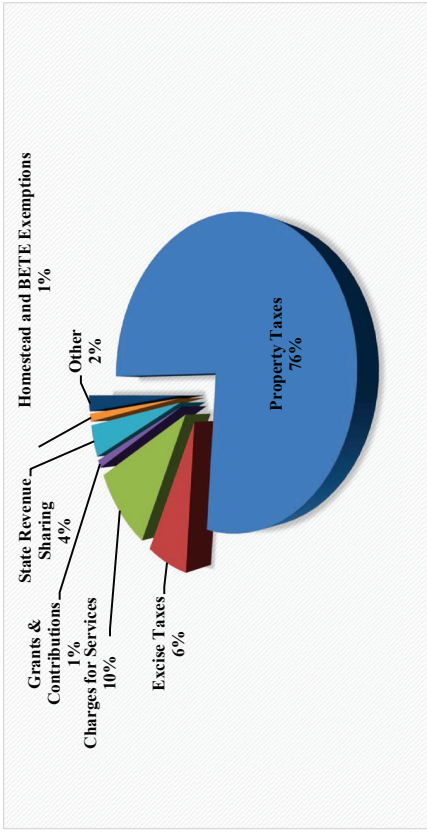
Governmental Activities

Governmental activities experienced strong property tax and excise tax performance, helping offset increased costs in General Government, Public Safety, and Education. Net position increased \$1.8 million for an ending balance of \$45.3 million.

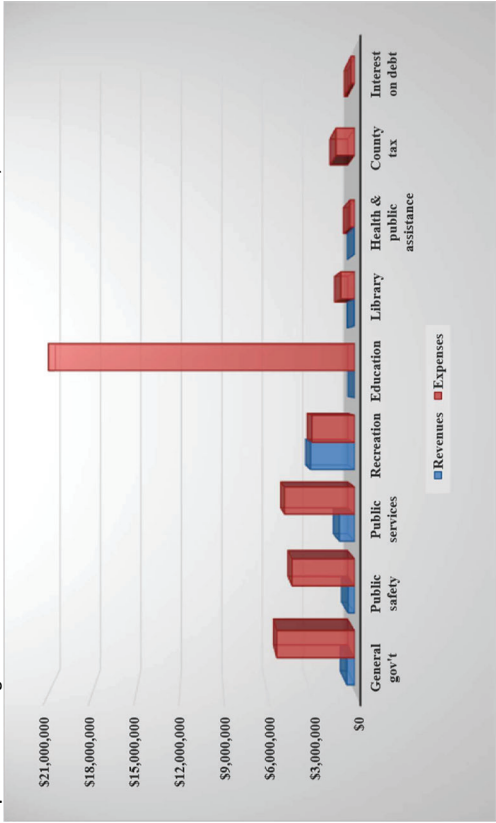
Business-Type Activities

Business-type activities reported a net position decrease of \$83,568, driven primarily by Sewer Fund expenses exceeding charges for services. Senior Housing experienced a modest increase due to rental revenues outperforming expenses.

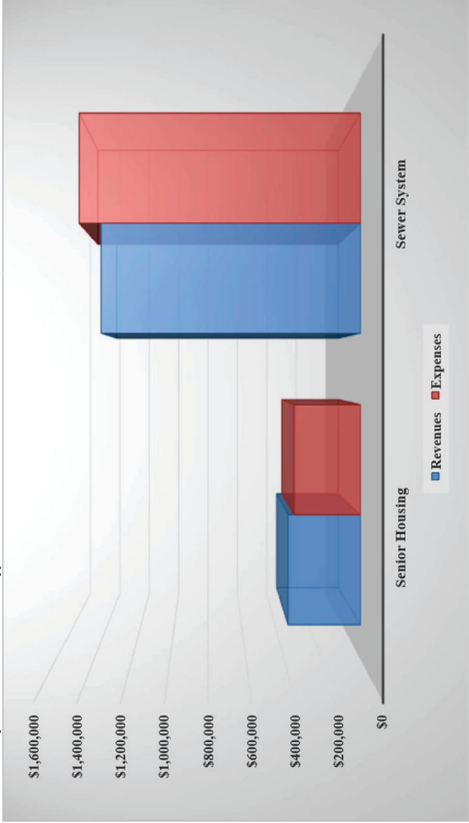
Revenue by Source – Governmental Activities for the Year Ended June 30, 2025:



Expenses and Program Revenues – Governmental Activities for the Year Ended June 30, 2025:



Revenues by Source – Business-type Activities for the Year Ended June 30, 2025:



Fund Financial Analysis

Governmental Funds

As of the end of the 2024-25 fiscal year, the Town's combined ending governmental fund balances were \$7.3 million, an increase of \$0.2 million over the prior year.

Town of Cumberland, Maine

Fund Balance		2025	2024
Fund Balance:	Nondisposable	\$ 215,185	200,641
	Restricted	533,313	516,018
	Committed	2,684,382	2,934,719
	Assigned	471,607	735,509
	Unassigned	3,382,386	2,697,308
Total fund balance		\$ 7,286,873	7,084,195

Major Funds

- General Fund – Increased \$0.1 million due to revenues exceeding budgetary estimates. Unassigned fund balance was \$4.9 million.
- TIF Fund – Increased \$46,335, driven by revenue exceeding expenditures.
- Road Improvement Fund – Increased \$0.3 million, largely due to increased transfers in to address a prior deficit.
- Other Governmental Funds – Decreased \$0.3 million, primarily due to Capital Projects expenditures exceeding incoming transfers.

Proprietary Funds

Total enterprise fund net position was \$2.2 million, a decrease of \$83,568.

- Senior Housing – Increased \$31,722, as rental income exceeded operating costs.
- Sewer System – Decreased \$115,290, with water assessment expenses outpacing service revenues. Most of the Sewer Fund's net position is invested in capital assets.

General Fund Budgetary Highlights

- Actual revenues exceeded budget by \$0.9 million, driven by State Revenue Sharing. Recreation program revenues, and Val Halla Golf operations. Recreation revenues alone exceeded budget by \$0.2 million due to higher program enrollment.
- Expenditures were \$69,896 under budget, reflecting lower-than-anticipated operating costs and prudent cost management.

Capital Assets and Debt Administration

Capital Assets

The Town's capital assets, net of accumulated depreciation, totaled \$58.3 million, an increase of \$49,250 (0.1%). Key capital activity included:

- Renovations at the Val Halla Recreation Center
- Drainage improvements and continued work on the radio tower and rotary
- Donation of 6.39 acres of open space land
- Building improvements (Twin Brooks Red Barn roof, Town Hall water heater, library renovations)
- Equipment purchases for Public Works, Parks, Val Halla, and the Fire Department
- New vehicles, including an ambulance and multiple department vehicles
- Infrastructure (parking lot, water main)

Town of Cumberland, Maine - Capital Assets					
	Governmental Activities		Business-Type Activities		Total
	2025	2024	2025	2024	
Books & collections	\$ 990,116	990,116	-	-	990,116
Construction in progress	932,329	510,966	93,181	146,476	1,025,510
Land	7,217,961	7,177,961	-	-	7,217,961
Right to use leased assets	430,027	564,140	-	-	430,027
Land improvements	4,812,038	4,812,038	63,170	63,170	4,875,208
Buildings & building improvements	20,322,534	20,167,473	2,314,711	2,256,637	22,637,245
Machinery & equipment	4,007,998	3,738,877	3,007	3,007	4,011,005
Furniture & office equipment	91,692	91,692	-	-	91,692
Computer equipment	272,347	265,822	-	-	272,347
Vehicles	6,699,054	6,023,790	-	-	6,699,054
Infrastructure	41,863,179	41,170,374	4,150,992	4,150,992	46,014,171
Total capital assets	87,639,275	85,513,249	6,625,061	6,620,282	94,264,336
Accumulated depreciation/amortization	(31,444,664)	(29,527,404)	(4,513,191)	(4,348,896)	(35,957,855)
Capital assets, net of depreciation/amortization	56,194,611	55,985,845	2,111,870	2,271,386	58,306,481
Associated debt payable	(16,403,512)	(18,197,009)	(510,340)	(598,827)	(16,913,852)
Capital assets, net of debt	\$ 39,791,099	37,788,836	1,601,530	1,672,559	41,392,629
					39,461,395

Additional information is included in the notes to the basic financial statements on pages 53-54.

TOWN OF CUMBERLAND, MAINE
Management's Discussion and Analysis, Continued
June 30, 2025

Long-Term Debt

Long-term debt totaled \$16.4 million, including general obligation bonds, a note payable, a financed purchase agreement, and leases payable. Total outstanding debt decreased by \$1.5 million (6.5%) during the year.

	Town of Cumberland, Maine - Outstanding Debt			
	Governmental Activities		Business-Type Activities	
	2025	2024	2025	2024
General obligation bonds	\$ 12,728,977	13,880,175	391,640	434,755
Notes payable	3,313,576	4,026,142	118,700	164,072
Financed purchases payable	-	46,879	-	-
Leases payable	360,959	243,813	-	-
Total	\$ 16,403,512	18,197,009	510,340	598,827

Additional information is included in the notes to the basic financial statements on pages 55-57.

Economic Factors and Next Year's Budget

The Town's primary source of revenue is local property taxes. For fiscal year 2025-26, the total tax rate is \$25.18, an increase of \$1.92 (8.3%).

General Fund revenues are projected at \$43.4 million, with expenditures of \$44 million. The Town's portion of the tax rate is expected to increase 15.7%, or \$0.98 per \$1,000 of assessed value.

Key economic factors considered during development of the fiscal year 2025-26 budget included:

- Costs outside local control
- Taxable assessed value trends
- State budget deliberations
- The Town's commitment to:
 - Minimizing taxpayer impact
 - Maintaining service levels
 - Supporting the workforce
 - Responsibly managing fund balance

Requests for Information

This report is designed to provide a general overview of the Town of Cumberland's finances. Questions or requests for additional information should be directed to:

Town of Cumberland, Maine – Finance Department
290 Tuttle Road
Cumberland, ME 04021

Additional financial information is available at: www.townofcumberlandmaine.gov

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BASIC FINANCIAL STATEMENTS

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TOWN OF CUMBERLAND, MAINE
Statement of Activities
For the year ended June 30, 2025

For the year ended June 30, 2025						Net (expense) revenue and changes in net position		
Functions/programs	Expenses	Program Revenues			Primary Government		Total	
		Charges for services	Operating grants and contributions	Capital grants and contributions	Governmental activities	Business-type activities		
Primary government:								
Governmental activities:								
General government	\$	6,643,643	552,020	400	-	(6,091,223)	-	(6,091,223)
Public safety		4,306,619	419,300	37,566	-	(3,849,753)	-	(3,849,753)
Public services		4,823,526	784,961	147,668	117,229	(3,773,668)	-	(3,773,668)
Recreation		2,931,987	3,035,468	-	-	103,481	-	103,481
Library		954,131	55,025	-	-	(899,106)	-	(899,106)
Education		24,896,828	-	-	-	(24,896,828)	-	(24,896,828)
Health and public assistance		330,791	-	38,544	-	(292,247)	-	(292,247)
Interest on debt		262,831	-	-	-	(262,831)	-	(262,831)
Total governmental activities		45,150,356	4,846,774	224,178	117,229	(39,962,175)	-	(39,962,175)
Business-type activities:								
Senior Housing		348,470	379,734	-	-	-	31,264	31,264
Sewer System		1,475,511	1,360,221	-	-	-	(115,290)	(115,290)
Total business-type activities		1,823,981	1,739,955	-	-	-	(84,026)	(84,026)
Total primary government	\$	46,974,337	6,586,729	224,178	117,229	(39,962,175)	(84,026)	(40,046,201)
General revenues:								
Property taxes, levied for general purposes	\$	32,423,542					-	32,423,542
TIF district taxes		3,395,074					-	3,395,074
Outer island property taxes		56,932					-	56,932
Payments in lieu of taxes		41,768					-	41,768
Motor vehicle excise taxes		2,788,377					-	2,788,377
Interest and penalties		72,530					-	72,530
Grants and contributions not restricted to specific programs:								
Homestead and BETE exemptions		642,237					-	642,237
State Revenue Sharing		1,660,908					-	1,660,908
Investment earnings (loss)		317,442					458	317,900
Miscellaneous revenues		329,290					-	329,290
Total general revenues		41,728,100					458	41,728,558
Change in net position						1,765,925	(83,568)	1,682,357
Net position - beginning, as previously reported						43,850,999	2,302,001	46,153,000
Restatement, change in accounting principle (GASB 101)						(343,574)	(939)	(344,513)
Net position - beginning, as restated						43,507,425	2,301,062	45,808,487
Net position - ending	\$	45,273,350				2,217,494		47,490,844

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See accompanying notes to basic financial statements.

Statement 1

TOWN OF CUMBERLAND, MAINE
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,003,316	-	10,003,316
Investments	192,944	8,715	201,659
Receivables:			
Accounts	439,229	239,095	678,324
Rescue	42,822	-	42,822
Intergovernmental	245,282	-	245,282
Taxes - current year	263,412	-	263,412
Taxes - prior years	203,973	-	203,973
Note	6,599	-	6,599
Leases	449,141	-	449,141
Prepaid expenses	182,643	15,436	198,079
Inventory	24,202	-	24,202
Internal balances	(408,553)	408,553	-
Capital assets not being depreciated	9,140,406	93,181	9,233,587
Capital assets being depreciated, net	47,054,205	2,018,689	49,072,894
Total assets	67,839,621	2,783,669	70,623,290
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	1,024,664	-	1,024,664
Total deferred outflows of resources	1,024,664	-	1,024,664
LIABILITIES			
Accounts payable	1,803,068	8,147	1,811,215
Accrued payroll	541,751	4,931	546,682
Other liabilities	1,232,127	29,986	1,262,113
Accrued interest payable	96,683	3,600	100,283
Noncurrent liabilities:			
Due within one year	2,421,499	101,557	2,523,056
Due in more than one year	16,909,744	417,954	17,327,698
Total liabilities	23,004,872	566,175	23,571,047
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	176,776	-	176,776
Deferred inflows of resources related to leases	409,287	-	409,287
Total deferred inflows of resources	586,063	-	586,063
NET POSITION			
Net investment in capital assets	39,791,099	1,601,530	41,392,629
Restricted for:			
Police programs	16,735	-	16,735
Town donations	57,310	-	57,310
Fuel assistance	267,675	-	267,675
Expendable permanent funds	156,051	-	156,051
Nonexpendable permanent funds	8,340	-	8,340
Unrestricted	4,976,140	615,964	5,592,104
Total net position	\$ 45,273,350	2,217,494	47,490,844

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Balance Sheet
Governmental Funds
June 30, 2025

	General	TIF Fund	Road Improvements	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 9,952,280	-	-	51,036	10,003,316
Investments	-	-	-	192,944	192,944
Receivables:					
Accounts					
Rescue	131,844	304,236	-	3,149	439,229
Intergovernmental	42,822	-	-	-	42,822
Taxes - current year	245,282	-	-	-	245,282
Taxes - prior years	263,412	-	-	-	263,412
Note	203,973	-	-	-	203,973
Leases	-	-	-	6,599	6,599
Prepaid items	449,141	-	-	-	449,141
Inventory	182,643	-	-	-	182,643
Interfund bans receivable	24,202	-	-	-	24,202
	-	-	21,417	3,283,475	3,304,892
Total assets	11,495,599	304,236	21,417	3,537,203	15,358,455
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	459,611	70,843	403,555	267,026	1,201,035
Accrued payroll	489,902	50,818	-	1,031	541,751
Escrow liabilities	310,135	-	-	-	310,135
Taxes paid in advance	98,772	-	-	-	98,772
Unearned revenue	823,220	-	-	-	823,220
Interfund loans payable	2,900,424	1,371,007	-	44,047	4,315,478
Total liabilities	5,082,064	1,492,668	403,555	312,104	7,290,391
Deferred inflows of resources:					
Unavailable revenue - property taxes	371,904	-	-	-	371,904
Related to leases	409,287	-	-	-	409,287
Total deferred inflows of resources	781,191	-	-	-	781,191
Fund balances (deficits):					
Nonspendable	206,845	-	-	8,340	215,185
Restricted	-	-	-	533,313	533,313
Committed	-	-	-	2,684,382	2,684,382
Assigned	471,607	-	-	-	471,607
Unassigned	4,953,892	(1,188,432)	(382,138)	(936)	3,382,386
Total fund balances (deficits)	5,632,344	(1,188,432)	(382,138)	3,225,099	7,286,873
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,495,599	304,236	21,417	3,537,203	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	56,194,611
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable revenues in the funds.	371,904
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds:	
Bonds and notes payable	(15,043,576)
Leases payable	(360,959)
Unamortized premiums on bonds	(998,977)
Accrued interest	(96,683)
Accrued compensated absences	(1,173,536)
Net pension liability, including related deferred inflows/outflows	(852,307)
Landfill post closure care costs	(54,000)
	(18,580,038)
Net position of governmental activities	\$ 45,273,350

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2025

	General	TIF Fund	Road Improvements	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 35,240,815	3,395,074	-	-	38,635,889
Licenses, permits and fees	310,690	-	-	104,962	415,652
Intergovernmental	2,675,702	-	50,000	34,641	2,760,343
Charges for services	4,115,211	-	-	63,674	4,178,885
Donations and local grants	5,725	-	-	45,333	51,058
Investment income (loss)	-	-	-	317,442	317,442
Other	375,102	-	-	21,236	396,338
Total revenues	42,723,245	3,395,074	50,000	587,288	46,755,607
Expenditures:					
Current:					
General government	2,048,167	1,625,762	-	1,146	3,675,075
Public safety	3,846,255	-	-	29,967	3,876,222
Public services	2,832,186	-	-	140,284	2,972,470
Recreation	2,714,902	-	-	-	2,714,902
Library	790,576	-	-	53,199	843,775
Health and public assistance	248,160	-	-	82,474	330,634
Unclassified	386,376	-	-	-	386,376
Insurance	633,717	-	-	-	633,717
Education	24,896,828	-	-	-	24,896,828
County tax	1,291,191	-	-	-	1,291,191
Capital outlay	340,694	367,252	760,138	1,668,787	3,136,871
Debt service:					
Principal	1,023,548	648,928	-	-	1,672,476
Interest	402,082	111,374	-	-	513,456
Total expenditures	41,455,182	2,753,316	760,138	1,975,857	46,944,493
Excess (deficiency) of revenues over (under) expenditures	1,268,063	641,758	(710,138)	(1,388,569)	(188,886)
Other financing sources (uses):					
Issuance of lease payable	340,694	-	-	-	340,694
Sale of assets	-	-	-	50,870	50,870
Transfers in	595,423	-	1,043,905	1,055,102	2,694,430
Transfers out	(2,099,007)	(595,423)	-	-	(2,694,430)
Total other financing sources (uses)	(1,162,890)	(595,423)	1,043,905	1,105,972	391,564
Net change in fund balances	105,173	46,335	333,767	(282,597)	202,678
Fund balances (deficits), beginning of year	5,527,171	(1,234,767)	(715,905)	3,507,696	7,084,195
Fund balances (deficits), end of year	\$ 5,632,344	(1,188,432)	(382,138)	3,225,099	7,286,873

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, 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, 2025

Net change in fund balances - total governmental funds (from Statement 4)	\$	202,678
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. These are the changes related to capital assets:		
Capital outlay	2,629,967	
Depreciation and amortization	(2,322,639)	
Book value of disposed assets	(98,562)	208,766
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the change in unavailable revenues - property taxes.		
Expenses in the statement of activities that do not consume current financial resources are not reported as expenditures in the funds:		
These are the changes related to long-term assets and liabilities:		
Landfill closure costs	6,000	
Accrued interest payable	12,458	
Accrued compensated absences	(476,977)	
Net pension liability (asset)	(368,519)	
Deferred inflows and outflows related to the net pension liability	318,218	(508,820)
The issuance of debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These are the changes in long term debt:		
Amortization of leases payable	223,548	
Issuance of lease payables	(340,694)	
Principal payments - bonds and notes	1,782,566	
Principal payments - financed purchases	46,879	
Amortization of bond premium	81,198	1,793,497
Change in net position of governmental activities (see Statement 2)	\$	1,765,925

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
General Fund
For the year ended June 30, 2025

	Original and final budget	Actual	Variance with final budget positive (negative)
Revenues:			
Taxes	\$ 34,829,311	35,240,815	411,504
Licenses and permits	225,159	310,690	85,531
Intergovernmental	2,567,425	2,675,702	108,277
Charges for services	3,058,747	3,874,383	815,636
Other	546,700	375,102	(171,598)
Total revenues	41,227,342	42,476,692	1,249,350
Expenditures:			
Current:			
General government	1,839,567	1,886,479	(46,912)
Public safety	3,785,758	3,846,755	(60,997)
Public services	2,648,162	2,582,287	65,875
Recreation	2,663,330	2,714,902	(51,572)
Library	823,989	790,576	33,413
Health and public assistance	141,119	122,329	18,790
Unclassified	376,072	386,376	(10,304)
Insurance	555,850	633,717	(77,867)
Education	24,896,828	24,896,828	-
County tax	1,291,191	1,291,191	-
Debt service	1,426,341	1,425,630	711
Total expenditures	40,448,207	40,577,070	(128,863)
Excess (deficiency) of revenues over (under) expenditures	779,135	1,899,622	1,120,487
Other financing sources (uses):			
Use of fund balance	200,000	-	(200,000)
Transfers in	795,423	595,423	(200,000)
Transfers to General Fund reserves	(50,000)	(47,061)	2,939
Transfers out	(1,724,558)	(2,099,007)	(374,449)
Total other financing sources (uses)	(779,135)	(1,550,645)	(771,510)
Net change in fund balance	-	348,977	348,977
Fund balance, beginning of year - budgetary basis		4,812,210	
Fund balance, end of year - budgetary basis	\$	5,161,187	
Reconciliation to GAAP:			
Change in reserves		(243,804)	
Fund balance, beginning of year - GAAP basis		5,527,171	
Fund balance, end of year - GAAP basis	\$	5,632,344	

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Net Position
Proprietary Funds
June 30, 2025

Business-type Activities - Enterprise Funds					Senior Housing Fund	Sewer System	Totals
ASSETS							
Current assets:							
Investments	\$	8,715	-				8,715
Accounts receivable		-	239,095				239,095
Prepaid expense		15,436	-				15,436
Interfund loans receivable		111,475	297,078				408,553
Total current assets		135,626	536,173				671,799
Noncurrent assets:							
Property, plant, and equipment		2,463,400	4,161,661				6,625,061
Less accumulated depreciation		(1,809,538)	(2,703,653)				(4,513,191)
Total noncurrent assets		653,862	1,458,008				2,111,870
Total assets		789,488	1,994,181				2,783,669
LIABILITIES							
Current liabilities:							
Accounts payable		8,147	-				8,147
Accrued payroll		3,498	1,433				4,931
Accrued interest payable		3,600	-				3,600
Security deposit		29,986	-				29,986
Accrued compensated absences, current		6,603	-				6,603
Bonds and premiums, current		94,954	-				94,954
Total current liabilities		146,788	1,433				148,221
Noncurrent liabilities:							
Accrued compensated absences		2,568	-				2,568
Bonds and premiums payable		415,386	-				415,386
Total noncurrent liabilities		417,954	-				417,954
Total liabilities		564,742	1,433				566,175
NET POSITION							
Net investment in capital assets		143,522	1,458,008				1,601,530
Unrestricted		81,224	534,740				615,964
Total net position	\$	224,746	1,992,748				2,217,494

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2025

Business-type Activities - Enterprise Funds					Senior Housing Fund	Sewer System	Totals
Operating revenues:							
Rental income	\$	379,489	-				379,489
Charges for services		-	1,351,871				1,351,871
Sewer connection permits		-	850				850
Other		245	7,500				7,745
Total operating revenues		379,734	1,360,221				1,739,955
Operating expenses:							
Wages and benefits		100,465	38,039				138,504
Utilities		32,451	-				32,451
Maintenance		78,449	-				78,449
Wastewater assessment		-	1,354,068				1,354,068
General costs		17,819	-				17,819
Rehab costs		20,076	-				20,076
Depreciation		80,891	83,404				164,295
Total operating expenses		330,151	1,475,511				1,805,662
Operating income (loss)		49,583	(115,290)				(65,707)
Nonoperating income (expense):							
Investment income (loss)		458	-				458
Interest expense		(18,319)	-				(18,319)
Total nonoperating income (expense)		(17,861)	-				(17,861)
Change in net position		31,722	(115,290)				(83,568)
Total net position, beginning of year, as previously reported		193,963	2,108,038				2,302,001
Restatement, change in accounting principle (GASB 101)		(939)	-				(939)
Total net position, beginning of year, as restated		193,024	2,108,038				2,301,062
Total net position, end of year	\$	224,746	1,992,748				2,217,494

See accompanying notes to basic financial statements.

Statement 9

TOWN OF CUMBERLAND, MAINE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2025
Business-type Activities - Enterprise Funds

	Senior Housing Fund	Sewer System	Totals
Cash flows from operating activities:			
Receipts from customers and users	\$ 373,507	1,394,378	1,767,885
Payments to suppliers	(161,243)	(1,355,802)	(1,517,045)
Payments to employees	(100,279)	(38,576)	(138,855)
Net cash provided by (used in) operating activities	111,985	-	111,985
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(4,779)	-	(4,779)
Bond principal payments	(84,972)	-	(84,972)
Interest paid	(22,234)	-	(22,234)
Net cash provided by (used in) capital and related financing activities	(111,985)	-	(111,985)
Change in cash	-	-	-
Cash, beginning of year	-	-	-
Cash, end of year	\$ -	-	-

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ 49,583	(115,290)	(65,707)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation expense	80,891	83,404	164,295
(Increase) decrease in accounts receivable	-	(29,973)	(29,973)
(Increase) decrease in prepaid expenses	(1,734)	-	(1,734)
(Increase) decrease in interfund loans receivable	(6,445)	64,130	57,685
(Increase) (decrease) in accounts payable	(10,714)	(1,734)	(12,448)
Increase (decrease) in accrued payroll	(2,824)	(537)	(3,361)
Increase (decrease) in accrued compensated absences	3,010	-	3,010
Increase (decrease) in security deposit	218	-	218
Net cash provided by (used in) operating activities	\$ 111,985	-	111,985

See accompanying notes to basic financial statements.

Statement 10

TOWN OF CUMBERLAND, MAINE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Private-purpose Trust Fund (Scholarships)	Custodial Fund (Food Pantry Component Unit)
ASSETS		
Investments	\$ -	-
Due from general fund	160,275	603,859
Total assets	160,275	603,859
LIABILITIES		
Accounts payable	3,020	2,985
Due to general fund	1,826	-
Total liabilities	4,846	2,985
NET POSITION		
Restricted	\$ 155,429	600,874

See accompanying notes to basic financial statements.

Statement 11

TOWN OF CUMBERLAND, MAINE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2025

		Private-purpose Trust Fund (Scholarships)	Custodial Fund (Food Pantry Component Unit)
Additions:			
Donations	\$	2,200	132,549
Investment income (loss)		7,898	10,590
Total additions		10,098	143,139
Deductions:			
Program expenses		-	93,342
Scholarships awarded		4,500	-
Total deductions		4,500	93,342
Net increase (decrease) in fiduciary net position		5,598	49,797
Net position, beginning of year		149,831	551,077
Net position, end of year	\$	155,429	600,874

See accompanying notes to basic financial statements.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Cumberland 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:

Reporting Entity

The Town of Cumberland was incorporated in 1821 and operates under a Council-Manager form of government. The Town is located in Cumberland County.

In evaluating how to define the reporting entity for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit was made by applying the criteria set forth by accounting principles generally accepted in the United States of America. The criterion used defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. Application of this criterion and determination of type of presentation involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. Based upon the application of these criteria, the Town has reported the following component unit:

Cumberland Food Pantry is a component unit of the Town. Although it is legally separate from the Town, the Food Pantry is reported as if it were part of the primary government because Town management makes up the entire Pantry's board. Although the Town provides administrative and accounting services for the Food Pantry, the Town does not have administrative involvement in that it does not determine the services provided or the spending of the pantry's funds. The Food Pantry is also reported as a fiduciary fund as it meets the requirements under GASB 84. Under those requirements, a) the assets are for the benefit of individuals, b) the Town does not have administrative involvement with the assets, and c) the assets of the pantry are not derived from the Town's provision of goods or services but are funded through outside donations and grants. There are no separately issued financial statements for this component unit and it is reported as a custodial fund.

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 non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the process of consolidation. 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.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town 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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 and fiduciary 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 payments, as well as certain compensated absences and claims and judgments, are recorded only when the payment is due.

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 Town 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 Town reports the following major governmental funds:

The General Fund is the Town'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 Tax Increment Financing Fund (TIF) is a capital projects fund that accounts specifically for the taxes raised through the Town's TIF districts and the related capital and economic development expenditures.

The Road Improvements Fund is a capital projects fund that accounts for the revenues raised to be used for road projects, including debt proceeds, and the related capital expenditures.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town reports the following major proprietary funds:

The Senior Housing Fund accounts for the construction and operation of senior housing units in Cumberland overseen by the Cumberland Housing Authority.

The Sewer System accounts for the operation of a sewer system in Cumberland.

Additionally, the Town reports the following fiduciary fund types:

Private-purpose Trust Funds are used to report the activity for bequests left for charitable payments of scholarship awards. These assets are held by the Town in a trustee capacity, whereby the original bequest is preserved as nonexpendable and the accumulated interest earnings are available to provide for educational awards.

The Custodial Fund is used to report amounts held on behalf of the Cumberland Food Pantry and the related activity.

Fiduciary funds use an economic resources measurement focus and the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and charges between the Town's sewer fund and various other functions of the government. 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 non-operating 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 Town's proprietary funds are 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 non-operating revenues and expenses.

Assets, Liabilities, Deferred Outflows and Inflows of Resources, and Equity

Cash, Cash Equivalents, and Investments - Cash and cash equivalents are considered to be cash on hand, demand deposits and time deposits. Investments are stated at fair value. For statement of cash flow purposes, the Town considers cash and cash equivalents to be demand deposits, certificates of deposit with maturities of less than three months, and money market mutual funds.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

The Town has established a formal investment policy that governs the investment of all of its funds. Pursuant to its investment policy and applicable Maine law (Title 30-A, Section 5706 et. Seq. of the Maine Revised Statutes, as amended) all investments of the Town must be made with care, prudence, and skill. The goals of the investment policy are to provide safety of principal through diversification of assets and to provide a high degree of liquidity in the investments. The Town is not invested in any obligations typically referred to as derivatives.

Inventory and prepaid items - The General Fund reports fuel inventory, which is valued at cost, using the first-in, first-out method. The cost of inventory is recorded as expenditures when consumed rather than when purchased.

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

Interfund Loans Receivable/Payable - Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund loans or as interfund advances (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Leases Receivable - The Town of Cumberland is the lessor for non-cancellable leases of land for a cellular tower and building space at the Val Halia golf course. The Town has recognized lease receivables and deferred inflows of resources in the financial statements. At the commencement of the leases, the Town of Cumberland measures the lease receivable at the present value of payments expected to be made during the lease terms. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments made 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 Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

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

The Town 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.

Capital Assets - Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and right-to-use leased assets for equipment and land, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Donated capital assets are recorded at an estimated amount that would be paid for a similar asset as of the acquisition date. The costs of normal repairs and maintenance that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	15-40 years
Right-to-use assets	3-40 years
Buildings and building improvements	20-40 years
Machinery and equipment	4-30 years
Furniture and office equipment	10-20 years
Computer equipment	3-7 years
Vehicles	4-30 years
Infrastructure	20-50 years

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 represent a consumption of net assets that applies to future periods and deferred inflows of resources represent an 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 deferred inflows of resources for unavailable revenue from property taxes and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities have deferred outflows and inflows that relate to the net pension liability, which include the Town's contributions subsequent to the measurement date, which is recognized as a reduction of the net pension liability in the subsequent year. They also include changes in assumptions, differences between expected and actual experience, and changes in proportion and differences between Town 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.

Vacation and Sick Leave - Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service and are accrued ratably over the year. Regular part-time employees receive vacation and sick leave on a pro-rated basis. Accumulated vacation and sick time have been recorded as a liability in the government-wide and proprietary funds.

Pensions - For purposes of measuring the net pension liability, 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 additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Long-term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, if material to basic financial statements, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Leases Payable - the Town is a lessee for four noncancellable leases of golf carts and related equipment, and a land easement. The Town recognizes a lease liability and an intangible right-to-use asset (lease asset) in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the Town 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 bases over its useful life.

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

- The Town uses the interest rate charged by the lessor as the discount rate. When the interest rate charged is not provided, the Town 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 Town is reasonably certain to exercise.

The Town 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Equity - Governmental Fund balance is reported in five classifications that comprise a hierarchy based primarily on the extent to which the Town 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 government imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner.
- *Assigned* – resources that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- *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 committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. For assigned fund balance amounts, the Town Manager has the authority to assign unspent budgeted amounts to specific purposes in the General Fund at year end. The Town Council approves the assigned amounts either before or after year end.

It is the policy of the Town of Cumberland to maintain unassigned fund balance in the general fund at 12% of general fund revenues measured on a GAAP basis. In the event that the unassigned fund balance drops below this level, the Town Manager will develop a plan, implemented through the annual budgetary process, to bring the balance to the target level over a period of no more than five (5) years. Amounts in excess of the target shall be used to offset negative balances in capital projects funds, offset intergovernmental loans, and to build capital project fund levels for future purchases, as determined by the Town Council and Town Manager. If the first three purposes are met, then the Town may use excess balances to offset future tax levy amounts through a stabilization fund.

Although not a formal policy, when both restricted and unrestricted resources are available for use, it is the Town'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 Town's intent to use committed or assigned resources first, and then unassigned resources as they are needed.

Interfund Transactions - Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Use of Estimates - Preparation of the Town's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent items 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.

Comparative Data/Reclassifications - Comparative data for the prior year has been presented only for certain funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Net Position - The net position amount represents the difference between assets, deferred outflows, liabilities, and deferred inflows of resources. The net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, and financed purchases 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 Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The Town's net investment in capital assets was calculated as follows at June 30, 2025:

	Governmental activities	Business-type activities
Capital assets	\$ 87,639,275	6,625,061
Accumulated depreciation/amortization	(31,444,664)	(4,513,191)
Unamortized premium on bonds	(998,977)	(31,640)
Bonds and notes payable	(15,043,576)	(478,700)
Leases Payable	(360,959)	-
Net investment in capital assets	\$ 39,791,099	1,601,530

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The Town utilizes a formal budgetary accounting system to control revenues and expenditures. Budgets are established in accordance with the various laws which govern the Town's operations. For the funds for which a formal budget is adopted, the same basis of accounting is used to reflect actual revenues and expenditures recognized on the basis of accounting principles generally accepted in the United States of America.

Budgets are adopted for the General Fund only on a basis consistent with generally accepted accounting principles (GAAP) in the United States of America, with the exception of General Fund reserves, which are excluded on a budgetary basis. The level of control (level at which expenditures may not exceed budget) is the Department. Generally, all unexpended budgetary accounts lapse at the close of the fiscal year. Encumbrance accounting is not employed by the Town.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY, CONTINUED

The Town Manager is authorized to transfer budgeted amounts between general classifications of expenditures within a department; however, the gross appropriation for each department shall not be exceeded except by consent of the Council. The budgeted financial statements represented in this report reflect the final budget authorization, including all amendments.

B. Excess of Expenditures over Appropriations

For the year ended June 30, 2025, the following General Fund expenditures exceeded appropriations in the following departments:

Administration	\$ 63,336	Recreation programs	44,825
Technology	70,139	Health services	9
Legal services	20,574	Cemetery association	1,272
Police	9,963	Fire hydrant charges	68
Fire	51,062	Contingencies	13,500
Code enforcement	2,205	Insurance	77,867
Harbor master	2,246	Abatements	12,192
Val Halla golf course	6,747		

These over expenditures lapsed to fund balance at year-end.

C. Deficit Fund Balances

At June 30, 2025, the following funds had deficit fund balances:

TIF Fund	\$ 1,188,432
Road improvements	382,138
Nonmajor permanent funds:	
Sweetser fund	936

These fund deficits will be covered by future revenue sources or transfers from the General Fund.

DEPOSITS AND INVESTMENTS

A. Deposits

Custodial Credit Risk-Town Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's policy is to have its deposits covered by F.D.I.C. insurance or by additional insurance purchased on behalf of the Town by the respective banking institution. As of June 30, 2025, of the Town's bank balances of \$10,223,396, none was exposed to custodial credit risk as it was covered by the F.D.I.C. or by additional insurance purchased on behalf of the Town by the respective banking institutions.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

DEPOSITS AND INVESTMENTS, CONTINUED

B. Investments

At June 30, 2025, the Town had the following investments and maturities:

	Fair Value	Less than 1 year	1-5 years	More than 5 years
U. S. Government securities	\$ 11,813	-	11,813	-
U. S. Treasury notes	297,135	-	219,681	77,454
Money markets	52,986	N/A	N/A	N/A
Total investments	\$ 361,934	-	231,494	77,454

The Town 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.

The Town has the following recurring fair value measurements as of June 30, 2025:

- U.S. governmental securities and U.S. treasury notes are valued using quoted market prices (level 1 inputs).

Custodial Credit Risk-Town Investments: For investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. As of June 30, 2025, the Town had no investments that were subject to custodial risk.

Interest Rate Risk: The Town does not have a policy related to interest rate risk.

Credit Risk: The Town's investment policy authorizes the Town to invest in short term and fixed income investments, limited to one of the highest grade ratings ((A – AAA) (AAA for U.S. Treasury and Agency issues, and money market funds; AA- for prime Commercial paper)).

The U.S. Government securities include Federal National Mortgage Association (Fannie Mae) bonds with fair values of \$11,813 and are rated AA+ by Fitch Ratings.

PROPERTY TAX

The Town's property tax is levied on the assessed value listed as of the prior April 1 for all real and taxable personal property located in the Town. Assessed values are periodically established by the Assessor at 100% of the assumed market value.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

PROPERTY TAX, CONTINUED

Property taxes were levied July 23, 2024, on the assessed values of real property as of April 1, 2024. This assessed value of \$1,540,409,380 was 64% of the estimated market value and 66% of the 2024 state valuation of \$2,337,300,000.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$47,008 for the year ended June 30, 2025.

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

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 unavliable revenue.

The following summarizes the periods ended June 30, 2025, and 2024 levies:

	2025	2024
Assessed value	\$ 1,540,409,380	1,504,874,980
Tax rate (per \$1,000)	23.25	22.15
Commitment	35,814,518	33,332,981
Less – collections and abatements	35,551,106	33,082,105
Receivable at June 30	\$ 263,412	250,876

Due date(s)	9/16/2024	9/15/2023
	3/17/2025	2/15/2024
Interest rate charged on delinquent taxes	4.00%	8.00%
Collection rate	99.26%	99.25%

As of July 1, 2007, per H.P. 1243 – L.D. 1735 an Act to Authorize Chebeague Island to Secede from the Town of Cumberland, Chebeague Island must pay to the Town of Cumberland 50% of the property taxes committed to the Town of Chebeague Island from the Outer Islands for a period of 50 years; to be paid on an annual basis. As of June 30, 2025, and 2024, Chebeague Island has paid \$56,932 and \$45,895, respectively.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

LEASES RECEIVABLE

In fiscal year 2020, the Town entered into the first extension phase of a lease for land for a cellular tower. Under the terms of the lease, the lease may be extended for four terms, expiring on September 25, 2039. Under the lease terms, the Town will receive monthly payments of \$2,070 for the first extension, with payments increasing in the next three extensions to \$2,381, \$2,738, and \$3,148, respectively.

In December 2023, a lease for building space at Val Halla expired and a new lease was initiated by the Town with the same tenant. The term of the new lease is for sixty months beginning January 1, 2024, and ending December 31, 2028, and provides a monthly rental payment of \$833, with a 5% annual increase.

As of June 30, 2025, and 2024, the Town's receivable for lease payments was \$449,141 and \$477,950, respectively. Also, the Town has a deferred inflow of resources associated with the leases that will be recognized as revenue over the lease term. As of June 30, 2025, and 2024, the balance of the deferred inflow of resources was \$409,287 and \$446,352, respectively.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal year ending June 30	Principal	Interest	Total
2026	\$ 30,839	8,485	39,324
2027	31,989	7,873	39,862
2028	33,188	7,239	40,427
2029	28,034	6,607	34,641
2030	25,661	6,119	31,780
2031-2035	145,463	22,487	167,950
2036-2040	153,967	6,594	160,561
Total	\$ 449,141	65,404	514,545

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The purpose of interfund loans is to charge revenues and expenditures to the appropriate fund when that activity is accounted for through the centralized checking account. The balances represent each fund's portion of the centralized checking account.

Interfund transfers consist of budgeted transfers to and from other funds to fund certain activities accounted for in those funds and transfers to close out capital project funds that are no longer needed. Transfers were also made from the General Fund to the capital project funds to offset deficit fund balances.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS, CONTINUED

Individual interfund loan receivables, payables, and transfers at the year ended June 30, 2025, were as follows:

Fund	Interfund loans receivable	Interfund loans payable	Transfers in	Transfers out
General Fund	\$ -	2,900,424	595,423	2,099,007
TIF Fund	-	1,371,007	-	595,423
Road Improvements Fund	21,417	-	1,043,905	-
Other Governmental Funds:				
Special Revenue	398,915	44,047	-	-
Capital Projects	2,884,545	-	1,055,102	-
Permanent	15	-	-	-
Total Other Governmental Funds	3,283,475	44,047	1,055,102	-
Proprietary Funds:				
Senior Housing	111,475	-	-	-
Sewer System	297,078	-	-	-
Total proprietary funds	408,553	-	-	-
Fiduciary funds:				
Private-purpose trust funds	-	1,826	-	-
Custodial fund	603,859	-	-	-
Total fiduciary funds	603,859	1,826	-	-
Totals	\$ 4,317,304	4,317,304	2,694,430	2,694,430

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Books and collections	\$ 990,116	-	-	990,116
Construction in progress	510,966	1,123,588	702,225	932,329
Land	7,177,961	40,000	-	7,217,961
Total capital assets, not being depreciated/amortized	8,679,043	1,163,588	702,225	9,140,406
Capital assets, being depreciated/amortized:				
Right to use leased assets	564,140	340,694	474,807	430,027
Land improvements	4,812,038	-	-	4,812,038
Buildings and building improvements	20,167,473	155,061	-	20,322,534
Machinery and equipment	3,738,877	275,121	6,000	4,007,998
Furniture and office equipment	91,692	-	-	91,692
Computer equipment	265,822	6,525	-	272,347
Vehicles	6,023,790	698,398	-	6,699,054
Infrastructure	41,170,374	692,805	-	41,863,179
Total capital assets being depreciated/amortized	76,834,206	2,168,604	503,941	78,498,869
Less accumulated depreciation for:				
Right to use leased assets	308,648	167,696	379,845	96,499
Land improvements	3,399,431	121,446	-	3,520,877
Buildings and building improvements	6,913,609	542,425	-	7,456,034
Machinery and equipment	2,740,823	240,773	2,400	2,979,196
Furniture and office equipment	70,302	1,631	-	71,933
Computer equipment	209,008	20,243	-	229,251
Vehicles	3,995,989	407,254	23,134	4,380,109
Infrastructure	11,889,594	821,171	-	12,710,765
Total accumulated depreciation/amortization	29,527,404	2,322,639	405,379	31,444,664
Total capital assets being depreciated, net	47,306,802	(154,035)	98,562	47,054,205
Governmental activities capital assets, net	\$ 55,985,845	1,009,553	800,787	56,194,611

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CAPITAL ASSETS, CONTINUED

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

Governmental activities:				
General government				\$ 138,187
Public safety				429,897
Public services, including depreciation of general infrastructure assets				1,314,136
Health and public assistance				157
Recreation				329,906
Library				110,356
Total depreciation/amortization expense – governmental activities				\$ 2,322,639
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 146,476	4,779	58,074	93,181
Total capital assets, not being depreciated	146,476	4,779	58,074	93,181
Capital assets, being depreciated:				
Land improvements	63,170	-	-	63,170
Buildings and building improvements	2,256,637	58,074	-	2,314,711
Machinery and equipment	3,007	-	-	3,007
Infrastructure, sewer	4,150,992	-	-	4,150,992
Total capital assets being depreciated	6,473,806	58,074	-	6,531,880
Less accumulated depreciation for:				
Land improvements	60,487	383	-	60,870
Buildings and building improvements	1,673,139	80,891	-	1,754,030
Machinery and equipment	3,007	-	-	3,007
Infrastructure, sewer	2,612,263	83,021	-	2,695,284
Total accumulated depreciation	4,348,896	164,295	-	4,513,191
Total capital assets being depreciated, net	2,124,910	(106,221)	-	2,018,689
Business-type activities capital assets, net	\$ 2,271,386	(101,442)	58,074	2,111,870

Depreciation expense was charged to the business-type activities as follows:

Business-type activities:		
Senior Housing	\$ 80,891	
Sewer System	83,404	
Total depreciation expense – business-type activities	\$ 164,295	

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2025, was as follows:

	Restated Beginning balance	Additions	Reductions	Ending balance	Due within one year
Governmental activities:					
General obligation bonds	\$ 12,800,000	-	1,070,000	11,730,000	1,085,000
Unamortized bond premium	1,080,175	-	81,198	998,977	81,198
Total bonds payable	13,880,175	-	1,151,198	12,728,977	1,166,198
*Notes from direct borrowings	4,026,142	-	712,566	3,313,576	732,615
*Financed purchases	46,879	-	46,879	-	-
Leases	243,813	340,694	223,548	360,959	125,507
Accrued compensated absences**	696,559	476,977	-	1,173,536	391,179
Net pension liability (asset)	1,331,676	368,519	-	1,700,195	-
Landfill post closure care costs	60,000	-	6,000	54,000	6,000
Total governmental activity	\$ 20,285,244	1,186,190	2,140,191	19,331,243	2,421,499

*Notes and financed purchases are considered direct borrowings

The accrued compensated absences and the net pension liabilities are normally fully liquidated by the General Fund.

	Restated Beginning balance	Additions	Reductions	Ending balance	Due within one year
Business-type activities:					
Bonds payable	\$ 399,600	-	39,600	360,000	40,000
Unamortized bond premium	35,155	-	3,515	31,640	3,515
Total bonds payable	434,755	-	43,115	391,640	43,515
*Notes from direct borrowings	164,072	-	45,372	118,700	51,439
Accrued compensated absences**	6,206	2,965	-	9,171	6,603
Total business-type activity	\$ 605,033	2,965	88,487	519,511	101,557
Total long-term governmental and business-type liabilities	\$ 20,890,277	1,189,155	2,228,678	19,850,754	2,523,056

** - The change in accrued compensated absences is shown as the net increase and decrease.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT

Bonds, Notes, and Financed Purchases Payable

Bonds, notes and financed purchases payable at June 30, 2025, are comprised of the following:

	Originally issued	Date of issue	Date of maturity	Interest rate	Balance
Governmental activities:					
Bonds Payable:					
2020 improvements	\$ 6,340,000	5/1/2020	5/1/2040	2.25-5.00%	5,000,000
2025 improvements and refunding bonds	5,730,000	1/14/2015	6/30/2034	2.00-4.00%	1,985,000
2017 improvements	7,300,000	1/18/2027	4/1/2038	2.50-3.50%	4,745,000
Total governmental activities bonds payable					11,730,000
Notes from direct borrowings:					
Economic development	4,100,000	5/27/2010	11/1/2029	3.36-5.75%	1,243,308
Infrastructure/Val Halla	2,775,802	5/15/2008	11/1/2027	2.00-5.50%	395,802
Infrastructure improvements	4,000,000	5/28/2009	11/1/2029	2.08-5.58%	1,349,239
Cumberland County	500,000	9/7/2022	6/30/2029	0.00%	300,000
Paytner property note	90,000	5/11/2018	12/1/2027	5.00%	25,227
Total governmental activities notes payable					3,313,576
Business-type activity debt:					
Senior Housing renovations note	250,000	10/23/2022	9/23/2027	3.95%	118,700
Senior Housing roof/refunding bond	740,000	1/14/2015	6/30/2034	2.00-4.00%	360,000
Total business-type activity debt					478,700

The annual debt service requirements to amortize bonds and notes payable are as follows:

	Bonds Payable		Notes Payable	
	Principal	Interest	Principal	Interest
2026	\$ 1,085,000	389,387	732,615	80,656
2027	900,000	346,287	751,898	58,644
2028	900,000	310,587	741,373	37,901
2029	900,000	274,887	536,802	21,423
2030	900,000	239,187	550,888	7,204
2031-2035	4,300,000	734,749	-	-
2036-2040	2,745,000	185,139	-	-
Total	\$ 11,730,000	2,480,223	3,313,576	205,828

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

LONG-TERM DEBT, CONTINUED

All governmental activities long-term debt service requirements are paid by the General Fund, TIF Fund, or Land Acquisition Fund. Business-type debt is paid by the proprietary enterprise funds.

Business-type activities

	Bonds and notes payable	
	Principal	Interest
2026	\$ 91,439	18,218
2027	93,538	14,520
2028	53,723	11,292
2029	40,000	9,600
2030	40,000	8,000
2031-2034	160,000	16,000
Total	\$ 478,700	77,630

In accordance with 30-A MRSA, Section 5701, no municipality shall incur debt for specified purposes in excess of certain percentages of state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its state assessed valuation. At June 30, 2025, the Town's outstanding debt did not exceed these limits. As of June 30, 2025, the total outstanding bonds payable for the Town are 4.43% of the 2024 state valuation of \$2,337,300,000.

LEASES PAYABLE

On April 1, 2017, the Town entered into the extension phase of a lease agreement for land, expiring on March 1, 2027. As of June 30, 2025, the value of the lease liability was \$16,482. The lease provides for semi-annual payments of \$3,743, increasing each year by 3.5% on each September 1st. The value of the right-to-use asset as of the end of the current fiscal year was \$44,695 and had accumulated amortization of \$29,797.

On December 18, 2024, the Town entered into a lease agreement for 65 golf carts and 5 utility vehicles, to be used at the Val Hella golf course. As of June 30, 2025, the value of the lease liability was \$309,368. The lease term is 5 years and provides for monthly payments of \$21,099, paid in six-month installments between the months of May and September of each year, until 30 months are paid. The value of the right-to-use asset as of the end of the current fiscal year was \$340,694 and had accumulated amortization of \$56,782.

On April 11, 2024, the Town entered into a lease agreement for photocopiers. The lease is for a term of 63 months and expires on July 11, 2029. As of June 30, 2025, the value of the lease liability was \$35,109. The lease provides for monthly payments of \$746. The value of the right-to-use asset as of the end of the current fiscal year was \$44,638 and had accumulated amortization of \$9,920.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

LEASES PAYABLE, CONTINUED

The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal Year End	Leases Payable	
	Principal	Interest Total
2026	\$ 125,507	18,339 143,846
2027	134,011	10,125 144,136
2028	91,853	1,495 93,348
2029	8,843	108 8,951
2030	745	1 746
Totals	\$ 360,959	30,068 391,027

DEFEASED DEBT

In prior years, the government defeased general obligation public improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2025, \$165,000 of defeased bonds remain outstanding.

CONDUIT DEBT

During fiscal year 2015, Town issued \$2,300,000 in revenue bonds to provide financial assistance to the Friends School of Portland to help fund the construction of a new school in Cumberland. Upon repayment of the bonds, ownership of the acquired assets transfers to the School. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of June 30, 2025, the outstanding principal balance of the revenue bonds was \$1,582,901.

OVERLAPPING DEBT

Overlapping Debt

The Town is subject to an annual assessment of its proportional share of Cumberland County expenses, including debt repayment, as determined by the percentage of the Town's State valuation to the County's State valuation. For the year ended June 30, 2025, the Town's State valuation from 2024 of \$2,337,300,000 was 3.05% of the County's State valuation of \$76,597,050,000. The Town's share is 3.05% or \$844,837 of Cumberland County's \$27,686,651 in long-term debt outstanding at June 30, 2025.

The Town's proportionate share of Maine School Administrative District #51 debt of \$29,866,824 is \$21,710,599 (72.69%). This debt service is included in the annual assessments to the Town.

Portland Water District - The Town is also served by the Portland Water District. At June 30, 2025, the Town's share of self-supporting bonded water debt is 4.54% or \$2,958,655 of total debt of \$65,168,606. In addition, the Town's share of direct wastewater debt is 0.02% or \$12,500 of total debt of \$63,979,391.

JOINTLY GOVERNED ORGANIZATION

The Town of Cumberland participates in a jointly governed organization, which is not part of the Town's reporting entity. ecomaine is a solid waste management corporation serving 40 municipalities in Cumberland, Oxford, and York counties in Maine. Owned and controlled by 21 member communities, ecomaine creates electricity through its processing of waste and also operates an extensive recycling program.

The Town is a member community in ecomaine. Interlocal (waste handling) agreements between ecomaine and participating communities obligate the members to deliver certain solid waste produced within the community to ecomaine for processing and to make service payments and pay tipping fees for such processing.

The Town has no explicit, measurable equity interest and therefore has not reported an asset in these financial statements in connection with its participation in ecomaine. Selected balance sheet information for ecomaine for the year ended June 30, 2025, includes total assets and deferred outflows of \$116,210,851, total liabilities and deferred inflows of \$67,906,658 and unrestricted net position of \$16,506,145. The liabilities include an accrual for landfill closure and post closure care amounting to \$19,173,138. ecomaine has a plan to fund this liability in the form of a cash reserve over the period of years between 2011 and a projected closing date. The separate audited financial statements of ecomaine may be obtained at their administrative office: ecomaine, 64 Blueberry Rd., Portland, Maine 04102.

LANDFILL CLOSURE AND POSTCLOSURE COSTS

Under State law, Maine communities had until December 31, 1994, to close existing landfills under a DEP approved plan. The Town currently has one demolition debris landfill. Although the landfill was closed to receiving additional debris in the early 1990's, the landfill was not properly capped or officially closed. The Town submitted a closure plan to the Environmental Protection Agency, which was approved, and the final closure costs were incurred in fiscal year 2018. The Town has estimated post closure costs of \$54,000, which have been recognized as a liability on the government-wide financial statements. The actual costs of post closure monitoring may be higher or lower due to inflation, changes in technology, engineering estimates, or changes in landfill laws and regulations.

The following is a summary of the estimated post closure costs for the Town's landfill as of June 30, 2025:

Post closure costs

Annual monitoring: \$6,000 per year for 9 years \$ 54,000

Total post closure costs \$ 54,000

NET PENSION LIABILITY

General Information about the Pension Plan

Plan Description - Employees of the Town are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), a cost-sharing multiple-employer defined benefit pension plan, administered by the Maine Public Employees Retirement System (MPERS). Benefit terms are established in Maine statute; in the case of the PLD Plan, an advisory group, also established by statute, reviews the terms of the plan and periodically makes recommendations to the Maine State Legislature to amend the terms. MPERS issues a publicly available financial report that can be obtained at www.mainepe.rs.org.

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). 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.

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. Employees are required to contribute a percentage of their annual pay (listed below). The Town's contractually required contribution rates for the year ended June 30, 2025, are a percentage of annual payroll (listed below), 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. Contributions to the pension plan from the Town for the year ended June 30, 2025, were:

MEPERS Plan	Employer Contribution	Employer Rate	Employee Rate
2C Plan	165,535	11.8%	8.5%
3C Plan	197,191	12.8%	9.2%
Retirees	103,050	5.0%	0.0%
Total	\$ 465,776		

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

At June 30, 2025, the Town reported a liability of \$1,700,195 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating local districts, actuarially determined. At June 30, 2024, the Town's proportion was 0.4248%.

For the year ended June 30, 2025, the Town recognized pension expense of \$516,077.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 504,610	-
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	176,776
Changes in proportion and differences between Town contributions and proportionate share of contributions	54,278	-
Town contributions subsequent to the measurement date	465,776	-
Total	\$ 1,024,664	176,776

\$465,776 is reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. 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:

2026	19,814
2027	420,115
2028	(23,562)
2029	(34,255)

Actuarial Assumptions - The total pension liability in the June 30, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	2.75%-11.48%
Investment return	6.50% per annum, compounded annually
Cost of living benefit increases	1.91% per annum

Mortality rates 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.

The actuarial assumptions used in the June 30, 2024, valuation were based on the results of an actuarial experience study for the period 2015 through 2020.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

NET PENSION LIABILITY, CONTINUED

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, 2024, are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Public equities	30.0%	5.6%
US government	10.0%	2.2%
Private equity	12.5%	7.2%
Real estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.1%
Traditional credit	5.0%	2.7%
Alternative credit	10.0%	6.4%
Diversifiers	7.5%	4.8%

Discount Rate - The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate 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 plan's 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 liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the Town'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:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Town's proportionate share of the net pension liability (asset)	\$ 4,248,179	1,700,195	(399,050)

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, 2025.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

457 RETIREMENT PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue (IRC) Section 457. The plan permits participating employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Town matches employee contributions up to 7% of annual compensation for those employees who do not participate in the MPERS retirement plan. The Town contributed \$105,093 and \$106,416 for the years ended June 30, 2025, and 2024, respectively, on behalf of Town employees.

The Town amended the plan in accordance with the provisions of IRS Section 457(g). Assets of the plan were placed in trust for the exclusive benefit of participants and their beneficiaries. The requirements of that IRS Section prescribes that the Town no longer owns the amounts deferred by employees, including the related income on those amounts. Accordingly, the assets and the liability for the compensation deferred by plan participants, including earnings on their plan assets, were removed from the Town's financial statements.

FUND BALANCE

As of June 30, 2025, fund balance components consisted of the following:

	<u>Nonspendable</u>			<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General fund:						
Prepaid expenditures	\$	182,643	-	-	-	-
Fuel reserve inventory		24,202	-	-	-	-
Assessor's reserve	-	-	-	-	-	381,332
Circuit breaker program	-	-	-	-	-	43,826
Fuel reserve*	-	-	-	-	-	46,449
Total general fund		206,845	-	-	-	471,607
Other governmental funds:						
Permanent fund principal		8,340	-	-	-	-
Permanent fund earnings	-	-	156,987	-	-	-
Grants and donations	-	-	57,310	-	-	-
Fuel assistance program	-	-	267,675	-	-	-
Public safety programs	-	-	16,735	-	2,598	-
Twin brooks recreation area	-	-	-	-	28,674	-
Library programs	-	-	-	-	17,571	-
Capital projects	-	-	-	-	2,635,539	-
Total other governmental funds		8,340	533,313	2,684,382	-	-
Totals		\$ 215,185	533,313	2,684,382		471,607

*A portion of the fuel reserve fund balance is included in the nonspendable portion of the General Fund as it is made up of fuel inventory. Also, the HR reserve has a deficit balance of \$(450) as of June 30, 2025, so the balance has been included in the General Fund's unassigned fund balance.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

FUND BALANCE, CONTINUED

The General Fund unassigned fund balance total of \$4,953,892 represents a fund balance that has not been restricted, committed, or assigned to specific purposes within the General Fund. Negative unassigned fund balances have also been reported in the TIF Fund of \$(1,188,432), the road improvement fund of \$(382,138), and in the other governmental funds of \$(936), for a total unassigned fund balance of \$3,382,386 (see statement 3).

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS

Under the State of Maine Title 30-A M.R.S., the Town has established seven Tax Increment Financing Districts (TIFs) to finance development programs located in the Town of Cumberland. The Town of Cumberland has entered into nine Credit Enhancement Agreements (CEAs) with individual organizations as permitted within its seven TIF districts, as follows:

Organization	TIF District	Agreement Expires	Maximum	Taxes Abated
INS Realty LLC (Norton)	1	6/30/2027	\$ 500,000	\$ 25,967
Maine Colloids LLC (Seafax)	2	6/30/2026		
LGC North America	3		500,000	18,252
Maine Standards		6/30/2033	500,000	59,184
Lola (Lakeside Concrete Inc.)	3	6/30/2038	500,000	21,395
Hardy Street LLC	3	6/30/2033	500,000	26,367
FMC Development LLC	1			
Memory Care		6/30/2027	500,000	20,667
Casco Systems	5	6/30/2036	500,000	31,154
Integrative Health	3	3/25/2038	250,000	11,032
Willow Street Realty LLC	3	3/31/2038	500,000	5,647
Sky View Holdings LLC	3	3/25/2038	250,000	7,435
Larsen Holdings	3	6/30/2038	500,000	13,441
The Belted Cow	3	3/25/2038	500,000	21,060

The CEAs outline conditions for reimbursement of fifty percent of tax revenues generated through the increased values of certain parcels within the districts, up to a maximum amount. The developers agree that all payments made pursuant to the CEAs will be used to either pay debt service on indebtedness incurred to finance project costs, or to pay directly, amortize, or reimburse the developers for payments on qualified project costs up to a maximum amount or defined number of years, whichever occurs first.

The agreements and payments are intended to promote economic development through real estate development and job creation, as well as infrastructure improvements. Based on the terms of the agreements, the incremental tax is remitted to the District over the life of the TIF District to assist in financing the development projects.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

TAX INCREMENT FINANCING DISTRICTS AND TAX ABATEMENTS, CONTINUED

For the fiscal year ended June 30, 2025, the Town remitted a total of \$261,601 in Credit Enhancement payments. The following is a summary of the amounts by TIF district:

TIF District	Original Assessment Value	Captured Assessed Value	Total Taxes	Taxes Abated
Route One North District 1	\$ 355,000	42,491,340	987,924	54,069
Route One South District 2	339,400	11,069,240	257,360	18,252
Route One South District 3	3,730,800	37,828,720	879,518	158,126
Route 100 District 4	2,866,400	11,432,360	265,802	-
Route 100 District 5	6,091,800	13,226,320	307,512	31,154
Summit Natural Gas District 6	-	8,204,200	190,748	-
Summit Natural Gas District 7	-	7,059,500	164,133	-
Tuttle Road TIF District 8	583,900	14,713,000	342,077	-
Total	\$ 13,967,300	146,024,680	3,395,074	261,601

RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town either carries commercial insurance or participates in public entity risk pools. Currently, the Town participates in a public entity pool for workers' compensation sponsored by Maine Municipal Association in which participants in the pool share risk in proportion to their contributions.

Based on the coverage provided by commercial insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2025. 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. As of June 30, 2025, there were no unpaid claims.

CONTINGENT RECEIVABLES

The Town entered into an agreement with a local developer to build affordable housing for those with moderate income at the Small's Brook Crossing Subdivision. The Town subsidized the development by contributing \$20,000 per home. In return, the Town received a silent second mortgage on each home. Interest on the mortgages accrues at a rate of 4% annually and is only paid when the house is sold, except that the interest accumulation shall terminate after twenty years. Should one of the homes be sold, the buyer must be a "qualified buyer" in accordance with the income and asset criteria, which is based on the median income for the Portland metropolitan statistical area. If the buyer is not eligible, the Town will collect from the seller the full amount of the silent second mortgage, plus any accrued interest, at the closing. The Town has not recognized receivables or revenues related to the silent second mortgages as it cannot reasonably estimate the amount that will be repaid to the Town, if any, as amounts are contingent on the terms mentioned above.

TOWN OF CUMBERLAND, MAINE
Notes to Basic Financial Statements, Continued

RESTATEMENT

In fiscal year 2025, the Town implemented GASB 101, *Compensated Absences*, and recognized the estimated compensated absences liability for sick leave on Statement 1. In accordance with GASB 100, *Accounting Changes and Error Corrections*, the change related to GASB 101 is considered a change in accounting principal, which requires the restatement of beginning net position for governmental and business-type activities and has been reflected on Statement 2.

In fiscal year 2025, the Town determined that one of its funds previously reported as a permanent fund should have been reported as a special revenue fund as the principal of the fund was not required to remain intact and could be spent with the earnings. As a result, the beginning fund balances for the nonmajor governmental funds - permanent funds and the nonmajor governmental funds - special revenue funds, have been restated on Exhibits C-2 and E-2 for the year ended June 30, 2025.

The impact of these restatements is as follows:

Description	Governmental Activities	Business-Type Activities	Fiduciary Funds	Nonmajor Governmental Funds – Special Revenue Funds	Nonmajor Governmental Funds – Permanent Funds
Net position/fund balance as previously reported, June 30, 2024	\$ 43,850,999	2,302,001	74,516	396,210	232,844
Restatement for correction of error	-	-	(74,516)	74,516	(74,516)
Change in accounting principal (GASB 101)	(343,574)	(939)	-	-	-
Net position as restated	\$ 43,507,425	2,301,062	-	470,726	158,328

TOWN OF CUMBERLAND, MAINE
Required Supplementary Information, Continued

Schedule of Town Contributions
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years

		<u>2025</u>	<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>
Contractually required contribution	\$	465,776	408,391	384,593	295,210	238,062	248,785	230,331	222,689	194,047	175,653
Contributions in relation to the contractually required contributions		(465,776)	(408,391)	(384,593)	(295,210)	(238,062)	(248,785)	(230,331)	(222,689)	(194,047)	(175,653)
Contributions deficiency (excess)		-	-	-	-	-	-	-	-	-	-
Town's covered payroll	\$	3,976,768	3,452,124	3,191,436	2,511,677	2,099,873	2,194,515	2,033,084	2,047,217	1,946,735	1,756,120
Contributions as a percentage of covered payroll		11.71%	11.83%	12.05%	11.75%	11.34%	11.34%	11.33%	10.88%	9.97%	10.00%

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TOWN OF CUMBERLAND, MAINE
Required Supplementary Information

Schedule of Town's Proportionate Share of the Net Pension Liability (Asset)
Maine Public Employees Retirement System Consolidated Plan

Last 10 Fiscal Years**

		<u>2025</u>	<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>
Town's proportion of the net pension liability (asset)		0.4248%	0.4173%	0.3750%	0.3506%	0.3831%	0.3634%	0.4149%	0.3814%	0.3555%	0.3399%
Town's proportionate share of the net pension liability (asset)	\$	1,700,195	1,331,676	996,856	(112,682)	1,522,134	1,110,778	1,135,389	1,561,679	1,888,928	1,084,542
Town's covered payroll		3,452,124	3,191,436	2,511,677	2,099,873	2,194,515	2,033,084	2,047,217	1,946,735	1,756,120	1,590,688
Town's proportionate share of the net pension liability as a percentage of its covered payroll		49.25%	41.73%	39.69%	-5.37%	69.36%	54.64%	55.46%	80.22%	107.56%	68.18%
Plan fiduciary net position as a percentage of the total pension liability		91.06%	92.34%	93.26%	100.86%	88.35%	90.62%	91.14%	86.43%	81.60%	88.27%

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

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TOWN OF CUMBERLAND, MAINE
Notes to Required Supplementary Information

Changes of Benefit Terms - None		Last 10 Fiscal Years*				
		2021	2020	2018	2016	2015
Changes in Assumptions - The following are changes in actuarial assumptions used in the most recent valuations:						
Fiscal year						
Discount rate		6.500%	6.750%	6.750%	6.875%	7.125%
Inflation rate		2.75%	2.75%	2.75%	2.75%	3.50%
Salary increases		2.75%-11.48%	2.75 plus merit	2.75%-9.00%	2.75% - 9.00%	3.50% - 9.50%
Cost of living increases		1.91%	1.91%	1.91%	2.20%	2.55%

Mortality rates:
In 2015 mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.
In 2016 through 2020, mortality rates were based on the RP2014 Total Data Set Healthy Annuitant Mortality Table.
In 2021 and going forward, mortality rates were based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table.

* 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.

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GENERAL FUND

The General Fund is the general operating fund of the Town. 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.

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TOWN OF CUMBERLAND, MAINE
General Fund
Comparative Balance Sheets
June 30, 2025 and 2024

	2025	2024
ASSETS		
Cash and cash equivalents	\$ 9,952,280	9,665,927
Receivables:		
Accounts	131,844	136,220
Rescue	42,822	65,174
Intergovernmental	245,282	183,538
Taxes - current year	263,412	250,876
Taxes - prior years	203,973	79,858
Leases	449,141	477,950
Prepaid items	182,643	100,657
Inventory	24,202	28,858
Total assets	11,495,599	10,989,058

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND FUND BALANCE**

Liabilities:		
Accounts payable	459,611	346,708
Accrued payroll	489,902	527,268
Escrow liabilities	310,135	340,039
Taxes paid in advance	98,772	48,271
Unearned revenues	823,220	802,395
Interfund loans payable	2,900,424	2,648,754
Total liabilities	5,082,064	4,713,435

Deferred inflows of resources:

Unavailable revenue - property taxes	371,904	302,100
Related to leases	409,287	446,352
Total deferred inflows of resources	781,191	748,452

Fund balance:

Nonspendable	206,845	129,515
Assigned	471,607	735,509
Unassigned	4,953,892	4,662,147
Total fund balance	5,632,344	5,527,171
Total liabilities, deferred inflows of resources, and fund balance	\$ 11,495,599	10,989,058

TOWN OF CUMBERLAND, MAINE
General Fund
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
For the year ended June 30, 2025
(With comparative actual amounts for the year ended June 30, 2024)

	2025			Variance
	Final Budget	Actual	positive (negative)	2024 Actual
Revenues:				
Taxes:				
Property taxes	\$ 32,419,444	32,421,842	2,398	30,243,297
Supplemental taxes	-	1,700	1,700	7,606
Change in unavailable taxes	-	(69,804)	(69,804)	(66,025)
Outer island property taxes	45,900	56,932	11,032	45,895
Payments in lieu of taxes	38,967	41,768	2,801	40,265
Excise taxes	2,325,000	2,788,377	463,377	2,514,841
Total taxes	34,829,311	35,240,815	411,504	32,785,879
Licenses and permits:				
Town clerk licenses and fees	13,849	20,337	6,488	15,146
Automobile registrations	30,000	39,031	9,031	33,307
Building permits	125,000	182,020	57,020	138,535
Electrical permits	32,000	38,312	6,312	35,905
Plumbing permits	22,000	30,495	8,495	30,275
Other permits	2,310	495	(1,815)	377
Total licenses and permits	225,159	310,690	85,531	253,545
Intergovernmental:				
State Revenue Sharing	1,550,000	1,660,908	110,908	1,734,568
Homestead and BETE reimbursements	638,430	642,237	3,807	1,016,153
D.O.T. block grant	142,000	147,668	5,668	142,248
Municipal shared services	236,995	217,178	(19,817)	252,795
Other state aid	-	7,711	7,711	19,588
Total intergovernmental	2,567,425	2,675,702	108,277	3,165,352
Charges for services:				
Recreation programs	1,473,595	1,682,625	209,030	1,554,850
Val Halla golf programs	1,196,404	1,352,843	156,439	1,186,415
Police permits and services	7,248	31,637	24,389	37,913
Fire services	-	98,193	98,193	100,212
Ambulance and medical services	200,000	266,193	66,193	261,331
Public services revenue	25,500	8,830	(16,670)	5,105
Waste disposal	156,000	430,341	274,341	411,577
Library income	-	3,721	3,721	4,769
Total charges for services	3,058,747	3,874,383	815,636	3,562,172

TOWN OF CUMBERLAND, MAINE
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

	2025			Variance positive (negative)	2024 Actual
	Final Budget	Actual			
Revenues, continued:					
Other:					
Growth permits and fees	\$ 21,500	24,152	2,652		20,438
Interest and lien costs	220,000	72,530	(147,470)		25,972
Miscellaneous	305,200	278,420	(26,780)		328,935
Total other	546,700	375,102	(171,598)		375,345
Total revenues	41,227,342	42,476,692	1,249,350		40,142,293
Expenditures:					
Current:					
General government:					
Administration	761,522	824,858	(63,336)		813,325
Assessor	136,645	95,960	40,685		134,209
Town clerk	412,070	360,992	51,078		357,944
Technology	330,151	400,290	(70,139)		362,153
Elections	54,924	43,670	11,254		53,472
Planning	96,755	92,635	4,120		72,628
Legal services	47,500	68,074	(20,574)		68,425
Total general government	1,839,567	1,886,479	(46,912)		1,862,156
Public safety:					
Police	1,945,733	1,955,696	(9,963)		1,877,523
Fire	1,601,206	1,652,268	(51,062)		1,478,098
Code enforcement	170,827	173,032	(2,205)		174,484
Harbor master	23,994	26,240	(2,246)		23,078
Animal control	43,998	39,519	4,479		32,109
Total public safety	3,785,758	3,846,755	(60,997)		3,585,292
Public services:					
Public works	1,438,913	1,398,076	40,837		1,370,475
Waste disposal	745,881	741,537	4,344		799,877
Parks	443,506	430,520	12,986		361,718
West Cumberland Hall and Historical Society building	19,862	12,154	7,708		9,159
Total public services	2,648,162	2,582,287	65,875		2,541,229

TOWN OF CUMBERLAND, MAINE
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

	2025			Variance positive (negative)	2024 Actual
	Final Budget	Actual			
Expenditures, continued:					
Current, continued:					
Recreation:					
Val Halla golf course	\$ 1,127,555	1,134,302	(6,747)		1,055,182
Recreation programs	1,535,775	1,580,600	(44,825)		1,595,503
Total recreation	2,663,330	2,714,902	(51,572)		2,650,685
Prince Memorial Library	823,989	790,576	33,413		828,238
Health and public assistance:					
Active living	95,244	90,323	4,921		85,623
Health services	3,875	3,884	(9)		3,737
General assistance	42,000	28,122	13,878		53,259
Total health and public assistance	141,119	122,329	18,790		142,619
Unclassified:					
Conservation Commission	80,000	75,530	4,470		75,805
Cemetery Association	30,909	32,181	(1,272)		29,437
Fire hydrant charges	99,154	99,222	(68)		94,142
Contingencies	10,000	23,500	(13,500)		6,535
Municipal building maintenance	156,008	143,750	12,258		102,901
Abatements	1	12,193	(12,192)		305,155
Total unclassified	376,072	386,376	(10,304)		613,975

TOWN OF CUMBERLAND, MAINE
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund, Continued

	2025			Variance positive (negative)	2024 Actual
	Final Budget	Actual			
Expenditures, continued:					
Current, continued:					
Insurance	\$ 555,850	633,717	(77,867)		532,085
MSAD #51	24,896,828	24,896,828	-		23,103,879
County tax	1,291,191	1,291,191	-		1,189,045
Debt service:					
Principal	1,023,548	1,023,548	-		1,057,183
Interest	402,793	402,082	711		438,037
Total debt service	1,426,341	1,425,630	711		1,495,220
Total expenditures	40,448,207	40,577,070	(128,863)		38,544,423
Excess (deficiency) of revenues over (under) expenditures	779,135	1,899,622	1,120,487		1,597,870
Other financing sources (uses):					
Use of fund balance	200,000	-	(200,000)		-
Transfers in	795,423	595,423	(200,000)		1,307,581
Transfers to General Fund reserves	(50,000)	(47,061)	2,939		(360,000)
Transfers out	(1,724,558)	(2,099,007)	(374,449)		(2,296,586)
Total other financing sources (uses)	(779,135)	(1,550,645)	(771,510)		(1,349,005)
Net change in fund balance	-	348,977	348,977		248,865
Fund balance, beginning of year - budgetary basis		4,812,210			4,563,345
Fund balance, end of year - budgetary basis	\$	5,161,187			4,812,210
Reconciliation to GAAP:					
Change in reserves		(243,804)			116,822
Fund balance, beginning of year - GAAP basis		5,527,171			5,161,484
Fund balance, end of year - GAAP basis	\$	5,632,344			5,527,171

TOWN OF CUMBERLAND, MAINE
General Fund Reserves
Schedule of Revenues, Expenditures and Changes in Fund Balances
For year ended June 30, 2025

	Balance beginning of year	Other Revenues	Expenditures	Transfers in (out)	Balance end of year
100 Assessor's reserve	\$ 399,915	-	18,583	-	381,332
106 Circuit breaker	108,932	5,725	125,831	55,000	43,826
208 HR reserve	(49,406)	-	143,105	192,061	(450)
255 Fuel	55,520	240,828	249,899	-	46,449
256 Waste reserve	200,000	-	-	(200,000)	-
Total	\$ 714,961	246,553	537,418	47,061	471,157

ALL OTHER GOVERNMENTAL FUNDS

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TOWN OF CUMBERLAND, MAINE
All Other Governmental Funds
Combining Balance Sheet

	June 30, 2025			
	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS				
Cash and cash equivalents	\$ -	-	51,036	51,036
Investments	78,653	-	114,291	192,944
Accounts receivable	-	3,149	-	3,149
Note receivable	-	6,599	-	6,599
Interfund loans receivable	398,915	2,884,545	15	3,283,475
Total assets	477,568	2,894,293	165,342	3,537,203
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	7,321	258,754	951	267,026
Accrued payroll	1,031	-	-	1,031
Interfund loans payable	44,047	-	-	44,047
Total liabilities	52,399	258,754	951	312,104
Fund balances:				
Nonspendable	-	-	8,340	8,340
Restricted	376,326	-	156,987	533,313
Committed	48,843	2,635,539	-	2,684,382
Unassigned	-	-	(936)	(936)
Total fund balances	425,169	2,635,539	164,391	3,225,099
Total liabilities and fund balances	\$ 477,568	2,894,293	165,342	3,537,203

TOWN OF CUMBERLAND, MAINE
All Other Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2025

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:				
Intergovernmental	\$ 17,741	16,900	-	34,641
Licenses, permits and fees	-	104,962	-	104,962
Charges for services	63,674	-	-	63,674
Donations	45,333	-	-	45,333
Investment income (loss)	4,955	306,424	6,063	317,442
Other	10,907	10,329	-	21,236
Total revenues	142,610	438,615	6,063	587,288
Expenditures:				
Current:				
General government	-	1,146	-	1,146
Public safety	29,967	-	-	29,967
Public services	-	140,284	-	140,284
Library	53,199	-	-	53,199
Health and public assistance	82,474	-	-	82,474
Capital outlay	22,527	1,646,260	-	1,668,787
Total expenditures	188,167	1,787,690	-	1,975,857
Excess (deficiency) of revenues over (under) expenditures	(45,557)	(1,349,075)	6,063	(1,388,569)
Other financing sources (uses):				
Sale of assets	-	50,870	-	50,870
Transfers from other funds	-	1,055,102	-	1,055,102
Total other financing sources (uses)	-	1,105,972	-	1,105,972
Net change in fund balances	(45,557)	(243,103)	6,063	(282,597)
Fund balances, beginning of year, as previously reported	396,210	2,878,642	232,844	3,507,696
Restatement for correction of an error	74,516	-	(74,516)	-
Fund balances (deficit), beginning of year, as restated	470,726	2,878,642	158,328	3,507,696
Fund balances, end of year	\$ 425,169	2,635,539	164,391	3,225,099

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for resources obtained and expended for specified purposes that are restricted by law or committed by administrative action.

Special Revenue Funds have been established for the following purposes:

Fire Grant Fund - To account for donations, grant funds and other dedicated fire related revenues and expenditures.

Police Fund - To account for donations, grant funds and other dedicated police related revenues and expenditures.

Twin Brook Fund - To account for donations collected and funds expended to maintain the cross-country ski trails at the Twin Brooks recreational area.

Other Special Revenues - To account for donations and other restricted resources and expenditures related to the community band and other special programs.

Library Fund - To account for donations, grant funds and other dedicated library related revenues and expenditures.

Fuel Assistance Fund - To account for donations and other revenue sources used to assist citizens with fuel purchases during the colder months of the year.

Paul Merrill Fund – To support the Library.

TOWN OF CUMBERLAND, MAINE
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2025

	Fire Grant Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Paul Merrill Fund	Totals
Revenues:								
Intergovernmental	\$ 17,741	-	-	-	-	-	-	17,741
Charges for services	23,277	-	-	-	40,397	-	-	63,674
Donations and local grants	12,000	7,825	-	400	-	25,108	-	45,333
Investment income	-	-	-	-	818	-	4,137	4,955
Other revenue	-	-	-	-	10,907	-	-	10,907
Total revenues	53,018	7,825	-	400	52,122	25,108	4,137	142,610
Expenditures:								
Current:								
Public safety	29,967	-	-	-	-	-	-	29,967
Library	-	-	-	-	53,199	-	-	53,199
Health and public assistance	-	-	-	-	-	38,427	44,047	82,474
Capital outlay	22,527	-	-	-	-	-	-	22,527
Total expenditures	52,494	-	-	-	53,199	38,427	44,047	188,167
Net change in fund balances	524	7,825	-	400	(1,077)	(13,319)	(39,910)	(45,557)
Fund balances, beginning of year, as previously reported	2,074	8,910	28,674	56,910	18,648	280,994	-	396,210
Restatement for correction of an error	-	-	-	-	-	-	74,516	74,516
Fund balances, beginning of year, as restated	2,074	8,910	28,674	56,910	18,648	280,994	74,516	470,726
Fund balances, end of year	\$ 2,598	16,735	28,674	57,310	17,571	267,675	34,606	425,169

TOWN OF CUMBERLAND, MAINE
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2025

	Fire Grant Fund	Police Fund	Twin Brook Fund	Other Special Revenues	Library Fund	Fuel Assistance Fund	Paul Merrill Fund	Totals
ASSETS								
Investments	\$ -	-	-	-	-	-	78,653	78,653
Interfund loans receivable	4,963	16,735	28,674	57,310	23,558	267,675	-	398,915
Total assets	4,963	16,735	28,674	57,310	23,558	267,675	78,653	477,568
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	2,042	-	-	-	5,279	-	-	7,321
Accrued payroll	323	-	-	-	708	-	-	1,031
Interfund loans payable	-	-	-	-	-	-	44,047	44,047
Total liabilities	2,365	-	-	-	5,987	-	44,047	52,399
Fund balances:								
Restricted	-	16,735	-	57,310	-	267,675	34,606	376,326
Committed	2,598	-	28,674	-	17,571	-	-	48,843
Total fund balances	2,598	16,735	28,674	57,310	17,571	267,675	34,606	425,169
Total liabilities and fund balances	\$ 4,963	16,735	28,674	57,310	23,558	267,675	78,653	477,568

NONMAJOR GOVERNMENTAL FUNDS
CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for resources obtained and expended for the acquisition of major capital facilities other than those employed in the delivery of services accounted for in Enterprise Funds.

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The funds were established for the following purposes:

- Town Building Reserves** - To account for funds used for major repairs and maintenance or improvements to Town buildings.
- Land Acquisition Fund** - To account for funds set aside for the purchase of land.
- Land and Conservation Fund** – To account for grants, donations, and other revenues used for conservation purposes and the related expenditures.
- Tennis Court Fund** - To account for funds used to reconstruct the tennis courts.
- Route 1 Parking Reserve** - To account for funds set aside as a reserve for major or non-routine maintenance of the Route 1 parking lot.
- Equipment Reserves Fund** - Reserve fund for the purchases of miscellaneous equipment.
- Solar Power Field** - To account for the Town's investment in solar energy infrastructure.
- Street Light Upgrades** - To account for funds set aside for the upgrade of Town street lights.

TOWN OF CUMBERLAND, MAINE
Nonmajor Capital Project Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2025

	Town Building Reserves	Land Acquisition Fund	Land and Conservation	Tennis Court Fund	Rt 1 Parking Reserve	Equip. Reserves	Solar Power Field	Street Light Upgrades	Totals
Revenues:									
Intergovernmental	-	-	16,900	-	-	-	-	-	16,900
Licenses, permits and fees	\$ -	-	-	-	-	104,962	-	-	104,962
Investment income	-	-	-	-	-	306,424	-	-	306,424
Other revenue	775	7,160	-	-	-	2,394	-	-	10,329
Total revenues	775	7,160	16,900	-	-	413,780	-	-	438,615
Expenditures:									
Current:									
General government	-	-	1,146	-	-	-	-	-	1,146
Public services	-	-	-	-	-	-	140,284	-	140,284
Capital outlay	383,472	111,626	6,182	-	-	1,141,652	-	3,328	1,646,260
Total expenditures	383,472	111,626	7,328	-	-	1,141,652	140,284	3,328	1,787,690
Excess (deficiency) of revenues over (under) expenditures	(382,697)	(104,466)	9,572	-	-	(727,872)	(140,284)	(3,328)	(1,349,075)
Other financing sources (uses):									
Sale of assets	-	36,000	-	-	-	14,870	-	-	50,870
Transfer from other funds	50,000	-	4,470	-	-	829,549	116,633	54,450	1,055,102
Total other financing sources (uses)	50,000	36,000	4,470	-	-	844,419	116,633	54,450	1,105,972
Net change in fund balances	(332,697)	(68,466)	14,042	-	-	116,547	(23,651)	51,122	(243,103)
Fund balances (deficits), beginning of year	1,189,685	126,061	53,278	23,077	20,258	1,101,568	377,995	(13,280)	2,878,642
Fund balances (deficits), end of year	\$ 856,988	57,595	67,320	23,077	20,258	1,218,115	354,344	37,842	2,635,539

TOWN OF CUMBERLAND, MAINE
Nonmajor Capital Project Funds
Combining Balance Sheet
June 30, 2025

	Town Building Reserves	Land Acquisition Fund	Land and Conservation	Tennis Court Fund	Rt 1 Parking Reserve	Equip. Reserves	Solar Power Field	Street Light Upgrades	Totals
ASSETS									
Accounts receivable	\$ -	-	-	-	-	-	3,149	-	3,149
Note receivable	-	6,599	-	-	-	-	-	-	6,599
Interfund loans receivable	878,632	150,996	67,320	23,077	20,258	1,337,377	369,043	37,842	2,884,545
Total assets	878,632	157,595	67,320	23,077	20,258	1,337,377	372,192	37,842	2,894,293
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	21,644	100,000	-	-	-	119,262	17,848	-	258,754
Total liabilities	21,644	100,000	-	-	-	119,262	17,848	-	258,754
Fund balances:									
Committed	856,988	57,595	67,320	23,077	20,258	1,218,115	354,344	37,842	2,635,539
Total fund balances	856,988	57,595	67,320	23,077	20,258	1,218,115	354,344	37,842	2,635,539
Total liabilities and fund balances	\$ 878,632	157,595	67,320	23,077	20,258	1,337,377	372,192	37,842	2,894,293

NONMAJOR GOVERNMENTAL FUNDS

PERMANENT 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 government's programs.

Prince Fund - To support Greely High School. It is applied to MSAD #51 annual assessment.

Cumberland School Fund - To support the schools. It is applied to MSAD #51's annual assessment.

Sweetser Fund - To purchase non-fiction books for the Library.

Historical Society Fund - To maintain and support the Cumberland Historical Society.

TOWN OF CUMBERLAND, MAINE
Nonmajor Permanent Funds
Combining Balance Sheet
June 30, 2025

	Cumberland School Fund	Prince Fund	Sweetser Fund	Historical Society Fund	Totals
ASSETS					
Cash and cash equivalents	\$ -	-	-	51,036	51,036
Investments	58,072	56,219	-	-	114,291
Interfund loans receivable	-	-	-	15	15
Total assets	58,072	56,219	-	51,051	165,342
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	-	-	936	15	951
Total liabilities	-	-	936	15	951
Fund balances:					
Nonspendable - principal	2,225	2,165	-	3,950	8,340
Restricted - accumulated earnings	55,847	54,054	-	47,086	156,987
Unassigned	-	-	(936)	-	(936)
Total fund balances (deficit)	58,072	56,219	(936)	51,036	164,391
Total liabilities and fund balances	\$ 58,072	56,219	-	51,051	165,342

TOWN OF CUMBERLAND, MAINE
Nonmajor Permanent Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the year ended June 30, 2025

	Cumberland School Fund	Prince Fund	Merrill Fund	Sweetser Fund	Historical Society Fund	Totals
Revenues:						
Investment income (loss)	\$ 3,054	2,957	-	(49)	101	6,063
Total revenues	3,054	2,957	-	(49)	101	6,063
Expenditures:						
Current:						
Health and public assistance	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Net change in fund balances	3,054	2,957	-	(49)	101	6,063
Fund balances (deficit), beginning of year, as previously reported	55,018	53,262	74,516	(887)	50,935	232,844
Restatement for correction of an error	-	-	(74,516)	-	-	(74,516)
Fund balances (deficit), beginning of year, as restated	55,018	53,262	-	(887)	50,935	158,328
Fund balances (deficit), end of year	\$ 58,072	56,219	-	(936)	51,036	164,391

**FIDUCIARY FUNDS -
PRIVATE-PURPOSE TRUST FUNDS**

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TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Private-purpose Trust
Combining Statement of Changes in Fiduciary Net Position
For the year ended June 30, 2025

		John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	Scholar- ship Fund	Derrah Scholar- ship Fund	Lynne Pickard Scholar- ship	Carle Henry Music Scholar- ship	Louis Lambert Scholar- ship	Roy O'Looke Scholar- ship	Jessica Parker Fund	Tom Pollis Scholar- ship	Totals
Additions:												
Donations	\$	-	-	-	-	-	2,200	-	-	-	-	2,200
Investment income (loss)		383	4,730	1	283	-	(13)	183	3	67	2,261	7,898
Total additions		383	4,730	1	283	-	2,187	183	3	67	2,261	10,098
Deductions:												
Scholarships awarded		500	-	-	1,000	-	2,000	1,000	-	-	-	4,500
Total deductions		500	-	-	1,000	-	2,000	1,000	-	-	-	4,500
Change in net position		(117)	4,730	1	(717)	-	187	(817)	3	67	2,261	5,598
Net position, beginning of year		15,954	85,208	(58)	4,456	(463)	(90)	2,838	51	1,193	40,742	149,831
Net position, end of year	\$	15,837	89,938	(57)	3,739	(463)	97	2,021	54	1,260	43,003	155,429

TOWN OF CUMBERLAND, MAINE
Fiduciary Funds - Private-purpose Trust
Combining Statement of Fiduciary Net Position
June 30, 2025

		John M. and Lillian R. Kimball Award Trust	Eliphalet Greely Fund	Scholar- ship Fund	Derrah Scholar- ship Fund	Lynne Pickard Scholar- ship	Carle Henry Music Scholar- ship	Louis Lambert Scholar- ship	Roy O'Looke Scholar- ship	Jessica Parker Fund	Tom Pollis Scholar- ship	Totals
ASSETS												
Investments	\$	16,337	89,938	-	5,415	-	1,247	3,021	54	1,260	43,003	160,275
Total assets		16,337	89,938	-	5,415	-	1,247	3,021	54	1,260	43,003	160,275
LIABILITIES												
Accounts payable		500	-	20	1,000	-	1,000	500	-	-	-	3,020
Due to general fund		-	-	37	676	463	150	500	-	-	-	1,826
Total liabilities		500	-	57	1,676	463	1,150	1,000	-	-	-	4,846
NET POSITION												
Held in trust		15,837	89,938	(57)	3,739	(463)	97	2,021	54	1,260	43,003	155,429
Total net position	\$	15,837	89,938	(57)	3,739	(463)	97	2,021	54	1,260	43,003	155,429

STATISTICAL SECTION

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This part of the Town of Cumberland, Maine's Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

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Tables

Financial Trends

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These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity

5-9

These schedules contain information to help the reader assess the Town's most significant local revenue source; property tax.

Debt Capacity

10-13

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information

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These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information

16-18

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Table 2

TOWN OF CUMBERLAND, MAINE Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	\$ 2,947,324	3,791,286	3,600,128	3,347,435	4,067,516	4,366,616	4,346,758	5,392,997	5,993,658	6,643,643
Public safety	2,636,327	2,742,321	2,760,514	2,962,840	2,980,552	2,610,953	3,345,401	3,468,455	4,026,237	4,306,619
Public services	4,902,734	3,687,941	3,391,362	4,533,495	3,966,961	3,448,537	4,867,071	4,504,043	5,628,308	4,823,526
Recreation	1,855,156	1,905,086	2,000,118	2,116,841	2,020,170	1,806,704	2,155,677	2,479,046	2,862,455	2,931,987
Education and libraries	16,075,925	16,579,156	17,762,502	19,278,276	19,548,696	20,713,580	21,483,849	22,620,527	24,153,342	25,850,959
Health and public assistance	83,022	236,687	179,542	178,167	192,281	191,604	242,808	239,215	289,766	330,791
Interest on debt	486,383	486,260	638,207	594,936	676,119	707,710	513,225	629,255	329,528	262,831
Total governmental activities expenses	28,986,871	29,428,737	30,332,373	33,011,990	33,452,295	33,845,704	36,954,789	39,333,538	43,283,294	45,150,356
Business-type activities:										
Senior Housing	305,163	296,036	295,442	300,636	313,281	298,133	345,977	409,903	381,715	348,470
Sewer System	838,334	891,253	975,371	1,684,199	1,222,227	1,090,820	1,133,755	1,211,904	1,356,496	1,475,511
Total business-type activities expenses	1,143,497	1,187,289	1,270,813	1,984,835	1,535,508	1,388,953	1,479,732	1,621,807	1,738,211	1,823,981
Total primary government expenses	\$ 30,130,368	30,616,026	31,603,186	34,996,825	34,987,803	35,234,657	38,434,521	40,955,345	45,021,505	46,974,337
Program Revenues										
Governmental activities:										
Charges for services:										
General government	584,060	761,633	426,981	425,366	398,101	569,427	647,807	600,435	526,778	552,020
Public safety	311,392	334,833	304,185	315,351	255,050	183,994	338,009	335,422	421,591	419,300
Public services	444,332	453,460	523,150	677,927	675,008	711,757	800,662	799,401	768,599	784,961
Recreation	1,478,213	1,531,982	1,672,990	1,657,575	1,258,249	1,400,550	2,040,121	2,557,358	2,741,265	3,035,468
Education and libraries	24,971	28,515	29,459	36,593	24,223	13,004	39,232	48,711	59,265	55,025
Operating grants and contributions	125,782	143,168	165,973	111,406	146,325	290,718	245,185	372,590	332,576	224,178
Capital grants and contributions	3,205,460	841,007	2,057,401	972,642	163,489	1,482,888	265,025	612,613	427,190	117,229
Total governmental activities program revenues	6,174,210	4,094,598	5,180,139	4,196,860	2,920,445	4,652,338	4,376,041	5,326,530	5,277,264	5,188,181
Business-type activities:										
Charges for services:										
Senior Housing	315,803	328,939	335,360	335,360	341,327	345,551	343,124	355,120	359,121	379,734
Sewer System	955,624	1,043,742	1,031,894	1,079,880	1,141,887	1,135,475	1,120,415	1,122,076	1,209,475	1,360,221
Total business-type activities program revenues	1,271,427	1,372,681	1,367,254	1,415,240	1,483,214	1,481,026	1,463,539	1,477,196	1,568,596	1,739,955
Total primary government program revenues	\$ 7,445,637	5,467,279	6,547,393	5,612,100	4,403,659	6,133,364	5,839,580	6,803,726	6,845,860	6,928,136
Net (expense)/revenue:										
Governmental activities	(22,812,661)	(25,334,139)	(25,152,234)	(28,815,130)	(30,531,850)	(29,193,366)	(32,578,748)	(34,007,008)	(38,006,030)	(39,962,175)
Business-type activities	127,930	185,392	96,441	(569,595)	(52,294)	92,073	(16,193)	(144,611)	(169,615)	(84,026)
Total primary government net expense	\$ (22,684,731)	(25,148,747)	(25,055,793)	(29,384,725)	(30,584,144)	(29,101,293)	(32,594,941)	(34,151,619)	(38,175,645)	(40,046,201)

Table 1

TOWN OF CUMBERLAND, MAINE Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities:										
Net investment in capital assets	\$ 24,607,681	26,426,553	28,666,371	30,529,130	30,955,865	33,046,297	34,793,419	35,866,684	37,788,836	39,791,099
Restricted	730,607	325,714	355,130	387,279	408,269	357,923	317,506	480,508	579,658	506,111
Unrestricted	1,346,278	1,360,414	2,136,421	1,528,681	1,973,590	3,880,870	4,340,339	6,018,341	5,482,505	4,976,140
Total governmental activities net position	26,684,566	28,112,681	31,157,922	32,445,090	33,337,724	37,285,090	39,451,264	42,365,533	43,850,999	45,273,350
Business-type activities:										
Net investment in capital assets	1,781,340	1,752,539	1,814,746	1,994,078	2,012,859	1,967,112	1,912,219	1,704,089	1,672,559	1,601,530
Unrestricted	1,098,893	1,313,059	1,347,219	598,617	528,000	665,717	703,884	767,294	629,442	615,964
Total business-type activities net position	2,880,233	3,065,598	3,161,965	2,592,695	2,540,859	2,632,829	2,616,103	2,471,383	2,302,001	2,217,494
Primary government:										
Net investment in capital assets	26,389,021	28,179,092	30,481,117	32,523,208	32,968,724	35,013,409	36,705,638	37,570,773	39,461,395	41,392,629
Restricted	730,607	325,714	355,130	387,279	408,269	357,923	317,506	480,508	579,658	506,111
Unrestricted	2,445,171	2,673,473	3,483,640	2,127,298	2,501,590	4,546,587	5,044,223	6,785,635	6,111,947	5,592,104
Total primary government net position	\$ 29,564,799	31,178,279	34,319,887	35,037,785	35,878,583	39,917,919	42,067,367	44,836,916	46,153,000	47,490,844

Table 3

TOWN OF CUMBERLAND, MAINE Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$ 116,294	42,039	55,286	21,854	15,630	64,628	127,664	156,699	129,515	206,845
Assigned	371,748	365,419	449,964	227,770	192,753	363,514	307,467	569,281	735,509	471,607
Unassigned	2,023,066	2,028,570	2,084,824	2,479,646	3,073,752	3,658,773	3,976,831	4,435,504	4,662,147	4,953,892
Total general fund	\$ 2,511,108	2,436,028	2,590,074	2,729,270	3,282,135	4,086,915	4,411,962	5,161,484	5,527,171	5,632,344
All Other Governmental Funds										
Nonspendable, reported in:										
Capital projects	10,100	-	-	-	-	12,297	18,870	12,884	6,599	-
Permanent funds	99,241	99,241	99,241	99,241	99,241	99,241	99,241	64,527	64,527	8,340
Restricted, reported in:										
Permanent funds	174,914	174,361	172,276	181,519	194,367	142,317	130,623	163,928	169,204	156,987
Capital projects	420,343	-	-	-	-	-	6,000	-	-	-
Special revenue funds	36,109	52,112	83,613	106,519	114,661	116,365	87,642	252,053	346,814	376,326
Committed, reported in:										
Special revenue funds	57,872	71,998	60,776	54,960	56,145	51,834	79,356	88,350	49,396	48,843
Capital projects funds	733,735	7,054,109	1,890,462	575,423	6,730,250	1,810,833	1,566,524	2,536,784	2,885,323	2,635,539
Assigned, reported in:										
Debt service fund	474,937	655,469	737,940	712,115	697,791	587,791	357,791	-	-	-
Unassigned, reported in:										
Special revenue funds	-	-	-	(1,835)	(3,650)	(347)	-	-	-	-
Permanent funds	-	-	-	-	-	-	-	-	(887)	(936)
Capital projects funds	(1,234,150)	(1,133,133)	(963,613)	(1,501,258)	(1,900,527)	(1,198,957)	(994,685)	(835,878)	(1,963,952)	(1,570,570)
Total all other governmental funds	\$ 773,101	6,974,157	2,080,695	226,684	5,988,278	1,621,374	1,351,362	2,282,648	1,557,024	1,654,529
Total governmental funds	\$ 3,284,209	9,410,185	4,670,769	2,955,954	9,270,413	5,708,289	5,763,324	7,444,132	7,084,195	7,286,873

Table 2, Cont.

TOWN OF CUMBERLAND, MAINE Changes in Net Position, Continued Last Ten Fiscal Years (accrual basis of accounting)										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	\$ 21,743,533	22,104,213	23,028,076	24,553,518	25,502,152	26,297,601	27,012,949	28,535,778	30,276,875	32,496,072
TIF District taxes	1,555,973	1,690,373	2,029,016	2,221,671	2,359,331	2,484,224	2,650,265	2,806,568	3,071,189	3,395,074
Excise taxes	1,856,148	1,959,451	2,120,226	2,162,878	2,057,140	2,439,774	2,280,618	2,427,446	2,514,841	2,788,377
Outer island property taxes	39,889	43,352	43,774	44,041	47,027	45,895	45,895	45,895	45,895	56,932
Payment in lieu of taxes	29,608	29,804	30,688	31,918	32,123	37,806	38,079	38,967	40,265	41,768
Unrestricted grants and contributions	620,550	694,761	830,008	959,020	1,275,538	1,778,031	2,269,252	2,496,475	2,750,721	2,303,145
Investment earnings	6,456	17,122	42,277	69,631	106,058	15,556	2,130	176,651	383,026	317,442
Miscellaneous	470,847	223,178	73,410	59,621	45,115	41,845	445,734	393,497	408,684	329,290
Transfers	1,721,844	-	-	-	-	-	-	-	-	-
Total governmental activities	\$ 28,044,848	26,762,254	28,197,475	30,102,298	31,424,484	33,140,732	34,744,922	36,921,277	39,491,496	41,728,100
Business-type activities:										
Investment income (loss)	77	(27)	(74)	325	458	(103)	(533)	(109)	233	458
Transfers	(1,721,844)	-	-	-	-	-	-	-	-	-
Total business-type activities	\$ (1,721,767)	(27)	(74)	325	458	(103)	(533)	(109)	233	458
Total primary government	\$ 26,323,081	26,762,227	28,197,401	30,102,623	31,424,942	33,140,629	34,744,389	36,921,168	39,491,729	41,728,558
Change in Net Position										
Governmental activities	2,710,709	1,610,020	(617,655)	1,287,168	892,634	3,947,366	2,166,174	2,914,269	1,485,466	1,765,925
Business-type activities	(1,536,375)	96,414	(569,669)	(569,270)	(51,836)	91,970	(16,726)	(144,720)	(169,382)	(83,568)
Total primary government	\$ 1,174,334	1,706,434	(1,187,324)	717,898	840,798	4,039,336	2,149,448	2,769,549	1,316,084	1,682,357

Table 5

TOWN OF CUMBERLAND, MAINE
General Governmental Tax Revenues by Source
Last Ten Fiscal Years

(modified accrual basis of accounting)
(dollar amounts expressed in thousands)

Fiscal Year	Real estate	Personal property	Excise tax	Total
2016	22,918	404	1,856	25,178
2017	23,324	439	1,959	25,722
2018	24,717	250	2,120	27,087
2019	26,438	283	2,163	28,884
2020	27,525	286	2,057	29,868
2021	28,440	298	2,440	31,178
2022	29,300	336	2,281	31,917
2023	30,949	352	2,427	33,728
2024	32,913	335	2,515	35,763
2025	35,364	382	2,788	38,534

Note: The table does not include outer island taxes, supplemental taxes, payments in lieu of taxes or interest and costs.

Table 4

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenues										
Taxes	\$ 25,298,238	25,809,867	27,161,299	28,960,212	29,986,223	31,277,111	32,002,282	33,815,753	35,857,068	38,635,889
Licenses and permits	168,174	207,889	151,495	282,018	273,252	376,064	409,230	422,746	364,580	415,652
Intergovernmental	1,353,722	1,629,296	1,118,956	2,183,602	1,676,714	2,476,281	3,019,603	3,500,600	3,586,452	2,760,343
Charges for services	2,256,124	2,297,259	2,526,783	2,552,962	2,080,755	2,177,160	3,084,526	3,601,036	3,862,770	4,178,885
Donations	-	-	-	-	-	139,820	18,500	231,627	170,740	51,058
Investment income (loss)	-	-	-	69,631	106,058	15,556	2,130	176,651	383,026	317,442
Other	444,437	652,584	554,952	217,104	256,810	252,219	482,608	459,486	398,350	396,338
Total revenues	29,520,695	30,596,895	31,513,485	34,265,529	34,379,812	36,714,211	39,018,879	42,207,899	44,622,986	46,755,607
Expenditures										
General government	1,738,077	1,893,954	2,113,523	2,196,286	2,341,618	2,508,192	2,956,456	3,053,713	3,363,037	3,675,075
Public safety	2,403,779	2,486,136	2,507,112	2,540,652	2,622,589	2,566,139	2,927,836	3,063,582	3,619,915	3,876,722
Public services	1,839,511	2,081,177	2,502,789	2,235,968	2,188,130	2,243,518	2,685,904	2,912,145	2,867,351	2,972,470
Recreation	1,600,021	1,660,102	1,751,478	1,882,453	1,746,974	1,588,198	1,942,556	2,233,165	2,656,080	2,714,902
Education and libraries	15,999,440	16,501,645	17,684,884	19,198,802	19,469,223	20,625,449	21,378,948	22,516,666	24,049,534	25,740,603
Health and public assistance	81,574	235,239	178,094	176,719	190,833	190,156	241,360	237,767	288,965	330,634
Unclassified	1,299,214	1,284,793	1,322,558	1,400,947	1,451,536	1,559,451	1,585,226	2,335,198	2,335,105	2,311,284
Capital outlay	5,089,978	4,581,440	6,649,863	4,436,464	4,130,597	7,155,862	7,279,463	2,101,021	3,643,190	3,136,871
Debt service:										
Principal	997,192	1,034,696	939,915	1,283,555	1,290,776	1,634,085	1,864,320	1,938,007	1,702,196	1,672,476
Interest	541,061	436,216	729,185	650,215	697,584	810,714	749,610	672,689	581,075	513,456
Total expenditures	31,589,847	32,195,398	36,379,401	36,002,061	36,129,860	40,881,764	39,061,679	41,063,953	45,106,448	46,944,493
Excess (deficiency) of revenues over (under) expenditures	(2,069,152)	(1,598,503)	(4,865,916)	(1,736,532)	(1,750,048)	(4,167,553)	(42,800)	1,143,946	(483,462)	(188,886)
Other financing sources (uses)										
Transfers in	1,763,157	2,228,086	1,439,468	1,717,940	1,911,229	2,886,915	2,776,974	2,924,931	3,604,167	2,694,430
Transfers out	(1,785,458)	(2,228,086)	(1,439,468)	(1,717,940)	(1,911,229)	(2,886,915)	(2,776,974)	(2,924,931)	(3,604,167)	(2,694,430)
Sale of assets	396,861	115,717	36,500	11,718	719,997	375,429	97,835	36,000	79,749	50,870
Bonds and notes issued	-	7,300,000	90,000	10,000	6,616,000	-	-	-	-	-
Premiums on bonds issued	-	308,762	-	-	728,510	-	-	-	-	-
Other debt proceeds	-	-	-	-	-	230,000	-	-	44,638	340,694
Total other financing sources (uses)	374,560	7,724,479	126,500	21,718	8,064,507	605,429	97,835	36,000	124,387	391,564
Net change in fund balances	\$ (1,694,592)	6,125,976	(4,739,416)	(1,714,814)	6,314,459	(3,562,124)	55,035	1,179,946	(359,075)	202,678
Debt service as a percentage of noncapital expenditures	6.14%	5.88%	5.17%	5.53%	5.86%	7.23%	7.02%	6.63%	5.32%	4.66%

Table 7

TOWN OF CUMBERLAND, MAINE
Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

Fiscal year	Town Direct and Overlapping Rates*					
	Direct			Overlapping		
	Operating	Town rate	Total direct rate	Education rate	County rate	Total rate
2016	\$ 4.94		0.45	12.13	0.58	18.10
2017	4.83		0.48	12.34	0.60	18.25
2018	4.74		0.52	12.93	0.61	18.80
2019	4.75		0.53	13.77	0.65	19.70
2020	5.21		0.53	13.46	0.65	19.85
2021	4.49		0.97	14.23	0.66	20.35
2022	4.23		1.22	14.43	0.67	20.55
2023	4.55		1.15	14.82	0.68	21.20
2024	5.16		0.85	15.35	0.79	22.15
2025	6.24		0.01	16.16	0.84	23.25

* Tax rates are based upon \$1,000 of assessed value
 SOURCE: Cumberland assessor's office

Table 6

TOWN OF CUMBERLAND, MAINE
Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

(dollar amounts expressed in thousands)							
Fiscal Year Ended June 30	Real Property		Less:	Total Taxable	Total Direct	Estimated Actual	Assessed Value as a Percentage of
	Residential and Commercial Property (1)	Personal Property (1)	Tax Exempt Real Property (1)	Assessed Value (1)	Tax Rate (1)	Taxable Value (2)	Actual Value
2015	\$ 1,305,746	15,495	76,970	1,244,271	5.13	1,057,800	117.6%
2016	1,341,466	22,333	81,519	1,282,280	5.39	1,099,350	116.6%
2017	1,362,438	24,069	85,265	1,301,242	5.31	1,144,550	113.7%
2018	1,403,144	13,298	85,299	1,331,143	5.26	1,171,250	113.7%
2019	1,424,708	14,364	81,340	1,357,732	5.28	1,264,650	107.4%
2020	1,464,931	14,404	82,308	1,397,027	5.74	1,328,750	105.1%
2021	1,432,258	16,482	36,346	1,412,394	5.46	1,406,550	100.4%
2022	1,458,982	16,370	34,640	1,440,712	5.45	1,503,000	95.9%
2023	1,503,911	18,651	47,934	1,474,628	5.70	1,614,950	91.3%
2024	1,530,102	15,121	40,348	1,504,875	6.01	1,910,200	78.8%
2025	1,551,366	16,502	27,459	1,540,409	6.25	2,337,300	65.9%

(1) Source - Cumberland Assessor's office

(2) Source - Maine Revenue Services

Note: The table does not include outer island taxes, payments in lieu of taxes or interest and costs.

Table 9

TOWN OF CUMBERLAND, MAINE							
Property Tax Levies and Collections							
Last Ten Fiscal Years							
(dollar amounts expressed in thousands)							
Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		
		Amount	Percentage of Levy		Amount	Percentage of Levy	
2016	\$ 23,209	23,014	99.16%	189	23,203	99.97%	
2017	23,748	23,607	99.41%	137	23,744	99.98%	
2018	25,025	24,861	99.34%	161	25,022	99.99%	
2019	26,747	26,604	99.47%	136	26,740	99.97%	
2020	27,731	27,493	99.14%	220	27,713	99.94%	
2021	28,742	28,621	99.58%	100	28,721	99.93%	
2022	29,607	29,501	99.64%	47	29,548	99.80%	
2023	31,262	31,109	99.51%	201	31,310	100.15%	
2024	33,333	33,082	99.25%	127	33,209	99.63%	
2025	35,815	35,551	99.26%	-	35,551	99.26%	

Note: excludes supplemental taxes.

Table 8

TOWN OF CUMBERLAND, MAINE							
Principal Property Taxpayers							
Current Year and Nine Years Ago							
Taxpayer	2025			Percentage of Total Taxable Assessed Value	2016		
	Taxable Assessed Value	Rank			Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Central Maine Power Company	\$ 43,822,700	1	2.84%		\$ 42,208,900	1	3.29%
Ocean View at Cumberland, LLC	30,538,900	2	1.98%				
Summit Natural Gas	15,390,400	3	1.00%		9,890,900	2	0.77%
C and A Holdings, LLC	7,408,000	4	0.48%				
LGC North America dba Maine Standards Company, LLC	5,719,800	5	0.37%		4,650,500	5	0.36%
Mirza, Zareen Taj	4,918,600	6	0.32%		4,412,500	6	0.34%
Maritime & Northeast Pipeline	3,936,700	7	0.26%		3,936,700	7	0.31%
Lemole, Emily Jane A-Trustee	3,858,100	8	0.25%		3,837,200	8	0.30%
Time Warner Cable Northeast	3,591,600	9	0.23%				
New England Clean Energy Connect	3,330,600	10	0.22%				
179 Foreside, LLC					7,729,600	3	0.60%
Martin, Joseph R.					5,036,300	4	0.39%
Munjoy Hill EPM, LLC					3,465,000	9	0.27%
Mathias, Glenn					3,249,400	10	0.25%
Totals	\$ 122,515,400		7.95%		\$ 88,417,000		6.88%

SOURCE: Cumberland assessor's office

Table 11

TOWN OF CUMBERLAND, MAINE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2016	\$ 22,137,310	2.01%	2,848
2017	21,110,068	1.84%	2,665
2018	13,320,097	1.14%	1,632
2019	19,436,014	1.54%	2,381
2020	18,390,385	1.38%	2,253
2021	18,909,887	1.34%	2,316
2022	16,984,756	1.13%	2,005
2023	15,554,643	0.96%	1,808
2024	14,314,930	0.75%	1,621
2025	13,120,617	0.56%	1,486

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

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Table 10

TOWN OF CUMBERLAND, MAINE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita (1)
	General Obligation Bonds*	Notes Payable*	Lease Payable	Financed Purchases	General Obligation Bonds*	Notes Payable*	Financed Purchases			
2016	14,387,387	248,201	-	31,624	1,225,197	-	-	15,892,409	3.070%	2,045
2017	21,031,901	165,468	-	3,896	1,105,409	-	-	22,306,674	4.229%	2,816
2018	20,134,447	168,233	-	-	975,621	-	-	21,278,301	3.913%	2,606
2019	12,494,264	6,490,089	-	-	825,833	-	-	19,810,186	3.643%	2,427
2020	18,784,967	6,195,222	-	-	651,047	-	-	25,631,236	4.714%	3,140
2021	17,803,769	5,508,931	519,502	182,206	586,616	-	-	24,601,024	4.524%	2,950
2022	16,462,571	4,806,100	418,657	137,965	522,185	-	-	22,347,478	4.387%	2,950
2023	15,076,373	4,723,429	310,783	92,862	478,270	215,590	-	20,897,307	3.633%	2,429
2024	13,880,175	4,026,142	243,813	46,879	434,755	164,072	-	18,795,836	3.268%	2,128
2025	12,728,977	3,313,576	360,959	-	391,640	118,700	-	16,913,852	2.941%	1,915

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(1) Based on population as provided by the U.S. Bureau of the Census

* Bonds and notes were classified based on GASB 88 definitions beginning in FY 2019.

TOWN OF CUMBERLAND, MAINE
Legal Debt Margin Information
Last Ten Fiscal Years
(dollar amounts expressed in thousands)

		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed value per State	\$	1,099,350	1,144,550	1,171,250	1,265,650	1,328,750	1,406,550	1,503,000	1,614,950	1,910,200	2,337,300
Total debt limit - all purposes - 15% of assessed value	\$	164,903	171,683	175,688	189,848	199,313	210,983	225,450	242,243	286,530	350,595
Less outstanding debt applicable to debt limit		15,229	21,409	20,439	19,025	24,175	23,495	21,406	19,294	17,390	15,522
Legal debt margin	\$	149,674	150,274	155,249	170,823	175,138	187,488	204,044	222,949	269,140	335,073
Total outstanding debt applicable to the limit as a percentage of debt limit		9.24%	12.47%	11.63%	10.02%	12.13%	11.14%	9.49%	7.96%	6.07%	4.43%
The debt limit is restricted by State statute based on the assessed value per the State above and the percentages below.											
Municipal purposes - 7.5%											
Debt limit	\$	82,451	85,841	87,844	94,924	99,656	105,491	112,725	121,121	143,265	175,298
Less outstanding debt applicable to debt limit		15,229	21,409	20,439	19,025	24,175	23,495	21,406	19,294	17,390	15,522
Debt margin for municipal purposes	\$	67,222	64,432	67,405	75,899	75,481	81,996	91,319	101,827	125,875	159,776
Outstanding debt applicable to the limit as a percentage of debt limit for municipal purposes		18.47%	24.94%	23.27%	20.04%	24.26%	22.27%	18.99%	15.93%	12.14%	8.85%
School purposes - 10%											
Debt limit	\$	109,935	114,455	117,125	126,565	132,875	140,655	150,300	161,495	191,020	233,730
Less outstanding debt applicable to debt limit		-	-	-	-	-	-	-	-	-	-
Debt margin for school purposes	\$	109,935	114,455	117,125	126,565	132,875	140,655	150,300	161,495	191,020	233,730
Outstanding debt applicable to the limit as a percentage of debt limit for school purposes		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Storm and sanitary sewer purposes - 7.5%											
Debt limit	\$	82,451	85,841	87,844	94,924	99,656	105,491	112,725	121,121	143,265	175,298
Less outstanding debt applicable to debt limit		-	-	-	-	-	-	-	-	-	-
Debt margin for sewer purposes	\$	82,451	85,841	87,844	94,924	99,656	105,491	112,725	121,121	143,265	175,298
Outstanding debt applicable to the limit as a percentage of debt limit for sewer purposes		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Maximum total debt limit - 15%	\$	164,903	171,683	175,688	189,848	199,313	210,983	225,450	242,243	286,530	350,595

Table 12

TOWN OF CUMBERLAND, MAINE
Direct and Overlapping Governmental Activities Debt
June 30, 2025

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping debt:			
Cumberland County	\$ 27,686,651	3.05%	844,837
Portland Water District - water	65,168,606	4.54%	2,958,655
Portland Water District -waste water	63,979,391	0.02%	12,500
MSAD #51	29,866,824	72.69%	21,710,599
Subtotal, overlapping debt			25,526,591
Direct debt:			
Bonds payable	12,728,977		12,728,977
Notes payable	3,313,576		3,313,576
Leases payable	360,959		360,959
Subtotal, direct debt			16,403,512
Total direct and overlapping debt			\$ 41,930,103

Note: the County's overlapping debt is determined by the Town's portion of the State's valuation of the county. The MSAD overlapping debt is determined by the relative valuations of participating members.

Table 15

TOWN OF CUMBERLAND, MAINE Principal Employers						
Current Year and Nine Years Ago						
Employer	2025			2016		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	
MSAD 51	300-450	1	2.5%-6.3%	300-450	1	
Town of Cumberland	150-200	2	2.5%-6.3%	150-200	2	
Seafax	50-99	3	1.3%-2.5%	50-99	4	
AH Grover Inc	20-49	4	.5%-1.3%			
Burger King	20-49	5	.5%-1.3%			
Coastal Inc	20-49	6	.5%-1.3%			
Drowne Road School	20-49	7	.5%-1.3%			
Lucinda's Day Spa	20-49	8	.5%-1.3%	50-99	8	
Maine Line Fence Co.	20-49	9	.5%-1.3%	20-49	10	
Sevee Maher Engineers	20-49	10	.5%-1.3%	50-99	6	
Exactitude				50-99	3	
Norton Insurance				50-99	5	
Maine Standards				50-99	7	
Met Life				20-49	9	

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Table 14

TOWN OF CUMBERLAND, MAINE Demographic Statistics Last Ten Fiscal Years							
Fiscal Year	Population (1)	Personal Income	Per Capita Income Cumberland County (1)	Median Age (2)	High School Completion Rates (4)	School Enrollment (4)	State Unemployment Rate (3)
2016	7,772	517,622,972	66,601	45.0	97%	1,401	3.9%
2017	7,920	527,479,920	66,601	45.0	97%	1,388	3.2%
2018	8,164	543,730,564	66,601	45.0	97%	1,337	2.9%
2019	8,164	543,730,564	66,601	45.0	95%	1,371	3.2%
2020	8,164	543,730,564	66,601	45.0	95%	1,418	6.7%
2021	8,164	543,730,561	66,601	41.3	95%	1,437	4.8%
2022	8,473	509,444,355	60,126	41.3	93%	1,414	3.0%
2023	8,605	575,149,595	66,839	41.3	96%	1,397	2.4%
2024	8,832	575,149,595	65,121	41.3	99%	1,473	3.0%
2025	8,832	575,149,595	65,121	41.3	99%	1,473	3.3%

Sources:

- (1) U.S. Bureau of the Census
- (2) U.S. Census Bureau (2020 Census latest available figures)
- (3) Maine Department of Labor (seasonally adjusted)
- (4) Maine Department of Education

Table 17

TOWN OF CUMBERLAND, MAINE Operating Indicators by Function Last Ten Calendar Years										
Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Code Enforcement:										
Building permits	302	302	321	338	377	345	345	327	344	357
Sign permits	18	18	7	6	6	7	7	5	5	3
Fire Protection:										
Number of calls answered	1,233	1,233	964	962	861	1,060	1,060	1,291	1,298	1,423
Number of inspections conducted	83	83	41	53	32	36	36	152	26	18
Police Protection:										
Number of law violations:										
Arrests	99	99	163	187	107	64	64	51	52	46
Traffic violations	2,919	2,919	2,152	3,000	1,841	1,340	1,340	1,231	1,345	984
Parking violations	2	2	27	35	15	26	26	29	12	33
Number of calls for service	8,244	8,244	9,106	9,516	8,673	7,034	7,034	8,793	8,736	6,821
Sewerage System:										
Number of service connections	1,136	1,136	1,179	1,213	1,229	1,259	1,259	1,259	1,259	1,259
Daily average treatment in gallons	204,000	204,000	234,157	226,849	235,000	218,000	218,000	218,000	218,000	218,000

Sources: Town of Cumberland Code Enforcement, Police, and Fire Departments; Portland Water District

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Table 16

TOWN OF CUMBERLAND, MAINE Full-time Equivalent Town Government Employees by Function/Program Last Ten Fiscal Years										
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government:										
Management	2	2	2	2	2	2	2	2	3	2
Finance/Administration	10	10	9	10	10	10	10	10	11	9
Planning	2	3	3	3	3	3	3	2	2	2
Assessing	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Fire	4	4	5	5	5	6	9	10	12	11
Police	12	12	12	12	14	12	13	14	14	13
Public Services:										
Public Works	7	7	7	7	6	6	7	7	7	7
Parks	3	3	3	3	4	4	4	4	3	4
Recreation & Other:										
Recreation	5	5	5	5	4	2	3	4	4	4
Library	4	4	5	5	5	5	5	5	7	7
Valhalla	3	3	3	3	4	5	5	5	5	6
Total Full-time Employees	53	54	55	56	58	56	62	64	69	66

Source: Town of Cumberland budget documents

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Table 18

TOWN OF CUMBERLAND, MAINE
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
Public Safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	7	7	7	7	7	7	7	7	7	10
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Vehicles	11	11	11	11	10	10	10	10	10	10
Public Works:										
Streets (miles)	80	80	80	81	81	81	81	81	81	83
Number of streetlights	203	204	204	205	205	205	205	205	205	205
Parks & Recreation:										
Parks	3	3	3	6	6	6	6	6	6	9
Parks (acreage)	487	487	487	1,100	1,152	1,152	1,152	1,152	1,152	1,152
Public skating rinks	1	1	1	1	1	1	1	1	1	1
Public tennis courts	4	4	4	4	4	4	4	4	4	4
Public golf courses	1	1	1	1	1	1	1	1	1	1
Sewer:										
Miles of sanitary sewers	25	29	29	29	29	29	32	32	32	32

Sources: Town of Cumberland Code Enforcement, Police, and Fire Departments; Portland Water District

APPENDIX C

**TOWN OF NORTH YARMOUTH, MAINE
ANNUAL FINANCIAL STATEMENTS
FOR THE
YEAR ENDED JUNE 30, 2025**

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Audited Financial Statements
and Other Financial Information

Town of North Yarmouth, Maine

June 30, 2025



Proven Expertise & Integrity

TOWN OF NORTH YARMOUTH, MAINE

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JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Selectboard

Town of North Yarmouth
North Yarmouth, Maine

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of North Yarmouth, Maine, as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Town of North Yarmouth, Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of North Yarmouth, Maine as of June 30, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of North Yarmouth, 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 Town of North Yarmouth, Maine's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of North Yarmouth, Maine's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of North Yarmouth, 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 and budgetary comparison information, pension and OPEB information on pages 5 through 12 and 57 through 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of North Yarmouth, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2025, on our consideration of the Town of North Yarmouth, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of North Yarmouth, Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of North Yarmouth, Maine's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
October 7, 2025

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2025**

(UNAUDITED)

The following management's discussion and analysis of Town of North Yarmouth, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of North Yarmouth's basic financial statements include the following components: 1) government-wide financial statements; 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and pension and OPEB information and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

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

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

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

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include municipal administration, community services, public safety, public works, solid waste and recycling, municipal finances, county assessment, education, program expenses and capital outlay.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of North Yarmouth, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of North Yarmouth are considered governmental funds.

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

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

The Town of North Yarmouth presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, TIF fund and the capital projects fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

Notes to the Financial Statements

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

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Proportionate Share of the Net Pension Liability, Schedule of Contributions - Pension, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

Other Supplementary Information

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

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activity. The Town's total net position for governmental activities increased by \$397,802 from \$22,410,939 to \$22,808,741.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased for governmental activities to a balance of \$3,917,219 at the end of this year.

Table 1
Town of North Yarmouth, Maine
Net Position
June 30,

	2025	2024 (Restated)
Assets:		
Current Assets	\$ 5,291,048	\$ 4,471,484
Noncurrent Assets - Capital Assets	20,700,127	21,277,869
Total Assets	25,991,175	25,749,353
Deferred Outflows of Resources:		
Deferred Outflows Related to Pension	333,330	71,705
Deferred Outflows Related to OPEB	17,120	23,163
Total Deferred Outflows of Resources	350,450	94,868
Liabilities:		
Current Liabilities	385,098	356,472
Noncurrent Liabilities	3,062,601	3,016,609
Total Liabilities	3,447,699	3,373,081
Deferred Inflows of Resources:		
Prepaid Taxes	17,529	17,529
Deferred Inflows Related to Pension	30,886	-
Deferred Inflows Related to OPEB	36,770	42,672
Total Deferred Inflows of Resources	85,185	60,201
Net Position:		
Net Investment in Capital Assets	17,846,657	18,151,592
Restricted	1,044,865	928,465
Unrestricted	3,917,219	3,330,882
Total Net Position	\$ 22,808,741	\$ 22,410,939

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 2.05%, while total expenses increased by 2.53%. The largest decrease in revenues was from miscellaneous which was partially offset by an increase in taxes. The largest increases in expenses were in community services, public works and education.

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

	2025	2024
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 408,955	\$ 444,489
Operating grants and contributions	52,482	32,803
<i>General Revenues:</i>		
Taxes	13,752,314	13,019,429
Grants and contributions not restricted to specific programs	1,170,157	1,250,319
Interest income	290,299	253,479
Miscellaneous	128,456	1,133,295
Total Revenues	15,802,663	16,133,814
Expenses		
Municipal administration	1,261,146	1,365,321
Community services	626,919	393,749
Public safety	1,055,043	1,107,863
Public works	1,837,487	1,043,547
Solid waste and recycling	391,138	521,041
Municipal finances	23,972	43,866
County assessment	490,577	436,889
Education	9,515,524	9,144,530
Program expenses	201,043	944,123
Overlay	2,012	23,167
Total Expenses	15,404,861	15,024,096
Change in Net Position	397,802	1,109,718
Net Position - July 1, As Previously Reported	22,406,024	21,296,306
Net Position Restatement	4,915	-
Net Position - July 1, As Restated	22,410,939	21,296,306
Net Position - June 30	\$ 22,808,741	\$ 22,406,024

Financial Analysis of the Town's Fund Statements

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

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

	2025	2024 (Restated)	Increase/ (Decrease)
Major Funds:			
General Fund:			
Nonspendable	\$ 10,250	\$ 7,000	\$ 3,250
Committed	87,563	57,539	30,024
Assigned	60,000	60,000	-
Unassigned	3,700,955	2,957,112	743,843
TIF Fund:			
Restricted	834,076	680,082	153,994
Capital Projects Fund:			
Committed	154,218	283,051	(128,833)
Total Major Funds	\$ 4,847,062	\$ 4,044,784	\$ 802,278
Nonmajor Funds:			
Special Revenue Funds:			
Restricted	\$ 60,841	\$ 61,774	\$ (933)
Assigned	65,052	62,924	2,128
Permanent Funds:			
Restricted	149,948	161,609	(11,661)
Total Nonmajor Funds	\$ 275,841	\$ 286,307	\$ (10,466)

The changes to total fund balances for the general fund, TIF fund, capital projects fund and nonmajor funds occurred due to the regular activity of operations.

Budgetary Highlights

There were no changes between the original and final budget.

The general fund actual revenues exceeded budgeted amounts by \$318,297. All revenue categories were received within or in excess of budgeted amounts except for property taxes.

The general fund actual expenditures were under budgeted amounts by \$458,820. All expenditures were within or at budgeted amounts with the exception of solid waste and recycling.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2025, the net book value of capital assets recorded by the Town decreased by \$577,742 from the prior year. This decrease is the result of net capital additions of \$802,007, less net disposals of \$97,906 and current year depreciation expense of \$1,281,843.

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

	2025	2024
Land	\$ 1,352,795	\$ 1,319,645
Land Improvements	16,123	-
Buildings and Improvements	4,436,615	4,286,261
Machinery and Equipment	2,131,406	2,320,586
Vehicles	5,318	-
Infrastructure	12,757,870	13,351,377
Total	\$ 20,700,127	\$ 21,277,869

Debt

At June 30, 2025, the Town had \$2,853,470 in bonds and a note from direct borrowings payable outstanding versus \$3,126,277 in the prior year. Refer to Note 6 of Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance is currently at a level to sustain government operations for a period of three months. The Town also maintains reserves for future capital and other program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 110 Village Square Road, North Yarmouth, Maine 04097.

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Governmental activities:					
Municipal administration	\$ 1,261,146	\$ 36,797	\$ -	\$ -	\$ (1,224,349)
Community services	626,919	27,469	255	-	(599,195)
Public safety	1,055,043	171,984	-	-	(883,059)
Public works	1,837,487	-	32,424	-	(1,805,063)
Solid waste and recycling	391,138	172,705	-	-	(218,433)
Municipal finances	23,972	-	-	-	(23,972)
County assessment	490,577	-	-	-	(490,577)
Education	9,515,524	-	-	-	(9,515,524)
Program expenses	201,043	-	19,803	-	(181,240)
Overlay	2,012	-	-	-	(2,012)
Total government	<u>\$ 15,404,861</u>	<u>\$ 408,955</u>	<u>\$ 52,482</u>	<u>\$ -</u>	<u>(14,943,424)</u>

STATEMENT A

TOWN OF NORTH YARMOUTH, MAINE

STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 5,057,532
Accounts receivable (net of allowance for uncollectibles)	13,517
Taxes	98,300
Liens	111,369
Other	10,260
Prepaid items	-
Total current assets	<u>5,281,048</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	1,352,795
Buildings and equipment, net of accumulated depreciation	19,347,332
Total noncurrent assets	<u>20,700,127</u>
TOTAL ASSETS	<u>25,981,175</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pension	333,330
Deferred outflows related to OPEB	17,120
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>350,450</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 26,341,625</u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 25,893
Accrued expenses	51,916
Current portion of long-term obligations	307,599
Total current liabilities	<u>385,008</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bonds payable	2,570,506
Note from direct borrowings payable	4,252
Accrued compensated absences	115,548
Net pension liability	297,050
Net OPEB liability	75,245
Total noncurrent liabilities	<u>3,062,601</u>
TOTAL LIABILITIES	<u>3,447,609</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	17,529
Deferred inflows related to Pension	30,886
Deferred inflows related to OPEB	36,770
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>85,185</u>
NET POSITION	
Net investment in capital assets	17,846,657
Restricted	1,044,885
Unrestricted	3,917,219
TOTAL NET POSITION	<u>22,808,741</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 26,341,625</u>

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

TOWN OF NORTH YARMOUTH, MAINE
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

STATEMENT C

	General Fund	Moved from Nonmajor Funds TIF Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,764,728	\$ 763,830	323,416	\$ 205,558	\$ 5,057,532
Accounts receivable (net of allowance for uncollectibles):					
Taxes	13,517	-	-	-	13,517
Liens	98,390	-	-	-	98,390
Other	109,974	-	-	1,385	111,359
Prepaid items	10,250	-	-	-	10,250
Due from other funds	170,583	70,246	-	70,283	311,112
TOTAL ASSETS	\$ 4,167,442	\$ 834,076	\$ 323,416	\$ 277,226	\$ 5,602,160
LIABILITIES					
Accounts payable	\$ 25,583	\$ -	\$ -	\$ -	\$ 25,583
Accrued expenses	51,916	-	-	-	51,916
Due to other funds	140,529	-	169,198	1,385	311,112
TOTAL LIABILITIES	218,028	-	169,198	1,385	388,611
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	17,529	-	-	-	17,529
Deferred property tax	73,117	-	-	-	73,117
TOTAL DEFERRED INFLOWS OF RESOURCES	90,646	-	-	-	90,646
FUND BALANCES					
Nonspendable	10,250	-	-	-	10,250
Restricted	-	834,076	-	210,789	1,044,865
Committed	87,563	-	154,218	-	241,781
Assigned	60,000	-	-	65,052	125,052
Unassigned (deficit)	3,700,955	-	-	-	3,700,955
TOTAL FUND BALANCES	3,858,768	834,076	154,218	275,841	5,122,903
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,167,442	\$ 834,076	\$ 323,416	\$ 277,226	\$ 5,602,160

See accompanying independent auditor's report and notes to financial statements.
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TOWN OF NORTH YARMOUTH, MAINE
STATEMENT B (CONTINUED)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
Changes in net position:	
Net (expense) revenue	(14,943,424)
General revenues:	
Taxes:	
Property taxes, levied for general purposes	12,458,558
Excise taxes	1,293,756
Grants and contributions not restricted to specific programs	1,170,157
Interest income	290,299
Miscellaneous	128,456
Total general revenues	15,341,226
Change in net position	397,802
NET POSITION - JULY 1, AS PREVIOUSLY REPORTED	22,406,024
NET POSITION RESTATEMENTS	4,915
NET POSITION - JULY 1, AS RESTATED	22,410,939
NET POSITION - JUNE 30	\$ 22,808,741

See accompanying independent auditor's report and notes to financial statements.
15

STATEMENT D

TOWN OF NORTH YARMOUTH, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

	Total Governmental Funds
Total Fund Balances	\$ 5,122,903
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	73,117
Deferred outflows of resources are not financial resources and therefore are not reported in the funds	
Pension	333,330
OPEB	17,120
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	(2,848,152)
Notes from direct borrowings payable	(5,318)
Accrued compensated absences	(144,435)
Net pension liability	(287,050)
Net OPEB liability	(75,245)
Deferred outflows of resources are not financial resources and therefore are not reported in the funds	
Pension	(30,886)
OPEB	(36,770)
Net position of governmental activities	<u>\$ 22,808,741</u>

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

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STATEMENT E

TOWN OF NORTH YARMOUTH, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Moved from Nonmajor Funds TIF Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 12,454,983	\$ -	\$ -	\$ -	\$ 12,454,983
Excise	1,253,786	-	-	-	1,253,786
Interest	1,202,630	-	-	19,803	1,222,433
Interest income	217,503	-	26,555	11,041	255,099
Charges for services	408,955	-	-	-	408,955
Miscellaneous	114,757	-	-	-	114,757
TOTAL REVENUES	15,652,790	35,200	26,555	44,543	15,759,088
EXPENDITURES					
Current:					
Municipal administration	1,642,780	-	-	-	1,642,780
Community services	590,306	-	-	-	590,306
Public safety	857,902	-	-	-	857,902
Public works	1,131,634	-	-	-	1,131,634
Solid waste and recycling	391,138	-	-	-	391,138
Municipal finances	23,972	-	-	-	23,972
Capital outlay	480,572	-	-	-	480,572
Construction	9,515,524	-	-	-	9,515,524
Education	-	146,034	-	-	146,034
Program expenses	2,012	-	-	55,009	57,021
Capital outlay	-	-	160,388	-	160,388
TOTAL EXPENDITURES	14,645,845	146,034	160,388	55,009	15,007,276
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,046,945	(110,834)	(133,833)	(10,466)	791,812
OTHER FINANCING SOURCES (USES)					
Transfers in	49,432	314,260	5,000	-	368,692
Transfers (out)	(319,260)	(49,432)	-	-	(368,692)
TOTAL OTHER FINANCING SOURCES (USES)	(269,828)	264,828	5,000	-	-
NET CHANGE IN FUND BALANCES	777,117	153,994	(128,833)	(10,466)	791,812
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	3,056,651	-	283,051	986,474	4,326,176
CHANGE WITHIN FINANCIAL REPORTING ENTITY	-	680,082	-	(680,082)	-
FUND BALANCE RESTATEMENT	25,000	-	-	(20,085)	4,915
FUND BALANCES - JULY 1, AS RESTATED	3,081,651	680,082	283,051	286,307	4,331,091
FUND BALANCES - JUNE 30	<u>\$ 3,858,768</u>	<u>\$ 834,076</u>	<u>\$ 154,218</u>	<u>\$ 275,841</u>	<u>\$ 5,122,903</u>

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

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STATEMENT F

TOWN OF NORTH YARMOUTH, 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, 2025

Net change in fund balances - total governmental funds (Statement E) \$ 791,812

Amounts reported for governmental activities in the Statement of Activities
(Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to be allocated to those expenditures over the life of the assets:

Capital asset acquisitions	802,007
Capital asset disposals	(97,906)
Depreciation expense	(1,281,843)
	<u>(577,742)</u>

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term obligations in the Statement of Net Position

	<u>(5,318)</u>
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Taxes and liens receivable	<u>3,575</u>
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Deferred outflows of resources are a consumption of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:

Pension	261,625
OPEB	(6,043)
	<u>255,582</u>

Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position

	<u>278,125</u>
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Deferred inflows of resources are an acquisition of net position by the government that are applicable to a future reporting period and therefore are not reported in the funds:

Pension	(30,886)
OPEB	5,902
	<u>(24,984)</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Accrued compensated absences	(16,113)
Net pension liability	(297,050)
Net OPEB liability	(10,085)
	<u>(323,248)</u>
Change in net position of governmental activities (Statement B)	<u>\$ 397,802</u>

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

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of North Yarmouth was incorporated under the laws of the State of Maine. The Town operates under the selectboard-manager form of government and provides the following services: administration services, community services, public safety, public works, buildings and grounds, solid waste and recycling, municipal finances, county assessment and education.

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

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

Implementation of New Accounting Standards

During the year ended June 30, 2025, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 101 "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 102 "Certain Risk Disclosures". The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

concentration or constraint that could cause the substantial impact have occurred, have begun to occur or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. A disclosure should be made in the notes to financial statements if a government determines that those criteria for disclosures have been met for a concentration or constraint. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

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

Both the government-wide and fund financial statements categorize primary activities as governmental.

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

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

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

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The TIF Fund is used to account for the financial resources from Tax Increment Financing revenues. Revenue proceeds consist of TIF revenues.
- c. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment. The primary revenue source of revenue for this fund is transfers from other funds.

Nonmajor Funds

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- e. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry.

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis in fund financial statements is on the major funds in the governmental activities category. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

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

Budget

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

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

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Deposits and Investments

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

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

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

The Town of North Yarmouth, Maine has a formal investment policy and also follows the State of Maine Statutes.

Receivables

Receivables include amounts due from governmental agencies, rescue receivables and local businesses. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2025. Accounts receivable netted with allowances for uncollectible accounts were \$111,359 for the year ended June 30, 2025.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Items

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

Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$10,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term obligations consist of bonds payable, note from direct borrowings payable, accrued compensated absences and net OPEB liability.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Participating Local District (PLD) Consolidated Plan and additions to/deductions from the PLD Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. 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.

OPEB

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

Net Position

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

Fund Balance

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

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

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

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

Deferred Outflows and Inflows of Resources

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 10, 2024 on the assessed value listed as of April 1, 2024, for all real and personal property located in the Town. Taxes were due in two installments on September 16, 2024 and March 17, 2025. Interest on unpaid taxes commenced on September 17, 2024 and March 18, 2025, at 8.5% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

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

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$149,687 for the year ended June 30, 2025.

Program Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.

Deposits:

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. The Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUAIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At June 30, 2025, the Town's cash and cash equivalent balances of \$5,057,532 were comprised of deposits amounting to \$5,155,689. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalent balance. These bank deposits were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk.

Account Type	Bank Balance
Checking accounts	\$ 147,651
ICS accounts	5,008,038
	<u>\$ 5,155,689</u>

Investments:

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does have a policy for custodial credit risk for investments. The Town seeks to minimize custodial credit risk by doing business with authorized institutions, depositories and brokers/dealers.

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does have a formal investment policy that mitigates interest rate risk by limiting investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

At June 30, 2025, the Town had no investments.

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does have an investment policy on credit risk. The Town mitigates this risk by limiting investments to authorized types of securities, using qualified financial institutions authorized by the finance committee and diversifying the investment portfolio to meet the Town's current and future cash flow needs. Generally, the Town invests excess funds in cash management accounts and various insured certificates of deposit.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2025 consisted of the following individual fund receivables and payables:

	Receivables (Due From)	Payables (Due To)
Major funds:		
General fund	\$ 170,583	\$ 140,529
TIF fund	70,246	-
Capital projects	-	169,198
Nonmajor funds:		
Special revenue funds	67,958	1,385
Permanent funds	2,325	-
	<u>\$ 311,112</u>	<u>\$ 311,112</u>

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

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2025 consisted of the following:

	Transfers In	Transfers Out
Major funds:		
General fund	\$ 49,432	\$ 319,260
TIF fund	314,260	49,432
Capital projects	5,000	-
	<u>\$ 368,692</u>	<u>\$ 368,692</u>

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

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Disposals	Balance, 6/30/25
Non-depreciated assets:				
Land	\$ 1,278,795	\$ 74,000	\$ -	\$ 1,352,795
Construction in progress	40,850	-	(40,850)	-
	<u>1,319,645</u>	<u>74,000</u>	<u>(40,850)</u>	<u>1,352,795</u>
Depreciated assets:				
Land improvements	-	16,123	-	16,123
Buildings and improvements	5,563,924	300,411	-	5,864,335
Machinery, equipment and vehicles	4,232,735	199,302	(294,712)	4,137,325
Right of use lease assets	-	5,318	-	5,318
Infrastructure	37,771,520	247,703	-	38,019,223
	<u>47,558,179</u>	<u>768,857</u>	<u>(294,712)</u>	<u>48,032,324</u>
Less accumulated depreciation:				
Buildings and improvements	(1,267,663)	(150,057)	-	(1,417,720)
Machinery, equipment and vehicles	(1,912,149)	(290,576)	196,806	(2,005,919)
Infrastructure	(24,420,143)	(841,210)	-	(25,261,353)
	<u>(27,599,955)</u>	<u>(1,281,843)</u>	<u>196,806</u>	<u>(28,684,992)</u>
Net depreciated assets	19,958,224	(512,986)	(97,906)	19,347,332
Net capital assets	<u>\$ 21,277,869</u>	<u>\$ (438,986)</u>	<u>\$ (138,756)</u>	<u>\$ 20,700,127</u>

TOWN OF NORTH YARMOUTH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 5 - CAPITAL ASSETS (CONTINUED)

Current year depreciation:	
Municipal administration	\$ 13,699
Community services	142,413
Public safety	132,944
Public works	992,787
Total depreciation expense	<u>\$ 1,281,843</u>

NOTE 6 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended June 30, 2025:

	Balance, 7/1/24	Additions	Deletions	Balance, 6/30/25	Current Portion
Bonds payable	\$ 3,125,000	\$ -	\$ (276,848)	\$ 2,848,152	\$ 277,646
Note from direct borrowings payable	1,277	5,318	(1,277)	5,318	1,066
	<u>\$ 3,126,277</u>	<u>\$ 5,318</u>	<u>\$ (278,125)</u>	<u>\$ 2,853,470</u>	<u>\$ 278,712</u>

The following is a summary of the outstanding bonds payable:

\$3,430,000, 2018 General Obligation Bond due in annual principal installments and semiannual interest installments through November 2038. Interest is charged at a varying fixed rate from 3.00% to 4.00% per annum. Annual principal installments vary from \$175,000 to \$170,000. \$ 2,380,000

\$570,000, 2023 General Obligation Bond due in annual principal and interest installments through October 2028. Interest is charged at a fixed rate of 5.530% per annum. Annual principal installments vary from \$101,848 to \$126,768. 468,152

Total Bond Payable

\$ 2,848,152

The following is a summary of the outstanding note from direct borrowings payable:

June 2025 Postage meter lease payable to Pitney Bowes due in quarterly installments of \$267 through June 2030. \$ 5,318

TOWN OF NORTH YARMOUTH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 6 - LONG-TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds principal, note from direct borrowing payable and interest requirements for the following fiscal years ending June 30:

	Bond Payable	Note from direct borrowings payable	Total
	Principal	Interest	Principal
2026	\$ 277,646	\$ 105,723	\$ 1,066
2027	283,682	94,588	1,066
2028	290,056	83,114	1,066
2029	296,768	71,302	1,066
2030	170,000	59,075	1,054
2031-2035	850,000	212,713	-
2036-2040	680,000	54,400	-
	<u>\$ 2,848,152</u>	<u>\$ 680,915</u>	<u>\$ 5,318</u>
			<u>\$ 3,534,385</u>

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

NOTE 7 - OTHER LONG-TERM OBLIGATIONS

A summary of other long-term obligations for the year ended June 30, 2025 is as follows:

	Balance, 7/1/24	Additions	Deletions	Balance, 6/30/25	Current Portion
Accrued compensated absences	\$ 128,322	\$ 16,113	\$ -	\$ 144,435	\$ 28,887
Net pension liability	-	297,050	-	297,050	-
Net OPEB liability	65,160	12,586	(2,501)	75,245	-
Totals	<u>\$ 193,482</u>	<u>\$ 325,749</u>	<u>\$ (2,501)</u>	<u>\$ 516,730</u>	<u>\$ 28,887</u>

The change in the compensated absences liability is presented as a net change. Please see Notes 8, 15 and 16 for detailed information on the other long-term obligations.

NOTE 8 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permits employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources,

TOWN OF NORTH YARMOUTH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 8 - ACCRUED COMPENSATED ABSENCES (CONTINUED)

while the proprietary funds report the liability as it is incurred. As of June 30, 2025, the Town's liability for compensated absences is \$144,435.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2025:

Invested in capital assets	\$ 49,385,119
Accumulated depreciation	(28,684,992)
Outstanding capital related debt	(2,853,470)
	<u>\$ 17,846,657</u>

NOTE 10 - RESTRICTED NET POSITION AND RESTRICTED FUND BALANCE

At June 30, 2025, the Town had the following restricted net position and restricted fund balance:

Nonmajor special revenue funds (Schedule E)	\$ 60,841
Nonmajor permanent funds (Schedule G)	149,948
	<u>\$ 1,044,865</u>

NOTE 11 - NONSPENDABLE FUND BALANCES

At June 30, 2025, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	<u>\$ 10,250</u>

NOTE 12 - COMMITTED FUND BALANCES

At June 30, 2025, the Town had the following committed fund balances:

General fund:	
Senior Tax Program	\$ 49,688
Accrued compensated absences	37,875
Capital projects fund	154,218
	<u>\$ 241,781</u>

TOWN OF NORTH YARMOUTH, MAINE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 13 - ASSIGNED FUND BALANCES

At June 30, 2025, the Town had the following assigned fund balances:

General fund:	
Use for FY 2025 budget	\$ 60,000
Nonmajor special revenue funds (Schedule E)	65,052
	<u>\$ 125,052</u>

NOTE 14 - OVERSPENT APPROPRIATIONS

The Town had the following appropriations that were overspent for the year ended June 30, 2025:

Solid waste and recycling (Article 15)	\$ 715
Grant expense	6,081
	<u>\$ 6,796</u>

NOTE 15 - DEFINED BENEFIT PENSION PLANS

MAINE PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Participating Local District Consolidated Plan

Plan Description

Town employees contribute to the Maine Public Employees Retirement System (MainePERS), a cost-sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title 5 of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD). Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineper.org or by contacting the System at (207) 512-3100.

Benefits Provided

The Maine Public Employees Retirement System provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs 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

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

the earning of five years of service credit (effective October 1, 1999, the prior ten-year requirement was reduced by legislative action to five years for employees of PLDs). 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 or 65. 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 contract with other PLD employers under applicable statutory provisions. As of June 30, 2024, there were 336 employers in the plan.

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 rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 3.88%.

Contributions

Retirement benefits are funded by contributions from members and employers and by earnings on investments. Disability and death benefits are funded by employer normal cost contributions and by investment earnings. The Town's 3c plan members are required to contribute 9.20% of their annual covered salary and the Town's AC plan members are also required to contribute 7.50% (Age 60) and 6.75% (Age 65) of their annual salary. The Town is required to contribute at an actuarially determined rate. The current rate is 12.80% for the 3c plan and 9.90% for the AC plan of covered payroll. The contribution rates of plan members and the Town are established and may be amended by the Maine Public Employee Retirement Systems advisory group. The Town's contribution to the MainePERS PLD Consolidated Plan for the year ended June 30, 2025 was \$89,807.

Pension Liabilities

PLD Consolidated Plan

At June 30, 2025, the Town reported a liability of \$297,050 for its proportionate share of the net pension liabilities for the plan. The net pension liabilities were measured as of June 30, 2024 and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all PLDs,

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

actuarially determined. At June 30, 2024, the Town's proportion was 0.4216%, which was an increase of 0.4216% from its proportion measured as of June 30, 2023.

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

For the year ended June 30, 2025, the Town recognized total pension expense of \$66,311 for the PLD plan. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	PLD Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 88,163	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	30,886
Changes in proportion and differences between contributions and proportionate share of contributions	155,360	-
Contributions subsequent to the measurement date	89,807	-
Total	\$ 333,330	\$ 30,886

\$89,807 for the PLD plan was reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	PLD Plan
Plan year ended June 30:	
2025	\$ 73,022
2026	149,718
2027	(4,117)
2028	(5,985)
2029	-
Thereafter	-

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions

The respective collective total pension liability for the plans was determined by an actuarial valuation as of June 30, 2024, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

The Entry Age Normal actuarial funding method is used to determine costs. Under this funding method, the total employer contribution rate consists of two elements: the normal cost rate and the unfunded actuarial liability (UAL) rate.

The individual entry age normal method is used to determine liabilities. Under the individual entry age normal method, a normal cost rate is calculated for each employee. This rate is determined by taking the value, as of age at entry into the plan, of the member's projected future benefits and dividing it by the value, also as of the member's entry age, of their expected future salary. The normal cost for each member is the product of the member's pay and normal cost rate. The normal cost for the group is the sum of the normal costs for all members.

Experience gains and losses, i.e., decreases or increases in liabilities and/or in assets when actual experience differs from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method

The actuarial valuation employs a technique for determining the actuarial value of assets which reduces the impact of short-term volatility in the market value. The specific technique adopted in this valuation recognizes in a given year one-third of the investment return that is different from the actuarial assumption for investment return.

Amortization

The net pension liability of the PLD Consolidated Plan is amortized on a level percentage of payroll using a method where a separate twenty-year closed period is established annually for the gain or loss for that year.

Significant actuarial assumptions employed by the actuary for funding purposes as of June 30, 2024 are as follows:

Investment Rate of Return - 6.50% per annum for the year ended June 30, 2024 and 2023, compounded annually.

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Salary Increases, Merit and Inflation - 2.75% to 11.48% per year

Mortality Rates - For the plan, the rates are based on the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, for males and females, projected generationally using the RPEC_2020 model.

Cost of Living Benefit Increases - 1.91%

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 class of assets. 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 June 30, 2024 are summarized in the following table.

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Public equities	30.0%	5.6%
US Government	7.5%	2.2%
Private equity	15.0%	7.2%
Real assets:		
Real estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural resources	5.0%	5.1%
Traditional credit	7.5%	2.7%
Alternative credit	5.0%	6.4%
Diversifiers	10.0%	4.8%

Discount Rate

The discount rate used to measure the collective total pension liability was 6.50% for 2024 for the Plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

payments to current plan members. 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 liability.

The following table shows how the collective net pension liability as of June 30, 2024 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 6.50% for each of the Plans.

PLD Plan: Discount rate	1%		Discount Rate		1%	
	Decrease				Increase	
	5.50%		6.50%		7.50%	
Town's proportionate share of the net pension (asset) liability	\$	742,223	\$	297,050	\$	(69,720)

Changes in Net Pension Liability

Each employer's share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share as of June 30, 2024 as shown in the schedules of employer and non-employer contributing entity allocations. Changes in net pension liability are recognized in pension expense for the year ended June 30, 2024 with the following exceptions.

Differences between Expected and Actual Experience

The difference between expected and actual experience with regard to economic or demographic factors were recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. For 2023 through 2020, this was three years for the PLD Consolidated Plan. For 2019, this was four years for the PLD Consolidated Plan. For 2018 and 2017, this was three years; prior to 2017, this was four years for the PLD Consolidated Plan.

Differences between Expected and Actual Investment Earnings

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

NOTE 15 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

Changes in Assumptions

Differences due to changes in assumptions about future economic or demographic factors or other inputs are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used for the year ended June 30, 2024 valuation were based on the results of an actuarial experience study for the period of July 1, 2015 through June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Please refer to the *Actuarial Methods and Assumptions* section for information relating to the use of assumptions.

Changes in Proportion and Differences between Employer Contributions and Proportionate Share of Contributions

Differences resulting from a change in proportionate share of contributions and differences between total employer contributions and the employer's proportionate share of contributions are recognized in pension expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. Differences between total employer contributions and the employer's proportionate share of contributions may arise when an employer has a contribution requirement for an employer specific liability.

Pension Plan Fiduciary Net Position

Additional financial and actuarial information with respect to the Plan can be found in the *MainePERS' 2024 Annual Comprehensive Financial Report* available online at www.maineprs.org or by contacting the System at (207) 512-3100.

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

Plan Description

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

Benefits Provided

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

Employees Covered by Benefit Terms

At January 1, 2024, the following employees were covered by the benefit terms:

Active members	12
Retirees and spouses	-
Total	<u>12</u>

Contributions

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

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retiree Premium Amounts

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

	Pre-Medicare	Single Coverage	Family Coverage
POS 200	\$	1,183	\$ 2,654
PPO 500	\$	1,144	\$ 2,567

Medicare			
Medicare-Eligible Retirees	\$	659	\$ 1,319

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

At June 30, 2025, the Town reported a liability of \$75,245 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2025 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2025, the Town recognized OPEB expense of \$10,226. At June 30, 2025, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 756	\$ 26,616
Changes of assumptions	15,570	10,154
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions subsequent to the measurement date	794	-
Total	\$ 17,120	\$ 36,770

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

\$794 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	MMEHT
Plan year ended December 31:	
2026	\$ (862)
2027	(3,207)
2028	(3,843)
2029	(3,843)
2030	(3,843)
Thereafter	(4,846)

Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2025. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 4.08% per annum for June 30, 2025 was based upon a measurement date of December 26, 2024. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	1% Decrease	Discount Rate	1% Increase
	3.08%	4.08%	5.08%
Total OPEB liability	\$ 87,224	\$ 75,245	\$ 65,346
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ -	\$ -	\$ -
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 63,592	\$ 75,245	\$ 89,903
Plan fiduciary net position	-	-	-
Net OPEB liability	\$ -	\$ -	\$ -

Plan fiduciary net position as a percentage
of the total OPEB liability

0.00%

0.00%

0.00%

Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2025, using the following methods and assumptions applied to all periods included in the measurement:

Actuarial Cost Method

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

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2023. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

Assumptions

The actuarial assumptions used in the January 1, 2025 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

as of June 30, 2022 and based on the experience study covering the period from June 30, 2016 through June 30, 2021. As of January 1, 2025, they are as follows:

Discount Rate - 4.08% per annum for year end 2025 reporting. 3.26% per annum for year end 2024 reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2025_1b was used for this valuation. The following assumptions were input into this model:

Variable	Rate
Rate of Inflation	2.38%
Rate of Growth in Real Income/GDP per capital 2029+	1.40%
Extra Trend due to Taste/Technology 2029+	1.10%
Expected Health Share of GDP 2034	19.00%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2045

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2025 to 2028 were based on plan design, population weighting, renewal projections and market analysis. For years 2029 to 2033, these are interpolated from 2028 to 2034 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

Future plan changes: It is assumed that the current Plan and cost-sharing structure remains in place for all future years.

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment). The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

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

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

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

Administrative expenses - Determined separately for non-Medicare and Medicare retirees including the estimated impact of rebates.

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

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

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

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC 2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC 2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

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

Retiree Continuation Percentage:

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

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

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

Changes in Net OPEB Liability

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2025 with the following exceptions:

Differences between Expected and Actual Experience

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The net difference between expected and actual experience as of January 1, 2025 was (\$25,860).

Changes in Assumptions

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2025 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June

NOTE 16 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)

30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

Differences between Projected and Actual Earnings on OPEB Plan Investments

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

OPEB Plan Fiduciary Net Position

Additional financial and actuarial information with respect to this Plan can be found at the Town office at 110 Village Square Road, North Yarmouth, Maine 04097.

NOTE 17 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS

The Town has established a tax increment financing district in accordance with Maine statutes to finance development programs located in the Town of North Yarmouth. The expenditures from this development program will be recovered in future years through an incremental tax levied upon the district's so called "captured asset value". A portion of the incremental tax revenues will be returned to the district to fund the expenditures of the development program and to finance future expansion.

Village Omnibus Tax Increment Financing District

The TIF District will remain in place for a period of 30 years from adoption. The tax increment revenues will be retained by the Town and used to fund the development plan of the District. The Selectboard shall determine, in its discretion, whether it is necessary or appropriate to enter any Credit Enhancement Agreement to grant these abatements. The state law does not provide for the recapture of abated taxes in the event an abatement recipient does not fill the commitment it makes in return for the tax abatement. The Town reserves the right to incur indebtedness to finance, in part or in whole, the projects within the Development Program. Any projects financed through municipal bonded indebtedness must be approved in advance by the North Yarmouth voters.

The District was created to assist in improving the Town's certain public facilities within said rights of way and to expand and diversify the Town's tax base in order to improve its economy. This Development Program will provide the infrastructure and planning necessary for commercial development of property within the District, as well as certain public improvements within and outside the District that will enable additional

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 17 - TAX INCREMENT FINANCING DISTRICTS AND ABATEMENTS
(CONTINUED)

commercial development within the Town, thereby expanding and diversifying the Town's tax base.

The taxable Original Assessed Value of the District is \$16,651,400 and consists of 263.92 acres and 70 parcels, only 5 of which are public properties. Therefore, the majority of the property within the District is privately owned and subject to independent development consistent with the Town's Zoning Ordinance and Comprehensive Plan.

Abatements

The Town is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 18 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. At June 30, 2025, the Town's share was approximately:

	Outstanding Debt	Percentage	Amount
MSAD #51	\$ 29,866,824	27.31%	\$ 8,156,225
County of Cumberland	27,686,651	1.16%	321,879
			<u>\$ 8,478,104</u>

NOTE 19 - RELATED PARTY

North Yarmouth's Assistant Town Manager, Debbie Grover is the wife of the owner of A. H. Grover Inc. and Construction Aggregate, Inc. A.H. Grover Inc. was paid a total of \$2,552 and Construction Aggregate, Inc was paid 15,000 in FY2025. Selectboard member Karl Cyr is a partial owner of Well and Good Brewery and was paid \$25 in FY2025.

NOTE 20 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 20 - CONTINGENCIES (CONTINUED)

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be Established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 21 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the Town participates in a public entity risk pool sponsored by the Maine Municipal Association. The Maine Municipal Association Group Risk Pool is a state-chartered pool established exclusively for Maine municipalities. The pool provides certain property, liability, fidelity and vehicle coverage. If the assets of the pool are at any time actuarially determined to be insufficient to enable the pool to discharge its legal obligations, other obligations and actuarially sound reserves, the pool has the power to make up the deficiency by the levy of a prorated assessment. There have been no deficiencies during the past three years and management believes that no deficiency exists at June 30, 2025.

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

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

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 21 - RISK MANAGEMENT (CONTINUED)

The Town is also a member of the Maine Municipal Association - Unemployment Compensation Group Fund ("MMA UC Fund"). The MMA UC Fund was created to assist in meeting members' obligations under the Employment Security Act in an efficient and cost-effective manner. The Fund is composed of individual municipalities and other public and related non-profit entities that are individually self-insured but administered as a group. Within the Fund, each member has a separate account. As such, the Town makes quarterly payments into their account, based on rates developed by MMA's consulting actuary. Claims, if any, are paid out of the Town's own account. The Maine Department of Labor classifies MMA's UC Fund members as Direct Re-imbursment Employers. In other words, the Fund reimburses the Maine DOL on the Town's behalf only when the Town has unemployment claims from present or former employees.

Occasionally, the Town may have layoffs or resignations or even a part-time employee losing a primary job, that lead to larger claims payments than anticipated. When claims exceed the balance of the Town's account, the UC Fund continues to pay the Town's claims with no regard for the negative balance. Repayment of a negative balance is spread out over a period of years to avoid a financial hardship to the Town.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of June 30, 2025. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

NOTE 22 - DEFERRED COMPENSATION PLAN

MISSIONSQUARE RETIREMENT

A. Plan Description

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k) and maintained by MissionSquare Retirement. The plan, available to employees who are in certain employee groups, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 22 - DEFERRED COMPENSATION PLAN (CONTINUED)

It is the opinion of the Town's management that the Town has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

B. Funding Policy

Under the defined contribution plan, the Town contributes up to a five percent (5%) match of the gross wage of full-time hourly employees and up to an eight (8%) match of the gross wage of salaried full-time employees to the fund.

The Town's contributions to the plan for 2025 were \$21,187.

NOTE 23 - JOINT VENTURES

The Town is a member of a joint venture with 45 other municipalities throughout Cumberland, Oxford and York counties. Ecomaine is a solid waste management corporation that creates electricity through its processing of waste and also operates as an extensive recycling program. A joint committee, made up of the Town of North Yarmouth and 20 other member communities owns and controls the corporation. Interlocal (waste handling) agreements between Ecomaine and participating communities obligate the members to deliver certain solid waste produced with the community to Ecomaine for processing and to make service payments and pay tipping fees for such processing. The Town has no explicit, measurable equity interest and therefore has not reported an asset in the financial statements in connection with its participation in Ecomaine. The Town of North Yarmouth has an owner membership of 1.46% in Ecomaine as of June 30, 2024 (the most current period available).

Ecomaine has issued bonds to fund the design, construction and start-up of a resource recovery system. The bonds are special revenue obligations of Ecomaine, payable from and secured by a pledge of Ecomaine revenues. The bonds do not constitute a debt or liability within the meaning of any constitutional or statutory provision of the State of Maine or a pledge of the full faith and credit of a political subdivision of the State of Maine. Ecomaine has no taxing power. The obligations of the participating municipalities under the Waste Handling Agreements are secured by the full faith and credit of the participating municipalities subject to certain limitations. On June 30, 2025 (the most current period available), Ecomaine had no outstanding debt. Additionally, the Town's share of the projected landfill closure and post closure cost relating to Ecomaine is estimated to be \$98,925.

TOWN OF NORTH YARMOUTH, MAINE

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 24 - RESTATEMENTS

During fiscal year 2025, the Town determined that a change within the financial reporting entity to reclassify the TIF Fund from being presented as a nonmajor special revenue fund to being presented as a major fund was required. There were also restatements to the beginning fund balances for the general fund and nonmajor special revenue funds. These changes within the financial reporting entity and fund balance restatements resulted in adjustments to fund balances, as follows:

	6/30/24 As Previously Reported	Change Within Financial Reporting Entity	Fund Balance/Net Position Restatement	6/30/24 As Restated
Government-wide:				
Governmental activities	\$ 22,406,024	\$ -	\$ 4,915	\$ 22,410,939
Major Funds:				
General Fund	\$ 3,056,651	\$ -	\$ 25,000	\$ 3,081,651
TIF Fund	-	680,082	-	680,082
Capital Projects Fund	283,051	-	-	283,051
Other Governmental Funds	966,474	(680,082)	(20,085)	286,307
	\$ 4,326,176	\$ -	\$ 4,915	\$ 4,331,091

Required Supplementary Information

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

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

SCHEDULE 1

TOWN OF NORTH YARMOUTH, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1, Restated	\$ 3,081,651	\$ 3,081,651	\$ 3,081,651	\$ -
Resources (Inflows):				
Property taxes	12,457,057	12,457,057	12,454,983	(2,074)
Excise taxes	1,210,000	1,210,000	1,293,756	83,756
Intergovernmental	1,101,961	1,101,961	1,202,836	100,875
Charges for services	370,725	370,725	408,955	38,230
Interest income	135,000	135,000	217,503	82,503
Other revenue	99,750	99,750	114,757	15,007
Transfers from other funds	49,432	49,432	49,432	-
Amounts Available for Appropriation	18,505,576	18,505,576	18,823,873	318,297
Charges to Appropriations (Outflows):				
Municipal administration	1,702,676	1,702,676	1,642,780	59,896
Community services	633,956	633,956	590,306	43,650
Public safety	936,267	936,267	857,902	78,365
Public works	1,241,689	1,241,689	1,131,634	110,055
Solid waste and recycling	390,423	390,423	391,138	(715)
Municipal finances	43,866	43,866	23,972	19,894
County assessment	490,577	490,577	490,577	-
Education	9,515,524	9,515,524	9,515,524	-
Overlay	149,687	149,687	2,012	147,675
Transfers to other funds	319,260	319,260	319,260	-
Total Charges to Appropriations	15,423,925	15,423,925	14,965,105	458,820
Budgetary Fund Balance, June 30	\$ 3,081,651	\$ 3,081,651	\$ 3,858,768	\$ 777,117

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

SCHEDULE 2

TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*

	2025	2024
PLD Plan:		
Proportion of the net pension liability	0.04%	0.00%
Proportionate share of the net pension liability	\$ 297,050	\$ -
Covered payroll	\$ 677,107	\$ -
Proportionate share of the net pension liability as a percentage of its covered payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	91.06%	92.34%

* The amounts presented for each fiscal year were determined as of June 30 and are for those years for which information is available.

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

TOWN OF NORTH YARMOUTH, MAINE
SCHEDULE OF CHANGES IN NET OPEB LIABILITY
FOR THE YEAR ENDED JUNE 30, 2025

SCHEDULE 4

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/24 (Reporting December 31, 2024)	\$ 65,160	\$ -	\$ 65,160
Changes for the year:			
Service cost	10,145	-	10,145
Interest	2,441	-	2,441
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(1,633)	-	(1,633)
Contributions - employer	-	868	(868)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(868)	(868)	-
Administrative expense	-	-	-
Net changes	10,085	-	10,085
Balances at 1/1/25 (Reporting December 31, 2025)	<u>\$ 75,245</u>	<u>\$ -</u>	<u>\$ 75,245</u>

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

SCHEDULE 3

TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE OF CONTRIBUTIONS - PENSION
LAST 10 FISCAL YEARS*

	2025	2024
PLD Plan:		
Contractually required contribution	\$ 89,807	\$ 71,705
Contributions in relation to the contractually required contribution	(89,807)	(71,705)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	\$ 861,224	\$ 677,107
Contributions as a percentage of covered payroll	10.43%	10.59%

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

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

TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB
LAST TEN FISCAL YEARS*

	2025	2024	2023	2022	2021	2020	2019	2018
<u>MMEHT:</u>								
Employer contributions	\$ 868	\$ 293	\$ 70	\$ 166	\$ 160	\$ -	\$ -	\$ 192
Benefit payments	(868)	(293)	(70)	(166)	(160)	-	-	(192)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 782,690	\$ 782,690	\$ 566,319	\$ 566,319	\$ 475,072	\$ 475,072	\$ 444,056	\$444,056
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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TOWN OF NORTH YARMOUTH, MAINE

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

	2025	2024	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>								
Service cost (BOY)	10,145	6,423	7,445	8,226	7,248	3,885	4,333	3,533
Interest (includes interest on service cost)	2,441	2,542	1,414	1,719	1,828	1,597	1,306	1,434
Changes of benefit terms	-	-	-	-	-	(1,119)	-	-
Differences between expected and actual experience	-	(21,825)	-	(17,079)	-	5,310	-	(9,095)
Changes of assumptions	(1,633)	16,247	(7,964)	(4,377)	4,470	14,788	(4,199)	3,444
Benefit payments, including refunds of member contributions	(868)	(293)	(70)	(166)	(160)	-	-	(192)
Net change in total OPEB liability	<u>\$ 10,085</u>	<u>\$ 3,094</u>	<u>\$ 825</u>	<u>\$ (11,677)</u>	<u>\$ 13,386</u>	<u>\$ 24,461</u>	<u>\$ 1,440</u>	<u>\$ (876)</u>
Total OPEB liability - beginning	\$ 65,160	\$ 62,066	\$ 61,241	\$ 72,918	\$ 59,532	\$ 35,071	\$ 33,631	\$ 34,507
Total OPEB liability - ending	<u>\$ 75,245</u>	<u>\$ 65,160</u>	<u>\$ 62,066</u>	<u>\$ 61,241</u>	<u>\$ 72,918</u>	<u>\$ 59,532</u>	<u>\$ 35,071</u>	<u>\$ 33,631</u>
<u>Plan fiduciary net position</u>								
Contributions - employer	868	293	70	166	160	-	-	192
Contributions - member	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(868)	(293)	(70)	(166)	(160)	-	-	(192)
Administrative expense	-	-	-	-	-	-	-	-
Net change in fiduciary net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending	<u>\$ 75,245</u>	<u>\$ 65,160</u>	<u>\$ 62,066</u>	<u>\$ 61,241</u>	<u>\$ 72,918</u>	<u>\$ 59,532</u>	<u>\$ 35,071</u>	<u>\$ 33,631</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 782,690	\$ 782,690	\$ 566,319	\$ 566,319	\$ 475,072	\$ 475,072	\$ 444,056	\$444,056
Net OPEB liability as a percentage of covered payroll	9.6%	8.3%	11.0%	10.8%	15.3%	12.5%	7.9%	7.6%

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

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

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TOWN OF NORTH YARMOUTH, MAINE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

Changes of Assumptions

MEPERS PLD Plan:

There were no changes to the actuarial assumptions.

Maine Municipal Health Trust

The discount rate was updated to reflect the December 26, 2024 Bond Buyer 20-Bond GO Index. Short-term trends were adjusted in this valuation to reflect the expected 2025 per capita costs, premium increases and an increase in expected rebates.

Other Supplementary Information

Other supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF NORTH YARMOUTH, MAINE
SCHEDULE A

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2025

Resources (Inflows):	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Taxes:				
Property taxes	\$ 12,457,057	\$ 12,457,057	\$ 12,454,983	\$ (2,074)
Auto excise	1,200,000	1,200,000	1,284,865	84,865
Boat excise	10,000	10,000	8,891	(1,109)
Subtotal	13,667,057	13,667,057	13,748,739	81,682
Intergovernmental revenues:				
BETE	75,153	75,153	75,269	116
General assistance	2,450	2,450	255	(2,195)
Homestead exemption	327,858	327,858	327,858	-
LRAP	32,000	32,000	32,424	424
State revenue sharing	650,000	650,000	699,914	49,914
Tree growth	4,300	4,300	4,959	659
Veterans' exemption	2,200	2,200	1,496	(704)
Renewable energy exemption	-	-	10,326	10,326
Miscellaneous	8,000	8,000	50,335	42,335
Subtotal	1,101,961	1,101,961	1,202,836	100,875
Charges for services:				
Agent fees	18,000	18,000	18,916	916
Building permits	40,000	40,000	58,769	18,769
Clerk fees	800	800	778	(22)
Code enforcement	8,950	8,950	9,225	275
Community center fees	20,000	20,000	27,469	7,469
Customer service fees	500	500	195	(305)
Dog control/park use permit	500	500	-	(500)
Electrical permits	18,000	18,000	12,818	(5,182)
Genealogy search	-	-	15	15
Planning board fees	1,500	1,500	3,525	2,025
Plumbing fees	9,000	9,000	10,470	1,470
Private road signs and road permits	900	900	1,013	113
Rescue fees	100,000	100,000	88,914	(11,086)
Site plan review	-	-	650	650
Solid waste/recycling	150,000	150,000	172,430	22,430
Solid waste hauler permit	75	75	275	200
Vital records	2,500	2,500	3,493	993
Subtotal	370,725	370,725	408,955	38,230

TOWN OF NORTH YARMOUTH, MAINE
SCHEDULE A (CONTINUED)

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
BUDGET AND ACTUAL - GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Interest income:				
Interest income	120,000	120,000	202,566	82,566
Tax interest	15,000	15,000	14,937	(63)
Subtotal	135,000	135,000	217,503	82,503
Miscellaneous revenues:				
Cable franchise fees	28,000	28,000	26,205	(1,795)
Cell tower rental	50,000	50,000	56,562	6,562
Consolidated Comm lease	6,000	6,000	6,000	-
Rental fees	11,050	11,050	11,050	-
Other miscellaneous	4,700	4,700	14,940	10,240
Subtotal	99,750	99,750	114,757	15,007
Transfers from other funds	49,432	49,432	49,432	-
Amounts Available for Appropriation	\$ 15,423,925	\$ 15,423,925	\$ 15,742,222	\$ 318,297

TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive/ (Negative)
SOLID WASTE AND RECYCLING	390,423	-	390,423	391,138	(715)
MUNICIPAL FINANCES:					
Employee benefits	10,951	-	10,951	1,526	9,425
Grant expenses	915	-	915	6,996	(6,081)
Senior tax program	32,000	-	32,000	15,450	16,550
Totals	43,866	-	43,866	23,972	19,894
COUNTY ASSESSMENT	490,577	-	490,577	490,577	-
EDUCATION	9,515,524	-	9,515,524	9,515,524	-
OVERLAY	149,687	-	149,687	2,012	147,675
TRANSFERS TO OTHER FUNDS:					
TIF	314,260	-	314,260	314,260	-
Capital projects fund	5,000	-	5,000	5,000	-
Totals	319,260	-	319,260	319,260	-
TOTAL DEPARTMENTAL OPERATIONS	\$ 15,423,925	\$ -	\$ 15,423,925	\$ 14,965,105	\$ 458,820

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

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TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive/ (Negative)
MUNICIPAL ADMINISTRATION:					
Operations	\$ 618,557	\$ -	\$ 618,557	\$ 607,396	\$ 11,161
Contracts/professional services	1,084,119	-	1,084,119	1,035,384	48,735
Totals	1,702,676	-	1,702,676	1,642,780	59,896
COMMUNITY SERVICES:					
General assistance	7,900	-	7,900	4,513	3,387
Social services	8,618	-	8,618	8,618	-
Community center	617,438	-	617,438	577,175	40,263
Totals	633,956	-	633,956	590,306	43,650
PUBLIC SAFETY:					
Fire/rescue department	794,892	-	794,892	720,297	74,595
Contracts/professional services	141,375	-	141,375	137,605	3,770
Totals	936,267	-	936,267	857,902	78,365
PUBLIC WORKS	1,241,689	-	1,241,689	1,131,634	110,055

SCHEDULE C

TOWN OF NORTH YARMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 57,935	\$ 147,623	\$ 205,558
Accounts receivable (net of allowance for uncollectibles)	1,385	-	1,385
Due from other funds	67,958	2,325	70,283
TOTAL ASSETS	\$ 127,278	\$ 149,948	\$ 277,226
LIABILITIES			
Due to other funds	\$ 1,385	\$ -	\$ 1,385
TOTAL LIABILITIES	1,385	-	1,385
FUND BALANCES			
Nonspendable	-	-	-
Restricted	60,841	149,948	210,789
Committed	-	-	-
Assigned	65,052	-	65,052
Unassigned	-	-	-
TOTAL FUND BALANCES	125,893	149,948	275,841
TOTAL LIABILITIES AND FUND BALANCES	\$ 127,278	\$ 149,948	\$ 277,226

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

SCHEDULE D

TOWN OF NORTH YARMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment income, net of unrealized gains/(losses)	\$ 3,628	\$ 7,413	\$ 11,041
Intergovernmental	19,803	-	19,803
Other income	8,850	4,849	13,699
TOTAL REVENUES	32,281	12,262	44,543
EXPENDITURES			
Other	31,086	23,923	55,009
TOTAL EXPENDITURES	31,086	23,923	55,009
NET CHANGE IN FUND BALANCES	1,195	(11,661)	(10,466)
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	824,865	161,609	986,474
CHANGE WITHIN FINANCIAL REPORTING ENTITY	(680,082)		(680,082)
FUND BALANCE RESTATEMENT	(20,085)	-	(20,085)
FUND BALANCES - JULY 1, AS RESTATED	124,698	161,609	286,307
FUND BALANCES - JUNE 30	\$ 125,893	\$ 149,948	\$ 275,841

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

TOWN OF NORTH YARMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Escrow Funds	Events Committee	Flag Committee	Living Well in North Yarmouth	Memorial	Scholarship
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	57,935
Accounts receivable (net of allowance for uncollectibles)	1,385	-	-	-	-	-
Due from other funds	-	2,534	10	2,460	1,193	-
TOTAL ASSETS	\$ 1,385	\$ 2,534	\$ 10	\$ 2,460	\$ 1,193	\$ 57,935
LIABILITIES						
Due to other funds	\$ 1,385	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	1,385	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	2,534	10	2,460	1,193	57,935
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	-	2,534	10	2,460	1,193	57,935
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,385	\$ 2,534	\$ 10	\$ 2,460	\$ 1,193	\$ 57,935

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF NORTH YARMOUTH, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Escrow Funds	Events Committee	Flag Committee	Living Well in North Yarmouth	Memorial	Scholarship
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,628
Intergovernmental	-	-	-	-	-	-
Other income	-	-	-	-	-	-
TOTAL REVENUES	-	-	-	-	-	3,628
EXPENDITURES						
Other	-	-	1,000	-	-	500
TOTAL EXPENDITURES	-	-	1,000	-	-	500
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(1,000)	-	-	3,128
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED		2,534	1,010	2,460	1,193	54,807
CHANGE WITHIN FINANCIAL REPORTING ENTITY		-	-	-	-	-
FUND BALANCE RESTATEMENT		-	-	-	-	-
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	-	2,534	1,010	2,460	1,193	54,807
FUND BALANCES (DEFICITS) - JUNE 30	\$ -	\$ 2,534	\$ 10	\$ 2,460	\$ 1,193	\$ 57,935

TOWN OF NORTH YARMOUTH, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2025

	Keep North Yarmouth Warm Fund	Grant Fund	Moved to Major Funds TIF	Fire Truck Bond	Parks and Recreation	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,935
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	-	1,385
Due from other funds	24,039	36,802	-	-	920	67,958
TOTAL ASSETS	\$ 24,039	\$ 36,802	\$ -	\$ -	\$ 920	\$ 127,278
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,385
TOTAL LIABILITIES	-	-	-	-	-	1,385
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	24,039	36,802	-	-	-	60,841
Committed	-	-	-	-	-	-
Assigned	-	-	-	-	920	65,052
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	24,039	36,802	-	-	920	125,893
TOTAL LIABILITIES AND FUND BALANCES	\$ 24,039	\$ 36,802	\$ -	\$ -	\$ 920	\$ 127,278

Permanent Funds

Permanent funds are used to account for assets held by the Town of North Yarmouth, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries.

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TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE F (CONTINUED)

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Keep North Yarmouth Warm Fund	Grant Fund	Moved to Major Funds TIF	Fire Truck Bond	Parks and Recreation	Total
REVENUES						
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,628
Intergovernmental	-	19,803	-	-	-	19,803
Other income	1,000	7,850	-	-	-	8,850
TOTAL REVENUES	1,000	27,653	-	-	-	32,281
EXPENDITURES						
Other	624	28,962	-	-	-	31,086
TOTAL EXPENDITURES	624	28,962	-	-	-	31,086
NET CHANGE IN FUND BALANCES (DEFICITS)	376	(1,309)	-	-	-	1,195
FUND BALANCES (DEFICITS) - JULY 1, AS PREVIOUSLY REPORTED	23,663	63,111	680,082	(4,915)	920	824,865
CHANGE WITHIN FINANCIAL REPORTING ENTITY	-	-	(680,082)	-	-	(680,082)
FUND BALANCE RESTATEMENT	-	(25,000)	-	4,915	-	(20,085)
FUND BALANCES (DEFICITS) - JULY 1, AS RESTATED	23,663	38,111	-	-	920	124,698
FUND BALANCES (DEFICITS) - JUNE 30	\$ 24,039	\$ 36,802	\$ -	\$ -	\$ 920	\$ 125,893

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

TOWN OF NORTH YARMOUTH, MAINE
SCHEDULE G

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2025

	Cemetery Trust	Total
ASSETS		
Cash and cash equivalents	\$ 147,623	\$ 147,623
Due from other funds	2,325	2,325
TOTAL ASSETS	\$ 149,948	\$ 149,948
LIABILITIES		
Due to others funds	\$ -	\$ -
TOTAL LIABILITIES	-	-
FUND BALANCES		
Nonspendable	-	-
Restricted	149,948	149,948
Committed	-	-
Assigned	-	-
Unassigned	-	-
TOTAL FUND BALANCES	149,948	149,948
TOTAL LIABILITIES AND FUND BALANCES	\$ 149,948	\$ 149,948

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

TOWN OF NORTH YARMOUTH, MAINE
SCHEDULE H

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Cemetery Trust	Total
REVENUES		
Interest income	\$ 7,413	\$ 7,413
Other income	4,849	4,849
TOTAL REVENUES	12,262	12,262
EXPENDITURES		
Other	23,923	23,923
TOTAL EXPENDITURES	23,923	23,923
NET CHANGE IN FUND BALANCES	(11,661)	(11,661)
FUND BALANCES - JULY 1	161,609	161,609
FUND BALANCES - JUNE 30	\$ 149,948	\$ 149,948

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

TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2025

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
Municipal Administration	\$ 100,000	\$ 657,265	\$ 56,307	\$ -	\$ 813,572
Community Services	1,122,795	4,100,519	228,527	-	5,451,841
Public Safety	-	478,486	2,095,744	-	2,574,230
Public Works	130,000	634,188	1,762,065	38,019,223	40,545,476
Total General Capital Assets	1,352,795	5,870,458	4,142,643	38,019,223	49,385,119
Less: Accumulated Depreciation	-	(1,417,720)	(2,005,919)	(25,261,353)	(28,684,992)
Net General Capital Assets	\$ 1,352,795	\$ 4,452,738	\$ 2,136,724	\$ 12,757,870	\$ 20,700,127

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

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Selectboard
Town of North Yarmouth
North Yarmouth, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of North Yarmouth, Maine as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the Town of North Yarmouth, Maine's basic financial statements and have issued our report thereon dated October 7, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of North Yarmouth, Maine's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of North Yarmouth, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of North Yarmouth, Maine's internal control.

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

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www.rhrsmith.com

TOWN OF NORTH YARMOUTH, MAINE

SCHEDULE J

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2025

	General Capital Assets 7/1/24	Additions	Deletions	General Capital Assets 6/30/25
Municipal Administration	\$ 598,396	\$ 215,176	\$ -	\$ 813,572
Community Services	5,346,041	105,800	-	5,451,841
Public Safety	2,763,039	96,191	(285,000)	2,574,230
Public Works	40,170,348	384,840	(9,712)	40,545,476
Total General Capital Assets	48,877,824	802,007	(294,712)	49,385,119
Less: Accumulated Depreciation	(27,599,955)	(1,281,843)	196,806	(28,684,992)
Net General Capital Assets	\$ 21,277,869	\$ (479,836)	\$ (97,906)	\$ 20,700,127

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies, may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of North Yarmouth, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
October 7, 2025

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APPENDIX D

**PROPOSED FORM
OF
LEGAL OPINION**

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November 19, 2026

[address]

Attn: [underwriter]

FORM OF OPINION

Re: Maine School Administrative District No. 51
2026 General Obligation Bonds in principal amount of \$53,490,000, dated November 19, 2026
Final CUSIP: 807688__

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance and sale by Maine School Administrative District No. 51 (the "Issuer") of the Issuer's registered 2026 General Obligation Bonds in the principal amount of \$53,490,000, dated November 19, 2026 (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 November 19, 2026, and will bear interest payable on May 15, 2027, and semi-annually thereafter on November 15 and May 15 of each year thereafter until maturity. The Bonds are issued in the following denominations and principal amounts and will mature on November 15 of each year as reflected hereinbelow:

Year	Installment	Interest Rate	Year	Installment	Interest Rate
2028	\$ 1,985,000		2042	\$ 1,980,000	
2029	\$ 1,985,000		2043	\$ 1,980,000	
2030	\$ 1,985,000		2044	\$ 1,980,000	
2031	\$ 1,985,000		2045	\$ 1,980,000	
2032	\$ 1,985,000		2046	\$ 1,980,000	
2033	\$ 1,985,000		2047	\$ 1,980,000	
2034	\$ 1,980,000		2048	\$ 1,980,000	
2035	\$ 1,980,000		2049	\$ 1,980,000	
2036	\$ 1,980,000		2050	\$ 1,980,000	
2037	\$ 1,980,000		2051	\$ 1,980,000	
2038	\$ 1,980,000		2052	\$ 1,980,000	
2039	\$ 1,980,000		2053	\$ 1,980,000	
2040	\$ 1,980,000		2054	\$ 1,980,000	
2041	\$ 1,980,000		Total	\$ 53,490,000	

Bonds maturing on and before November 15, 2036 are not subject to redemption prior to their stated dates of maturity. Bonds maturing on or after November 15, 2037 are subject to redemption prior to their stated dates of maturity, at the option of the Issuer, on and after November 15, 2036, 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 Chair of the School Board of the Issuer, and attested to by the Secretary 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 (which territory includes the Towns of Cumberland and North Yarmouth) 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

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APPENDIX E

**PROPOSED FORM
OF
CONTINUING DISCLOSURE AGREEMENT**

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MAINE SCHOOL ADMINISTRATIVE DISTRICT NO. 51
PROPOSED FORM OF
CONTINUING DISCLOSURE AGREEMENT

In connection with the issuance by Regional School Unit No. 51 d/b/a Maine School Administrative District No. 51 (the “Issuer”) of its \$ _____,000 2026 General Obligation Bonds, dated as of _____, 2026 (the “Bonds”) and with reference to the continuing disclosure requirements of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended, 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 Paragraphs 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 will be 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 free of charge 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 November __, 2026 relating to the Bonds (the “Official Statement”), which will be submitted to the MSRB at the time of delivery of the Bonds.

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, as amended, 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 following the end of each fiscal year, commencing with the fiscal year ending June 30, 2026, certain updated 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 “DISTRICT FINANCES,” “INDEBTEDNESS,” “RETIREMENT” and in APPENDIX A and such other 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 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 paragraph 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 Paragraph 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 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, as amended, 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 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: Christine Girard, Finance Manager, MSAD No. 51, 357 Tuttle Road, P.O. Box 6A, Cumberland, ME 04021, telephone: (207) 829-4800, facsimile: (207) 829-4802.

Dated: _____, 20__

REGIONAL SCHOOL UNIT NO. 51 d/b/a MAINE
SCHOOL ADMINISTRATIVE DISTRICT NO. 51

By: _____

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