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2015

## City of Saco, Maine Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2015

Cheryl Fournier

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**CITY OF SACO, MAINE**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For Fiscal Year Ended June 30, 2015**



Pedestrian Bridge built to connect the Saco and Biddeford Mill District that is being revitalized.

Prepared by:  
Cheryl Fournier  
Finance Director, City of Saco, Maine



**City of Saco, Maine**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2015**

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**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<u>Page</u>
Letter of Transmittal	1
GFOA Certificate of Achievement	9
Organizational Chart	11
List of Principal Officials	12

	<u>Statement</u>	<u>Page</u>
<b>FINANCIAL SECTION</b>		
Independent Auditor's Report		15
Management's Discussion and Analysis		19
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	37
Statement of Activities	2	38
Fund Financial Statements:		
Balance Sheet - Governmental Funds	3	39
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	4	40
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	41
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund – Budgetary Basis	6	42
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – School Operations Fund – Budgetary Basis	6.1	43
Statement of Net Position - Proprietary Fund	7	44
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund	8	45
Statement of Cash Flows - Proprietary Fund	9	46
Statement of Fiduciary Net Position - Fiduciary Funds	10	47
Notes to the Basic Financial Statements		48

**City of Saco, Maine**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2015**

---

**TABLE OF CONTENTS, CONTINUED**

	<u>Page</u>
Required Supplementary Information	
Modified Approach for City Infrastructure Capital Assets	78
Schedule of Funding Progress Retiree Healthcare Plan	82
Schedule of City's Proportionate Share of the Net Pension Liability	83
Schedule of City Contributions	84
Supplementary Information	<u>Exhibit</u>
Governmental Funds by Fund Type:	
General Fund:	
Comparative Balance Sheets	A-1      87
Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual – Budgetary Basis	A-2      88
All Other Non-major Governmental Funds:	
Combining Balance Sheet	B-1      93
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	B-2      94
Non-major Special Revenue Funds:	
Combining Balance Sheet	C-1      99
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)	C-2     105
Non-major Capital Project Funds:	
Combining Balance Sheet	D-1     113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit)	D-2     114
Non-major Permanent Funds:	
Balance Sheet	E-1     117
Statement of Revenues, Expenditures and Changes in Fund Balances	E-2     118
Agency Funds:	
Statement of Changes in Assets and Liabilities	F       121

**City of Saco, Maine**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2015**

---

**TABLE OF CONTENTS, CONTINUED**

	<u>Table</u>	<u>Page</u>
<b>STATISTICAL SECTION</b>		
Net Position by Component – Last Ten Fiscal Years	1	125
Change in Net Position – Last Ten Fiscal Years	2	126
Governmental Activities Tax Revenues by Source – Last Ten Fiscal Years	3	127
Fund Balances of Governmental Funds – Last Ten Fiscal Years	4	128
Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	5	129
Assessed Value and State Equalized Value of Taxable Property – Last Ten Fiscal Years	6	130
Property Tax Rates – All Direct and Overlapping Governments – Last Ten Fiscal Years	7	131
Principal Property Taxpayers – Current Year and Nine Years Ago	8	132
Property Tax Levies and Collections – Last Ten Fiscal Years	9	133
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	10	134
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	11	135
Direct & Overlapping Governmental Activities Debt – General Obligation Bonds	12	136
Statutory Debt Margin Information – Last Ten Fiscal Years and Legal Debt Margin Calculation	13	137
Demographic and Economic Statistics – Last Ten Fiscal Years	14	138
Principal Employers – Current Year and Nine Years Ago	15	139
Full-Time Equivalent City Government Employees by Function – Last Ten Fiscal Years	16	140
Operating Indicators by Function – Last Ten Fiscal Years	17	141
Capital Asset Statistics by Function – Last Ten Fiscal Years	18	142

# ***INTRODUCTORY SECTION***



## City of Saco

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### Finance Office

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December 22, 2015

Honorable Don Pilon, Mayor  
and Distinguished Members of the City Council  
300 Main Street  
Saco, Maine 04072

The comprehensive annual financial report of the City of Saco, Maine for the fiscal year ended June 30, 2015, is hereby submitted in accordance with the requirements of both our City Charter and state statutes. The Charter and statutes require that the City of Saco issue annually a report of its financial position and activity, and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data presented, and the completeness and fairness of the presentation, including all disclosures, rests with the City of Saco. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the City of Saco on a government-wide and fund basis. All disclosures necessary to enable the reader to gain the maximum understanding of the City's activities have been included.

The comprehensive annual financial report is prepared in accordance with Accounting Principles Generally Accepted in the United States of America (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

The Governmental Accounting Standards Board (GASB) 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 compliment MD&A and should be read in conjunction with it. The City of Saco, Maine's MD&A can be found immediately following the report of the independent auditors.

### **Governmental Structure, Local Economic Condition and Outlook**

The City of Saco, Maine, incorporated in 1867, is located at the mouth of the Saco River on the southerly side of Saco Bay in the Gulf of Maine, in the southern coastal section of the State and is the eleventh largest city by population in the State of Maine. The City of Saco continues to be a key area within the state for residential growth, as well as a key area where industrial and commercial companies are investing. The City of Saco was ranked fifth within the State of Maine for this growth. Saco has a land area of 38.5 square miles and an estimated population of 18,482 based on the most recent census. The City is empowered to levy a property tax on both real and personal property located within its boundaries.

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

The City of Saco, Maine provides a full range of services, including police and fire protection; sanitation services; the construction and maintenance of highways, streets and infrastructure; waste water treatment plant (Water Resource Recovery); solid waste collection; health and social welfare; recreation; general administration, and economic development and education.

The annual budget serves as the foundation for the City of Saco's financial planning and control. All departments of the City of Saco are required to submit requests for appropriation to the Finance Director in January of each year. The City's Finance Director uses these requests as the starting point for developing a proposed budget. The City Administrator then presents this proposed budget to the City Council for review in March of each year. The City Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City's fiscal year. The appropriated budget is prepared by fund and department. Both transfers of appropriations within a department and between various departments require the approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund and School Operations Fund, this comparison is presented as part of the basic financial statements for the governmental funds.

### **Major Initiatives Fiscal Year 2014-2015**

After much work, financial planning and commitment to our vision of making Saco a community with a high quality of life for all its citizens, the City again ends the year in a solid financial position. Central to this vision is a sustainable economy that offers an opportunity for everyone to have rewarding employment and for business to prosper, now and in the future. The people of Saco have brought this vision into reality by working together and building on our tradition of hard work, dedication and ingenuity.

**Economic Development.** The City has worked for decades to improve the economic development climate in Saco, and proof of those efforts is the steady increase in the City's assessed valuation, which is due to growth in the industrial and commercial sector, as well as strong residential growth. Notable additions to the City's economic development base are due to the City's continually expanding business parks, expanding auto dealerships along Route 1, and the expanding recreation sector with large indoor hockey and soccer facilities and theme parks.

**Assessed Valuation.** For the 24<sup>th</sup> consecutive year, the City's valuation has steadily increased with the exception of a couple of years with minor decreases. Since fiscal year 1991, the assessed valuation has risen from \$729,675,000, to this year's \$2,018,499,204. This equates to a 176.6% increase over this 24 year period. However, this increase has not been reflected proportionately between residential and commercial growth. In 1990, residential property accounted for 68% of the City's valuation. This year, residential property taxes will account for approximately 74.8% of the taxes paid, while business/industry will account for 25.2%.

**Financial Management.** The City created objectives for the two-year duration during 2015 budget process. The objectives for fiscal year 2015 and 2016 included: a zero budget increase, maintaining sustainable paving program, and reducing energy use. We did not meet these goals during the budgeting process. The City had an increase to the tax rate of 0.2% due to an increase in the capital program.



**Strategic Planning.** The City is committed to ensuring sound financial management of public funds. This includes monitoring goals and objectives through the Strategic Plan, maintaining sufficient fund balances in major governmental funds, and adhering to the highest management standards. In January 2014, the Council created goals for a two year period including fiscal year 2015 and 2016.

**Vision Process.** Bridge 2025 was the process created to work toward a vision of what Saco would look like in the year 2025. Twelve community meetings (focus groups) were held during the process. The outcome of the meetings gave the Council hundreds of pages of data. There were some major themes that were determined when organizing the data. The Council created six major goals. A Strategic Plan is being created based from the six major goals.

**Interlocal Service Efforts with the City of Biddeford and the Town of Old Orchard Beach.** Saco, Biddeford and Old Orchard Beach continue to build among the many services we provide jointly, including the harbor river patrol efforts, various training efforts for employees, combined purchasing to take advantage of economies of scale, and combined negotiations of cable franchise agreements, to name just a few. Interlocal agreements are also in place for fire, police and emergency management services.

**Biddeford-Saco-Old Orchard Beach Transit Committee.** The City is a member of the Biddeford-Saco-Old Orchard Beach Transit Committee which is a jointly governed organization. The Committee has operated a public mass transit passenger bus service within and between the three municipalities under a voluntary interlocal agreement since 1977. The City of Saco's contribution to the committee for the year ended June 30, 2015 was \$123,000. The Transit Committee does not meet the definition of a component unit or a joint venture because there is no ongoing financial interest or responsibility by the participating governments.

### **Major Initiatives - 2015-2016 Goals (Two year Goals)**

In January 2014, the Mayor, City Council, City Administrator, and Department Heads worked together to create a long list of issues, goals, and priorities. After a lot of thought, the list of hundreds of items was condensed to the following at the January 21, 2014 council meeting:

The City's goals were established during January 21, 2014 council meeting:

- A. Reduce energy use;
- B. Create an adopt-a-park program;
- C. Build larger salt shed;
- D. Review City owned properties for consolidation including adult education building (Common St), including buildings and land;
- E. Convert more street lights to LED;
- F. Fill Mill Brook Business Park;
- G. Work closely with school department for K-8 success;
- H. Maintain sustainable paving program;
- I. Broaden tax/industrial base;
- J. Zero budget increase for FY2015;
- K. Improve recreation opportunities for all ages;
- L. Simpson Road bridge construction, reconstruction without bond and non-historic;
- M. Minimize financial impact of flood zone changes;
- N. Continue to work to bringing Portland Pirates to Saco;
- O. Expand interlocal agreements with Scarborough and Biddeford;
- P. Review street lights for possible savings;
- Q. Develop one vision for Saco and keep it (printed) on the agenda; and
- R. Get piers in earlier at Diamond Riverside & Launch at Prentiss Park.

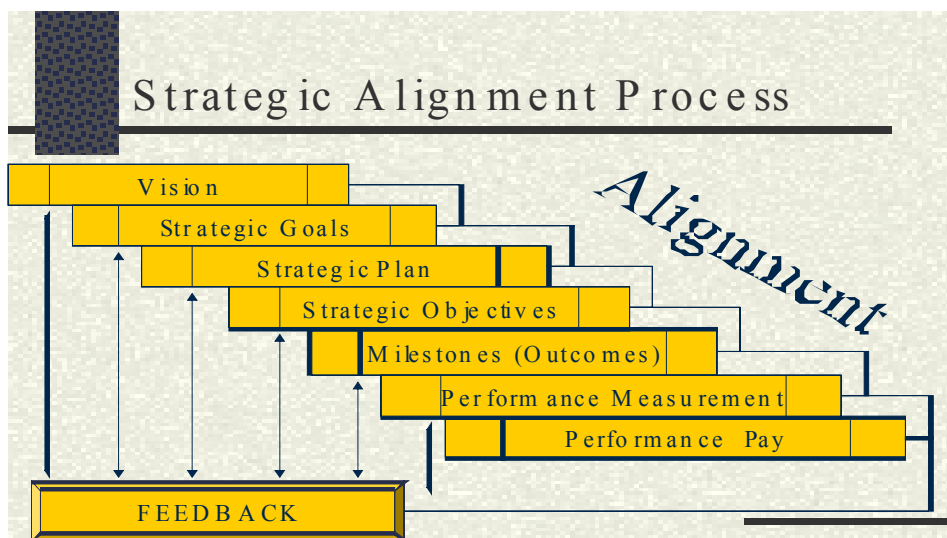
In the past, the above categories have created multiple objectives, and many of these objectives will be department head's goals (at least 240 hours of work) for the following years that will include milestones and descriptions of the goals. Each department head has three objectives, each taking 240 hours or more to complete. These objectives are part of the department head review process.

However, at the end of 2014, the Council voted to have the City go through a new vision process and a new method of reviewing the department heads will come out of that process.

The City will continue to build upon our past successes. The City will also continue to focus its efforts on economic development, fiscal accountability, expanding Saco's tax base and reaffirming our commitment to the public to improve service delivery and enhance the quality of life in our community.

In the past, the City received grants to complete a mixture of performance measurements and comparable statistics between other Maine communities. This was presented in the form of output measures, outcome measures and efficiency measures for each City department. The City was successful at completing its performance measurement reports and received a national Certificate of Excellence for Service Efforts and Accomplishments Reporting from the Association of Governmental Accountants (AGA) for all eight years of the published reports. This report substantially complied with the Governmental Accounting Standards Board's sixteen suggested criteria for these types of reports. In fiscal year 2009 and 2011, the City received smaller grant award from the National Center for Civic Innovation to complete the City's citizen satisfaction survey. The results were included in the City's fiscal year 2009 performance measurement report. The City has continued to complete the citizen satisfaction survey every other year since. The department heads use this information to determine the needs for the City in the future.

Prior to the new vision process, the City has linked the achievement of each department's milestones to the performance based pay system already in place, which rewards employees for the achievement of these objectives, thus creating a complete alignment and strategic focus for the entire City. The last integral piece of this process will be to solicit feedback from the citizen's within the City of Saco on our progress to assure that our strategic goals and objectives are aligned with the service needs of our community. Each year they will be revisited for this purpose and updated based on the feedback received. Both grant awards provided the City with the funding to pursue further outreach to the citizens of our community.



The following represents the City Council vision statement and the strategic goals within the City's Strategic Plan. Strategic goals are general statements of purpose that pertain to how the City achieves its mission and vision. The strategic goal generally addresses end results rather than specific actions. A goal provides a framework and direction for City departments to align their objectives and plans to achieve their goals.

## **Vision – Values – Philosophy - Ethics**

The City went through a visioning process in FY2015 which the City has named “The Bridge 2025”.

1. Vision Statement: Saco is a safe and welcoming community with high levels of citizen participation. Residents and visitors enjoy the wide variety of recreational opportunities, events and entertainment for all ages and we take pride in being a recreation destination. The Mill District and Main Street are easy to navigate and diverse with shops, restaurants and services. We are well known for our mix of urban and natural assets which are inviting and enhance the historic significance of our small town character. Saco’s accessible location and commitment to quality educational opportunities encourages families and businesses to locate here and grow. City government is receptive to its citizens, mindful of their fiscal responsibility and collaborative with neighboring communities.
2. City Council Mission: To ensure the highest possible quality of life for Saco citizens, businesses and visitors through careful policy decisions and visionary leadership.
3. Community Values:
  - a. Excellence in learning
  - b. Affordable living
  - c. Sustainable, manageable growth
  - d. Innovation
  - e. Neighborly relations
  - f. Entrepreneurship
  - g. Volunteerism
  - h. Preservation
  - i. Intergenerational opportunities

## **Strategic Goals Categories**

### **Downtown Revitalization**



The City recognizes the downtown’s significance as the economic and community center. The City will continue to promote the revitalization of the downtown and will support groups like Saco Spirit.

### **Infrastructure and Capital Development and Maintenance**



The City is committed to maintaining and improving the City’s infrastructure, facilities, and equipment by maintaining the existing infrastructure and planning for future needs.

### **Growth Management**



The City will encourage sustainable growth and development in appropriate areas while protecting natural resources and rural character, in order to maximize the efficient use of municipal services.

### **Environmental Protection and Sustainable Development**



The City will protect the environment and natural resources, and will employ the concept of sustainability in order to enhance the well being of future generations.

### **Technological Innovation and Implementation**



The City will develop and implement technologies to improve services.

### **Human Resource Investment**



The City recognizes that employees are a valuable resource that requires investment to ensure that staff will attain the knowledge, skills, and abilities necessary to meet community needs.

### **Leisure Services Investment**



The City understands the need for recreational and cultural opportunities for its citizens' and will continue to explore, upgrade, and develop new outlets to meet these needs.

### **Meeting the Financial Needs for City Services**



The City will support and adequately plan for the financial needs of the community.

### **Public Safety**



The City will provide a safe environment for its citizens and visitors.

### **Traffic**



The City will endeavor to provide safe, reliable and unfettered movement of people and freight through the City.

### **Significant Accomplishments of Fiscal Year 2015**

- Saco Schools become part of the City effective July 1, 2014
- Comprehensive Annual Financial Reporting (GFOA Award) for 10 consecutive years
- Reorganization of the Finance/Human Resource Department
- Tax Increment Financing for Chinburg/Mill Building #4 Project
- New copier deployment
- New PC deployment
- Upgrade domain level to 2012 R2
- Streamlined PC deployment process decreasing time spent on building PC's by 50%
- Vision upgrade
- Increased network reliability to ~99.9% uptime from ~80% uptime
- Improved GIS infrastructure by removing an outdated in house server that was rarely updated to a hosted solution that is updated at near real time
- Performed installation of new dispatch consoles
- Added a digital finger print scanner
- Added network capabilities to the Parks and Rec garage
- Replaced the firewall and access point at the train station resulting in no outages of camera equipment
- Purchase of a state of the art boat for Fire/Rescue
- Hired a new Economic Development Director
- Assisted in the revitalization of the Saco Main Street
- FEMA Grant received
- During this past year, the City of Saco Water Resource Recovery Department (WRRD) has collectively accomplished a number of significant projects. Most notably are the following:
  - A major construction project was completed at the Buxton Road Pumping Station that is just north of the Saco Middle School. This major, year-long evolution was facilitated by WRRD Staff who acted as the General Contractor, saving the rate payers several hundred thousand dollars. This project incorporated a new electrical service, building, new pumps, piping and a new emergency standby generator. All of which replaced the approximately thirty eight year old aging infrastructure.
  - The WRRD Route 1 Millbrook Pump Station was outfitted with a new stationary Emergency Standby Generator that will significantly enhance the system operation and reliability during unexpected power outages. This project was carried out by WRRD and Public Works staff.
  - The WRRD has replaced nearly all facility lighting with LED bulbs and fixtures through a special program with Efficiency Maine. Some of the fixtures that were installed resulted in a net-zero cost outlay and all LED fixtures have resulted in energy savings that have met or exceeded our expectations.
  - The WRRD, in an effort to streamline efficiency, has brokered a strong working relationship with the Maine Water Co who will facilitate all billing for the Department.

- The WRRD staff has replaced pumps at the Irving Street Pumping Station and upgraded others in order to alleviate clogging issues from non-flushable wipes. In light of the pump clogging issues, we ask that all contributors to our collection network and pumping system to please refrain from flushing wipes and other materials that are intended for disposal through means other than the toilet.
- Camp Ellis roof repaired
- Redesign and rebuild of Water Street with pedestrian and parking improvements
- Lined or replaced over 1000 feet of sewer that run adjacent to streams and brooks in the City
- Parking lot improvements and implementation of a pay meter system at Bay View Beach
- Completed an update to the 2005 Route 112 Corridor Traffic Study
- Traffic signal installed on Rt. 1 to service Spring Hill Road and Mill Brook Business Park access
- Four miles of road paving completed under the City's pavement preservation program

## **Financial Information**

The City's Finance Department is responsible for establishing and maintaining internal controls designed to ensure that the assets of the City are protected from loss, theft, or misuse, and to ensure that the adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal controls being used are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs of control procedures are weighed against the expected benefits to be derived, and that the evaluation of costs and benefits requires educated estimates and professional judgments by management. All of the City's internal accounting control evaluations occur within this framework.

As a recipient of federal, state and local financial assistance, the City is also responsible for ensuring that adequate internal controls are in place to ensure and document compliance with applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluations by the management and finance department staff of the City.

The City annually adopts fiscal year budgets for its general fund and school operations fund that are established in accordance with the various laws that govern the City's operations as authorized by the Council. Per City Charter, the legal level of budgetary control is at the department level. This means that management cannot overspend departmental budgets without the approval of the governing body. These allocations are reviewed quarterly against actual expenditures, and variances are addressed in the quarterly financial reports presented to the City Council. At mid-year, unless conditions dictate an earlier need, budgets are reviewed, yearend projections are made, and adjustments to the financial plan considered and any necessary changes are legally adopted through the passage of an appropriation resolve.

**Relevant Financial Policies:** The City's policy prescribes use of the unassigned fund balances. In general, unassigned fund balance is not to be used to fund any portion of the on-going and routine year to year operating expenditures of the City. It is to be used primarily to ensure adequate fund balances, to respond to unforeseen emergencies, and to provide overall financial stability.

By Charter, the City is required to maintain a balance of 5% to 10%, and the Council has determined that a target of 8.33% is reasonable. Unassigned fund balance in the general fund as of June 30, 2015, was 10.8% of expenditures, net of debt service.

## **Other information:**

**Independent Audit:** State Statute and the City Charter require an annual audit of all financial records by independent certified public accountants. The audit of fiscal year 2015 was performed for the City Council, by the firm Runyon Kersteen Ouellette PA, a firm of licensed Certified Public Accountants.

The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Saco, for the fiscal year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit that there was a reasonable basis for rendering an unmodified opinion that the City of Saco's financial statements for the fiscal year ending June 30, 2015, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The independent auditor's report is presented as the first component of the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations and OMB Circular A-133 can be found in a separately issued report.

**Awards:** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Saco, Maine for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 5<sup>th</sup> year in a row that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

**Acknowledgements:** The preparation of this report would not have been possible without the cooperation of all City department heads, as well as the members of the Finance Department. Appreciation is also extended to the City Administrator, Richard Michaud, for his consistent support of these efforts. Credit must also be extended to the Mayor and the governing City Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Saco, Maine's finances. I wish to acknowledge the efforts of our independent auditors, Runyon Kersteen Ouellette PA, for the professional audit work they provided and for all their assistance.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Cheryl Fournier', with a long horizontal flourish extending to the right.

Cheryl Fournier  
Finance Director



Government Finance Officers Association

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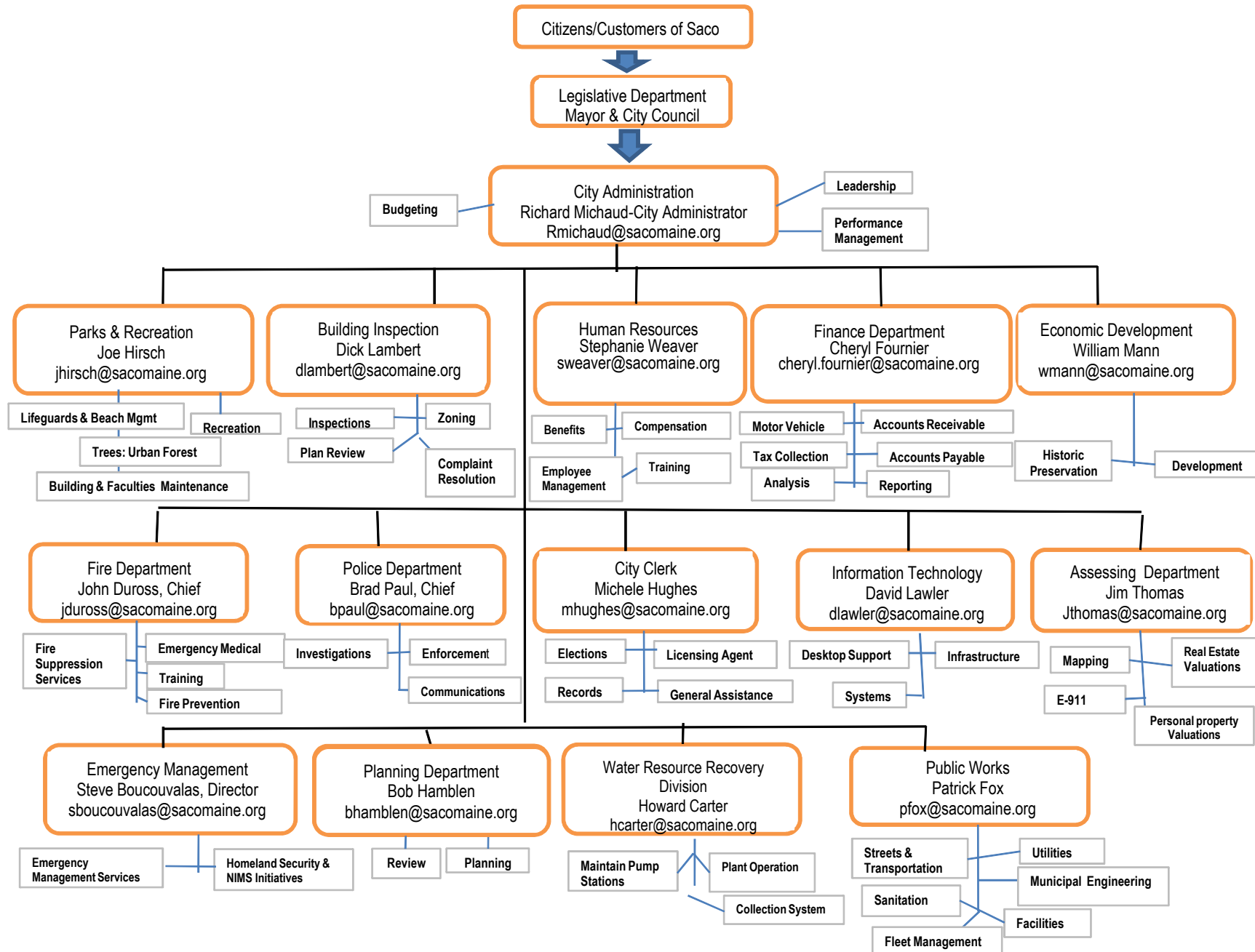
**City of Saco  
Maine**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# CITY OF SACO - 2015 ORGANIZATION CHART





## **CITY OF SACO, MAINE**

### **List of Principal Officials (Elected and Appointed)**

**June 30, 2015**

---

#### Elected Officials

Mayor	Don Pilon
Council Member – Ward 1	David Precourt
Council Member – Ward 2	Leslie Smith, Jr.
Council Member – Ward 3	Bette Brunswick
Council Member – Ward 4	Kevin Roche
Council Member – Ward 5	Arthur J. Tardif
Council Member – Ward 6	Eric B. Cote
Council Member – Ward 7	Nathan Johnston

#### Appointed Officials

City Administrator	Richard Michaud
Executive Assistant	Emily Roy
Economic Development Director	William Mann
Finance Director/Treasurer/Tax Collector	Cheryl Fournier
City Clerk	Michele Hughes
Personnel Officer	Stephanie Weaver
Assessor	Jim Thomas
Fire Chief	John Duross
Police Chief	Brad Paul
Public Works Director	Pat Fox
City Engineer	Angela Blanchette
Parks & Recreation Director	Joseph Hirsch
Building Inspector	Richard Lambert
City Planner	Robert Hamblen
City Solicitor	Tim Murphy

## ***FINANCIAL SECTION***

## Independent Auditor's Report

To the City Council  
City of Saco, Maine

### **Report on the Financial Statements**

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 City of Saco, Maine, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Saco, Maine's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Saco, Maine as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and School Operations Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the information provided under the modified approach for infrastructure assets, schedule of funding progress for the retiree healthcare plan, the schedule of the City's proportionate share of the net pension liability and schedule of City contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Saco, Maine's basic financial statements. The introductory section, combining and individual fund financial statements, schedule, exhibits, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, schedules and exhibits 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, the combining and individual fund financial statements, schedule, and exhibits are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

City Council  
City of Saco, Maine

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2015 on our consideration of the City of Saco, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Saco, Maine's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Rungan Kursten Ouellette". The signature is written in a cursive, flowing style.

December 22, 2015  
South Portland, Maine

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2015**

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As management of the City of Saco, Maine, we offer readers of the City of Saco, Maine's financial statements this narrative overview and analysis of the financial activities of the City of Saco for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented in conjunction with additional information that we have furnished in our letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

**THE FINANCIAL STATEMENTS**

The financial statements presented herein include all of the activities of the City of Saco, Maine (the City) using the integrated approach as prescribed by GASB Statement No. 34.

The Government-wide Financial Statements present the financial picture of the City using the economic resources measurement focus and the accrual basis of accounting. They present governmental activities and business-type activities separately. These statements include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables and receivables.

The Fund Financial Statements include statements for each of the two categories of activities – governmental and proprietary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. A reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences between each presentation.

**REPORTING THE CITY AS A WHOLE**

**The Statement of Net Position and the Statement of Activities**

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include *all* assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net position* and changes in such. Net position is the assets and deferred outflows of resources less liabilities and deferred inflows of resources, which is one way to measure the City's financial health or *financial position*. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure.

In the Statement of Net Position and the Statement of Activities, we separate the City Activities as follows:

**Governmental Activities** - Most of the City's basic services are reported in this category, including the General Government, Fire, Police, Public Works, Planning and Economic Development, Parks and Recreation, Community Services and Library and Education. Property taxes, user fees, interest income, franchise fees and state and federal grants finance these activities.

**Business-type Activities** - The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's Waste Water Treatment Plant activities are reported in this category.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

**REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

**Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds - not the City as a whole. Some funds are required to be established by State law. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money.

**Governmental Funds** - Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed shorter-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

**Proprietary Funds** - When the City charges customers for services it provides - whether to outside customers or to other units of the City - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise fund is the same as the business-type activities reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

**THE CITY AS A WHOLE**

The City is providing condensed financial information for fiscal year 2015 with comparative information for fiscal year 2014. Our analysis below focuses on the net position of the City's governmental and business-type activities.

Our next analysis focuses on changes in net position of the City's governmental and business-type activities.

	<b>2015</b>	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>
	<b>Governmental</b>	<b>Business-type</b>	<b>Primary</b>	<b>Governmental</b>	<b>Business-type</b>	<b>Primary</b>
	<b>Activities</b>	<b>Activities</b>	<b>Government</b>	<b>Activities</b>	<b>Activities</b>	<b>Government</b>
				<b>(restated)</b>		<b>(restated)</b>
Current and other assets	\$ 11,603,701	\$ 507,391	12,111,092	\$ 9,872,691	\$ 485,572	\$ 10,358,263
Capital assets	59,104,150	20,771,112	79,875,262	54,719,673	21,057,265	75,776,938
Total assets	70,707,851	21,278,503	91,986,354	64,592,364	21,542,837	86,135,201
Deferred outflows of resources	455,619	-	455,619	286,747	-	286,747
Non-current liabilities	19,538,754	354,218	19,892,972	19,163,719	583,725	19,747,444
Other liabilities	1,426,745	2,690,304	4,117,049	(982,667)	2,882,193	1,899,526
Total liabilities	20,965,499	3,044,522	24,010,021	18,181,052	3,465,918	21,646,970
Deferred inflows of resources	1,046,570	-	1,046,570	-	-	-
Net position:						
Net investment in capital assets	43,392,550	20,481,115	63,873,665	40,491,690	20,547,265	61,038,955
Restricted	3,310,412	-	3,310,412	3,114,597	-	3,114,597
Unrestricted	2,448,439	(2,247,134)	201,305	3,091,772	(2,470,346)	621,426
Total net position	<b>\$ 49,151,401</b>	<b>\$ 18,233,981</b>	<b>\$ 67,385,382</b>	<b>\$ 46,698,059</b>	<b>\$ 18,076,919</b>	<b>\$ 64,774,978</b>

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

	2015	2015	2015	2014	2014	2014
	Governmental	Business-type	Primary	Governmental	Business-type	Primary
	Activities	Activities	Government	Activities	Activities	Government
Revenues						
Program Revenues:						
Charges for services	\$ 2,645,302	2,591,094	5,236,396	\$ 2,841,794	2,242,454	5,084,248
Operating grants and contributions	16,181,277	-	16,181,277	689,414	-	689,414
Capital grants and contributions	219,344	-	219,344	254,731	-	254,731
General Revenues:						
Property taxes	37,824,974	-	37,824,974	37,260,170	-	37,260,170
Motor vehicle excise taxes	3,561,343	-	3,561,343	3,437,361	-	3,437,361
Franchise tax	269,818	-	269,818	270,220	-	270,220
Homestead exemption	368,955	-	368,955	370,764	-	370,764
Other state aid	832,016	-	832,016	260,796	-	260,796
State revenue sharing	1,058,579	-	1,058,579	917,449	-	917,449
Investment earnings	46,815	-	46,815	46,819	18,637	65,456
Miscellaneous revenues	238,770	209,442	448,212	402,720	338,478	741,198
Total revenues	63,247,193	2,800,536	66,047,729	46,752,238	2,599,569	49,351,807
Program Expenses:						
General government	9,828,320	-	9,828,320	8,509,397	-	8,509,397
Public safety	6,945,027	-	6,945,027	6,754,950	-	6,754,950
Public works	8,314,846	-	8,314,846	6,446,253	-	6,446,253
Housing programs	-	-	-	260,670	-	260,670
Culture and recreation	1,565,775	-	1,565,775	1,581,178	-	1,581,178
Education	34,398,667	-	34,398,667	20,162,776	-	20,162,776
Interest on debt	590,962	-	590,962	565,791	-	565,791
Waste water treatment plant	-	2,643,474	2,643,474	-	2,348,682	2,348,682
Total expenses	61,643,597	2,643,474	64,287,071	44,281,015	2,348,682	46,629,697
Special item: RSU withdrawal	849,746	-	849,746	-	-	-
Change in net position	\$ 2,453,342	157,062	2,610,404	\$ 2,471,223	250,887	2,722,110

## GOVERNMENTAL ACTIVITIES

The cost of all Governmental activities this year was \$61,643,597. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through City property taxes was only \$37,824,974 because some of the cost was paid by those who directly benefited from the programs (\$2,645,302), or by other governments and organizations that subsidized certain programs with operating grants and contributions (\$16,181,277) and capital grants and contributions (\$219,344). Overall, the City's governmental program revenues, including intergovernmental aid and fees for services, were \$19,045,923. The City paid for the remaining "public benefit" portion of governmental activities with \$42,597,674 in taxes and with other revenues, such as interest, State Revenue Sharing, general contributions and other miscellaneous revenues leaving an ending balance of \$49,151,401 in net position at year end.

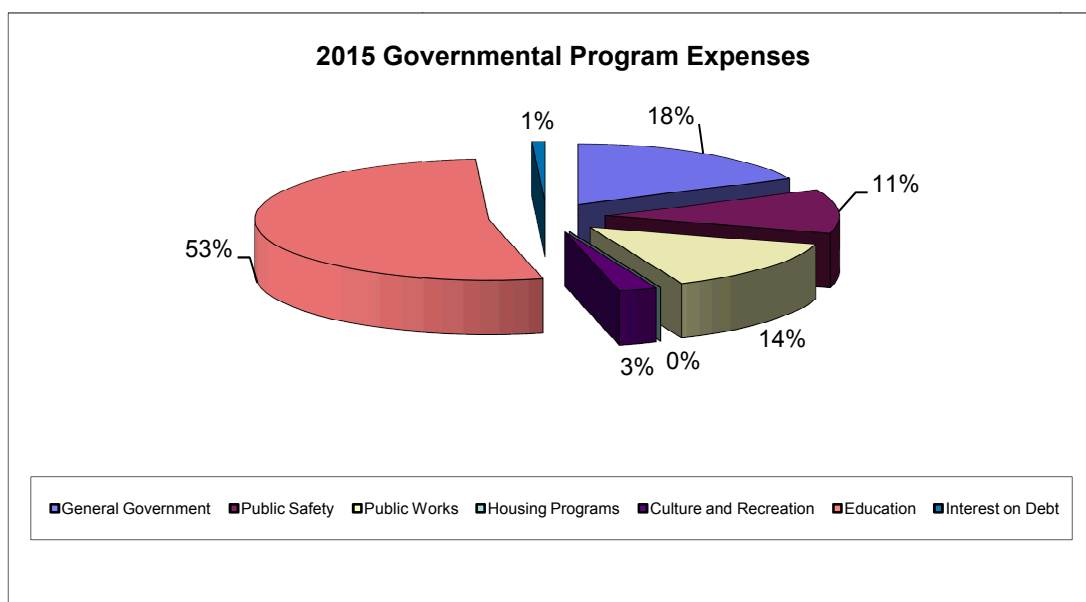
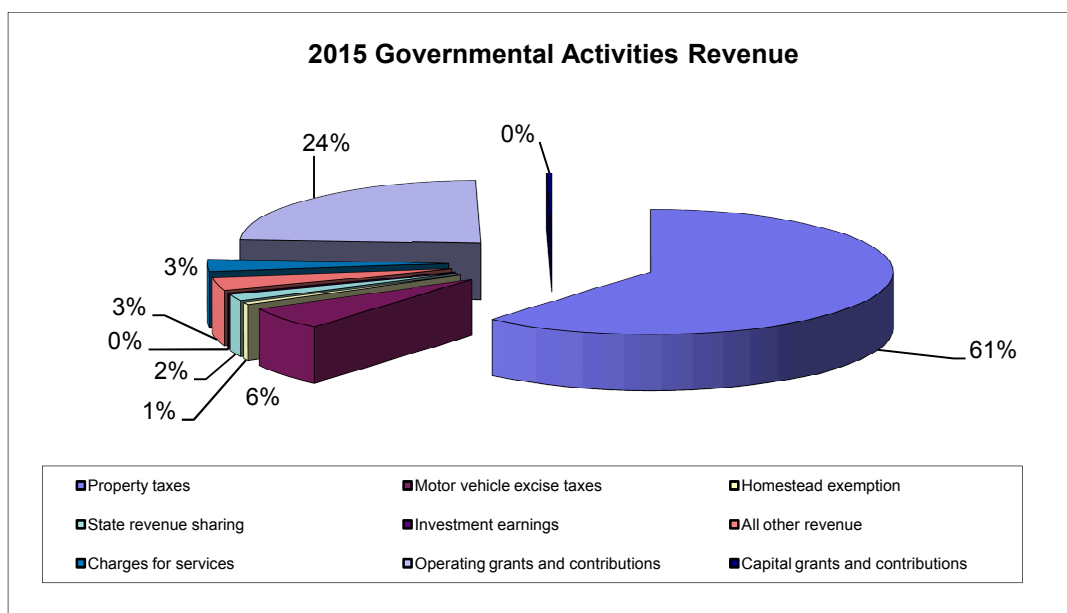
The City's programs include General Government, Public Safety, Public Works, Housing Programs, Culture and Recreation, Education, and Interest on Debt. Each program's net cost (total cost less revenues generated by the activities) is presented below for both the current year (2015) and last year (2014) for comparative purposes. The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.



**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

Governmental activities:	2015 Net (Expense)/Revenue	2014 Net (Expense)/Revenue
General Government	\$ (6,802,429)	\$ (7,567,634)
Public Safety	(6,023,367)	(5,886,393)
Public Works	(8,005,012)	(5,669,655)
Housing Programs	-	(18,038)
Culture and Recreation	(568,525)	(624,789)
Education	(20,607,379)	(20,162,776)
Interest on Debt	(590,962)	(565,791)
Total governmental activities	<u>\$(42,597,674)</u>	<u>\$ (40,495,076)</u>

Total resources available during the year to finance governmental operations were \$109,945,252 consisting of net position at July 1, 2014 of \$46,698,059, program revenues of \$19,045,923 and General Revenues of \$44,201,270. Total Governmental Activities during the year were \$61,643,597; thus, Net Position was increased by \$1,603,596, before the special item of \$849,746 to \$49,151,401.



**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

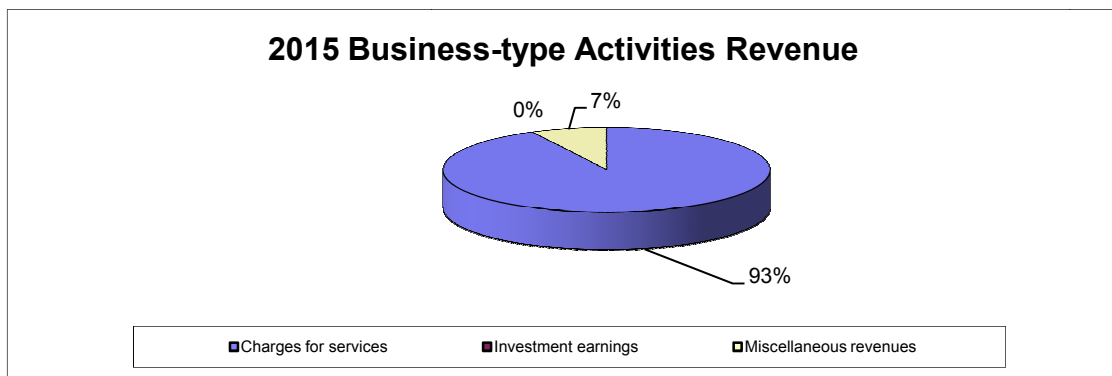
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**BUSINESS-TYPE ACTIVITIES**

The cost of all Proprietary (Business-type) activities this year was \$2,643,474. As shown in the Statement of Activities, the amounts paid by users of the system were \$2,591,094, and miscellaneous revenues were \$209,442.

The Proprietary Fund (Business-type) Activities include only the operation of the City's Waste Water Treatment Plant. The activities net revenues (total cost less revenues generated by the activities) is \$157,062 as revenues were more than expenses.

Total resources available during the year to finance Proprietary Fund (Business-type) Activities were \$20,877,455 consisting of Net Position at July 1, 2014 of \$18,076,919, program revenues of \$2,591,094, and general revenues of \$209,442. Total Proprietary Fund (Business-type) expenses during the year were \$2,643,474; thus, Net Position was increased by \$157,062 to \$18,233,981.



This increase in net position is due primarily to sewer user fees collected being higher than its projection for the year.

**THE CITY'S FUNDS**

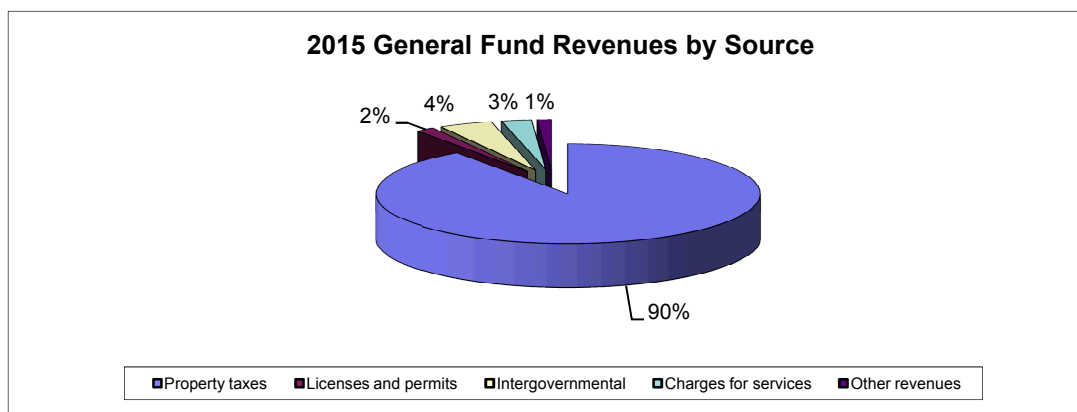
The following is an analysis of balances in the City's major individual funds. Comparative information is being provided for fiscal year 2014.

**General Major Governmental Functions** - The information below compares revenues of the General Fund for 2015 and 2014, respectively.

	2015	2014
Revenues by source:		
Taxes	\$41,505,716	\$40,528,072
Licenses and permits	724,518	695,230
Intergovernmental	2,062,683	1,896,085
Charges for services	1,156,353	1,473,166
Other revenues	548,119	563,687
Total revenues	<u>\$45,997,389</u>	<u>\$45,156,240</u>

Taxes increased by \$977,644 or 2.4%. The City tax rate went from \$18.58 per \$1,000 to \$18.62 per \$1,000 to cover increased cost of services. Charge for services revenues decreased by \$316,813. This was made up of \$313,200 in school payments for fuel and garage fees, which is now considered a transfer since the schools became a department of the City on July 1, 2014.

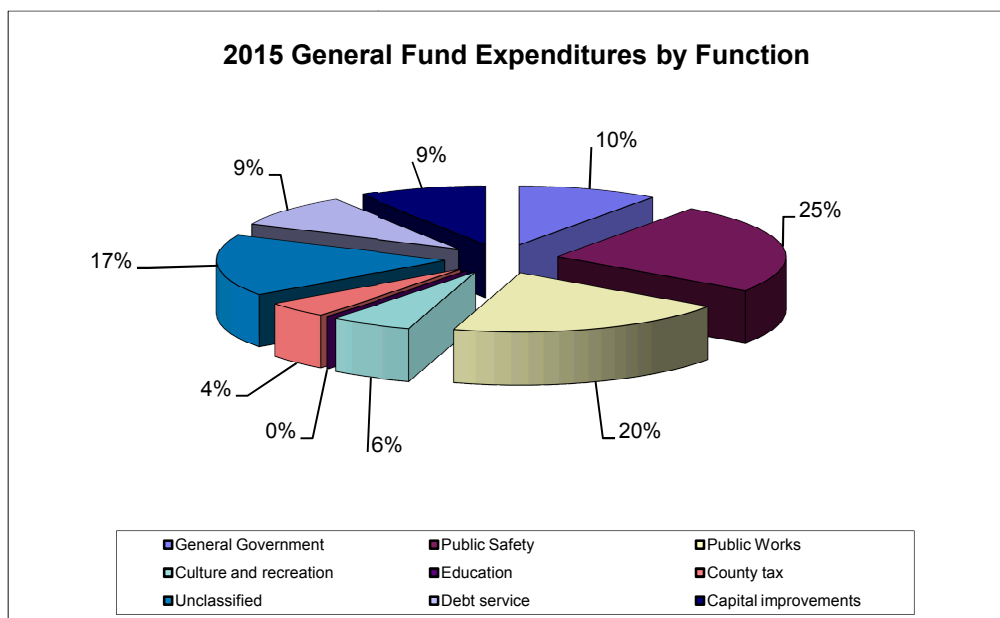
**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**



The information below compares expenditures of the General Fund for 2015 and 2014, respectively.

	2015	2014
Expenditures by function:		
General government	\$ 2,487,017	\$2,401,493
Public safety	6,632,398	6,368,789
Public works	5,053,368	5,072,132
Culture and recreation	1,555,900	1,523,888
Education	-	20,162,776
County tax	1,231,018	1,229,217
Unclassified	4,511,932	4,388,189
Debt service	2,407,689	2,356,604
Capital improvements	1,986,298	1,298,744
Total expenditures	<u>\$25,865,620</u>	<u>\$44,801,832</u>

Education costs decreased by \$20,162,776, which was due to the school withdrawal from the Regional School Unit #23 and becoming part of the City as of July 1, 2014. The School activity is now reported in the School Operation Fund, which is considered a major special revenue fund. The general fund has a transfer for \$20,607,734 to the Saco School special revenue fund and \$114,803 for the Adult Education special revenue fund totaling \$20,722,537 which is similar to the prior year education expenditures. Capital improvements increased due to the issuance of several new capital projects during the year.



**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

**School Operations Fund**

On July 1, 2014, the Saco Schools withdrew from Regional School Unit #23 (RSU #23) that included the City of Saco and the towns of Old Orchard Beach and Dayton. A Special Revenue Fund was created to account for the school general fund, which is maintained on a separate accounting system. The City transferred a total of \$20,607,734 from the tax levy to the Saco Schools. The additional school revenues were Intergovernmental (\$11,630,014), tuition fees (\$477,585) and other revenues (\$121,154). The expenditures totaled \$32,734,179 for fiscal year 2015. For fiscal year 2015, a net increase in fund balance of \$102,308 occurred before a transfer out of \$125,000 to the City General Fund. RSU #23 had a negative fund balance on June 30, 2014, the City of Saco's portion of \$564,769 was paid by the City, and coupled with the accrued summer benefits of \$325,040 resulted in a deficit fund balance of \$912,501 being created.

	<b>2015 Budgetary Basis</b>
Total Revenue	\$12,228,753
Total Expenditures	32,734,179
Deficiency of revenues under expenditures	(20,505,426)
Total Other Financing Sources	20,482,734
Net Decrease in Fund Balance	(22,692)
Special Item: Withdrawal from RSU #23	(564,769)
Accrued Summer Benefits	(325,040)
Fund deficit – June 30, 2015	<u>\$ (912,501)</u>

**Proprietary Fund**

The City's only major Enterprise Fund consists of the Waste Water Treatment Plant. The basic financial statements for the major fund are included in this report. Because the focus on proprietary funds is a cost of service measurement or capital maintenance, we have included this fund in the table below, which demonstrates return on ending assets and return on ending net position.

	<b>2015</b>	<b>2014</b>
Total Assets	\$21,278,503	\$21,542,837
Net Position	18,233,981	18,076,919
Change in Net Position	157,062	250,887
Return on Ending Total Assets	0.74%	1.16%
Return on Ending Net Position	0.86%	1.39%

**DEBT ADMINISTRATION**

Debt, considered a liability of governmental activities, increased in fiscal year 2015 by \$752,833. The increase is due to taking on the Regional School Unit #23 debt of \$2,360,000. Debt, considered a liability of business-type activities, decreased in fiscal year 2015 by \$220,000. Per capita bonded debt and capital leases outstanding increased from \$797 to \$866 per capita compared to the prior fiscal year. For a more detailed disclosure on debt, see footnote 6.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

The Governmental Activity and Business-type Activity debt summary for fiscal year 2015 is presented below.

	<b>Governmental Activities</b>	<b>Business-type Activities</b>
Debt Payable at June 30, 2014	\$ 14,676,230	\$ 510,000
Add: New Debt and Capital Lease Purchases	3,763,651	-
	18,439,881	510,000
Less: Debt Retired	2,392,096	220,000
Debt Payable at June 30, 2015	\$ 16,047,785	\$ 290,000

This debt payable does not include the long-term portion of compensated absences of \$1,374,799, OPEB of \$918,867 or Net Pension Liability of \$1,197,303 for governmental activities and \$64,218 of compensated absences for business-type activities. (See Note 5).

### **CAPITAL ASSETS**

The capital assets of the City are those assets, which are used in the performance of the City's functions including infrastructure assets. At June 30, 2015, net capital assets of the governmental activities totaled \$59,104,150 and the net capital assets of the business-type activities totaled \$20,771,112. Depreciation on capital assets is recognized in the Government-wide financial statements.

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

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed condition assessment level.

The City's streets are constantly deteriorating resulting from the following four factors: (1) traffic using the streets; (2) the sun's ultra-violet rays drying out and breaking down the top layer of pavement; (3) utility company/private development interests trenching operations; and (4) water damage from natural precipitation and other urban runoff. The City is continuously taking actions to arrest the deterioration through short-term maintenance activities such as pothole patching, street sweeping, and sidewalk repair.

The City expended \$642,812 on street maintenance for the fiscal year ended June 30, 2015. These expenditures defer pavement deterioration; however, the overall condition of the streets was not substantially changed through these maintenance expenditures. The City has estimated that the amount of annual expenditures required to maintain the City's streets at the minimum PCI rating of 70 rating (2 within City's Asset Management System, See Required Supplemental Information) is \$950,000 through 2015. The current PCI rating for 2015 is 80.82, which is up by 1.29 points from last year.

The City expended less than the estimated amount during the fiscal year ended June 30, 2015 due to fully expending road bonds and therefore extended some projects into the next fiscal year.

The City is also continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. The City expended \$1,008,725 on other infrastructure maintenance for the fiscal year ended June 30, 2015. These expenditures delayed deterioration and improved the overall condition through these maintenance expenditures. The City had estimated that the amount of annual expenditures required to maintain the City's infrastructure at the minimum rating of 2 through the year 2010 was a minimum of \$500,000.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

**Infrastructure Assets - June 30, 2015 and 2014**

Description	Net Cost 2015	Net Cost 2014
<b>Governmental Activities:</b>		
<b>Modified Approach:</b>		
Catch basins and manholes	\$ 2,302,711	\$ 2,302,711
Storm drainage	17,998,406	17,998,406
Sidewalks	1,899,091	1,899,091
Street Pavement System	13,426,915	13,426,915
Traffic signals	851,455	851,455
Street signs	44,818	44,818
Land	5,328,042	5,328,042
Construction in progress	123,003	436,116
<b>Total Governmental Activities</b>	<b>\$ 41,974,441</b>	<b>\$ 42,287,554</b>
<b>Business-type Activities:</b>		
Sewer pipe	14,918,272	14,918,272
<b>Total Business-type Activities</b>	<b>\$ 14,918,272</b>	<b>\$ 14,918,272</b>

**Capital Assets**

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
<b>Governmental Activities:</b>				
Buildings and Improvements	\$ 16,925,739	\$ 23,636,447	\$ -	\$ 40,562,186
Vehicles	5,400,938	2,514,177	(531,725)	7,383,390
Machinery and Equipment	4,577,535	1,139,322	(341,206)	5,375,651
Total	26,904,212	27,289,946	(872,931)	53,321,227
Accumulated Depreciation	(14,472,093)	(22,558,963)	839,538	(36,191,518)
<b>Total Governmental Activities</b>	<b>\$ 12,432,119</b>	<b>\$ 4,730,983</b>	<b>\$ (33,393)</b>	<b>\$ 17,129,709</b>
<b>Business-type Activities:</b>				
Buildings and Improvements	9,245,821	-	-	9,245,821
Vehicles	140,127	-	-	140,127
Machinery and Equipment	1,630,593	-	-	1,630,593
Total	11,016,541	-	-	11,016,541
Accumulated Depreciation	(4,877,548)	(286,153)	-	(5,163,701)
<b>Total Business-type Activities</b>	<b>\$ 6,138,993</b>	<b>\$ (286,153)</b>	<b>-</b>	<b>\$ 5,852,840</b>
<b>Total Capital and Infrastructure</b>	<b>\$ 74,749,757</b>			<b>\$ 80,188,375</b>

For more detail on capital assets, see footnote 4.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

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**BUDGETS AND BUDGETARY ACCOUNTING**

**General Fund Budget Variances**

Comparing the fiscal year 2014-2015 original budget (or adopted) General Fund amount of \$46,988,514 (expenditures of \$25,630,780, plus transfers of \$21,357,734, to the final budget amount of \$47,078,121 shows a change of \$89,607 from the original budget.

<u><b>Original Budget</b></u>	<u><b>+ Continuing Appropriations</b></u>	<u><b>= Beginning Balance</b></u>
\$46,988,514	181,688	47,170,202
<u><b>Beginning Balance</b></u>	<u><b>+/- Supplemental Changes</b></u>	<u><b>= Final Budget</b></u>
\$47,170,202	(92,081)	47,078,121

The \$181,688 reflects prior year encumbrance amounts. In November 2014, the Council passed a budget amendment to use \$286,550 of fund balance for increasing Capital costs and consulting services. The City also reduced its budget for technology and public works due to the school reimbursing certain costs paid by the City in the amount of \$443,042. The City also reduced its transfer amount to the school for \$125,000 which is the amount paid by the City to Regional School Unit #23 for the withdrawal costs.

**Revenues – Actual vs. Final Budget**

In total, actual tax revenues exceeded budget by \$393,062. This is the result of excise taxes exceeding budget by \$495,343. The increase in excise is due the difficulty of budgeting this type of revenue year over year, coupled with a rental agency registering cars in some years but not in others. The Council has decided to not budget any income from the rental agency due to inconsistent numbers.

In total, actual intergovernmental were above budget by \$299,046. The primary reason is that State Revenue Sharing is greater than budget by \$223,287. The Council decided to not amend the already passed budget, and knew that the intergovernmental being above budget would just increase the fund balance by that amount.

In total, actual charges for services exceeded budget by \$120,953. The largest factor was the result of recreation revenue exceeding budget by \$92,325 due to higher enrollment in summer programs. The next largest factor was the public works revenue exceeding budget by \$35,241 due to school bus repairs and gas.

In total, actual other revenue was below budget by \$51,141. This largest factor was the sale of city assets coming in below budget by \$137,930 due to the sale of a foreclosed property and some additional vehicles and equipment. The property that was expected to sell didn't sell until FY2016.

**Expenses – Actual vs. Final Budget**

In total, General Government was below budget by \$74,631. The primary reason is that Technology was below budget by \$89,064, and Legal was below budget by \$19,032. Other departments were slightly above budget which offset some of the savings.

In total, Public Works was below budget by \$448,177. This is a result of many factors. One of the primary reasons is that Waste Disposal is below budget by \$107,803 and Paving is below budget by \$143,022. The remaining factor were several other expenditure lines being below budget.

In total, actual Culture and Recreation is over budget by \$97,622. An increase in revenue offsets this cost. The increased number of summer camp enrollments increased the revenue, but also increased the amount of summer staffing. This budget overage is due to that increased staffing for summer programs, and is almost completely offset by additional unbudgeted revenues.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

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In total, actual unclassified is below budget by \$315,954. The primary reason is the budgeted overlay of \$500,000, and the Employee Benefits being above budget by \$111,573.

In total, actual capital projects are above budget by \$96,834. Many of these projects were in process, but not 100% complete. It is part of the assigned fund balance amount. The City budgets only as four categories, see below:

	<u><b>Budget</b></u>	<u><b>Actual</b></u>
Facility	\$ 336,854	\$538,966
Parks and Recreation	77,000	-
Roads and Infrastructure	437,660	507,453
Sewer	150,600	52,529

Weather and projects usually start in April/May and finish October/November, due to this going over the fiscal year the City assigned the remaining balances due to the projects not being complete.

#### **School Operation Fund Budget Variances**

The Saco Schools revenues were below budget by \$241,385, as a result of tuition revenue being significantly lower than expected. Expenditures which came in below budget included Special Education (\$351,338), Other Instruction (\$6,637), Student and Staff Support (\$22,956), School Administration (\$3,232), and Facilities Maintenance (\$191,800). These savings were partially offset by overages in expenditures in the following areas: Regular Instruction (\$257,612), System Administration (\$22,827), and Transportation (\$76,840), but in total the School Operations Fund expended less than budgeted by \$218,684).

#### **NEXT YEAR'S BUDGETS AND RATES**

The Annual Budget assures the efficient, effective and economic uses of City's resources, as well as, establishing that the highest priority objectives are accomplished. Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities.

#### ***Historical Trend***

As the City enters fiscal year 2016, we have gone below our unassigned fund balance policy. The City's philosophy is during hard times like this recession that we use our savings to help reduce the tax basis for our citizens.

In reflecting back on the history of the City's past five budgets, non-tax revenues have remained steady at approximately \$9 million annually. During this time span, the City has been able to stabilize the tax rate with consistent increases in property valuations.

	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Total taxes	\$ 30,518,554	\$36,019,108	\$36,998,682	\$37,584,455	39,191,335
Percent change	5.2%	17.8%	2.7%	1.5%	3.9%
Total City valuation	\$2,116,404,600	\$1,968,257,265	\$1,991,317,665	\$2,018,499,204	2,038,684,196



**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

***The Budget***

It is important to note that the City of Saco's Adopted Budget for fiscal year 2016 encompasses all municipal expenditures, as well as County and Saco School tax assessments. The City budget only reflects the tax assessment in budgeted expenditures. All other school-related revenues and expenditures were approved via referendum vote and are reflected in the separately issued Saco School financial statements. Thus, the fiscal 2016 adopted budget calls for total expenditures of \$48,626,883, representing \$25,615,651 in municipal expenditures, \$1,249,889 in county tax, and \$21,761,343 in taxes raised on behalf of the Saco School.

<b>City Budget</b>	<b>City Administrator Recommendation</b>	<b>Net Change</b>	<b>Approved Budget</b>
Operating Budget	\$ 23,132,503	\$ 305,148	\$ 23,437,651
Capital Outlay	1,053,000	(75,000)	978,000
Total	24,185,503	230,148	24,415,651
Overlay & TIF Transfers	1,200,000	-	1,200,000
Total Expenditure Budget	\$ 25,385,503	\$ 230,148	\$ 25,615,651

<b>RSU (School) Budget</b>	<b>RSU Board Recommendation</b>	<b>Net Change</b>	<b>Approved Budget</b>
Education	\$ 22,321,343	\$ (560,000)	\$ 21,761,343

<b>County Tax</b>	<b>Estimated County Tax</b>	<b>Net Change</b>	<b>Actual County Tax</b>
County Tax	\$ 1,249,889	\$ -	\$ 1,249,889
<b>TOTAL BUDGET</b>	<b>\$ 48,956,735</b>	<b>\$ (329,852)</b>	<b>\$ 48,626,883</b>

The original budget requests from the twelve individual departments were based on the department head's perceived needs.

The following chart compares the major categories in the original operational budget and their respective increases over the last five years.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

**Appropriation Summary**

<b>Departments</b>	<b>2012 Actual</b>	<b>2013 Actual</b>	<b>2014 Actual</b>	<b>2015 Actual</b>	<b>2016 Budget</b>
Legislative	\$ 20,392	\$ 22,094	\$ 22,905	\$ 17,116	\$ 17,600
City Administration	286,840	307,096	335,644	363,666	200,002
Finance/Technology	769,218	812,545	771,002	748,310	1,092,472
City Clerk	285,383	307,034	284,778	315,753	307,356
Assessor	177,011	182,124	179,760	194,046	203,227
Building Maintenance	116,785	105,120	103,719	104,954	106,352
Legal	177,967	156,201	174,427	165,968	150,000
Police Department	3,419,779	3,312,690	3,510,788	3,628,177	3,667,482
Fire/Ambulance	2,712,948	2,789,737	2,858,001	3,004,221	3,012,020
Building Inspections/Zoning	211,768	215,773	221,300	222,583	223,608
Planning & Economic Dev.	308,975	304,063	307,958	354,621	363,516
Public Works	4,423,478	4,718,474	5,072,132	5,053,368	5,697,425
Public Agencies	623,053	687,479	701,528	709,248	731,459
Emergency Management	5,732	5,821	4,969	6,970	6,077
Parks & Recreation	1,269,847	1,464,172	1,523,888	1,555,900	1,508,951
Debt Service	2,419,597	2,100,480	2,356,604	2,407,689	2,386,941
Employee Benefits	2,668,742	2,775,796	3,023,232	3,401,689	3,372,162
Insurances	154,433	159,534	164,530	182,547	175,000
Contingency	260,074	179,826	493,930	211,478	141,000
Education K-12	16,030,811	19,410,765	20,162,776	20,722,537	21,761,343
York County Tax	1,099,643	1,100,295	1,229,217	1,231,018	1,249,889
Capital Improvement Projects	165,000	730,830	871,125	1,098,948	1,053,000
Overlay	-	-	-	-	100,000
TIF Transfers	785,141	1,028,660	997,319	1,059,520	1,100,000
<b>TOTAL</b>	<b>\$ 38,392,617</b>	<b>\$ 42,876,609</b>	<b>\$ 45,371,532</b>	<b>\$ 46,760,327</b>	<b>\$ 48,626,882</b>

**Revenues/Surplus**

The amount budgeted for revenues shows a sharp decrease in fiscal 2012 due to the Saco School Department non-tax revenues being excluded from this calculation. It is worth noting that there has been a great deal of fluctuation in non-tax revenue over the past 5 years. One of the major factors of the fluctuation, is that the State of Maine Revenue Sharing has been a moving target each year. City management and the City Council are diligent in ensuring that the budget and forecasts are cognizant of the impact on the budgeted utilization of prior year unassigned fund balance.

	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Non-tax revenues	\$ 9,588,286	\$ 8,966,433	\$9,322,259	\$8,453,720	\$8,193,582
Percent change	3.49%	-6.48%	3.97%	-9.32%	-3.07%

**Major Increases**

There were no significant increases in the municipal operational budget. It is important to note that starting fiscal 2010 reflected reduced revenue estimates based on forecasts on decreasing State revenue sharing, declining excise revenues and a decrease in other intergovernmental revenue. The City remains diligent about tracking fund balance to ensure we remain in compliance with the Council's adopted fiscal policies.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

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***Savings/Increased Demands***

The City's department heads are always looking for ways to save the City money, whether through increased efficiencies or through the attainment of federal and state grants. The City is participating in a number of activities related to increased efficiencies between various City departments as well as with other communities in our southern Maine area. Many departments are meeting regularly with their counterparts in other communities to explore the possibilities of combining resources to deliver services.

The fiscal year 2015 budget also includes revenue amounts for specific state and federal grants that have been applied for. There are also several other grant awards that will surface during the course of the fiscal year that were not known at the time of the budget process. These awards will be brought to the City Council for consideration upon being awarded and additional funding will be requested at that time, to fund any local match requirements above that originally budgeted.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

We are in good financial shape at this time. However, we need to be alert to the public benefit versus the costs of the services we provide.

What is at stake for the City of Saco officials can be summed up in one word: effectiveness. Major challenges are facing us as we enter this new year with infrastructure and capital maintenance needs being reduced to enable the funding of operational needs of the City. Officials need to be cognizant of the need to preserve the City's most valuable assets as large deterioration can very often increase the amount ultimately spent in order to bring them back to acceptable and safe condition levels. A small portion of these road maintenance needs were addressed with the November 2006 roads bond. A similar bond package was put forth to the voters in November 2009 and passed.

To that end, it is especially important that the City Council maintain and update regularly its comprehensive plan, goals and strategic plan, based upon guidance from appointed and elected officials as well as significant citizen involvement. These processes are already in place and underway with the mailing of citizen customer service questionnaires and web site request and recommendation forms accessible 24 hours a day, 7 days a week and the random independent phone "Citizen Satisfaction Survey." By putting citizens and local government officials into the decision-making loop, the City will be shifting to a more open and inclusive process of governance.

The City was successful at attaining a grant through the Center for Civic Innovation in order to further this effort and completed its first Citizen Satisfaction Survey in November of 2004 and a second Survey in October of 2005, as well as publish the first ever City Performance Measurement Report in January of 2005, a second Performance Measurement Report in January of 2006, and a third in December of 2006 as a result of this grant award. It will be eminent for the City to review and update its strategic plan in the coming years. The Citizen Centric reporting costs were incorporated into the budget. These initiatives are important for the City's continued efficient growth into the future. At the end of fiscal year 2011, we received another grant from the City for Civic Innovation to complete the citizen survey. The citizen survey has been processed in 2012 and 2014. The plan is to work toward every other year running a citizen survey.

A new initiative in 2015 is a City of Saco vision process. Early in 2015, the City will have a report that shows where the citizens would like to see Saco in 2025. The catch phrase is Bridge2025. It will create a new vision statement, and the Council will work toward that vision.

The City was the first community in the country to issue a citizen centric prototype report in order to more efficiently communicate City finances and performance in a concise 4-page report which is aimed to stimulate them to want to learn more. The City was also successful at obtaining a second grant through the National Center for Civic Innovation in order to conduct the independent citizen satisfaction survey again in fiscal 2010.

**CITY OF SACO, MAINE**  
**Management's Discussion and Analysis, Continued**  
**For the year ended June 30, 2015**

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The recently completed seventh annual report of performance information displays the operational efficiencies and effectiveness of our operations here at the City of Saco. The City's first seven submittals were successful at achieving the Association of Governmental Accountants Certificate of Excellence in Service Efforts and Accomplishments Reporting. These processes all involve reviewing processes and measuring results achieved by the municipality in the area of customer service delivery and presentation. It also involves a close look at all procedures to assure that efficiencies are being maximized. Whether it means changing a specific procedure to lessen expenditures realized or examining new sources of non-tax revenues, the City needs to be pro-active in its response. Certainly, whatever we can do to keep up with changing trends and emerging issues will help to improve the future fortunes of our citizens. Successful activities involving a collaborative effort between municipalities need to be reviewed as a potential solution to some of the budget challenges facing us and other municipalities.

This executive summary would not be complete without the mention of the 2006 enacted "Public Law 1 Tax Reform." This legislation was enacted within the State of Maine and the City was in compliance with this legislation for the passing of the 2016 budget. This levy limitation is calculated based on two factors; one is certified by the State and is a state-wide personal income growth factor and the second is a local factor of the last known new growth percentage within each community. These two percentages are added together to arrive at the levy limitation percentage for each community across the State of Maine. The property tax levy in total cannot increase by more than this amount without special disclosures made by the City Council and special motions made in order to approve the budget noting why the budget is exceeding the levy limitation. The fiscal year 2016 approved budget for the City of Saco has an increase of \$0.60, which is \$0.10 City, \$0.00 County, and \$0.50 School.

FY2015 Rate	\$ 18.62
City (0.5% increase)	0.10
School (2.7% increase)	0.50
County (0% increase)	-
FY2016 Rate	\$ 19.22

***Summary***

With the fiscal year 2016 adopted budget, there is a 3.2% increase to the existing tax rate. This means that property owners will be billed an estimated \$19.22 per thousand in fiscal year 2016. In other words, a property valued at \$200,000 will pay \$3,844 in property taxes annually.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need any additional financial information, please contact the Finance Director: by mail at 300 Main Street, Saco, Maine, 04072; by phone at 207-282-1032; or via e-mail at [cheryl.fournier@sacomaine.org](mailto:cheryl.fournier@sacomaine.org).

## **BASIC FINANCIAL STATEMENTS**

**CITY OF SACO, MAINE**  
**Statement of Net Position**  
**June 30, 2015**

	Governmental Activities	Business-type Activities	2015 Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,724,877	\$ -	\$ 4,724,877
Investments	2,430,432	-	2,430,432
Receivables:			
Accounts (net of allowance of \$478,396)	2,849,310	507,391	3,356,701
Taxes - current	782,241	-	782,241
Taxes - prior years	111,035	-	111,035
Tax liens	362,746	-	362,746
Notes (net of allowance of \$7,143)	7,144	-	7,144
Prepaid expenses	175,047	-	175,047
Other	41,417	-	41,417
Tax acquired property	119,452	-	119,452
Depreciable capital assets, net	17,129,709	5,852,840	22,982,549
Non-depreciable capital assets	41,974,441	14,918,272	56,892,713
Total assets	70,707,851	21,278,503	91,986,354
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows of resources related to pensions	455,619	-	455,619
Total deferred outflows of resources	455,619	-	455,619
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	1,399,095	45,058	1,444,153
Accrued liabilities	2,513,199	37,133	2,550,332
Taxes collected in advance	122,564	-	122,564
Internal balance	(2,608,113)	2,608,113	-
Noncurrent liabilities:			
Due within one year	2,477,465	159,791	2,637,256
Due in more than one year	17,061,289	194,427	17,255,716
Total liabilities	20,965,499	3,044,522	24,010,021
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to pensions	1,046,570	-	1,046,570
Total deferred inflows of resources	1,046,570	-	1,046,570
<b>NET POSITION</b>			
Net investment in capital assets	43,392,550	20,481,112	63,873,662
Restricted for:			
Finance and administration	1,209,535	-	1,209,535
Community services	1,164,544	-	1,164,544
Public safety	14,303	-	14,303
Other purposes	272,027	-	272,027
Community Services:			
Nonexpendable	181,383	-	181,383
Expendable	468,620	-	468,620
Unrestricted	2,448,439	(2,247,131)	201,308
Total net position	\$ 49,151,401	\$ 18,233,981	\$ 67,385,382

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**Statement of Activities**  
**For the Year Ended June 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		2015 Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 9,828,320	\$ 643,217	\$ 2,382,674	\$ -	\$ (6,802,429)	\$ -	\$ (6,802,429)
Public safety	6,945,027	914,345	7,315	-	(6,023,367)	-	(6,023,367)
Public works	8,314,846	90,490	-	219,344	(8,005,012)	-	(8,005,012)
Culture and recreation	1,565,775	997,250	-	-	(568,525)	-	(568,525)
Education	34,398,667	-	13,791,288	-	(20,607,379)	-	(20,607,379)
Interest on debt	590,962	-	-	-	(590,962)	-	(590,962)
Total governmental activities	61,643,597	2,645,302	16,181,277	219,344	(42,597,674)	-	(42,597,674)
Business-type activities:							
Waste Water Treatment Plant	2,643,474	2,591,094	-	-	-	(52,380)	(52,380)
Total business-type activities	2,643,474	2,591,094	-	-	-	(52,380)	(52,380)
<b>Total primary government</b>	<b>\$ 64,287,071</b>	<b>\$ 5,236,396</b>	<b>\$ 16,181,277</b>	<b>\$ 219,344</b>	<b>\$ (42,597,674)</b>	<b>\$ (52,380)</b>	<b>\$ (42,650,054)</b>
General revenues:							
Property taxes, levied for general purposes					\$ 37,824,974	\$ -	\$ 37,824,974
Motor vehicle excise taxes					3,561,343	-	3,561,343
Franchise tax					269,818	-	269,818
Grants and contributions not restricted to specific programs:							
Homestead exemption					368,955	-	368,955
Other State aid					832,016	-	832,016
State Revenue Sharing					1,058,579	-	1,058,579
Unrestricted investment earnings					46,815	-	46,815
Miscellaneous revenues					238,770	209,442	448,212
Total general revenues					44,201,270	209,442	44,410,712
Change in net position					1,603,596	157,062	1,760,658
Special item:							
Transfer of assets, liabilities and equity from Regional School Unit #23					849,746	-	849,746
Change in net position					2,453,342	157,062	2,610,404
Net position - beginning (as restated)					46,698,059	18,076,919	64,774,978
<b>Net position - ending</b>					<b>\$ 49,151,401</b>	<b>\$ 18,233,981</b>	<b>\$ 67,385,382</b>

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	General Fund	School Operations Fund	Other Governmental Funds	2015 Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,399,343	\$ 13,189	\$ 312,345	\$ 4,724,877
Investments	126,052	-	2,304,380	2,430,432
Receivables, net of allowance of \$478,396	326,954	306,932	2,215,424	2,849,310
Interfund receivables	4,146,519	891,379	833,729	5,871,627
Notes receivable, net of allowance \$7,143	-	-	7,144	7,144
Taxes and liens receivable	1,256,022	-	-	1,256,022
Tax acquired property	119,452	-	-	119,452
Prepaid items	144,234	30,813	-	175,047
Inventory	-	-	3,106	3,106
Other	-	-	38,311	38,311
<b>Total assets</b>	<b>\$ 10,518,576</b>	<b>\$ 1,242,313</b>	<b>\$ 5,714,439</b>	<b>\$ 17,475,328</b>
<b>LIABILITIES</b>				
Accounts payable	1,017,496	137,722	243,877	1,399,095
Accrued liabilities	353,938	2,017,092	1,764	2,372,794
Taxes collected in advance	122,564	-	-	122,564
Interfund payables	1,244,770	-	2,018,744	3,263,514
<b>Total liabilities</b>	<b>2,738,768</b>	<b>2,154,814</b>	<b>2,264,385</b>	<b>7,157,967</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	1,010,632	-	-	1,010,632
Unavailable revenue - rent	2,508	-	-	2,508
<b>Total deferred inflows of resources</b>	<b>1,013,140</b>	<b>-</b>	<b>-</b>	<b>1,013,140</b>
<b>FUND BALANCES</b>				
Nonspendable	144,234	30,813	1,070,552	1,245,599
Restricted	-	-	2,239,860	2,239,860
Committed	90,300	-	613,893	704,193
Assigned	1,752,647	-	529,007	2,281,654
Unassigned	4,779,487	(943,314)	(1,003,258)	2,832,915
<b>Total fund balances (deficit)</b>	<b>6,766,668</b>	<b>(912,501)</b>	<b>3,450,054</b>	<b>9,304,221</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,518,576</b>	<b>\$ 1,242,313</b>	<b>\$ 5,714,439</b>	
Amounts reported for governmental activities in the statement of net position (Statement 1) are different because:				
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.				
More specifically, non-depreciable & depreciable capital assets as reported on Statement 1				\$ 59,104,150
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.				(18,341,451)
Noncurrent liabilities as reported on Statement 1	(16,966,652)			
Accrued liabilities (compensated absences) as reported on Statement 1	(1,374,799)			
	(18,341,451)			
Accrued Interest on Statement 1				(140,405)
Net pension liability, including related deferred inflows and outflows				(1,788,254)
Unavailable revenues- more specifically, property taxes not reported on Statement 1				1,013,140
<b>Net position of governmental activities</b>				<b>\$ 49,151,401</b>

*See accompanying notes to basic financial statements.*



**CITY OF SACO, MAINE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2015**

	<b>General Fund</b>	<b>School Operations Fund</b>	<b>Other Governmental Funds</b>	<b>2015 Total Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 41,505,716	\$ -	\$ -	\$ 41,505,716
Licenses and permits	724,518	-	-	724,518
Intergovernmental	2,062,683	13,192,549	2,273,224	17,528,456
Charges for services	1,156,353	576,561	1,062,136	2,795,050
Other revenues	548,119	22,178	240,047	810,344
Total revenues	45,997,389	13,791,288	3,575,407	63,364,084
<b>EXPENDITURES</b>				
Current:				
General government	2,487,017	-	-	2,487,017
Public safety	6,632,398	-	-	6,632,398
Public works	5,053,368	-	-	5,053,368
Culture and recreation	1,555,900	-	-	1,555,900
Education	-	34,276,604	-	34,276,604
Unclassified	4,511,932	-	2,574,817	7,086,749
Intergovernmental:				
County tax	1,231,018	-	-	1,231,018
Debt service:				
Principal	1,876,675	320,075	-	2,196,750
Interest and other charges	531,014	25,075	-	556,089
Capital improvements	1,986,298	326,058	1,242,892	3,555,248
Total expenditures	25,865,620	34,947,812	3,817,709	64,631,141
Excess (deficiency) of revenues over (under) expenditures	20,131,769	(21,156,524)	(242,302)	(1,267,057)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease issuance of debt	887,350	326,058	-	1,213,408
Transfers in	831,000	20,607,734	1,174,324	22,613,058
Transfers out	(21,782,058)	(125,000)	(706,000)	(22,613,058)
Total other financing sources (uses)	(20,063,708)	20,808,792	468,324	1,213,408
<b>SPECIAL ITEM</b>				
City of Saco withdrawal from Regional School Unit #23	-	(564,769)	67,806	(496,963)
Net change in fund balances	68,061	(912,501)	293,828	(550,612)
Fund balances - beginning	6,698,607	-	3,156,226	9,854,833
<b>Fund balances (deficit) - ending</b>	<b>\$ 6,766,668</b>	<b>\$ (912,501)</b>	<b>\$ 3,450,054</b>	<b>\$ 9,304,221</b>

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**Reconciliation of the Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Activities**  
**For the year ended June 30, 2015**

Net change in fund balances- total governmental funds (from Statement 4)	\$	(550,612)
--------------------------------------------------------------------------	----	-----------

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

Governmental funds report capital outlays as expenditures.

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

		487,524
Capital outlays	\$ 2,029,983	
Less: loss on disposal	33,393	
Less: net depreciation	1,509,066	
	\$ 487,524	

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

(116,891)

The City added capital assets and long-term debt from Regional School Unit #23 which is not reflected in the fund financial statements.

		1,346,709
Capital assets, net	\$ 3,896,953	
Less: building obligations payable	(2,360,000)	
Less: capital leases payable	(190,244)	
	\$ 1,346,709	

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

		1,167,790
Capital lease proceeds	\$ (1,213,407)	
Capital lease repayments	672,867	
Capital lease interest accrual	(13,432)	
Note payable repayments	112,062	
Bond principal repayments	1,607,167	
Bond interest accrual	2,533	
	\$ 1,167,790	

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

		118,822
Change in long term accrued compensated absences	\$ (154,978)	
Change in net pension liability, with related deferred inflows and outflows	375,524	
Change in long-term other post employment benefits	(101,724)	
	\$ 118,822	

Change in net position of governmental activities (see Statement 2)	\$	2,453,342
---------------------------------------------------------------------	----	-----------

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Budgetary Basis**  
**For the year ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 40,997,851	\$ 41,112,654	\$ 41,505,716	\$ 393,062
Licenses and permits	706,520	706,520	724,518	17,998
Intergovernmental	1,763,637	1,763,637	2,062,683	299,046
Charges for services	1,348,600	1,035,400	1,156,353	120,953
Interest earnings	10,000	10,000	16,853	6,853
Other revenues	582,407	582,407	531,266	(51,141)
Total revenues	45,409,015	45,210,618	45,997,389	786,771
EXPENDITURES				
Current:				
General government	2,660,437	2,561,648	2,487,017	74,631
Public safety	6,611,781	6,617,799	6,632,398	(14,599)
Public works	5,566,018	5,501,545	5,053,368	448,177
Culture and recreation	1,449,654	1,458,278	1,555,900	(97,622)
County tax	1,231,828	1,231,828	1,231,018	810
Unclassified	4,819,316	4,827,886	4,511,932	315,954
Debt service	2,404,486	2,404,486	2,407,689	(3,203)
Capital projects	887,260	1,002,114	1,098,948	(96,834)
Total expenditures	25,630,780	25,605,584	24,978,270	627,314
Excess (deficiency) of revenues over (under) expenditures				
	19,778,235	19,605,034	21,019,119	1,414,085
OTHER FINANCING SOURCES (USES)				
Budgeted utilization of surplus	550,000	836,550	-	(836,550)
Carryover of assigned fund balance	-	181,688	-	(181,688)
Transfers in	1,029,499	849,265	831,000	(18,265)
Transfers out	(21,357,734)	(21,472,537)	(21,782,058)	(309,521)
Total other financing sources (uses)	(19,778,235)	(19,605,034)	(20,951,058)	(1,346,024)
Net change in fund balance				
	-	-	68,061	68,061
Fund balance - beginning				
			6,698,607	
Fund balance - ending				
			\$ 6,766,668	

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**School Operations Fund**  
**Statement of Revenues, Expenditures and Changes in Fund**  
**Balance - Budget and Actual - Budgetary Basis**  
**For the year ended June 30, 2015**

	<b>Budget amounts</b>		<b>Actual</b>	<b>Variance with final budget positive (negative)</b>
	<b>Original</b>	<b>Final</b>		
Revenues:				
Intergovernmental:				
State subsidy - operating costs	\$ 11,232,005	11,429,460	11,429,460	-
State agency clients	180,000	180,000	142,318	(37,682)
Medical reimbursements	20,000	20,000	58,236	38,236
Other revenues:				
Tuition fees	755,678	755,678	477,585	(278,093)
Rentals	-	-	5,733	5,733
Transportation	75,000	75,000	93,243	18,243
Miscellaneous	10,000	10,000	22,178	12,178
Total revenues	12,272,683	12,470,138	12,228,753	(241,385)
Expenditures:				
Current:				
Regular instruction	19,716,646	19,749,093	20,006,705	(257,612)
Special education instruction	5,917,513	5,917,513	5,566,175	351,338
Other instruction	168,422	169,681	163,044	6,637
Student and staff support	1,710,364	1,710,364	1,687,408	22,956
System administration	629,134	629,134	651,961	(22,827)
School administration	994,974	994,974	991,742	3,232
Transportation	1,310,548	1,330,548	1,407,388	(76,840)
Facilities maintenance	2,086,406	2,106,406	1,914,606	191,800
Debt service	345,150	345,150	345,150	-
Total expenditures	32,879,157	32,952,863	32,734,179	218,684
Other financing sources:				
Transfer from the City General Fund	20,731,474	20,607,725	20,607,734	9
Transfer to the City General Fund	(125,000)	(125,000)	(125,000)	-
Total other financing sources	20,606,474	20,482,725	20,482,734	9
Special item:				
City of Saco withdrawal from Regional School Unit #23	-	-	(564,769)	(564,769)
Net change in fund balance budgetary basis	-	-	(587,461)	(587,461)
Reconciliation to GAAP basis:				
Accrued summer benefits			(325,040)	
Net change in fund balances GAAP basis			(912,501)	
Fund deficit, beginning			-	
<b>Fund deficit, ending</b>	<b>\$</b>		<b>(912,501)</b>	

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2015**

	<b>Business-type activities Enterprise Funds</b>
	<b>Waste Water Treatment Plant</b>
<b>ASSETS</b>	
Current assets:	
Receivables	\$ 507,391
Total current assets	507,391
Noncurrent assets:	
Depreciable capital assets	
Vehicles	140,127
Buildings and improvements	9,245,821
Equipment	1,630,593
Less accumulated depreciation	(5,163,701)
Non-depreciable capital assets	14,918,272
Total noncurrent assets	20,771,112
Total assets	21,278,503
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	45,058
Accrued liabilities	37,133
Interfund payables	2,608,113
Accrued compensated absences due within one year	14,791
Bonds payable due within one year	145,000
Total current liabilities	2,850,095
Noncurrent liabilities:	
Accrued compensated absences	49,427
Bonds payable due in more than one year	145,000
Total noncurrent liabilities	194,427
Total liabilities	3,044,522
<b>NET POSITION</b>	
Net investment in capital assets	20,481,112
Unrestricted	(2,247,131)
Total net position	\$ 18,233,981

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund**  
**For the year ended June 30, 2015**

	<b>Business-type activities Enterprise Funds Waste Water Treatment Plant</b>
Operating revenues:	
Charges for services	\$ 2,591,094
Miscellaneous revenues	209,442
Total operating revenues	2,800,536
Operating expenses:	
Personnel services	987,344
Contractual services	221,692
Utilities	193,035
Repairs and maintenance	464,322
Other supplies and expenses	478,988
Depreciation	286,153
Total operating expenses	2,631,534
Operating income	169,002
Nonoperating expenses:	
Interest expense	(11,940)
Total nonoperating expenses	(11,940)
Change in net position	157,062
Total net position - beginning	18,076,919
<b>Total net position - ending</b>	<b>\$ 18,233,981</b>

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the year ended June 30, 2015**

	<b>Business-type activities</b>
	<b>Enterprise Funds</b>
	<b>Waste Water Treatment Plant</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers	\$ 2,569,275
Other receipts (payments)	209,442
Payments to suppliers	(1,366,354)
Payments to employees	(979,659)
Net cash provided by operating activities	432,704
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>	
Increase (decrease) in interfund loans	(200,764)
Net cash used in non-capital financing activities	(200,764)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal paid on debt	(220,000)
Interest paid on debt	(11,940)
Net cash used in capital and related financing activities	(231,940)
Net increase (decrease) in cash and cash equivalents	-
Balances- beginning of the year	-
<b>Balances- end of the year</b>	<b>\$ -</b>
Reconciliation of operating income to net cash provided (used) by operating activities:	
Operating income	\$ 169,002
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	286,153
Change in assets and liabilities:	
Receivables	(21,819)
Accounts payables	(8,317)
Accrued liabilities	7,685
<b>Net cash provided by operating activities</b>	<b>\$ 432,704</b>

*See accompanying notes to basic financial statements.*

**CITY OF SACO, MAINE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

		<u>Agency Funds</u>
		<u>Student</u>
		<u>Activity Funds</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$	178,267
<b>Total assets</b>		<b>178,267</b>
<b>LIABILITIES</b>		
Due to student groups		178,267
<b>Total liabilities</b>	<b>\$</b>	<b>178,267</b>

*See accompanying notes to basic financial statements.*



**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. The Reporting Entity**

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

The criteria used to determine which accounting entities, agencies, commissions, boards and authorities are part of the City's operations include how the budget is adopted, whether debt is secured by general obligation of the City, the City's duty to cover any deficits that may occur, and supervision over the accounting functions. There are no agencies, organizations or activities meeting any of the above criteria that are excluded from the City reporting entity.

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

**B. Basis of Presentation**

The accounts of the City are organized on the basis of funds, 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 that comprise its assets, liabilities deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. 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.

**C. Basis of Accounting/Measurement Focus**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the City, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City has elected not to allocate indirect costs among the programs, functions and segments. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Taxes and other items not properly included among program revenues are reported as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the City.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other purposes result from special revenue funds and the restrictions on their net position use.

**Fund Financial Statements**

Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The General Fund and School Operations Fund are the only major funds and are the general operating funds of the City and School Department, respectively. 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. From these funds are paid the general operating expenses, the fixed charges and the capital improvement costs that are not paid through other funds.

The City reports the following major proprietary fund:

The Waste Water Treatment Plant accounts for the costs of construction and operation of the treatment plant, and is self-supported through sewer user fees.

**GOVERNMENTAL FUNDS**

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

**Revenue Recognition**

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e., collectible within the current year or within 60 days of year-end and available to pay obligations of the current period). This includes investment earnings, income taxes withheld by employers, estate taxes, fines and forfeitures and state motor vehicle excise taxes. Reimbursements due for federally funded projects are accrued as revenue at the time the expenditures are made, or when received in advance, deferred until expenditures are made.

Property taxes, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, property tax receivables are recorded as unavailable revenue until they become available. Other revenues, including licenses and permits, certain charges for services, income taxes other than those withheld by employers and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Expenditure Recognition**

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt as well as expenditures related to certain compensated absences and claims and judgments are only recorded when payment is due. Allocation of costs, such as depreciation, is not recognized in the governmental funds.

**PROPRIETARY FUNDS**

All proprietary funds are accounted for using the accrual basis of accounting. These funds account for operations that are primarily financed by user charges. The economic resource measurement focus concerns determining costs as a means of maintaining the capital investment and management control. Their revenues are recognized when they are earned and their expenses are recognized when they are incurred. Allocations of costs, such as depreciation, are recorded in proprietary funds. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary fund 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 nonoperating revenues and expenses.

**D. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year-end are reported as assigned fund balances within the fund financial statements, since they do not constitute expenditures or liabilities and are added to the subsequent year's adopted appropriations.

**E. Cash and Investments**

The City'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. City policy is that deposits can only be made in financial institutions insured by the FDIC. The City's investment policy authorizes investments in obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements, certain corporate bonds, certain certificates of deposit and certain money market funds. The City invests its funds in an effort to ensure preservation of capital, to remain sufficiently liquid and attain a reasonable market rate of return, while remaining within the guidelines as provided by the City's Investment Policy.

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 are stated at amortized cost. Income earned from the investments of pooled cash is allocated to the various funds on the basis of the average cash balance allocated to each fund.

**F. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**G. Inventories**

Food service inventories are valued at the lower of cost (first-in, first-out basis) or market, and are offset with a nonspendable portion of fund balance. Inventories include the value of the U.S. Department of Agriculture commodities donated to the Food Services Program

**H. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**I. Prepaid Items**

Payments made to vendors for services that will benefit periods beyond June 30, 2015, are recorded as prepaid items. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

**J. Capital Assets**

The City's assets are capitalized at historical cost or estimated historical cost. City policy has set the capitalization threshold for reporting capital assets at \$10,000. The City has chosen the Modified Approach for reporting the infrastructure assets of the City. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

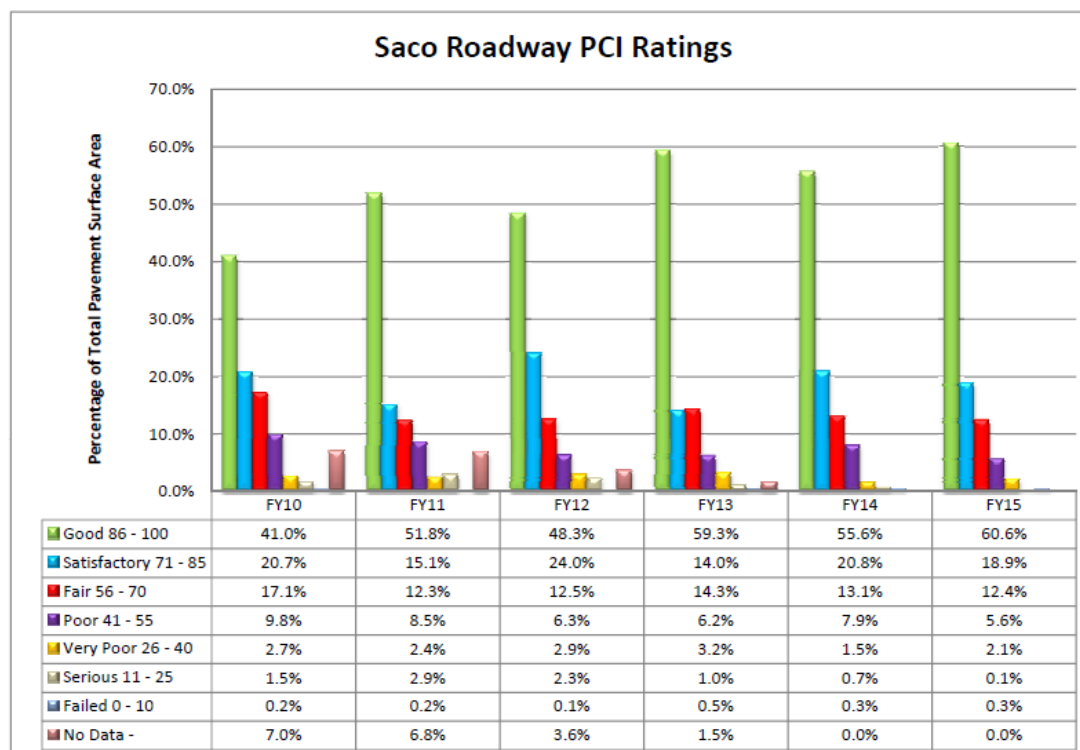
Buildings	40 years
Building Improvements	40 years
Vehicles	5 years
Office furniture and fixtures	7 years
Equipment	10-20 years
Computer equipment	3 years

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

The City elected to use the Modified Approach as defined by Statement No. 34 for infrastructure reporting. Originally the City commissioned a physical assessment of all infrastructure conditions in 2000 (fiscal year 2001). Subsequent to the initial assessment, City staff has performed condition assessments based on a combination of physical inspections and statistical modeling. The roads have been rated by using a program developed by the Maine Department of Transportation (RSMS) from 2001 through 2009. The City has changed the condition assessment software in FY2010 to the Micropaver program developed by the Army Corp of Engineers. The advantage of this program is that it does statistical deterioration modeling that allows us to inspect a third of the roads each year.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**



The Micropaver program assesses the inspection criteria and develops a condition rating or Pavement Condition Index (PCI). The PCI index rates the roads between 0 and 100 with 100 being a new road.

For the underground utilities, the City has jointly purchased a camera and truck with two neighboring municipalities to inspect the storm and sanitary collection systems. In fiscal year 2014, the Public Works Department inspected approximately 16,000 feet of sewer line.

In 2001, 2004, 2007 and 2010 the City subcontracted with an independent engineering firm to inventory and perform a condition assessment on all other City infrastructure assets. These other infrastructure assets, sewer pipe, catch basins and manholes, storm drainage, sidewalks, traffic lights and signage, were then combined with the streets on the City's Asset Management System. Per the rating system noted above, each infrastructure asset was assigned a condition assessment based on a visual inspection conducted on each asset.

The City's policy relative to maintaining other infrastructure assets is to achieve a minimum rating of 2 for all other infrastructure assets.

For all other capital assets; buildings, vehicles, equipment reporting, the City elects to use the Basic Approach, as defined by Statement No. 34. The City conducted an inventory of all other capital assets for fiscal year 2000 and performs updates annually.

This original and updated process determined the original cost, which is defined as the actual cost to acquire new property in accordance with market prices at the time of first construction or acquisition.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

Original costs were developed in one of three ways: 1) historical records; 2) standard unit costs appropriate for the construction/acquisition date; or 3) present cost indexed by a reciprocal factor of the price increase from the construction/acquisition date to the current date. The accumulated depreciation, defined as the total depreciation from the date of construction/acquisition to the current date on a straight line, unrecovered cost method was computed using industry accepted life expectancies for each capital asset. The book value was then computed by deducting the accumulated depreciation from the original cost.

**K. Compensated Absences**

Under terms of personnel policies and union contracts, vacation and sick leave are granted in varying amounts according to length of service. Employees are paid for allowable accruals upon termination of employment.

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

**L. 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.

**M. Long-term Obligations**

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

**N. Deferred Outflows of Resources**

In addition to assets, the statement of net 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) until that time. The deferred outflows relate to the net pension liability, which include the City'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 the proportionate share of contributions and differences between expected and actual experience, which are deferred and amortized over the average expected remaining service lives of active and inactive members in the plan.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**O. Deferred Inflows of Resources**

In addition to liabilities, the statement of net position and balance sheet will sometime report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The deferred inflows of resources on the balance sheet relate to unavailable revenue from property taxes and rent. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The deferred inflows of resources recognized on the statement of net position relate to the net pension liability, which include the net difference between projected and actual earnings on pension plan investments and changes in proportion and differences between the City contributions, which are deferred and amortized over a five-year period and four-year period respectively.

**P. Fund Equity**

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

- Nonspendable – resources which cannot be spent because they are either a) not in spendable form or; b) legally or contractually required to be maintained intact. Governed by the start up of the trust.
- 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. Governed by grantors, contributions, or laws and regulations.
- Committed – resources which are subject to limitations the City imposes on itself at its highest level of decision making authority, and that remain binding unless removed in the same manner. The City Council is the highest level of decision making authority, and can commit fund balance by ordinance. Governed by the City Council.
- Assigned – resources that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The City Council authorized itself, the Finance Director and the City Manager within defined limits with this authority. Governed by intended use established by official designation.
- Unassigned – resources which have not been assigned to other funds and that have not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount.

The City Council has the responsibility for committing fund balance amounts and likewise would be required to modify or rescind those commitments. Likewise, the City Council or a body or official delegated by the City Council may assign unspent budgeted amounts to specific purposes in the General Fund at year end based on Department requests.

When both restricted and unrestricted resources are available for use, it is the government'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 government's practice to use committed or assigned resources first, and then unassigned resources as they are needed.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**Q. Landfill Closure and Postclosure Care Cost**

Statement No. 18 of the Government Accounting Standards Board entitled: "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs" requires the City to record a liability for the estimated costs of landfill closure and postclosure care, as required by government authorities.

State and federal regulations require that the City place a final cover on its current operating landfills when waste is no longer accepted and to perform certain maintenance and monitoring functions at these sites for a period of thirty years after closure. In addition to operating expenditures related to current activities of the landfills, a related liability is required to be recognized based on the future closure and postclosure care costs that will be paid near or after the date that the landfills stop accepting waste. The City of Saco has one landfill, closure of which is complete. Some monitoring costs will be required in the future, however these costs are not deemed to be material and were therefore not recorded as a liability.

**Note 2 - DEPOSITS AND INVESTMENTS**

The City's policy is to invest all available funds at the highest possible rates, in conformance with legal and administrative guidelines, while avoiding unreasonable risk.

**Deposits**

*Custodial Credit Risk-* City Deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does have a deposit policy for custodial credit risk. This policy details eligibility for authorization to include banks or savings and loans that are a member of the FDIC and meet the following minimum credit criteria: (1) qualify as a depository of public funds in the State of Maine as defined in Title 30-A, Section 5706 of the Maine Revised Statutes, (2) have a Highline Data Peer Group rating of a 30 or better and (3) have a Financial Publishing rating of a 125 or better. As of June 30, 2015, the City reported deposits of \$4,903,144 with a bank balance of \$5,962,269. Of the City's bank balances of \$5,962,269, none was exposed to custodial credit risk. The balance of \$5,962,269 was covered by the F.D.I.C. or by additional insurance purchased on behalf of the City by the respective banking institutions.

Deposits have been reported as follows:

Reported in governmental funds	\$ 4,724,877
Reported in fiduciary funds	178,267
<b>Total deposits</b>	<b>\$ 4,903,144</b>



**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 2 - DEPOSITS AND INVESTMENTS, Continued**

**Investments**

*Custodial Credit Risk-* City Investments: For investments, this is the risk that in the event of failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does have a deposit policy for custodial credit risk as is outlined above. Of the City's \$2,430,432 in investments, 100% of the money market funds (\$1,211,789) were collateralized by underlying securities held by the related bank in the City's name.

At June 30, 2015, the City had the following investments and maturities:

	Fair Value	Not Applicable	Less than 1 year	1-5 years	More than 5 years
Money market funds	\$ 1,211,787	1,211,787	-	-	-
Mutual funds	617,833	617,833	-	-	-
Stock	382,903	382,903	-	-	-
Corporate bonds	217,909	-	35,430	74,555	107,924
<b>Total investments</b>	<b>\$ 2,430,432</b>	<b>2,212,523</b>	<b>35,430</b>	<b>74,555</b>	<b>107,924</b>

Investments have been reported as follows:

<u>Reported in governmental funds</u>	<u>\$ 2,430,432</u>
<b><u>Total investments</u></b>	<b><u>\$ 2,430,432</u></b>

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

*Credit Risk:* Maine statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and certain corporate stocks and bonds. The City does have a formal policy related to credit risk as is detailed above. At June 30, 2015, the City's investments were rated as follows by Standard & Poor's.

*Credit Risk Rating:*

Money Market Funds with AAA Ratings	\$ 1,211,789
Corporate Bonds with A+ Ratings	32,813
Corporate Bonds with BBB+ Ratings	58,556
Corporate Bonds with BBB Ratings	33,075
Corporate Bonds with BBB- Ratings	63,315
Corporate Bonds with BB+ Ratings	20,250
Corporate Bonds with CCC+ Ratings	9,900
<b>Total</b>	<b>\$ 1,429,698</b>

The remainder of the City's investments are not rated.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 3 – PROPERTY TAXES**

The City's property tax is levied on the assessed value listed as of the prior April 1 for all taxable real and personal property located in the City. Assessed values are periodically established by the assessor at 100% of assumed market value. Each property must be reviewed no less than once every four years. The assessed value for the list of April 1, 2014, upon which the levy for the year ended June 30, 2015 was based, was \$2,018,499,204. This assessed value was 95% of the estimated market value and 98.8% of the 2015 state valuation of \$2,042,100,000.

The City is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$18,780 for the year ended June 30, 2015.

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

Property taxes levied during the year were recorded as receivables at the time the levy was made. The receivables collected during the year and in the first sixty days following the end of the fiscal year have been recorded as revenues. The remaining receivables have been recorded as deferred revenues.

The following summarizes the 2014-2015 and 2013-2014 levies, respectively:

	<u><b>2014-2015</b></u>	<u><b>2013-2014</b></u>
Assessed Value	\$2,018,499,204	\$1,991,317,665
Tax Rate (per \$1,000)	18.62	18.58
Commitment	\$37,584,455	\$36,998,682
Supplemental Taxes Assessed	77,416	104,325
	37,661,871	37,103,007
Less: Collections and Abatements	36,879,630	36,169,752
<b>Receivable at June 30, 2015 and 2014</b>	<u><b>\$782,241</b></u>	<u><b>\$933,255</b></u>
Due Dates	8/8/14	8/9/13
	2/13/15	2/14/14
Interest Rates on Delinquent Taxes	7.0%	7.0%
Collection Rate	97.92%	97.48%

Of the total taxes committed for the year ended June 30, 2015, \$438,272 was allocated to the Saco Island TIF District, \$27,511 was allocated to First Light Technology, Inc., \$271,856 was allocated to the Spring Hill TIF, \$167,310 was allocated to Industrial Park (People's Choice FCU), \$22,739 was allocated to Incon/Franklin Fuels, \$6,640 was allocated to General Dynamics, and \$125,193 was allocated to Park North under the approved incremental tax levied on the Tax Increment Financing Districts' "captured assessed value" (see Note 9).

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**Note 4 – CAPITAL ASSETS**

In accordance with GASB Statement No. 34, the City has reported all capital assets including infrastructure in the Government-wide Statement of Net Position. The City elected to use the “modified approach” as defined by GASB Statement No. 34 for infrastructure reporting. As a result, no accumulated depreciation or depreciation expense has been recorded for these assets. A more detailed discussion of the “modified approach” is presented in the Required Supplementary Information section of this report. All other capital assets were reported using the basic approach whereby accumulated depreciation and depreciation expense has been recorded. The table below presents summary information on non-depreciable assets for the years ending June 30, 2014 and 2015.

Capital assets of the City for the years ended June 30, 2014 and 2015 consisted of the following:

	Historical Cost	Accumulated Depreciation	Net Cost 2015	Net Cost 2014
<b>Governmental Activities:</b>				
Modified Approach:				
Catch basins and manholes	\$ 2,302,711	\$ -	\$ 2,302,711	\$ 2,302,711
Storm drainage	17,998,406	-	17,998,406	17,998,406
Sidewalks	1,899,091	-	1,899,091	1,899,091
Street Pavement System	13,426,915	-	13,426,915	13,426,915
Traffic signals	851,455	-	851,455	851,455
Street signs	44,818	-	44,818	44,818
Land	5,328,042	-	5,328,042	5,328,042
Construction in progress	123,003	-	123,003	436,116
<b>Total Governmental Activities</b>	<b>41,974,441</b>	<b>-</b>	<b>41,974,441</b>	<b>42,287,554</b>
<b>Business-type Activities:</b>				
Sewer pipe	14,918,272	-	14,918,272	14,918,272
<b>Total Business-type Activities</b>	<b>\$ 14,918,272</b>	<b>-</b>	<b>14,918,272</b>	<b>14,918,272</b>

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
<b>Governmental Activities:</b>				
Buildings and Improvements	\$ 16,925,739	\$ 23,636,447	\$ -	\$ 40,562,186
Vehicles	5,400,938	2,514,177	(531,725)	7,383,390
Machinery and Equipment	4,577,535	1,139,322	(341,206)	5,375,651
Total	26,904,212	27,289,946	(872,931)	53,321,227
Accumulated Depreciation:				
Buildings and Improvements	(6,726,823)	(19,905,631)	-	(26,632,454)
Vehicles	(4,141,562)	(1,971,750)	515,219	(5,598,093)
Machinery and Equipment	(3,603,708)	(681,582)	324,319	(3,960,971)
Total	(14,472,093)	(22,558,963)	839,538	(36,191,518)
<b>Total Governmental Activities</b>	<b>\$ 12,432,119</b>	<b>\$ 4,730,983</b>	<b>\$ (33,393)</b>	<b>\$ 17,129,709</b>

The City of Saco’s portion of Regional School Unit #23’s capital assets and accumulated depreciation were assumed by the City per the withdrawal agreement with Regional School Unit #23. The net book value of capital assets assumed were \$3,896,955. Depreciation expense charged to expense in the current year represent only the depreciation expense for the current year, which was charged directly to the related program as shown below.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**Note 4 – CAPITAL ASSETS, Continued**

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015
Business-type Activities:				
Buildings and Improvements	\$ 9,245,821	-	-	\$ 9,245,821
Vehicles	140,127	-	-	140,127
Machinery and Equipment	1,630,593	-	-	1,630,593
Total	11,016,541	-	-	11,016,541
Accumulated Depreciation:				
Buildings and Improvements	(3,461,811)	(216,012)	-	(3,677,823)
Vehicles	(116,109)	(9,008)	-	(125,117)
Machinery and Equipment	(1,299,628)	(61,133)	-	(1,360,761)
Total	(4,877,548)	(286,153)	-	(5,163,701)
<b>Total Business-type Activities</b>	<b>\$ 6,138,993</b>	<b>(286,153)</b>	<b>-</b>	<b>\$5,852,840</b>

For the year ended June 30, 2015 and 2014, depreciation expense on capital assets was charged to the government functions as follows:

	<u><b>2015</b></u>	<u><b>2014</b></u>
General Government	\$ 132,513	119,536
Public Safety – Police	157,118	149,478
Public Works	362,635	293,282
Culture and Recreation	58,092	57,289
Education	433,477	-
Public Safety – Fire	365,231	366,757
<b>Total Depreciation Expense</b>	<b><u>\$1,509,066</u></b>	<b><u>986,342</u></b>

For the year ended June 30, 2015 and 2014, repairs and maintenance expenses on capital and infrastructure assets were charged to the government functions as follows:

	<u><b>2015</b></u>	<u><b>2014</b></u>
Public Safety – Police	\$ 20,945	20,781
Public Safety – Fire/Ambulance	11,927	14,585
Public Works	85,540	18,073
Culture and Recreation	28,158	31,561
General Government	8,132	12,114
Capital Improvement Projects	-	183,195
<b>Total Repairs &amp; Maintenance Expense</b>	<b><u>\$ 154,702</u></b>	<b><u>280,309</u></b>

**Note 5 - COMPENSATED ABSENCES**

The City's policy relating to compensated absences is described in Note 1. The long-term portion of this debt, amounting to \$1,374,799 for governmental activities and \$64,218 for business-type activities at June 30, 2015, is expected to be paid in future years from future resources. In prior years, compensated absences have been liquidated primarily by the general fund and the enterprise fund, with a minor amount being paid from certain special revenue funds.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 6 - LONG-TERM DEBT**

The following is a summary of long-term debt transactions within the governmental activities and the business-type activities for the City for the year ended June 30, 2015:

	<u>Beginning balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending balance</u>	<u>Due within one year</u>
<b>Governmental activities:</b>					
General obligation and building obligations payable (3)	\$ 12,410,330	2,360,000	1,607,167	13,163,163	1,531,066
Notes payable	448,247	-	112,062	336,185	112,062
Capital leases payable	1,817,653	1,403,651	672,867	2,548,437	684,542
Accrued compensated absences (1)	1,219,821	287,887	132,909	1,374,799	149,795
Other post-employment benefits (2)	817,143	101,724	-	918,867	-
Net pension liability	2,450,525	-	1,253,222	1,197,303	-
<b>Governmental activities long-term liabilities</b>	<b>\$ 19,163,719</b>	<b>4,153,262</b>	<b>3,778,227</b>	<b>19,538,754</b>	<b>2,477,465</b>
<b>Business-type activities:</b>					
General obligation bonds	\$ 510,000	-	220,000	290,000	145,000
Accrued compensated absences (1)	73,722	7,476	16,980	64,218	14,791
<b>Business-type activities long-term liabilities</b>	<b>\$ 583,722</b>	<b>7,476</b>	<b>236,980</b>	<b>354,218</b>	<b>159,791</b>

(1) Compensated absences are shown as long-term since the amount due within one year cannot be reasonably estimated.

(2) Other postemployment benefits obligations are paid by the General Fund.

(3) The addition of \$2,360,000 are original bonds in the name of Regional School Unit #23. They have not been refinanced or transferred in name to the City of Saco, so they are still bond obligations of Regional School Unit #23 but the City of Saco has agreed to pay based on the withdrawal agreement.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**Note 6 - LONG-TERM DEBT, Continued**

Long-term debt payable at June 30, 2015 is comprised of the following:

General Obligation Bonds	Interest Rate	Original Issue Amount	Final Maturity Date	Balance End of Year	Due Within One Year
<i><u>Governmental Activities:</u></i>					
2007 Infrastructure Bond	4.15% - 4.20%	\$4,355,000	10/1/2027	\$ 2,815,000	\$ 220,000
2006 Open Space Bond	4.00% - 4.50%	1,500,000	1/1/2026	825,000	75,000
2003 Refunding Bond	3.85%	2,977,057	10/1/2018	743,163	186,066
1996 Police Station	5.60%	2,000,000	10/1/2016	200,000	100,000
1996 Route One Sewer (50%)	5.55%	2,900,000	10/1/2016	290,000	145,000
2010 Fire Station Bond	2.00% - 4.38%	5,999,000	5/1/2040	4,995,000	200,000
2010 Roads Bond	2.00% - 4.00%	2,300,000	5/1/2018	855,000	285,000
2010 Trails Bond	2.00% - 4.00%	500,000	5/1/2030	375,000	25,000
2012 Refunding*	2.00% - 2.50%	2,950,000	1/15/2022	2,065,000	295,000
<b>Total - Governmental Activities</b>				<b>\$ 13,163,163</b>	<b>\$ 1,531,066</b>
<i><u>Business-type Activities:</u></i>					
1996 Route One Sewer (50%)	5.55%	2,900,000	10/1/2016	290,000	145,000
<b>Total Enterprise Fund</b>				<b>\$ 290,000</b>	<b>\$ 145,000</b>
<b>Grand Total All Funds</b>				<b>\$ 13,453,163</b>	<b>\$ 1,676,066</b>

\* This was an original bond in the name of Regional School Unit #23. It has not been refinanced or transferred to the City of Saco, Maine so they are still bond obligations of Regional School Unit #23, but the City has agreed to pay as part of the withdrawal agreement.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**Note 6 - LONG-TERM DEBT, Continued**

The annual requirements to amortize General Obligation and Building Obligations outstanding as of June 30, 2015 for both governmental activities and business-type activities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
<u>Governmental Activities:</u>			
2016	\$ 1,531,066	458,280	1,989,346
2017	1,531,066	413,406	1,944,472
2018	1,286,066	373,379	1,659,445
2019	999,965	333,098	1,333,063
2020	810,000	305,248	1,115,248
2021-2025	3,165,000	1,126,689	4,291,689
2026-2030	1,845,000	609,323	2,454,323
2031-2035	1,000,000	344,906	1,344,906
2036-2040	995,000	130,156	1,125,156
<b>Total</b>	<b>\$ 13,163,163</b>	<b>4,094,485</b>	<b>17,257,648</b>

Business-type Activities:

2016	\$ 145,000	6,144	151,144
2017	145,000	2,048	147,048
<b>Total</b>	<b>\$ 290,000</b>	<b>8,192</b>	<b>298,192</b>

**Note Payable:** During the fiscal year ended June 30, 2013, York County changed its fiscal year end and assessed county tax over a six-month interim period. The amount of tax assessed to the City of Saco, Maine totaled \$560,308. The City has an agreement with the County to pay the \$560,308 in five equal annual payments of \$112,062 plus interest of 1.73% starting on December 31, 2013 and ending December 31, 2017. As of June 30, 2015, the City's outstanding amount of the note payable to York County was \$336,185.

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2016	\$ 112,062	5,816	117,878
2017	112,062	3,877	115,939
2018	112,061	1,939	114,000
<b>Total</b>	<b>\$ 336,185</b>	<b>11,632</b>	<b>347,817</b>

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**Note 6 - LONG-TERM DEBT, Continued**

Leases that qualify as capital leases for accounting purposes have been recorded at the present value of future minimum lease payments as of the date of the inception. The various leases are reported as a liability in the government wide financial statements. The following presents a summary of the capital lease commitments as of June 30, 2015:

	Original Purchase Price	Annual Depreciation Expense	Total Minimum Lease Payments	Interest	Present Value of Minimum Lease Payments
<u>Governmental Activities:</u>					
PW Vactor & PR Backhoe 2009	\$ 338,322	\$ 33,832	\$ 120,642	\$ 6,783	\$ 113,859
Copiers - 2015	105,693	21,139	114,736	9,043	105,693
Fire pumper truck	358,853	23,924	86,130	4,707	81,423
Public Works - equipment 2007	312,481	31,248	34,710	1,300	33,410
Parks & Rec - Tractor - 2010	57,892	5,789	28,796	3,417	25,379
Public Works - Trackless Sidewalk Plow - 2010	135,285	27,057	67,394	7,995	59,399
Parks & Rec - Wheel Loader - 2010	137,500	13,795	68,061	7,732	60,329
Public Works - Skid Steer - 2010	27,449	2,745	13,664	1,620	12,044
Fire/Ford Expedition - 2011	35,585	7,117	11,362	636	10,726
PW 2 Plow Trucks - 2011	264,634	52,927	99,246	4,431	94,815
PW F550 - 2011	44,790	8,958	14,389	849	13,540
PW Roller - 2012	23,900	4,780	5,137	145	4,992
PW Loader w/Plow - 2012	209,962	20,996	126,968	15,857	111,111
P&R Mower - 2012	25,024	5,005	5,825	160	5,665
PW Dump Body/Sander - 2012	42,250	8,450	19,879	1,218	18,661
P&R Cargo Van - 2012	21,882	4,376	4,631	131	4,500
P&R Minivan - 2012	24,863	4,973	5,185	147	5,038
FD Fire Equipment - 2012	68,381	6,838	32,316	2,073	30,243
PW F450 - 2012	60,344	12,069	28,519	1,830	26,689
PW Excavator - 2013	185,300	11,230	128,307	8,674	119,633
Admin Prius - 2013	22,825	3,444	9,132	-	9,132
FD Emergency Utility Vehicle - 2013	25,180	4,197	10,565	376	10,189
PW One Ton F550 - 2013	59,860	4,945	25,174	939	24,235
PR F350 - 2013	36,155	6,157	15,171	540	14,631
PR F550 - 2013	47,148	5,768	19,775	698	19,077
FD Rescue - 2013	178,846	23,846	75,014	2,648	72,366
PW Two Plow Trucks - 2014	303,348	30,335	243,924	13,845	230,079
FD Thermal Imaging - 2014	11,795	393	9,339	848	8,491
FD Boat - 2014	93,000	9,300	72,908	6,546	66,362
FD Jaws of Life - 2014	8,507	142	5,384	282	5,102
FD Tahoe - 2014	43,549	6,766	29,439	1,998	27,441
PD Video Detection System - 2014	41,845	8,369	25,749	1,335	24,414
FD Stair Chair - 2015	22,611	3,230	19,400	1,069	18,331
PW Pod Truck - 2015	181,586	18,159	171,970	14,414	157,556
PW Equinox - 2015	16,748	3,350	14,119	901	13,218
PW Dump Truck - 2015	153,674	15,367	138,108	12,040	126,068
PW Mini Paver - 2015	35,900	3,590	32,134	2,878	29,256
PW Sidewalk Attachment - 2015	24,499	2,450	20,646	1,308	19,338
PW Silverado - 2015	19,989	3,998	16,845	1,067	15,778
PW Prius - 2015	23,839	4,768	19,752	-	19,752
PW Bobcat - 2015	65,424	6,542	60,879	5,602	55,277
PW Transit/F440/F550	240,793	24,079	211,418	14,920	196,498
School Phone System - 2015	16,000	3,388	6,776	278	6,498
School Bus - 2015	25,474	12,950	26,780	1,306	25,474
School Bus - 2015	50,385	16,300	53,438	3,053	50,385
School Bus - 2015	68,015	16,300	73,193	5,177	68,016
School Copiers - 2015	239,914	47,983	260,442	20,528	239,914
School Modular Classroom - 2015	58,410	19,470	61,152	2,742	58,410
	<b>\$ 2,744,523</b>	<b>\$ 196,086</b>	<b>\$ 2,548,437</b>		



**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 6 - LONG-TERM DEBT, Continued**

The annual requirements to amortize Capital Lease Obligations outstanding as of June 30, 2015 for the Governmental activities are as follows:

Year	<u>Principal</u>	<u>Interest</u>	Total Lease <u>Obligation</u>
2016	\$ 684,541	\$ 73,829	\$ 758,370
2017	649,863	53,771	703,634
2018	469,260	34,522	503,782
2019	367,174	20,729	387,903
2020	257,295	9,959	267,254
2021	120,304	3,276	123,580
Total	<u>\$ 2,548,437</u>	<u>\$ 196,086</u>	<u>\$ 2,744,523</u>

In accordance with 30 MRSA, Section 5061, as amended, no municipality shall incur debt for specified purposes in excess of certain percentages of the state valuation of such municipality. Additionally, no municipality shall incur debt in the aggregate in excess of 15% of its stated assessed valuation. The City's outstanding debt at June 30, 2015, of \$15,711,599 (excluding notes payable), was \$290,313,400 below the City's statutory debt limit. Total interest expended for all funds of the City was \$590,962 for the year ended June 30, 2015.

**Note 7 - OVERLAPPING DEBT**

The City's proportionate share of York County's debt (determined by the percentage of the City's state valuation to the County's state valuation) is not reported in the City's financial statements. Debt service is included in the annual county assessment to the City. At June 30, 2015, the City's equalized State valuation of \$2,042,100,000 was 7.01% of the County's equalized State Valuation of \$29,117,100,000. The City's share is 6.99%, or \$540,535 of York County's \$7,730,059 long-term debt outstanding as of June 30, 2015.

The Biddeford-Saco-Old Orchard Beach Transit Committee had long-term debt of \$125,586 outstanding on June 30, 2015. Under the Interlocal Agreement that governs this entity, the communities of Biddeford, Saco, and Old Orchard Beach would become jointly responsible for this debt should the Transit Committee be dissolved. The City's share is 33.33%, or \$41,862.

**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 disallowance claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

**Litigation**

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

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 9 - TAX INCREMENT FINANCING DISTRICT**

Under Title 30, Subchapter II-B of Maine State statutes, the City formed a Tax Increment Finance (TIF) District to finance certain public improvements to Saco Island, formerly known as Factory Island. The expenditures from this development project will be recouped in future years via an incremental tax levied upon the Districts' "captured assessed value" over a fifteen year period to expire December 30, 2016. The tax increment will be held in the form of a sinking fund. The short-term financing mechanism for the public improvement projects is a reimbursement agreement between the City and the project developer.

The City originally established the Saco Island Tax Increment Financing (TIF) District in 1985 and amended it in 1986. The agreement required certain improvements and required the City to collect monies in a sinking fund. The developer and its successors were reimbursed for these improvements. The length of this agreement was 15 years from the date of approval of the second TIF.

In March of 1999, the Maine Department of Economic and Community Development accepted the City's application to amend the Saco Island Tax Increment Financing District. It authorized the City to capture increased assessed value for a period of fifteen years, add approximately 7.5 acres to the District, and revised the program of public improvements, as part of the City's continuing revitalization effort of the Downtown and Saco Island, and in response to the State of Maine's need for a train station on Saco Island. In addition to improvements within the District, TIF proceeds will be used to organize, construct and improve parking areas within 500 feet of the District.

The City will continue to capture one hundred percent of the first \$14,400,000 in increased assessed value to fund the completion of the improvements within the amended development program. The City will pay for all public improvements in the District, utilizing municipal tax increment revenues on retained captured assessed value generated by the District and deposited into the Development Program Fund. The City will utilize available Federal funds, to finance a share of the construction costs of the rail station, and other grant funds as they become available. The City will not incur any general obligation bond indebtedness in connection with this program.

Also, in February 1997, the City formed a Tax Increment Finance (TIF) District to assist First Light Technology, Inc. (the Company) in acquiring real estate, constructing a manufacturing and research building, and to assist the City in financing the costs of the Public Improvements or to pay the costs of constructing such improvements directly. Under the Development Program, the City will make a portion of the newly-generated tax revenues within the District available to the Company for a period of (5) years pursuant to a credit enhancement agreement, which is a contract between the City and the Company. This portion will be equal to 40 percent of the increased value of the real estate (including buildings).

The remaining portion of the new real estate tax revenues (60 percent) and a portion of the new personal property tax revenues (50 percent, exclusive of existing equipment moved to the new location) will be captured for a period of twenty (20) years and used or held for use in connection with the Public Improvements. All remaining tax revenues will become part of the City's general tax revenues. After expiration of the five-year period, the portion paid into the City's general fund will include the tax revenues previously returned to the Company.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 9 - TAX INCREMENT FINANCING DISTRICT, Continued**

In July 1998, the City formed a TIF District to assist Transparent Audio, Inc. (the Company) in constructing a building, real property improvements, and additional personal property acquisitions. During the first ten (10) years of the Development Program, the City will capture one hundred percent (100%) of the increase in assessed value due to the Real Property Improvements, allocating during years one through five, forty (40%) percent of the incremental municipal tax increment revenues from the Real Property Improvements (the “Real Property Captured Tax Increment Revenues”) to the Company pursuant to a credit enhancement agreement (“the Company Increment Portion”). The agreement also provides that twenty percent (20%) of such revenues will be allocated to the Company during years six through ten. No part of the incremental revenues from the additional personal property will be returned to the Company pursuant to the Development Program.

The Real Property Captured Tax Increment Revenues shall be calculated based on real property values in excess of the City’s valuation of the District as of April 1, 1998 (\$53,600). The Company Increment Portion will be used by the Company either to pay costs of the Project directly or to pay debt service used to finance costs of the Project. The Project costs financed with Real Property Captured Tax Increment Revenues will represent only a portion of the total costs of the Project. All additional costs of the Company in respect of the Project will be the responsibility of the Company. After ten years, the Company will have no further right to the Company Increment Portion, and it will form part of the City’s general revenues.

Saco Plaza, Inc. (the Company) has developed the real estate constituting the District and constructed an 80-100 room hotel and allied facilities (conference facilities and restaurant) along with related physical improvements thereon (the Project). The purpose of the District is to assist the Company in financing the costs of the Project, and to assist the City in economic development in the North Street – Maine Turnpike area, and to assist in furtherance of the Industrial Park Road expansion. During the first five (5) years of the Development Program, the City will capture 100% of the increase in assessed value due to real and personal property improvements, allocating this captured incremental municipal tax revenue between the Company (the “Company Incremental Portion”) and the City (“City Increment Portion”) pursuant to a credit enhancement agreement between Company and City. The credit enhancement agreement provides that forty (40) percent of the Captured Incremental Revenues during this initial five (5) year period will be made available to the Company while sixty (60) percent of the Captured Incremental Revenues will flow to the City for economic development purposes both in the North Street – Maine Turnpike area, and with expanding the Industrial Park Road. During the final five (5) years of the Development Program, the City will capture only forty (40) percent of the incremental increase in assessed values due to real and personal property improvements, allocating this revenue to the Company pursuant to the credit enhancement agreement. The remaining sixty (60) percent of increased assessed value will not be captured in the final five (5) years of the Project but will flow to the City’s General Fund.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 9 - TAX INCREMENT FINANCING DISTRICT, Continued**

The Spring Hill TIF was amended on October 7, 2008. Boundary changes removed a 12 foot strip to the Scarborough line and added one lot to the district. This lot is the site of an IMAX theater. The TIF revisions also create a mitigation fund for the fifth lane in Route 1, which MDOT plans to require for an IMAX theater (\$118,000), and extends the end date of the TIF 10 years beyond the original 2012 expiration to 2022.

The Park North TIF, approved September 12, 2007, is for 100% of the tax increment for 20 years, with 70% reimbursing the developer for a sewer extension. The developer has paid for the costs and financing for the sewer extension and for a pump station serving the project. This includes only large sewer mains, not local service mains within the development. The sewer cost is estimated at \$3.5 million, although financing may double the cost. Reimbursement to the developer continues until the company is reimbursed. It is estimated that it may take 11 years to reimburse. The remainder of the TIF --30% in the early years, 100% later -- would be used by the City for a program of improvements in the district and in the area of the project and some qualifying economic development projects.

The Industrial Park Road TIF was approved March 16, 2007, is for 100% of the tax increment through 2027. The entire increment will be treated in a special fund by the City and used for construction of roads and sewers and sidewalks including improvements to a portion of North Street and a portion of Industrial Park Road. A credit enhancement agreement was reached with People's Choice Credit Union on 3/20/09 to reimburse the company \$100,000 for intersection improvements, by reimbursing it 50% of its taxes each year until it receives the full \$100,000 payout.

The Franklin Fuels TIF (Incon, Intelligent Controls), was approved on March 24, 2008. The TIF captures 100% of captured assessed value. The agreement returns 45% of taxes to Franklin Fuels which erected a new industrial building in which it manufactures fuel tank monitoring equipment and other electronic detection devices. The TIF retains 55% for City public improvements and Economic Development programs through fiscal 2019.

The General Dynamics TIF was approved in February 2014. The General Dynamics entity plans to complete approximately \$750,000 project cost. This TIF is for 100% of the new value for a maximum of \$100,000 for job creation.

**Note 10 - RELATED PARTY TRANSACTIONS**

The Lucia Kimball Deering Trust is related to the Kimball Health Center through common directorships. Beginning in May 1986, the amount due to the Trust from the Kimball Health Center was being reimbursed at the rate of \$500 per month. However, the reimbursement amount is left to the discretion of the Board of Directors. No interest is charged on this loan, which had an outstanding balance of \$849,634 at June 30, 2015.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 11 - CLASSIFICATION OF NET POSITION**

In the Government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. This category presents restrictions placed on the categories of Capital Projects, and Specific Projects and Programs as established by City Council.

Unrestricted Net Position - Represents the net position of the City, not restricted for any project or other purpose.

**Note 12 - DEFICIT FUND BALANCES**

The City's Special Revenue Funds for the School Operations Fund, Recreation Impact Fees, Recreation Donations, Park North TIF Project, PD Grants, Saco Island TIF, Goosefare WMP Grant, Mill District Pedestrian Bridge, FD Grant, SEP Grant, and non-major Capital Project funds for the Millbrook Industrial Park are carrying forward fund deficits as of June 30, 2015. These deficits will be funded by future operations through anticipated revenues to be received.

**Note 13 - RETIREMENT SYSTEM**

**Maine Public Employees Retirement System (Maine PERS) – Consolidated Plan**

**Description of the Plan** – Employees of the City are provided with pensions through the Maine Public Employees Retirement System Consolidated Plan for Local Participating Districts (PLD Plan), 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.mainebers.org](http://www.mainebers.org).

**Funding Policy** – 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 7.0% of their annual pay. The City's contractually required contribution rate for the year ended June 30, 2015, was 4.1% of annual payroll for the AN plan and 4.4% of annual payroll for the 2N plan, 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 City were \$342,859 for the year ended June 30, 2015.

For the year ended June 30, 2015, the School Department contributed \$39,585 to the City's PLD plan, but these amounts were not reflected on the City's financial statements as the School Department was not included in the MPERS valuation as of June 30, 2014 as the School Department was still part of Regional School Unit #23. For the year ended June 30, 2015, the School Department also contributed \$283,254 to the Maine Public Employees Retirement System Teacher Plan. Again, these amounts were not reflected on the City's financial statements, as the School Department was not included in the MPERS valuation as of June 30, 2014, as the School Department was still part of Regional School Unit #23.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 13 - RETIREMENT SYSTEM, Continued**

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

At June 30, 2015, the City reported a liability of \$1,197,303 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City'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, 2014, the City's proportion was 0.7781%.

For the year ended June 30, 2015, the City recognized pension revenue of \$32,665. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$ 112,760	-
Net difference between projected and actual earnings on pension plan investments	-	1,017,290
Changes in proportion and differences between City contributions and proportionate share of contributions	-	29,280
City contributions subsequent to the measurement date	342,859	-
<b>Total</b>	<b><u>\$ 455,619</u></b>	<b><u>1,046,570</u></b>

\$342,859 is reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2016	\$ (226,496)
2017	(226,496)
2018	(226,496)
2019	(254,322)

**Actuarial Assumptions** - The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5%
Salary increases	3.5% to 9.5% per year
Investment return	7.25% per annum, compounded annually
Cost of living benefit increases	3.12% per annum

Mortality rates were based on the RP2000 Combined Mortality Table projected forward to 2015 using Scale AA.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 13 - RETIREMENT SYSTEM, Continued**

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 to June 30, 2010.

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, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US equities	20%	2.5%
Non-US equities	20%	5.5%
Private equity	10%	7.6%
Real estate	10%	3.7%
Infrastructure	10%	4.0%
Hard assets	5%	4.8%
Fixed income	25%	0.0%
<b><u>Total</u></b>	<b><u>100%</u></b>	

**Discount Rate** - The discount rate used to measure the total pension liability was 7.25%. 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 City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** - The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.25%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1 percentage-point higher (8.25%) than the current rate:

	1% Decrease <u>(6.25%)</u>	Current Discount Rate <u>(7.25%)</u>	1% Increase <u>(8.25%)</u>
City's proportionate share of the net pension liability	\$ 3,735,233	\$ 1,197,303	\$ (924,091)

**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, 2015.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 13 - RETIREMENT SYSTEM, Continued**

**Deferred Compensation Plan**

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

Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The plan vests at the end of two years of service and 100% at the end of three years. The City expended \$131,947 (5%) for the year ended June 30, 2015, \$126,650 (5%) for the year ended June 30, 2014 and \$126,529 (5%) for the year ended June 30, 2013. The deferred compensation amount is not available for withdrawal by employees until termination, retirement, death, or unforeseeable emergency.

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

**Other**

Additionally, the City participates in the Social Security Retirement Program. The City's contribution to Social Security was approximately \$752,578 for the year ended June 30, 2015, \$707,914 for the year ended June 30, 2014, and \$696,879 for the year ended June 30, 2013.

**Note 14 - OTHER DISCLOSURES**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; and natural disasters for which the City either carries commercial insurance, or participates in a public entity risk pool. Currently, the City participates in a public entity risk pool for its workers compensation insurance sponsored by the Maine Municipal Association. Based on the coverage provided by the pool, as well as coverage provided by commercial insurance purchased, the City is not aware of any material actual or potential claim liabilities, which should be recorded at June 30, 2015. There were no significant reductions in insurance coverage from that of the prior year. Settled claims have not exceeded insurance coverage for any of the past three fiscal years. The amount of unpaid claims was \$0 at June 30, 2015 and 2014.

**Note 15 - BUDGETARY INFORMATION**

Through the budget, the City Council sets the direction of the City, allocates its resources and establishes its priorities. The Annual Budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished. The City legally adopts annual budgets for the Governmental General Fund, School Operations Fund and the Business-type Waste Water Treatment Plant Fund.

The Annual Budget serves from July 1 to June 30, and it is a vehicle to accurately and openly communicate these priorities to the community, businesses, vendors, employees and other public agencies. In addition, it establishes the foundation of effective financial planning. The budget provides resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.



**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 15 - BUDGETARY INFORMATION, Continued**

The City of Saco, Maine's budget is prepared and based on four expenditure categories; personnel, operations and maintenance, other expenditures and capital improvement programs. The first three listed are considered operational in nature or known as *recurring costs*. Capital Improvement Projects are asset acquisitions, facilities, systems, and infrastructure improvements, etc. typically over \$8,000, and/or those items "outside" of the normal operational budget, these are known as *one-time costs*.

The accounts of the City are organized on the basis of funds.

The City collects and records revenue and expenditures within the following categories:

Governmental Activities  
Business-type Activities

The Governmental Funds include the General Fund, Special Revenue Funds, Capital Project Funds and the Permanent Funds. All funding sources are kept separate, for both reporting and for uses of the money. The General Fund is where most City services are funded that are not required to be segregated.

The budget process begins as a team effort in January of each year, starting with an annual strategic planning meeting, then from this, the individual departments use projected revenue assumptions to prioritize and recommend the next fiscal year's objectives. The City Administrator and the Finance Director review each budget proposal, revenue assumptions and all current financial obligations, before preparing the proposed document to the City Council. The City Council reviews the Proposed Budget, through a series of workshop meetings, with the final adoption scheduled during the first council meeting in June.

Per City Charter, the level of budgetary control is at the department level. The following departments overspent their fiscal year 2015 budgets: City Administration \$6,362, Finance \$6,240, City Clerk \$726, Planning \$30,168, Fire Ambulance \$42,750, Municipal Grounds & Recreation \$97,622, Employee Benefits \$111,573, Insurance \$12,547, Contingency \$66,978, Debt Service \$3,203 and Capital Projects \$96,834.

These overages were anticipated and in some cases had additional revenue to cover them. These overages lapsed to unassigned fund balance at year end.

According to the City Charter, the departments are allowed to carry over unspent portions of their individual capital budgets which then can be used in future years. For the Governmental Activities fiscal year ended June 30, 2015 and 2014, the amounts carried over by the departments totaled \$1,417,982 and \$1,506,774, respectively, with a like amount assigned in the General Fund balance.

See Statement 6 Within the Government-wide financial statements for a Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual for an analysis of the original approved budget versus the final budget and actual amounts.

Per City Charter, Saco Schools has a budget that is passed by the School Board, passed by the City Council, and then passed by the citizens of Saco.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 15 – BUDGETARY INFORMATION, Continued**

The total actual revenues were \$12,228,753 and total expenditures were \$32,734,179. Other financing sources of \$20,482,734 include the transfer between the general fund and the school operations fund. There was also a special item for Regional School Unit #23 payment for the City of Saco's portion of the withdrawal from the RSU on July 1, 2014 which totaled \$564,769 which created a fund balance deficit of \$912,501.

**Note 16 – INTERFUND ACCOUNTS**

Due from/to other funds at June 30, 2015 consisted of the following:

	<u>Due from</u>	<u>Due to</u>
General Fund	\$ 4,146,519	\$1,244,770
School Operations Fund	891,379	-
Special Revenue Funds	679,960	1,578,862
Capital Project Funds	153,069	439,882
Permanent Fund	700	-
Proprietary Funds	-	2,608,113
<b>Total</b>	<b>\$ 5,871,627</b>	<b>5,871,627</b>

Interfund transfers during the year ended June 30, 2015 consisted of the following:

	<u>Transfer in</u>	<u>Transfer out</u>
General Fund	\$ 831,000	21,782,058
School Operations Fund	20,607,734	125,000
Special Revenue Funds	1,174,324	706,000
<b>Total</b>	<b>\$ 22,613,058</b>	<b>22,613,058</b>

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

The primary purposes of the transfers are to match budgeted amounts within the general fund from the funds financing the various projects. Due to the fact that one budget is adopted; many projects from other funds are included in the capital improvement section of the budget. These transfers allow for the revenue to be reflected within the general fund where the expenditures have been budgeted and paid.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**Note 17 – FUND BALANCE**

As of June 30, 2015, fund balances components consisted of the following:

	<b>General Fund</b>	<b>School Operations Fund</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Nonspendable:</b>				
Prepaid	\$ 144,234	30,813	-	175,047
School Nutrition Inventory	-	-	3,106	3,106
Accounts/Notes Receivable	-	-	886,063	886,063
Principal of permanent funds	-	-	181,383	181,383
<b>Total Nonspendable</b>	<b>144,234</b>	<b>30,813</b>	<b>1,070,552</b>	<b>1,245,599</b>
<b>Restricted</b>				
Finance and Administration	-	-	1,209,535	1,209,535
Community Services	-	-	285,625	285,625
School Grants	-	-	82,086	82,086
School Nutrition	-	-	39,659	39,659
Public Safety	-	-	14,303	14,303
Public Works	-	-	140,032	140,032
Permanent Funds	-	-	468,620	468,620
<b>Total Restricted</b>	<b>-</b>	<b>-</b>	<b>2,239,860</b>	<b>2,239,860</b>
<b>Committed</b>				
City Service	-	-	570	570
Public Safety	90,300	-	551,649	641,949
Public Works	-	-	61,674	61,674
<b>Total Committed</b>	<b>90,300</b>	<b>-</b>	<b>613,893</b>	<b>704,193</b>
<b>Assigned</b>				
City Service	-	-	159	159
Community Services	-	-	3,620	3,620
Public Safety	-	-	516	516
Public Works	-	-	524,712	524,712
Subsequent year's Expenditures	334,665	-	-	334,665
Reserves	1,417,982	-	-	1,417,982
<b>Total Assigned</b>	<b>1,752,647</b>	<b>-</b>	<b>529,007</b>	<b>2,281,654</b>
<b>Unassigned</b>	<b>4,779,487</b>	<b>(943,314)</b>	<b>(1,003,258)</b>	<b>2,832,915</b>
<b>Total Fund Balance (deficit)</b>	<b>\$ 6,766,668</b>	<b>(912,501)</b>	<b>3,450,054</b>	<b>9,304,221</b>

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 18 – NET POSITION**

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds and capital leases payable and adding back any unspent proceeds.

The City's net investment in capital assets was calculated as follows at June 30, 2015:

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 95,295,668	25,934,813
Accumulated depreciation	(36,191,518)	(5,163,701)
Bonds Payable	(13,163,163)	(290,000)
Capital Leases	(2,548,437)	-
<u>Net investment in capital assets</u>	<u>\$ 43,392,550</u>	<u>20,481,112</u>

**Note 19 – RESTATEMENT OF NET POSITION**

For the fiscal year ended June 30, 2015, the City has elected to implement Statement No. 68 of the Governmental Accounting Standards Board – *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. As a result of implementing GASB Statement No. 68, the City has restated beginning net position for the governmental activities to account for the addition of the City's proportionate share of the net pension liability of \$2,450,525, and deferred outflows for the City's contributions subsequent to the measurement date of \$286,747, which effectively decreased the City's net position as of July 1, 2014 by \$2,163,778.

**Note 20 – OTHER POST EMPLOYMENT BENEFITS**

The City is a member of the Maine Municipal Employees Health Trust. The Trust is a multiple employer Voluntary Employee's Beneficiary Association. The City is an individually rated member within the Association. The Trust issues a publicly available financial report that may be obtained by writing to the Maine Municipal Association at 60 Community Drive, Augusta, ME 04332. The Health Trust contracted with an outside consultant to assist in the determination and valuation of the City's OPEB liability under GASB Statement 45. An OPEB liability actuarial valuation was completed by the consultants in August 2014.

**Plan Descriptions** – In addition to providing pension benefits, the City provides health care benefits for certain retired employees. Eligibility to receive health care benefits follows the same requirements as MainePERS. Eligible retirees are required to pay 100% of the health insurance premiums to receive health benefit coverage.

**Funding Policy and Annual OPEB Cost** – GASB Statement 45 does not mandate the prefunding of postemployment benefits liability. The City currently plans to fund these benefits on a pay-as-you-go basis. No assets have been segregated and restricted to provide postemployment benefits. The annual required contribution (ARC), an actuarial determined rate, represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize unfunded actuarial liabilities over a period not to exceed thirty years.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 20 – OTHER POST EMPLOYMENT BENEFITS, continued**

The following table represents the OPEB costs for the years ended June 30, 2015, 2014 and 2013 and the annual required contribution:

	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Normal cost	\$ 70,409	70,409	78,543
Amortization of Unfunded	89,213	89,213	101,793
<u>Interest</u>	<u>3,162</u>	<u>3,162</u>	<u>3,571</u>
Annual required contribution	162,784	162,784	183,907
Interest on net OPEB obligations	32,686	28,232	22,972
<u>Amortizing adjustment to ARC</u>	<u>(47,256)</u>	<u>(40,818)</u>	<u>(33,212)</u>
Annual OPEB cost	148,214	150,198	173,667
<u>Less: Actual contributions</u>	<u>(46,490)</u>	<u>(38,865)</u>	<u>(42,162)</u>
Annual required contribution	101,724	111,333	131,505
<u>Net OPEB obligation beginning of year</u>	<u>817,143</u>	<u>705,810</u>	<u>574,305</u>
Net OPEB obligation end of year	\$ 918,867	817,143	705,810

The “actual contributions” represent an implicit rate subsidy offset based on a calculation provided by the actuary which calculates the percentage of premiums which subsidizes retirees.

**Funding Status and Funding Progress** – The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2015, 2014 and 2013 was as follows:

	<u><b>2015</b></u>	<u><b>2014</b></u>	<u><b>2013</b></u>
Annual required contribution	\$ 148,214	150,198	173,667
Percent contributed	31.4%	25.9%	24.3%
<u>Net OPEB obligation</u>	<u>918,867</u>	<u>817,143</u>	<u>705,810</u>
Actuarial accrued liability	1,604,388	1,604,388	1,830,622
<u>Plan assets</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded actuarial accrued liability	1,604,388	1,604,388	1,830,622
<u>Covered payroll</u>	<u>9,198,014</u>	<u>8,677,586</u>	<u>8,564,636</u>
Unfunded actuarial accrued liability as a percentage of covered payroll	17.4%	18.5%	21.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information (only seven years available) that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF SACO, MAINE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**Note 20 – OTHER POST EMPLOYMENT BENEFITS, continued**

**Actuarial Methods and Assumptions** – Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets. Significant methods and assumptions were as follows:

Actuarial valuation date	01/01/2014
Actuarial cost method	Entry age normal
Amortization method	Level dollar
Amortization period	30 years-open
Actuarial assumptions:	
Investment rate of return	4.0%
Projected salary increases	N/A
Healthcare cost trend rate	4.0% - 8.7%
Inflation rate (implicit)	3.0%

**Note 21 – WITHDRAWAL FROM REGIONAL SCHOOL UNIT #23**

The voters of the City of Saco, Maine elected to withdraw from Regional School Unit #23. The withdrawal agreement for the City of Saco, Maine was approved by the Maine Department of Education and the withdrawal was effective July 1, 2014. Under the terms of the agreement, the School Department received capital assets. Similarly, the debt associated with the capital assets transferred will remain in the School Unit's name, but the City of Saco, Maine's School Department is responsible for reimbursing Regional School Unit #23 for future debt service payments. This amount is reported as a payable of \$2,205,767 at year-end, with \$2,065,000 being building obligations payable and \$140,767 being capital leases payable. Additionally, Regional School Unit #23 divided fund balances or deficits according to the allocation method described in the agreements. This resulted in a net payment of \$496,963 due to the RSU that is reported as a special item on Statement 4.

**CITY OF SACO, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**MODIFIED APPROACH FOR CITY INFRASTRUCTURE CAPITAL ASSETS**

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

- street system including pavement, sidewalks, street lighting, traffic signals and curbing;
- storm water and sanitary collection system;
- wastewater treatment facility;
- park and recreation lands and;
- building site amenities such as parking and landscaped areas

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

- The City manages the eligible infrastructure capital assets using an asset management system with characteristics of (1) an up-to-date inventory; (2) perform condition assessments and summarize the results using a measurement scale; and (3) estimate annual amount to maintain and preserve at the established condition assessment level.
- The City documents that the eligible infrastructure capital assets are being preserved approximately at or above the established and disclosed assessment level.

In 2000 (fiscal year 2001), the City commissioned a physical condition assessment of the streets which was completed and dated February 2001. The City completes a condition assessment of 1/3 of the roads each year using a program developed by the State of Maine Department of Transportation (MDOT) known as the Road Survey and Maintenance System (RSMS). A pavement condition index (PCI), a nationally recognized index, was assigned to each street and expressed in a continuous scale from 0 to 100, where 0 is assigned to the least acceptable physical condition and 100 is assigned the physical characteristics of a new street. In fiscal year 2010, the City migrated the road condition assessments to a new program developed by the Army Corp of Engineers called Micropaver. The Micropaver program is a more inclusive assessment tool and the program rates the roads more severely than the previous assessment software (RSMS). Using Micropaver allowed the City to conduct actual condition assessments on one third of the road system each year and use the modeling function to predict condition assessments based on known deterioration rates.

The following conditions were defined and associated to a rating within our asset management system:

<u>Condition</u>	<u>Rating</u>	<u>Asset Management System Rating</u>
Good	100-71	1
Fair	70-56	2
Poor	55-41	3
Substandard	40-0	4

The City’s Public works Department has been conducting condition assessments in the fall of each year. Based on their research and an analysis of the data compiled, the City has determined that on average a road needs to be overlaid, on average, every 12 years. The frequency and extent of the maintenance will depend on factors such as traffic volume, the amount of truck traffic, road base materials, and drainage conditions.

**CITY OF SACO, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

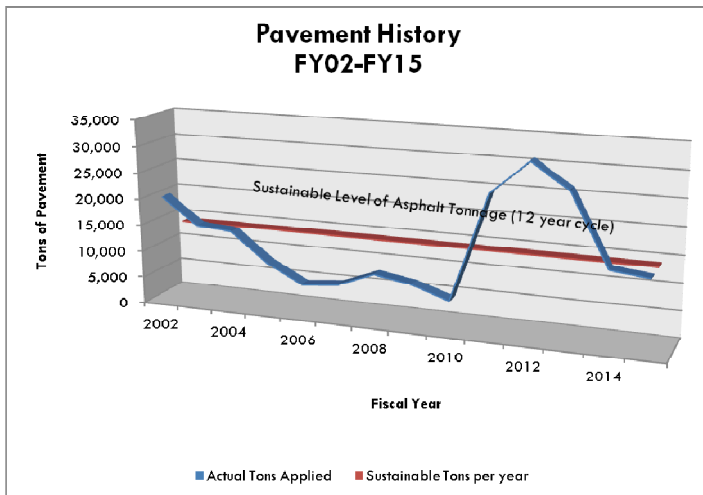
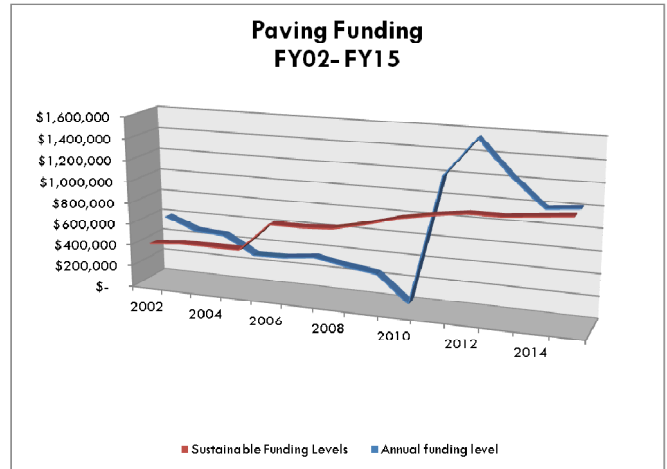
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**MODIFIED APPROACH FOR CITY INFRASTRUCTURE CAPITAL ASSETS, Continued**

Based on a 12 year maintenance schedule, the Public Works has determined that the paving needs will be approximately 13,900 tons per year. At today's asphalt prices, this would translate to a sustainable funding allocation of \$903,500 per year at the current price of \$65.00 per ton.

Due to a weak economy, financial constraints, and a doubling of the cost of asphalt, the City had dropped below the sustainable level for maintaining the City's road system from 2005 through 2010. In the fall of 2009, the City bonded \$2.3 million dollars to fund the road paving program. This has helped to raise the condition of the backlogged roads that had been deferred due to lack of funding.

Other infrastructure assets, sewer pipe, catch basins and manholes, storm drainage, sidewalks, traffic lights and signage, were then combined with the streets on the City's Asset Management System (AMP). Per the rating system noted above, each infrastructure asset was assigned a condition assessment based on a visual inspection conducted on each asset. City staff will be responsible for assessing and maintaining the data associated with the Saco AMP.





**CITY OF SACO, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**MODIFIED APPROACH FOR CITY INFRASTRUCTURE CAPITAL ASSETS, Continued**

The City's Policy is to achieve a minimum rating of 2 for all other infrastructure assets, which is consistent with that for the streets. From June 30, 2007 through June 30, 2015, the City's other infrastructure assets had established condition assessment levels as follows:

<u>Condition Average</u>	FY 2007-2009 % of Other <u>Infrastructure</u>	FY 2010-2012 % of Other <u>Infrastructure</u>	FY2013-2015 % of Other <u>Infrastructure</u>	Management System <u>Rating</u>
Excellent to Good	83.0%	68.1%	76.4%	1
Fair	13.8%	14.2%	13.3%	2
Poor to Substandard	3.2%	17.7%	10.3%	3 and 4

As of June 30, 2010 through June 30, 2012, the City had 17.7% of its other infrastructure assets rated below the established 2 rating. The City will require several years to rehabilitate these segments of infrastructure. The past five years the percentage of items below a category of 2 has decrease from 17.7% to 10.3%. Also in those five years, the percentage in the category of 1 has increased from 68.1% to 76.4%.

The City is continuously taking actions to arrest the deterioration of other infrastructure assets through short-term maintenance activities. The City has over the last year:

- Replaced 56 Catch Basins
- Replaced 18 Manholes
- Repaired 6,140' of Storm Drainage
- Repaired 5,190 of Sanitary Sewer
- Added 850' of Sidewalks
- Replaced 23 Street Signs
- Added 1 Traffic Light at Buxton Road

At the end of fiscal year 2010, the City received the paving bond for \$2.3 million. The City has been working to get the roads back up to our standard. The City has increased the paving budget, and the percentage in category 1 and 2 has gone up by 7.4%. All the categories are moving in the right direction.

As of June 30, 2015, the City had approximately 351,523 feet of sewer pipe with a carrying amount of \$14,918,272 and an estimated replacement cost of \$32,080,875; 3,088 catch basins and manholes with a carrying amount of \$2,302,711 and an estimated replacement cost of \$6,500,000; 266,639 feet of storm drainage with a carrying amount of \$17,998,406 and a replacement cost of \$27,300,000; 711,650 square feet of sidewalks with a carrying amount of \$1,899,091 and a replacement cost of \$2,500,000; 149 traffic signals with a carrying amount of \$851,455 and a replacement cost of \$1,300,000; and 991 street signs with a carrying amount of \$44,818 and a replacement cost of \$70,000.

**CITY OF SACO, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**MODIFIED APPROACH FOR CITY INFRASTRUCTURE CAPITAL ASSETS, Continued**

For the years ended June 30, 2015, 2014, 2013, 2012, and 2011, the City estimated the following amounts for maintenance and preservation of assets of each network or subsystem at the minimum required condition level:

	2015	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Sewer	\$ -	\$ -	\$ -	\$ 169,000	\$ -
Storm drainage	50,000	-	50,000	-	-
Sidewalks	25,000	100,760	50,000	-	-
Street Pavement System	785,864	-	710,955	-	-
Traffic signals	25,600	-	20,000	20,000	15,000

For the years ended June 30, 2015, 2014, 2013, 2012, and 2011, the City expended the following amounts for maintenance and preservation of assets of each network or subsystem:

	2015	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Sewer	\$ -	\$ -	\$ -	\$ 170,915	\$ -
Storm drainage	13,369	44,919	36,889	19,387	106,045
Sidewalks	14,530	16,621	47,285	99,048	25,629
Street Pavement System	642,812	672,037	533,558	515,164	2,967,403
Traffic signals	11,928	4,974	25,259	9,141	56,300

**CITY OF SACO, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**Schedule of Funding Progress**  
**Retiree Healthcare Plan**

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage Of Covered Payroll [(b-a) /c]
2009	1/1/09	\$ -	\$ 1,423,034	\$ 1,423,034	0.00%	\$ 8,386,002	16.9%
2010	1/1/09	\$ -	\$ 1,423,034	\$ 1,423,034	0.00%	\$ 6,614,983	21.5%
2011	1/1/11	\$ -	\$ 1,830,622	\$ 1,830,622	0.00%	\$ 7,918,078	23.1%
2012	1/1/11	\$ -	\$ 1,830,622	\$ 1,830,622	0.00%	\$ 8,863,551	20.6%
2013	1/1/11	\$ -	\$ 1,830,622	\$ 1,830,622	0.00%	\$ 8,564,636	21.4%
2014	1/1/14	\$ -	\$ 1,604,388	\$ 1,604,388	0.00%	\$ 8,677,586	18.5%
2015	1/1/14	\$ -	\$ 1,604,388	\$ 1,604,388	0.00%	\$ 9,198,014	17.4%

**CITY OF SACO, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**SUPPLEMENTAL INFORMATION FOR PENSIONS**

**Schedule of City's Proportionate Share of the Net Pension Liability**  
**Maine Public Employees Retirement System Consolidated Plan**

Last 10 Fiscal Years\*\*

2015\*

City's proportion of the net pension liability	0.7781%
City's proportionate share of the net pension liability	\$1,197,303
City's covered-employee payroll	\$7,985,222
City's proportion share of the net pension liability as a percentage of its covered-employee payroll	14.99%
Plan fiduciary net position as a percentage of of the total pension liability	94.10%

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

*\*\* Only one year of information available*

**CITY OF SACO, MAINE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**SUPPLEMENTAL INFORMATION FOR PENSIONS, continued**

**Schedule of City Contributions**  
**Maine Public Employees Retirement System Consolidated Plan**

Last 10 Fiscal Years\*

	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 342,859	286,747
Contributions in relation to the contractually required contribution	(342,859)	(286,747)
<b><u>Contribution deficiency (excess)</u></b>	<b><u>\$ -</u></b>	<b><u>-</u></b>
City's covered-employee payroll	\$7,985,222	7,498,831
Contributions as a percentage of covered- Employee payroll	4.29%	3.82%

\* Only two years of information available.

**Notes to Required Supplemental Information for Pensions**

**Changes of Benefit Terms** - None

**Changes of Assumptions** - None

## **GENERAL FUND**

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

**CITY OF SACO, MAINE**  
**Comparative Balance Sheets - General Fund**  
**June 30, 2015**

	<b>2015</b>	<b>2014</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,399,343	\$ 4,173,207
Investments	126,052	125,667
Accounts receivable	326,954	351,821
Taxes receivable:		
Current year	782,241	933,255
Prior year	111,035	119,187
Tax liens	362,746	399,268
Prepaid items	144,234	165,829
Interfund receivable	4,146,519	4,112,432
Tax acquired property	119,452	93,953
<b>Total assets</b>	<b>\$ 10,518,576</b>	<b>\$ 10,474,619</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 1,017,496	\$ 1,183,907
Accrued liabilities	353,938	344,242
Taxes collected in advance	122,564	102,225
Interfund payable	1,244,770	1,015,607
<b>Total liabilities</b>	<b>2,738,768</b>	<b>2,645,981</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	1,010,632	1,130,031
Unavailable revenue - rent	2,508	-
<b>Total deferred inflows of resources</b>	<b>1,013,140</b>	<b>1,130,031</b>
<b>FUND BALANCE</b>		
Nonspendable	144,234	165,829
Committed	90,300	86,903
Assigned	1,752,647	1,850,781
Unassigned	4,779,487	4,595,094
<b>Total fund balance</b>	<b>6,766,668</b>	<b>6,698,607</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 10,518,576</b>	<b>\$ 10,474,619</b>

**CITY OF SACO, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2015**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES:</b>			
Taxes:			
Real and Personal Property	\$ 37,892,654	\$ 37,911,741	\$ 19,087
Change in Deferred Property Revenues	-	(119,399)	(119,399)
Excise Taxes	3,066,000	3,561,343	495,343
Interest and Lien Costs on Taxes	154,000	152,031	(1,969)
Total taxes	41,112,654	41,505,716	393,062
Licenses and Permits:			
City Clerk Fees	86,350	92,359	6,009
Building Permits	275,000	281,094	6,094
Cable Television Franchise	280,000	269,818	(10,182)
Plumbing Permits	14,470	16,213	1,743
Electrical Inspection Fees	25,000	32,340	7,340
Snowmobile Registrations	2,600	2,655	55
Canine Licenses and Late Fees	15,600	23,249	7,649
Victualers' License	7,500	6,790	(710)
Total licenses and permits	706,520	724,518	17,998
Intergovernmental:			
State Assistance:			
Revenue Sharing	835,292	1,058,579	223,287
Local Road Assistance	254,750	219,344	(35,406)
Welfare Reimbursement	73,495	84,243	10,748
Homestead Exemptions	370,000	368,955	(1,045)
Other State Aid	230,100	331,562	101,462
Total intergovernmental	1,763,637	2,062,683	299,046
Charges for Services:			
Police	35,000	42,523	7,523
Community Policing-Thornton Academy/Saco Middle	102,000	102,613	613
Public Works	3,500	38,741	35,241
Transfer Station Fees	45,000	35,126	(9,874)
Sewer Inspection Fees	4,900	4,900	-
Recreation Department	825,000	917,325	92,325
False Alarm Fines	10,000	11,450	1,450
Miscellaneous Fees	10,000	3,675	(6,325)
Total charges for services	1,035,400	1,156,353	120,953
Other Revenues:			
Interest Earnings	10,000	16,853	6,853
Sale of City Assets	150,000	12,070	(137,930)
Building Rentals	65,000	55,746	(9,254)
Insurance Claims and Refunds	251,407	283,046	31,639
Planning/Zoning Board and Engineering Studies	60,500	106,918	46,418
Recycled Waste and Fees	15,500	11,723	(3,777)
Unclassified	40,000	61,763	21,763
Total other revenues	592,407	548,119	(44,288)
<b>TOTAL REVENUES</b>	<b>45,210,618</b>	<b>45,997,389</b>	<b>786,771</b>



**CITY OF SACO, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2015**

	Budget	Actual	Variance Positive (Negative)
<b>EXPENDITURES:</b>			
General Government:			
Legislative	\$ 17,600	\$ 17,116	\$ 484
City Administration	357,304	363,666	(6,362)
Finance	390,426	396,666	(6,240)
Technology	440,708	351,644	89,064
City Clerk/Voter Registration/Welfare Assistance	315,027	315,753	(726)
Assessor	201,564	194,046	7,518
City Building Maintenance	106,060	104,954	1,106
Legal Services	185,000	165,968	19,032
Building Inspector	223,506	222,583	923
Planning	324,453	354,621	(30,168)
Total general government	2,561,648	2,487,017	74,631
Public Safety:			
Police/Central Dispatch	3,656,328	3,628,177	28,151
Fire/Ambulance/Public Water	2,961,471	3,004,221	(42,750)
Total public safety	6,617,799	6,632,398	(14,599)
Public Works:			
Administration/Maintenance	5,501,545	5,053,368	448,177
Total public works	5,501,545	5,053,368	448,177
Culture and Recreation:			
Municipal Grounds & Recreation	1,458,278	1,555,900	(97,622)
Total culture and recreation	1,458,278	1,555,900	(97,622)
County Tax	1,231,828	1,231,018	810
Unclassified:			
Employee Benefits	3,290,116	3,401,689	(111,573)
Insurance	170,000	182,547	(12,547)
Public Agencies/City Agencies	716,300	709,248	7,052
Emergency Management	6,970	6,970	-
Overlay	500,000	-	500,000
Contingency	144,500	211,478	(66,978)
Total unclassified	4,827,886	4,511,932	315,954
Debt Service:			
Principal	1,888,333	1,876,675	11,658
Interest	516,153	531,014	(14,861)
Total debt service	2,404,486	2,407,689	(3,203)

**CITY OF SACO, MAINE**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual - Budgetary Basis**  
**General Fund**  
**For the Year Ended June 30, 2015**

			Variance Positive (Negative)
	Budget	Actual	
<b>EXPENDITURES (Continued):</b>			
Capital Projects:	\$ 1,002,114	\$ 1,098,948	\$ (96,834)
Total capital projects	1,002,114	1,098,948	(96,834)
<b>TOTAL EXPENDITURES</b>	<b>25,605,584</b>	<b>24,978,270</b>	<b>627,314</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER)</b>			
<b>EXPENDITURES</b>	<b>19,605,034</b>	<b>21,019,119</b>	<b>1,414,085</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Budgeted Utilization of Surplus-City	836,550	-	(836,550)
Carryover of Assigned Fund Balance	181,688	-	(181,688)
Transfers In:			
Capital Projects Fund	668,265	650,000	(18,265)
Special Revenue Fund	181,000	181,000	-
Transfers Out:			
Special Revenue Fund	(21,472,537)	(21,782,058)	(309,521)
Total other financing sources (uses)	(19,605,034)	(20,951,058)	(1,346,024)
<b>NET CHANGE IN FUND BALANCE</b>	<b>-</b>	<b>68,061</b>	<b>68,061</b>
<b>Fund balance beginning of year</b>		<b>6,698,607</b>	
<b>Fund balance end of year</b>		<b>\$ 6,766,668</b>	

**ALL OTHER GOVERNMENTAL FUNDS**

**CITY OF SACO, MAINE**  
**Combining Balance Sheet**  
**All Other Non-major Governmental Funds**  
**June 30, 2015**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Permanent Fund</b>	<b>Total Other Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 263,854	\$ -	\$ 48,491	\$ 312,345
Investments	1,107,030	596,538	600,812	2,304,380
Accounts receivable (net)	2,215,424	-	-	2,215,424
Interfund receivables	679,960	153,069	700	833,729
Notes receivable (net)	7,144	-	-	7,144
Inventory	3,106	-	-	3,106
Other	38,311	-	-	38,311
<b>Total assets</b>	<b>4,314,829</b>	<b>749,607</b>	<b>650,003</b>	<b>5,714,439</b>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	217,831	26,046	-	243,877
Accrued wages	1,764	-	-	1,764
Interfund payables	1,578,862	439,882	-	2,018,744
<b>Total liabilities</b>	<b>1,798,457</b>	<b>465,928</b>	<b>-</b>	<b>2,264,385</b>
Fund balances:				
Nonspendable	889,169	-	181,383	1,070,552
Restricted	1,643,279	127,961	468,620	2,239,860
Committed	603,393	10,500	-	613,893
Assigned	4,295	524,712	-	529,007
Unassigned	(623,764)	(379,494)	-	(1,003,258)
<b>Total fund balances</b>	<b>2,516,372</b>	<b>283,679</b>	<b>650,003</b>	<b>3,450,054</b>
<b>Total liabilities and fund balances</b>	<b>4,314,829</b>	<b>749,607</b>	<b>650,003</b>	<b>5,714,439</b>

**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**All Other Non-major Governmental Funds**  
**For the Year Ended June 30, 2015**

	Special Revenue Funds	Capital Project Funds	Permanent Fund	Total Other Governmental Funds
<b>REVENUES</b>				
Intergovernmental	\$ 2,273,224	\$ -	\$ -	\$ 2,273,224
Charges for services	1,062,136	-	-	1,062,136
Interest income	4,343	68	25,551	29,962
Other revenues	242,389	1,250	(33,554)	210,085
Total revenues	3,582,092	1,318	(8,003)	3,575,407
<b>EXPENDITURES</b>				
Current:				
Special projects	2,557,090	-	17,727	2,574,817
Capital expenditures	1,100,859	142,033	-	1,242,892
Total expenditures	3,657,949	142,033	17,727	3,817,709
Excess (deficiency) of revenues over (under) expenditures	(75,857)	(140,715)	(25,730)	(242,302)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,174,324	-	-	1,174,324
Transfers out	(706,000)	-	-	(706,000)
Total other financing sources (uses)	468,324	-	-	468,324
<b>SPECIAL ITEM</b>				
City of Saco withdrawal from Regional School Unit #23	67,806	-	-	67,806
Net change in fund balances	460,273	(140,715)	(25,730)	293,828
Fund balances - beginning of year	2,056,099	424,394	675,733	3,156,226
<b>Fund balances - end of year</b>	<b>\$ 2,516,372</b>	<b>\$ 283,679</b>	<b>\$ 650,003</b>	<b>\$ 3,450,054</b>

## **SPECIAL REVENUE FUNDS**

Special revenue funds are established to account for resources obtained and expended for specified purposes that are restricted by law or administrative action. Special revenue funds are established for the following purposes:

### ***Riverwalk***

To account for money collected to improve the riverwalk area.

### ***Recreation Impact Fees***

To account for the impact fees collected for open space and other purposes from new residential construction within the City.

### ***Ambulance***

To account for funds received from ambulance billing used for the maintenance, replacement, and other ambulance related items.

### ***Economic Development Fund***

The monies in this fund are generated by repayments to the City from Urban Development Action Grant and Development Fund loans to local businesses, and the sale of Saco Industrial Park lots. These monies are used to support, improve, and expand the City's Industrial Park and to make revolving loans to businesses within the applicable guidelines.

### ***Saco Housing Agency***

To account for funds provided by the Department of Housing and Urban Development under the Section 8 housing assistance payments for low-income families.

### ***Historic Preservation***

To account for grant funds received for historic preservation.

### ***Saco Island TIF***

To account for property taxes received from this tax increment financing district and the capital improvements made with the same.

### ***Recreation Donations***

To account for donations received to be used toward recreation programs.

### ***Wellness Grant***

To account for funds received under a Maine Municipal Association Grant.

### ***Planning Board Improvements***

To account for contributions by developers for improvement to City infrastructure.

### ***Fire Reserves***

To account for donations received by the Fire Department for specific restricted purposes.

### ***Jump Start Grant***

To account for grant funds received.

### ***Police Arrest Forfeiture Fund***

To account for funds derived from direct arrests and/or joint investigation activities, some of which lead to the forfeiture of cash or property to the City.

### ***Joe Riley Memorial Park***

To account for local contributions received for the purpose of creating a memorial park for Joe Riley.

## **SPECIAL REVENUE FUNDS, CONTINUED**

### ***School Lunch Fund***

To account for money collected and expended for the School Nutrition Program.

### ***PD York County Tech***

To account for money collected from the County of York for the purpose of PD technology.

### ***Spring Hill TIF Project***

To account for public improvements to the Spring Hill Industrial Park, in conjunction with a private development project. A tax increment finance district has been established to finance the public improvements.

### ***First Light TIF District***

To account for public improvements to the First Light Company, in conjunction with a private development project. A tax increment finance district has been established to finance the public improvements.

### ***Dog Park***

To account for money collected to build and maintain a dog park.

### ***Birchlane***

To account for funds received from Birchlane LLC used for the MeDEP regulations.

### ***School Locks***

To account for donations received to be used to pay for new school locking system to make for more secure schools.

### ***Carma Historic Surveys***

To account for fund received from by State for historic preservation.

### ***PD Grant***

To account for a grant received to purchase radio equipment.

### ***Saco Island Renaissance TIF***

To account for public improvements to the Saco Island Renaissance.

### ***Industrial Park Road TIF***

To account for public improvements to a portion of North Street and a portion of Industrial Park Road.

### ***Park North TIF Project***

To account for public improvements to the Park North Development, LLC in conjunction with a private development project. A tax increment finance district has been established to finance the public improvements.

### ***Incon/Franklin Fuels TIF***

To account for public improvements to Franklin Fuels in conjunction with a private development project. A tax increment finance district has been established to finance the public improvements and economic development programs.

### ***Bicycles***

To account for donations received to be used to pay for bikes for kids program.

## **SPECIAL REVENUE FUNDS, CONTINUED**

### ***School Local Share Adult Ed***

To account for money collected and expended for the Adult Education Program.

### ***School Other Grants & Special Revenues***

To account for monies collected by the school department for miscellaneous grants.

### ***Goosefare WMP***

To account for funds received from the state for Goosefare Watershed.

### ***Mill District Pedestrian Bridge***

To account for funds received from the state for installing the pedestrian bridge over the Saco River between Saco and Biddeford.

### ***General Dynamics TIF***

To account for public improvements to the General Dynamics area.

### ***FD Grant***

To account for funds received from York County for fire protection.

### ***SEP Grant***

To account for funds received from the state for SEP grant.

### ***Emergency Management***

To account for donations received for specific purposes for the City's emergency management initiatives.

### ***Saco Community Garden***

To account for funds to be used for the creation of a garden following organic practices, provide affordable garden plots for growing healthy food and flowers, support a community of gardeners and promote a green and sustainable Saco.

### ***Camp Ellis***

To account for funds derived from parking, boat landing fees and boat mooring/pier use permits at Camp Ellis Pier. These funds are expended for parking lot attendants and repairs and improvements to the Pier.

### ***Front Street Park***

To account for local and federal (Waterfront Action Grant) funds received for the construction of a riverside park on Front Street. Local funds are provided by a combination of general fund revenues and donations.

### ***Lucia Kimball Deering Trust***

To account for expendable trust fund monies.

### ***General Assistance***

To account for money collected to assist in areas that are not covered by the current State General Assistance Program.



**CITY OF SACO, MAINE**  
**Combining Balance Sheet - Non-major Special Revenues Funds**  
**June 30, 2015**

	Riverwalk	Recreation Impact Fees	Ambulance	Economic Development Fund	Saco Housing Agency	Historic Preservation	Saco Island TIF
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	238,190	103,541	-	-	-
Accounts receivable (net allowance of \$478,396)	-	-	264,589	-	-	-	-
Interfund receivables	739	-	51,452	631	-	4,369	-
Notes receivable (net allowance of \$7,143)	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total assets</b>	<b>739</b>	<b>-</b>	<b>554,231</b>	<b>104,172</b>	<b>-</b>	<b>4,369</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	-	3,060	-	-	-	-
Accrued wages	-	-	-	-	-	-	-
Interfund payables	-	316,405	-	-	-	-	66,275
<b>Total liabilities</b>	<b>-</b>	<b>316,405</b>	<b>3,060</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,275</b>
Fund balances (deficits):							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	104,172	-	4,369	-
Committed	739	-	551,171	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	(316,405)	-	-	-	-	(66,275)
<b>Total fund balances (deficits)</b>	<b>739</b>	<b>(316,405)</b>	<b>551,171</b>	<b>104,172</b>	<b>-</b>	<b>4,369</b>	<b>(66,275)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 739</b>	<b>\$ -</b>	<b>\$ 554,231</b>	<b>\$ 104,172</b>	<b>\$ -</b>	<b>\$ 4,369</b>	<b>\$ -</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Balance Sheet - Non-major Special Revenues Funds**  
**June 30, 2015**

	<b>Recreation Donations</b>	<b>Wellness Grant</b>	<b>Planning Board Improvements</b>	<b>Fire Reserves</b>	<b>Jump Start Grant</b>	<b>Police Arrest Forfeiture Fund</b>	<b>Joe Riley Memorial Park</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,805
Investments	-	-	-	-	-	-	-
Accounts receivable (net allowance of \$478,396)	-	-	-	-	-	-	-
Interfund receivables	-	29,177	4,871	478	100	14,303	-
Notes receivable (net allowance of \$7,143)	-	-	7,144	-	-	-	-
Inventory	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total assets</b>	<b>-</b>	<b>29,177</b>	<b>12,015</b>	<b>478</b>	<b>100</b>	<b>14,303</b>	<b>1,805</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	782	-	-	-	-	-
Accrued wages	-	261	-	-	-	-	-
Interfund payables	1,177	-	-	-	-	-	1,598
<b>Total liabilities</b>	<b>1,177</b>	<b>1,043</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,598</b>
Fund balances (deficits):							
Nonspendable	-	-	7,144	-	-	-	-
Restricted	-	28,134	4,871	-	-	14,303	-
Committed	-	-	-	478	100	-	207
Assigned	-	-	-	-	-	-	-
Unassigned	(1,177)	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>(1,177)</b>	<b>28,134</b>	<b>12,015</b>	<b>478</b>	<b>100</b>	<b>14,303</b>	<b>207</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 29,177</b>	<b>\$ 12,015</b>	<b>\$ 478</b>	<b>\$ 100</b>	<b>\$ 14,303</b>	<b>\$ 1,805</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Balance Sheet - Non-major Special Revenues Funds**  
**June 30, 2015**

	<b>School Lunch Fund</b>	<b>PD York County Tech</b>	<b>Spring Hill TIF Project</b>	<b>First Light TIF Project</b>	<b>Dog Park</b>	<b>Birchlane</b>	<b>School Locks</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	467,777	37,644	-	-	-
Accounts receivable (net allowance of \$478,396)	70,080	-	-	-	-	-	-
Interfund receivables	-	-	233,541	27,511	20	8,000	-
Notes receivable (net allowance of \$7,143)	-	-	-	-	-	-	-
Inventory	3,106	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total assets</b>	<b>73,311</b>	<b>-</b>	<b>701,318</b>	<b>65,155</b>	<b>20</b>	<b>8,000</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	100	-	155,450	-	-	-	-
Accrued wages	-	-	-	-	-	-	-
Interfund payables	30,446	-	-	-	-	-	-
<b>Total liabilities</b>	<b>30,546</b>	<b>-</b>	<b>155,450</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund balances (deficits):							
Nonspendable	3,106	-	-	-	-	-	-
Restricted	39,659	-	545,868	65,155	20	8,000	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>42,765</b>	<b>-</b>	<b>545,868</b>	<b>65,155</b>	<b>20</b>	<b>8,000</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 73,311</b>	<b>\$ -</b>	<b>\$ 701,318</b>	<b>\$ 65,155</b>	<b>\$ 20</b>	<b>\$ 8,000</b>	<b>\$ -</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Balance Sheet - Non-major Special Revenues Funds**  
**June 30, 2015**

	Carma Historic Surveys	PD Grant	Saco Island Renaissance TIF Project	Industrial Park TIF Project	Park North TIF Project	Incon/ Franklin Fuels TIF Project	Bicycles
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	2,071	257,807	-	-	-
Accounts receivable (net allowance of \$478,396)	-	-	-	-	-	-	-
Interfund receivables	7,200	-	3,696	173,479	-	12,506	-
Notes receivable (net allowance of \$7,143)	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total assets</b>	<b>7,200</b>	<b>-</b>	<b>5,767</b>	<b>431,286</b>	<b>-</b>	<b>12,506</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	-	210	-	-	-	-
Accrued wages	-	-	-	-	-	-	-
Interfund payables	-	11,239	-	-	766	-	-
<b>Total liabilities</b>	<b>-</b>	<b>11,239</b>	<b>210</b>	<b>-</b>	<b>766</b>	<b>-</b>	<b>-</b>
Fund balances (deficits):							
Nonspendable	-	-	-	-	-	-	-
Restricted	7,200	-	5,557	431,286	-	12,506	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	(11,239)	-	-	(766)	-	-
<b>Total fund balances (deficits)</b>	<b>7,200</b>	<b>(11,239)</b>	<b>5,557</b>	<b>431,286</b>	<b>(766)</b>	<b>12,506</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,200</b>	<b>\$ -</b>	<b>\$ 5,767</b>	<b>\$ 431,286</b>	<b>\$ -</b>	<b>\$ 12,506</b>	<b>\$ -</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Balance Sheet - Non-major Special Revenues Funds**  
**June 30, 2015**

	School Local Share Adult Ed	School Other Grants & Special Revenue	Goosefare WMP	Mill District Pedestrian Bridge	General Dynamics TIF	FD Grant	SEP Grant
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ 15,842	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable (net allowance of \$478,396)	-	503,027	7,355	485,454	-	-	-
Interfund receivables	38,268	-	-	-	-	-	-
Notes receivable (net allowance of \$7,143)	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total assets</b>	<b>38,268</b>	<b>518,869</b>	<b>7,355</b>	<b>485,454</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	38,268	5,280	776	-	-	-	482
Accrued wages	-	-	-	-	-	-	-
Interfund payables	-	449,893	7,355	689,990	-	1,091	2,627
<b>Total liabilities</b>	<b>38,268</b>	<b>455,173</b>	<b>8,131</b>	<b>689,990</b>	<b>-</b>	<b>1,091</b>	<b>3,109</b>
Fund balances (deficits):							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	82,086	-	-	-	-	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	(18,390)	(776)	(204,536)	-	(1,091)	(3,109)
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>63,696</b>	<b>(776)</b>	<b>(204,536)</b>	<b>-</b>	<b>(1,091)</b>	<b>(3,109)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 38,268</b>	<b>\$ 518,869</b>	<b>\$ 7,355</b>	<b>\$ 485,454</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Balance Sheet - Non-major Special Revenues Funds**  
**June 30, 2015**

	<b>Emergency Management Grants</b>	<b>Saco Community Garden</b>	<b>Camp Ellis</b>	<b>Front Street Park</b>	<b>Lucia Kimball Deering Trust</b>	<b>General Assistance</b>	<b>Totals 2015</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ -	\$ -	\$ 300	\$ -	\$ 245,782	\$ -	\$ 263,854
Investments	-	-	-	-	-	-	1,107,030
Accounts receivable (net allowance of \$478,396)	-	-	-	-	884,919	-	2,215,424
Interfund receivables	516	3,642	64,832	159	-	470	679,960
Notes receivable (net allowance of \$7,143)	-	-	-	-	-	-	7,144
Inventory	-	-	-	-	-	-	3,106
Other	-	-	-	-	38,311	-	38,311
<b>Total assets</b>	<b>516</b>	<b>3,642</b>	<b>65,132</b>	<b>159</b>	<b>1,169,012</b>	<b>470</b>	<b>4,314,829</b>
<b>LIABILITIES AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	-	22	13,401	-	-	-	217,831
Accrued wages	-	-	1,503	-	-	-	1,764
Interfund payables	-	-	-	-	-	-	1,578,862
<b>Total liabilities</b>	<b>-</b>	<b>22</b>	<b>14,904</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,798,457</b>
Fund balances (deficits):							
Nonspendable	-	-	-	-	878,919	-	889,169
Restricted	-	-	-	-	290,093	-	1,643,279
Committed	-	-	50,228	-	-	470	603,393
Assigned	516	3,620	-	159	-	-	4,295
Unassigned	-	-	-	-	-	-	(623,764)
<b>Total fund balances (deficits)</b>	<b>516</b>	<b>3,620</b>	<b>50,228</b>	<b>159</b>	<b>1,169,012</b>	<b>470</b>	<b>2,516,372</b>
<b>Total liabilities and fund balances</b>	<b>\$ 516</b>	<b>\$ 3,642</b>	<b>\$ 65,132</b>	<b>\$ 159</b>	<b>\$ 1,169,012</b>	<b>\$ 470</b>	<b>\$ 4,314,829</b>

**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	Riverwalk	Recreation Impact Fees	Ambulance	Economic Development Fund	Saco Housing Agency	Historic Preservation	Saco Island TIF
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	757,759	-	-	-	-
Interest income	-	-	178	138	-	-	-
Other revenue	-	76,736	-	-	-	-	-
Total revenues	-	76,736	757,937	138	-	-	-
<b>EXPENDITURES</b>							
Current:							
Special projects	2,198	-	23,796	43,456	53,850	7,031	-
Capital expenditures	-	-	-	-	-	-	30,000
Total expenditures	2,198	-	23,796	43,456	53,850	7,031	30,000
Excess (deficiency) of revenues over (under) expenditures	(2,198)	76,736	734,141	(43,318)	(53,850)	(7,031)	(30,000)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	438,272
Transfers out	-	-	(650,000)	(30,000)	-	-	(25,000)
Total other financing sources (uses)	-	-	(650,000)	(30,000)	-	-	413,272
<b>SPECIAL ITEM</b>							
City of Saco withdrawal from Regional School Unit #23	-	-	-	-	-	-	-
Net change in fund balances	(2,198)	76,736	84,141	(73,318)	(53,850)	(7,031)	383,272
Fund balances (deficits) - beginning of year	2,937	(393,141)	467,030	177,490	53,850	11,400	(449,547)
<b>Fund balances (deficits) - end of year</b>	<b>\$ 739</b>	<b>\$ (316,405)</b>	<b>\$ 551,171</b>	<b>\$ 104,172</b>	<b>\$ -</b>	<b>\$ 4,369</b>	<b>\$ (66,275)</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	<b>Recreation Donations</b>	<b>Wellness Grant</b>	<b>Planning Board Improvements</b>	<b>Fire Reserves</b>	<b>Jump Start Grant</b>	<b>Police Arrest Forfeiture Fund</b>	<b>Joe Riley Memorial Park</b>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,315	\$ -
Charges for services	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	1
Other revenue	-	25,478	-	-	-	-	-
Total revenues	-	25,478	-	-	-	7,315	1
<b>EXPENDITURES</b>							
Current:							
Special projects	3,684	31,749	-	35	-	4,107	-
Capital expenditures	-	-	-	-	-	-	-
Total expenditures	3,684	31,749	-	35	-	4,107	-
Excess (deficiency) of revenues over (under) expenditures	(3,684)	(6,271)	-	(35)	-	3,208	1
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
<b>SPECIAL ITEM</b>							
City of Saco withdrawal from Regional School Unit #23	-	-	-	-	-	-	-
Net change in fund balances	(3,684)	(6,271)	-	(35)	-	3,208	1
Fund balances (deficits) - beginning of year	2,507	34,405	12,015	513	100	11,095	206
<b>Fund balances (deficits) - end of year</b>	<b>\$ (1,177)</b>	<b>\$ 28,134</b>	<b>\$ 12,015</b>	<b>\$ 478</b>	<b>\$ 100</b>	<b>\$ 14,303</b>	<b>\$ 207</b>

Continued on following page.



**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	<b>School Lunch Fund</b>	<b>PD York County Tech</b>	<b>Spring Hill TIF Project</b>	<b>First Light TIF Project</b>	<b>Dog Park</b>	<b>Birchlane</b>	<b>School Locks</b>
<b>REVENUES</b>							
Intergovernmental	\$ 481,544	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	224,452	-	-	-	-	-	-
Interest income	-	-	532	60	-	-	-
Other revenue	-	-	-	-	-	-	27,000
Total revenues	705,996	-	532	60	-	-	27,000
<b>EXPENDITURES</b>							
Current:							
Special projects	699,314	507	-	-	-	-	36,500
Capital expenditures	-	-	205,414	-	-	-	-
Total expenditures	699,314	507	205,414	-	-	-	36,500
Excess (deficiency) of revenues over (under) expenditures	6,682	(507)	(204,882)	60	-	-	(9,500)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	271,856	27,511	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	271,856	27,511	-	-	-
<b>SPECIAL ITEM</b>							
City of Saco withdrawal from Regional School Unit #23	36,083	-	-	-	-	-	-
Net change in fund balances	42,765	(507)	66,974	27,571	-	-	(9,500)
Fund balances (deficits) - beginning of year	-	507	478,894	37,584	20	8,000	9,500
<b>Fund balances (deficits) - end of year</b>	<b>\$ 42,765</b>	<b>\$ -</b>	<b>\$ 545,868</b>	<b>\$ 65,155</b>	<b>\$ 20</b>	<b>\$ 8,000</b>	<b>\$ -</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	<b>Carma Historic Surveys</b>	<b>PD Grant</b>	<b>Saco Island Renaissance TIF Project</b>	<b>Industrial Park TIF Project</b>	<b>Park North TIF Project</b>	<b>Incon/ Franklin Fuels TIF Project</b>	<b>Bicycles</b>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Interest income	-	-	21	356	-	-	-
Other revenue	7,200	-	-	-	-	-	-
Total revenues	7,200	-	21	356	-	-	-
<b>EXPENDITURES</b>							
Current:							
Special projects	-	12,782	-	-	-	-	150
Capital expenditures	-	-	16,514	-	125,193	10,233	-
Total expenditures	-	12,782	16,514	-	125,193	10,233	150
Excess (deficiency) of revenues over (under) expenditures	7,200	(12,782)	(16,493)	356	(125,193)	(10,233)	(150)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	167,310	125,193	22,739	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	167,310	125,193	22,739	-
<b>SPECIAL ITEM</b>							
City of Saco withdrawal from Regional School Unit #23	-	-	-	-	-	-	-
Net change in fund balances	7,200	(12,782)	(16,493)	167,666	-	12,506	(150)
Fund balances (deficits) - beginning of year	-	1,543	22,050	263,620	(766)	-	150
<b>Fund balances (deficits) - end of year</b>	<b>\$ 7,200</b>	<b>\$ (11,239)</b>	<b>\$ 5,557</b>	<b>\$ 431,286</b>	<b>\$ (766)</b>	<b>\$ 12,506</b>	<b>\$ -</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	School Local Share Adult Ed	School Other Grants & Special Revenue	Goosefare WMP	Mill District Pedestrian Bridge	General Dynamics TIF	FD Grant	SEP Grant
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ 1,283,911	\$ -	\$ 500,454	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-
Other revenue	-	72,791	16,195	1,875	-	15,114	-
Total revenues	-	1,356,702	16,195	502,329	-	15,114	-
<b>EXPENDITURES</b>							
Current:							
Special projects	114,803	1,324,729	16,971	-	-	16,205	3,109
Capital expenditures	-	-	-	706,865	6,640	-	-
Total expenditures	114,803	1,324,729	16,971	706,865	6,640	16,205	3,109
Excess (deficiency) of revenues over (under) expenditures	(114,803)	31,973	(776)	(204,536)	(6,640)	(1,091)	(3,109)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	114,803	-	-	-	6,640	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	114,803	-	-	-	6,640	-	-
<b>SPECIAL ITEM</b>							
City of Saco withdrawal from Regional School Unit #23	-	31,723	-	-	-	-	-
Net change in fund balances	-	63,696	(776)	(204,536)	-	(1,091)	(3,109)
Fund balances (deficits) - beginning of year	-	-	-	-	-	-	-
<b>Fund balances (deficits) - end of year</b>	<b>\$ -</b>	<b>\$ 63,696</b>	<b>\$ (776)</b>	<b>\$ (204,536)</b>	<b>\$ -</b>	<b>\$ (1,091)</b>	<b>\$ (3,109)</b>

Continued on following page.

**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficits) - Non-major Special Revenue Funds**  
**For the Year Ended June 30, 2015**

	<b>Emergency Management Grants</b>	<b>Saco Community Garden</b>	<b>Camp Ellis</b>	<b>Front Street Park</b>	<b>Lucia Kimball Deering Trust</b>	<b>General Assistance</b>	<b>Totals 2015</b>
<b>REVENUES</b>							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,273,224
Charges for services	-	1,280	78,645	-	-	-	1,062,136
Interest income	-	-	-	-	3,057	-	4,343
Other revenue	-	-	-	-	-	-	242,389
Total revenues	-	1,280	78,645	-	3,057	-	3,582,092
<b>EXPENDITURES</b>							
Current:							
Special projects	985	1,392	129,768	-	29,969	-	2,557,090
Capital expenditures	-	-	-	-	-	-	1,100,859
Total expenditures	985	1,392	129,768	-	29,969	-	3,657,949
Excess (deficiency) of revenues over (under) expenditures	(985)	(112)	(51,123)	-	(26,912)	-	(75,857)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	-	-	-	-	-	1,174,324
Transfers out	-	-	(1,000)	-	-	-	(706,000)
Total other financing sources (uses)	-	-	(1,000)	-	-	-	468,324
<b>SPECIAL ITEM</b>							
City of Saco withdrawal from Regional School Unit #23	-	-	-	-	-	-	67,806
Net change in fund balances	(985)	(112)	(52,123)	-	(26,912)	-	460,273
Fund balances (deficits) - beginning of year	1,501	3,732	102,351	159	1,195,924	470	2,056,099
<b>Fund balances (deficits) - end of year</b>	<b>\$ 516</b>	<b>\$ 3,620</b>	<b>\$ 50,228</b>	<b>\$ 159</b>	<b>\$ 1,169,012</b>	<b>\$ 470</b>	<b>\$ 2,516,372</b>

## **CAPITAL PROJECTS FUND**

Capital projects fund are established to account for resources obtained and expended for the acquisition of major capital facilities. The City's individual capital project funds were established for the following purposes:

### ***Jenkins Road***

To account for money collected for the purpose of the Jenkins Road improvement.

### ***Greater Downtown Improvements***

To account for public improvements in the greater downtown area as identified in the Revitalization Plan for Saco Island and Downtown Saco.

### ***Parking Lots***

To account for money collected for parking permits that is to be used for up keep on the parking lots.

### ***Millbrook Industrial Park***

To account for expenditures related to the City's construction of a business industrial park with revenues being derived from the sale of lots.

### ***Moody and Main***

To account for money collected for intersection improvement at Moody and Main Street.

### ***Fire Barn Bond***

To account for bond proceeds and expenditures related to the City's construction of a fire station.

### ***Open Space Bond Issue***

To account for the bond proceeds received and the expenditures of the authorized open space parcels of land.

### ***Landfill Fund***

To account for the post closure costs of the City's completed landfill.

### ***Efficiency Maine***

To account for money received from Efficiency Maine to be used toward reducing power solutions.

**CITY OF SACO, MAINE**  
**Combining Balance Sheet - Non-major Capital Projects Funds**  
**June 30, 2015**

	Jenkins Road	Greater Downtown Improvements	Parking Lots	Millbrook Industrial Park	Moody & Main
<b>ASSETS</b>					
Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Interfund receivables	4,500	-	450	-	6,000
<b>Total assets</b>	<b>\$ 4,500</b>	<b>\$ -</b>	<b>\$ 450</b>	<b>\$ -</b>	<b>\$ 6,000</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	-	-	-	-	-
Interfund payables	-	-	-	379,494	-
Total liabilities	-	-	-	379,494	-
Fund balances (deficit):					
Restricted	-	-	-	-	-
Committed	4,500	-	-	-	6,000
Assigned	-	-	450	-	-
Unassigned	-	-	-	(379,494)	-
Total fund balances (deficit)	4,500	-	450	(379,494)	6,000
<b>Total liabilities and fund balances</b>	<b>\$ 4,500</b>	<b>\$ -</b>	<b>\$ 450</b>	<b>\$ -</b>	<b>\$ 6,000</b>

	Fire Barn Bond	Open Space Bond Issue	Landfill Fund	Efficiency Maine	Totals 2015
<b>ASSETS</b>					
Investments	\$ -	\$ -	\$ 596,538	\$ -	\$ 596,538
Interfund receivables	14,158	66,863	-	61,098	153,069
<b>Total assets</b>	<b>\$ 14,158</b>	<b>\$ 66,863</b>	<b>\$ 596,538</b>	<b>\$ 61,098</b>	<b>\$ 749,607</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	14,158	-	11,888	-	26,046
Interfund payables	-	-	60,388	-	439,882
Total liabilities	14,158	-	72,276	-	465,928
Fund balances (deficit):					
Restricted	-	66,863	-	61,098	127,961
Committed	-	-	-	-	10,500
Assigned	-	-	524,262	-	524,712
Unassigned	-	-	-	-	(379,494)
Total fund balances (deficit)	-	66,863	524,262	61,098	283,679
<b>Total liabilities and fund balances</b>	<b>\$ 14,158</b>	<b>\$ 66,863</b>	<b>\$ 596,538</b>	<b>\$ 61,098</b>	<b>\$ 749,607</b>

**CITY OF SACO, MAINE**  
**Combining Statement of Revenues, Expenditures and Changes In Fund Balances (Deficit) - Non-major Capital Projects Fund**  
**For the Year Ended June 30, 2015**

	Jenkins Road	Greater Downtown Improvements	Parking Lots	Millbrook Industrial Park	Moody & Main
<b>REVENUES</b>					
Interest income	\$ -	\$ -	\$ -	\$ -	\$ -
Other revenue	750	-	-	-	500
Total revenues	750	-	-	-	500
<b>EXPENDITURES</b>					
Project costs	-	5,948	-	-	-
Total expenditures	-	5,948	-	-	-
Net change in fund balances	750	(5,948)	-	-	500
Fund balances (deficits) - beginning of year	3,750	5,948	450	(379,494)	5,500
<b>Fund balances (deficits) - end of year</b>	<b>\$ 4,500</b>	<b>\$ -</b>	<b>\$ 450</b>	<b>\$ (379,494)</b>	<b>\$ 6,000</b>
	Fire Barn Bond	Open Space Bond Issue	Landfill Fund	Efficiency Maine	Totals 2015
<b>REVENUES</b>					
Interest income	\$ -	\$ -	\$ 68	\$ -	\$ 68
Other revenue	-	-	-	-	1,250
Total revenues	-	-	68	-	1,318
<b>EXPENDITURES</b>					
Project costs	-	-	136,085	-	142,033
Total expenditures	-	-	136,085	-	142,033
Net change in fund balances	-	-	(136,017)	-	(140,715)
Fund balances (deficits) - beginning of year	-	66,863	660,279	61,098	424,394
<b>Fund balances (deficits) - end of year</b>	<b>\$ -</b>	<b>\$ 66,863</b>	<b>\$ 524,262</b>	<b>\$ 61,098</b>	<b>\$ 283,679</b>

## **PERMANENT FUNDS**

### ***City of Saco Permanent Fund***

To account for assets received by the City and held in trust.



**CITY OF SACO, MAINE**  
**Balance Sheet - Non-major Permanent Fund**  
**June 30, 2015**

	<b>City of Saco Permanent Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 48,491
Investments	600,812
Interfund receivable	700
<b>Total assets</b>	<b>650,003</b>
<b>FUND BALANCE</b>	
Fund balance:	
Nonspendable	181,383
Restricted	468,620
<b>Total fund balance</b>	<b>650,003</b>
<b>Total fund balance</b>	<b>\$ 650,003</b>

**CITY OF SACO, MAINE**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-major Permanent Fund**  
**For the Year Ended June 30, 2015**

	<b>City of Saco Permanent Fund</b>
<b>REVENUES</b>	
Interest and dividends	\$ 25,551
Net increase (decrease) in fair value of investments	(33,554)
Total revenues	(8,003)
<b>EXPENDITURES</b>	
Administrative expenditures	17,727
Total expenditures	17,727
Net change in fund balance	(25,730)
Fund balance - beginning of year	675,733
<b>Fund balance - end of year</b>	<b>\$ 650,003</b>

## **AGENCY FUNDS**

**CITY OF SACO, MAINE**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b>ASSETS</b>				
Cash and cash equivalents:				
Student activities:				
Saco Middle School	\$ 111,185	95,912	102,082	105,015
Young School	38,760	6,116	5,017	39,859
Burns School	23,090	20,310	21,972	21,428
Fairfield School	2,137	17,237	7,409	11,965
<b>Total assets</b>	<b>175,172</b>	<b>139,575</b>	<b>136,480</b>	<b>178,267</b>
<b>LIABILITIES</b>				
Held for student groups:				
Student activities:				
Saco Middle School	111,185	95,912	102,082	105,015
Young School	38,760	6,116	5,017	39,859
Burns School	23,090	20,310	21,972	21,428
Fairfield School	2,137	17,237	7,409	11,965
<b>Total liabilities</b>	<b>\$ 175,172</b>	<b>139,575</b>	<b>136,480</b>	<b>178,267</b>

# ***STATISTICAL SECTION***

This part of the City of Saco's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements and note disclosure says about the City's overall financial health.

<b><u>Contents</u></b>	<b><u>Pages</u></b>
Financial Trends	125-129
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	130-133
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	
Debt Capacity	134-137
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	
Demographic and Economic Information	138-142
These schedules offer demographic and economic indicators.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 37,593,942	\$ 32,367,887	\$ 34,636,209	\$ 38,579,789	\$ 35,468,881	\$ 37,693,246	\$ 38,950,978	\$ 39,359,000	\$ 40,491,690	\$ 43,392,550
Restricted:										
Nonexpendable trust principal	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383
Other purposes	250,625	308,738	220,016	766,837	-	4,373,911	3,067,542	2,681,412	2,933,214	3,129,029
Unrestricted	6,061,556	8,303,871	7,752,280	4,441,414	4,075,998	(823,116)	1,638,400	4,840,415	5,255,550	2,448,439
Total governmental activities net position	\$ 44,087,506	\$ 41,161,879	\$ 42,789,888	\$ 43,969,423	\$ 39,726,262	\$ 41,425,424	\$ 43,838,303	\$ 47,062,210	\$ 48,861,837	\$ 49,151,401
<b>Business-type Activities</b>										
Net investment in capital assets	\$ 3,821,145	\$ 16,855,781	\$ 16,689,267	\$ 16,983,079	\$ 19,727,995	\$ 20,577,732	\$ 20,725,615	\$ 20,628,672	\$ 20,547,265	\$ 20,481,112
Unrestricted	5,071,893	1,298,491	1,512,925	663,026	(2,757,442)	(3,554,871)	(3,405,259)	(2,802,640)	(2,470,346)	(2,247,131)
Total business-type activities net position	\$ 8,893,038	\$ 18,154,272	\$ 18,202,192	\$ 17,646,105	\$ 16,970,553	\$ 17,022,861	\$ 17,320,356	\$ 17,826,032	\$ 18,076,919	\$ 18,233,981
<b>Total Primary Government</b>										
Net investment in capital assets	\$ 41,415,087	\$ 49,223,668	\$ 51,325,476	\$ 55,562,868	\$ 55,196,876	\$ 58,270,978	\$ 59,676,593	\$ 59,987,672	\$ 61,038,955	\$ 63,873,662
Restricted:										
Nonexpendable trust principal	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383
Other purposes	250,625	308,738	220,016	766,837	-	4,373,911	3,067,542	2,681,412	2,933,214	3,129,029
Unrestricted	11,133,449	9,602,362	9,265,205	5,104,440	1,318,556	(4,377,987)	(1,766,859)	2,037,775	2,785,204	201,308
Total primary government net position	\$ 52,980,544	\$ 59,316,151	\$ 60,992,080	\$ 61,615,528	\$ 56,696,815	\$ 58,448,285	\$ 61,158,659	\$ 64,888,242	\$ 66,938,756	\$ 67,385,382

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
<b>Expenses</b>										
General government	\$ 2,939,837	\$ 2,470,601	\$ 2,388,585	\$ 2,783,447	\$ 7,070,311	\$ 7,504,789	\$ 7,681,100	\$ 7,822,497	\$ 8,509,397	\$ 9,828,320
Public safety	4,844,961	5,082,323	5,401,015	5,667,340	6,032,986	6,731,354	6,424,834	6,405,554	6,754,950	6,945,027
Public works	3,709,977	4,588,755	4,369,642	4,399,733	5,333,756	5,286,138	5,579,364	6,328,134	6,446,253	8,314,846
Housing programs	230,010	254,352	256,359	232,512	256,921	269,668	231,752	238,267	260,670	-
Culture and recreation	677,646	825,222	915,311	1,008,761	974,158	1,560,056	1,242,758	1,438,149	1,581,178	1,565,775
Education (2)	26,993,528	28,072,031	29,015,189	30,038,189	16,228,121	16,245,159	16,030,811	19,410,765	20,162,776	34,398,667
Unclassified (1)	3,102,707	4,124,321	3,878,749	4,407,838	-	-	-	-	-	-
Interest on debt	756,399	845,217	993,992	1,078,510	851,877	619,990	650,461	607,643	565,791	590,962
Capital maintenance programs (1)	2,040,616	1,192,173	788,291	-	-	-	-	-	-	-
Total governmental activities expenses	\$ 45,295,681	\$ 47,454,995	\$ 48,007,133	\$ 49,616,330	\$ 36,748,130	\$ 38,217,154	\$ 37,841,080	\$ 42,251,009	\$ 44,281,015	\$ 61,643,597
<b>Program Revenues</b>										
Charges for Services										
General government	\$ 875,832	\$ 800,981	\$ 751,767	\$ 702,886	\$ 579,734	\$ 529,027	\$ 578,170	\$ 529,630	\$ 587,322	\$ 643,217
Public safety	588,360	510,056	554,750	759,619	728,711	732,839	787,138	888,808	868,466	914,345
Public works	555,752	510,405	281,546	314,135	278,031	289,297	391,176	398,802	429,867	90,490
Culture and recreation	380,264	464,167	532,934	628,794	705,036	704,178	813,556	869,642	956,139	997,250
Education	1,262,613	1,138,301	1,205,550	1,221,754	-	-	-	-	-	-
Operating grants and contributions	13,249,627	14,082,391	13,769,031	14,551,110	575,520	618,630	729,168	694,940	689,414	16,181,277
Capital grants and contributions	334,586	961,626	300,820	816,653	317,930	2,396,793	263,206	255,532	254,731	219,344
Total governmental activities program revenues	17,247,034	18,467,927	17,396,398	18,994,951	3,184,962	5,372,643	3,460,535	3,637,354	3,785,939	19,045,923
Net (expense)/revenue, governmental activities	\$ (28,048,647)	\$ (28,987,068)	\$ (30,610,735)	\$ (30,621,379)	\$ (33,563,168)	\$ (32,844,511)	\$ (34,380,545)	\$ (38,613,655)	\$ (40,495,076)	\$ (42,597,674)
<b>General Revenues and Other Changes in Net Position</b>										
Taxes										
Property taxes, levied for general purposes	\$ 23,280,894	\$ 24,632,416	\$ 26,612,796	\$ 27,822,609	\$ 28,546,137	\$ 29,181,715	\$ 30,931,696	\$ 36,229,823	\$ 37,260,170	\$ 37,824,974
Motor vehicle excise taxes	2,904,735	2,916,962	2,854,280	2,684,427	3,531,760	3,102,575	3,446,591	3,103,930	3,437,361	3,561,343
Franchise tax	215,806	234,343	231,112	275,215	288,743	296,908	286,882	278,071	270,220	269,818
Grants and contributions not restricted										
Homestead exemption	325,496	320,151	337,229	350,300	332,290	271,563	286,309	363,713	370,764	368,955
Other State aid	40,444	56,253	34,497	116,628	88,111	143,064	199,285	304,538	260,796	832,016
City of Biddeford tax base sharing	169,527	92,506	870,163	-	-	-	-	-	-	-
State revenue sharing	1,454,903	1,356,308	1,510,442	1,444,817	1,283,196	1,226,004	1,256,887	1,302,721	917,449	1,058,579
Unrestricted investment earnings	295,164	359,620	271,998	170,515	60,475	56,603	56,337	40,006	46,819	46,815
Miscellaneous revenues	20,705	153,223	386,390	(106,471)	161,875	265,241	160,436	214,765	402,720	238,770
Transfers	459,249	-	-	-	-	-	169,000	-	-	-
Total governmental activities general revenues/other changes	\$ 29,166,923	\$ 30,121,782	\$ 33,108,907	\$ 32,758,040	\$ 34,292,587	\$ 34,543,673	\$ 36,793,423	\$ 41,837,567	\$ 42,966,299	\$ 44,201,270
<b>Extraordinary Item/Special Item</b>										
Transfer of funds (to) from Regional School Unit #23 (2)	\$ -	\$ -	\$ -	\$ -	\$ (4,972,579)	\$ -	\$ -	\$ -	\$ -	\$ 849,746
Legal settlement	-	1,071,989	-	-	-	-	-	-	-	-
Total extraordinary item	\$ -	\$ 1,071,989	\$ -	\$ -	\$ (4,972,579)	\$ -	\$ -	\$ -	\$ -	\$ 849,746
<b>Change in Net Position - Governmental activities</b>	<b>\$ 1,118,276</b>	<b>\$ 2,206,703</b>	<b>\$ 2,498,172</b>	<b>\$ 2,136,661</b>	<b>\$ (4,243,160)</b>	<b>\$ 1,699,162</b>	<b>\$ 2,412,878</b>	<b>\$ 3,223,912</b>	<b>\$ 2,471,223</b>	<b>\$ 2,453,342</b>
<b>Business-type Activities:</b>										
<b>Expenses</b>										
Waste Water Treatment Plant	\$ 1,766,445	\$ 2,329,012	\$ 2,265,113	\$ 2,342,255	\$ 2,672,053	\$ 2,085,365	\$ 2,175,804	\$ 2,096,699	\$ 2,348,682	\$ 2,643,474
Total business-type activities expenses	1,766,445	2,329,012	2,265,113	2,342,255	2,672,053	2,085,365	2,175,804	2,096,699	2,348,682	2,643,474
<b>Program Revenues</b>										
Charges for services	\$ 2,405,869	\$ 2,052,749	\$ 2,218,457	\$ 1,739,381	\$ 2,138,443	\$ 2,386,591	\$ 2,621,156	\$ 2,483,795	\$ 2,242,454	\$ 2,591,094
Total business-type activities program revenues	2,405,869	2,052,749	2,218,457	1,739,381	2,138,443	2,386,591	2,621,156	2,483,795	2,242,454	2,591,094
Net (expense)/revenue, business-type activities	\$ 639,424	\$ (276,263)	\$ (46,656)	\$ (602,874)	\$ (533,610)	\$ 301,226	\$ 445,352	\$ 387,096	\$ (106,228)	\$ (52,380)
<b>General Revenues and Other Changes in Net Position</b>										
Unrestricted investment earnings	\$ 45,110	\$ 62,726	\$ 89,842	\$ 38,054	\$ 11,989	\$ 11,362	\$ -	\$ 24,383	\$ 18,637	\$ -
Miscellaneous revenues	4,179	4,302	4,734	8,733	6,062	-	21,142	94,197	338,478	209,442
Loss on disposal of assets	-	-	-	-	(159,993)	(260,280)	-	-	-	-
Transfers	(459,249)	-	-	-	-	-	(169,000)	-	-	-
Total business-type activities general revenues/other changes	\$ (409,960)	\$ 67,028	\$ 94,576	\$ 46,787	\$ (141,942)	\$ (248,918)	\$ (147,858)	\$ 118,580	\$ 357,115	\$ 209,442
<b>Change in Net Position - Business-type activities</b>	<b>\$ 229,464</b>	<b>\$ (209,235)</b>	<b>\$ 47,920</b>	<b>\$ (556,087)</b>	<b>\$ (675,552)</b>	<b>\$ 52,308</b>	<b>\$ 297,494</b>	<b>\$ 505,676</b>	<b>\$ 250,887</b>	<b>\$ 157,062</b>
<b>Change in Net Position - Primary Government</b>	<b>\$ 1,347,740</b>	<b>\$ 1,997,468</b>	<b>\$ 2,546,092</b>	<b>\$ 1,580,574</b>	<b>\$ (4,918,712)</b>	<b>\$ 1,751,470</b>	<b>\$ 2,710,372</b>	<b>\$ 3,729,588</b>	<b>\$ 2,722,110</b>	<b>\$ 2,610,404</b>

(1) - Starting in 2010, unclassified and capital maintenance have been reclassified into proper functions.

(2) - The City of Saco School Department joined RSU #23 in 2010, and withdrew and returned to the City of Saco in 2015.

**Table 3**

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

<b>Fiscal Year ended</b>	<b>Property Taxes</b>	<b>Interest and Costs on Taxes</b>	<b>Excise Taxes</b>	<b>Total</b>
June 30, 2006	\$ 23,198,593	\$ 92,790	\$ 2,904,735	\$ 26,196,118
June 30, 2007	24,632,416	109,425	2,916,962	27,658,803
June 30, 2008	26,612,796	89,857	2,854,280	29,556,933
June 30, 2009	27,722,016	100,593	2,684,427	30,507,036
June 30, 2010	28,404,553	141,584	3,531,760	32,077,897
June 30, 2011	29,026,079	155,636	3,102,575	32,284,290
June 30, 2012	30,743,094	188,602	3,446,591	34,378,287
June 30, 2013	36,077,359	152,464	3,103,930	39,333,753
June 30, 2014	37,139,538	120,632	3,437,361	40,697,531
June 30, 2015	37,672,943	152,031	3,561,343	41,386,317



Table 4

**CITY OF SACO, MAINE**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (1)**  
**(modified accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Nonspendable										
Prepaid items	\$ 159,719	\$ 574,292	\$ 572,792	\$ 210,116	\$ 383,559	\$ 140,681	\$ 124,024	\$ 130,152	\$ 165,829	\$ 144,234
Committed										
Public Safety	-	-	-	-	-	61,040	69,206	83,569	86,903	90,300
Assigned										
Encumbrances	272,118	94,700	109,361	203,705	314,159	144,843	299,319	464,981	344,007	334,665
Capital improvements	912,072	1,657,932	3,481,440	2,253,647	1,796,397	627,819	363,349	1,157,121	1,506,774	1,417,982
Unassigned	5,074,180	4,294,605	3,806,172	2,386,202	2,088,590	2,490,579	3,671,481	4,552,076	4,595,094	4,779,487
Total General Fund	\$ 6,418,089	\$ 6,621,529	\$ 7,969,765	\$ 5,053,670	\$ 4,582,705	\$ 3,464,962	\$ 4,527,379	\$ 6,387,899	\$ 6,698,607	\$ 6,766,668
All other governmental funds										
Nonspendable										
Special Revenue Funds	\$ 14,287	\$ 14,287	\$ 14,287	\$ 14,287	\$ 14,287	\$ 14,287	\$ 7,144	\$ 7,144	\$ 7,144	\$ 919,982
Permanent Funds	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383	181,383
Restricted										
Special Revenue Funds	2,027,523	2,081,727	1,867,008	2,570,629	1,621,069	2,640,437	2,113,075	2,188,278	2,310,903	1,643,279
Capital Project Funds	1,180,693	576,502	749,323	757,471	8,397,455	1,541,467	573,120	69,786	127,961	127,961
Permanent Funds	413,424	516,812	383,739	227,285	275,379	373,390	374,203	416,204	494,350	468,620
Committed										
Special Revenue Funds	163,992	183,698	208,588	362,515	344,838	92,697	128,397	421,869	576,114	603,393
Capital Project Funds	-	-	-	-	-	3,350	5,450	7,800	9,250	10,500
Assigned										
Special Revenue Funds	204,579	232,788	3,991	3,828	6,175	5,174	5,206	4,151	5,392	4,295
Capital Project Funds	1,217,041	1,206,501	1,191,624	1,170,122	1,015,307	915,780	844,176	740,656	666,677	524,712
Unassigned										
Special Revenue Funds	(11,032)	(144,012)	(615,045)	(694,584)	(698,369)	(2,626,321)	(2,036,160)	(1,370,954)	(843,454)	(1,567,078)
Capital Project Funds	(2,227,366)	(2,097,842)	-	(3,825,890)	(3,559,658)	(1,347,146)	(597,146)	(382,146)	(379,494)	(379,494)
Total all other governmental funds	\$ 3,164,524	\$ 2,751,844	\$ 3,984,898	\$ 767,046	\$ 7,597,866	\$ 1,794,498	\$ 1,598,848	\$ 2,284,171	\$ 3,156,226	\$ 2,537,553

(1) Beginning with the year ended June 30, 2011, the City reported governmental fund balances in accordance with the categories defined in GASB Statement No. 54.

Prior years have been restated to reflect the GASB 54 categorization.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>All Governmental Funds</b>										
Revenues										
Property taxes	\$ 26,196,118	\$ 27,696,860	\$ 29,258,042	\$ 30,278,683	\$ 31,899,915	\$ 32,219,898	\$ 34,572,034	\$ 39,438,857	\$ 40,528,072	\$ 41,505,716
Licenses and permits	767,988	721,514	697,994	770,778	718,991	691,819	799,730	708,985	695,230	724,518
Intergovernmental	14,696,750	15,563,796	14,944,449	15,770,048	2,351,390	2,265,104	2,470,132	2,668,925	2,230,717	15,965,921
Intergovernmental on-behalf payments	1,575,420	1,706,698	1,744,847	1,844,021	- (1)	-	-	-	- (2)	1,562,535
Charges for services	1,551,849	1,612,758	1,475,024	1,836,494	1,705,310	1,825,724	1,887,100	2,161,546	2,271,920	2,795,050
Other revenues	1,084,282	1,079,683	1,215,895	771,583	623,961	703,153	549,709	601,712	856,840	810,344
Total Governmental Fund revenues	45,872,407	48,381,309	49,336,251	51,271,607	37,299,567	37,705,698	40,278,705	45,580,025	46,582,779	63,364,084
Expenditures										
General government	1,985,467	2,356,249	2,167,619	2,270,911	2,173,455	2,413,584	2,354,338	2,412,050	2,401,493	2,487,017
Public safety	4,491,147	4,891,530	5,081,794	5,417,894	5,728,015	5,836,380	6,396,844	6,102,425	6,368,789	6,632,398
Public works	3,757,464	4,208,601	4,371,335	4,589,463	4,227,214	4,411,669	4,425,191	4,718,475	5,072,132	5,053,368
Housing programs	230,010	254,352	256,359	232,512	256,921	269,668	231,752	238,267	260,670	-
Culture and recreation	638,353	786,248	879,544	1,071,275	1,105,116	1,227,045	1,269,848	1,464,173	1,523,888	1,555,900
Education	24,778,973	26,452,186	27,137,919	28,245,606	16,228,121	16,245,159	16,030,811	19,410,765	20,162,776	32,714,069
Intergovernmental on-behalf payments	1,575,420	1,706,698	1,744,847	1,844,021	- (1)	-	-	-	-	1,562,535
Unclassified	3,082,856	3,228,039	2,920,479	3,386,926	3,512,921	3,864,068	4,014,256	4,150,815	4,919,607	7,086,749
County tax	859,723	896,282	958,270	1,020,912	1,014,574	1,079,365	1,099,643	1,100,295	1,229,217	1,231,018
Debt Service										
Principal	1,387,045	1,399,545	1,397,045	1,617,045	963,566	1,699,964	1,769,136	1,771,250	1,810,132	2,196,750
Interest and other charges	932,670	885,354	993,992	1,078,510	851,877	619,990	650,461	607,643	546,472	556,089
Capital improvements	4,390,889	3,543,250	6,968,816	2,940,262	2,847,513	7,428,554	1,783,800	1,612,355	1,532,459	3,555,248
Total Governmental Fund expenditures	48,110,017	50,608,334	54,878,019	53,715,337	38,909,293	45,095,446	40,026,080	43,588,513	45,827,635	64,631,141
Other financing sources (uses)										
Transfers in	1,428,089	1,109,530	1,392,265	900,148	1,225,994	1,721,755	2,610,698	1,987,151	1,523,319	22,613,058
Proceeds from capital lease financing	473,000	945,796	343,479	705,775	314,096	468,637	445,142	554,331	427,619	1,213,408
Bond proceeds	1,500,000	-	4,355,000	-	8,799,000	-	-	-	-	-
Transfers out	(968,841)	(1,109,530)	(1,392,265)	(900,148)	(1,225,994)	(1,721,755)	(2,441,698)	(1,987,151)	(1,523,319)	(22,613,058)
Total Governmental Fund other financing sources (uses)	2,432,248	945,796	4,698,479	705,775	9,113,096	468,637	614,142	554,331	427,619	1,213,408
Extraordinary item/special item										
Transfer of funds to/from Regional School Unit #23	-	-	-	-	(1,143,514)	-	-	-	-	(496,963)
Legal settlement	-	1,071,989	-	-	-	-	-	-	-	-
Total extraordinary item/special item	-	1,071,989	-	-	(1,143,514)	-	-	-	-	(496,963)
Net change in fund balance	\$ 194,638	\$ (209,240)	\$ (843,289)	\$ (1,737,955)	\$ 6,359,856	\$ (6,921,111)	\$ 866,767	\$ 2,545,843	\$ 1,182,763	\$ (550,612)
Debt service as a percentage of noncapital expenditures	5.58%	4.85%	4.99%	5.38%	4.91%	6.31%	6.28%	5.54%	5.25%	4.51%

(1) Effective July 1, 2009, the Saco School Department joined Regional School Unit #23 and no longer records on-behalf payments.

(2) Effective July 1, 2014, the Saco School Department withdrew from Regional School Unit #23, and therefore on-behalf payments will be recorded going forward.

Table 6

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

Years ended	Real Property		Personal Property	Less Tax Exempt Real Property	Total Taxable Assessed Value (1)	Total Direct Tax Rate	State Equalized Value (2)	Assessed Value as a Percentage of Equalized Value
	Residential Property	Commercial Property						
June 30, 2006	1,395,948,300	470,733,500	66,373,500	143,289,500	1,789,765,800	12.44	1,805,400,000	99.1%
June 30, 2007	1,528,803,300	456,650,500	74,136,900	129,638,200	1,929,952,500	12.27	1,987,550,000	97.1%
June 30, 2008	1,559,973,158	492,623,102	76,748,500	134,287,860	1,995,056,900	12.84	2,170,350,000	91.9%
June 30, 2009	1,615,303,700	486,006,300	78,671,900	128,498,900	2,051,483,000	13.13	2,121,100,000	96.7%
June 30, 2010	1,697,751,700	430,422,500	71,558,100	129,405,300	2,070,327,000	13.13	2,128,450,000	97.3%
June 30, 2011	1,727,706,700	437,609,000	77,517,300	141,402,600	2,101,430,400	13.31	2,099,800,000	100.1%
June 30, 2012	1,749,744,400	440,556,600	67,397,900	141,294,300	2,116,404,600	13.90	2,031,850,000	104.2%
June 30, 2013	1,625,370,200	414,275,465	64,077,000	135,465,400	1,968,257,265	17.74	2,025,700,000	97.2%
June 30, 2014	1,639,785,700	428,548,465	59,787,000	136,803,500	1,991,317,665	17.95	2,001,150,000	99.5%
June 30, 2015	1,655,395,000	441,158,304	59,068,000	137,122,100	2,018,499,204	18.01	2,042,100,000	98.8%

(1) Saco Assessing Office

(2) State of Maine, Bureau of Taxation

Table 7

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

Fiscal Year Ended	Direct		Total Direct Tax Rate	Overlapping		Total Tax Rate
	Municipal Tax Rate	School Tax Rate		County Tax Rate		
June 30, 2006	\$ 4.53	\$ 7.91	\$ 12.44	\$ 0.52	\$ 12.96	
June 30, 2007	4.98	7.29	12.27	0.46	12.73	
June 30, 2008	5.10	7.74	12.84	0.48	13.32	
June 30, 2009	5.42	7.71	13.13	0.29	13.42	
June 30, 2010	5.29	7.84	13.13	0.49	13.62	
June 30, 2011	5.58	7.73	13.31	0.51	13.82	
June 30, 2012	6.34	7.56	13.90	0.52	14.42	
June 30, 2013	7.78	9.96	17.74	0.56	18.30	
June 30, 2014	7.78	10.17	17.95	0.63	18.58	
June 30, 2015	7.84	10.17	18.01	0.61	18.62	

Source: Saco Assessing Office

Table 8

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

Taxpayer	2015			2006		
	Current year Assessed Value	Rank	Percentage of Total Assessed Value	Current year Assessed Value	Rank	Percentage of Total Assessed Value
Central Maine Power Co.	\$ 39,718,713	1	1.97%	\$ 13,922,900	2	0.78%
General Dynamics Armament Systems	36,314,600	2	1.80%	30,088,300	1	1.68%
Ferry Road Associates	26,175,300	3	1.30%			
Saco Real Estate Holdings	13,756,600	4	0.68%			
Biddeford & Saco Water Co.	12,312,300	5	0.61%	11,186,400	5	0.63%
FPL Energy Maine Hydro LLC	11,695,900	6	0.58%	11,682,700	3	0.65%
CSP Mobile Productions	10,941,300	7	0.54%			
Saco & Biddeford Savings Institution	10,081,200	8	0.50%	7,593,100	9	0.42%
Saco Valley LLC	8,251,300	9	0.41%			
Shaw's Supermarket	7,999,600	10	0.40%	11,515,100	4	0.64%
James E Clair Sr				9,341,800	6	0.52%
Hannaford Brothers Co.				9,339,900	7	0.52%
Cormier Land Company				8,418,200	8	0.47%
Grey M & Joseph D Emmons Trustee				7,478,500	10	0.42%
Total Principal Taxpayers			6.81%			5.96%
All Other Taxpayers			93.19%			94.04%

Source: Saco Assessing Office

Table 9

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

Fiscal Year Ended	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
June 30, 2006	\$ 23,266,389	\$ 22,647,952	97.34%	\$ 616,787	\$ 23,264,739	99.99%
June 30, 2007	24,607,762	24,054,072	97.75%	551,585	24,605,657	99.99%
June 30, 2008	26,589,343	25,729,582	96.77%	846,606	26,576,188	99.95%
June 30, 2009	27,537,071	26,583,594	96.54%	944,050	27,527,644	99.97%
June 30, 2010	28,265,095	27,171,529	96.13%	1,080,819	28,252,348	99.95%
June 30, 2011	29,150,504	28,124,197	96.48%	1,015,431	29,139,628	99.96%
June 30, 2012	30,534,982	29,702,356	97.27%	792,737	30,495,093	99.87%
June 30, 2013	36,083,995	35,282,379	97.78%	427,016	35,709,395	98.96%
June 30, 2014	37,103,007	36,169,752	97.48%	633,836	36,803,588	99.19%
June 30, 2015	37,661,871	36,879,630	97.92%	-	36,879,630	97.92%

(1) Tax commitment plus supplemental taxes assessed during the fiscal year.

Table 10

**CITY OF SACO, MAINE**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year ended	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Debt	Capital Leases	Notes Payable	General Obligation Debt	Capital Leases			
June 30, 2006	\$ 14,574,733	3,197,961	\$ -	\$ 2,665,000	\$ -	\$ 20,437,694	4.63%	\$ 1,215
June 30, 2007	13,172,688	3,359,272	-	2,320,000	-	18,851,960	4.27%	1,121
June 30, 2008	16,130,643	2,808,019	-	1,975,000	-	20,913,662	4.73%	1,243
June 30, 2009	14,513,598	2,518,991	-	1,630,000	-	18,662,589	4.22%	1,109
June 30, 2010	21,698,052	1,738,164	-	1,402,500	-	24,838,716	5.62%	1,477
June 30, 2011	19,727,007	1,783,016	-	1,177,500	-	22,687,523	4.67%	1,228
June 30, 2012	15,044,962	1,780,088	-	952,500	-	17,777,550	3.66%	962
June 30, 2013	13,725,295	1,827,199	560,308	730,000	-	16,842,802	3.47%	911
June 30, 2014	12,410,330	1,817,653	448,247	510,000	-	15,186,230	3.13%	822
June 30, 2015	13,163,163	2,548,437	336,185	290,000	-	16,337,785	3.37%	884

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) - See the Schedule of Demographic and Economic Statistics on table 14 for personal income and population data.

Table 11

**CITY OF SACO, MAINE**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Debt</b>	<b>State Assessed Value of Property (1)</b>	<b>Per Capita (2)</b>
2006	17,239,733	0.95%	1,025
2007	15,492,688	0.78%	921
2008	18,105,643	0.83%	1,076
2009	16,143,598	0.76%	960
2010	23,100,552	1.09%	1,373
2011	20,904,507	1.00%	1,131
2012	15,997,462	0.79%	866
2013	14,455,295	0.71%	782
2014	12,920,330	0.65%	699
2015	13,453,163	0.66%	728

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) - See the schedule of Assessed Value and State Equalized Value of Taxable Property on table 6 for property value data.

(2) - Population data can be found in the Schedule of Demographics and Economic Statistics on table 14.



**CITY OF SACO, MAINE**  
**Direct and Overlapping Governmental Activities Debt**  
**General Obligation Bonds**  
**As of June 30, 2015**

<b>Jurisdiction</b>	<b>Total debt outstanding</b>	<b>Percentage applicable to government</b>	<b>Amount applicable to government</b>
Direct:			
City of Saco general obligation	\$ 13,163,163	100.00%	\$ 13,163,163
City of Saco notes payable	\$ 336,185	100.00%	\$ 336,185
City of Saco capital leases	2,548,437	100.00%	2,548,437
Subtotal Direct	<u>\$ 16,047,785</u>		<u>\$ 16,047,785</u>
Overlapping debt:			
Biddeford-Saco-Old Orchard Beach Transit Committee (1)	\$ 125,586	33.33%	\$ 41,862
York County (2)	7,730,059	6.99%	540,535
Subtotal Overlapping	<u>\$ 7,855,645</u>		<u>582,397</u>
<b>Grand Total</b>	<b><u>\$ 23,903,430</u></b>		<b><u>\$ 16,630,182</u></b>

(1) The City's share is 33.33% (Biddeford, Saco, Old Orchard Beach get equal share) of \$125,586, or \$41,862.

(2) The City's share is 6.99% (percentage of property value for York County) of \$7,730,059, or \$540,535.

Table 13

**CITY OF SACO, MAINE**  
**Statutory Debt Margin Information**  
**Last Ten Fiscal Years**  
**In Accordance with 30 MRSA, Section 5061 as Amended**

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total net debt applicable to limit</b>	<b>Legal Debt Margin</b>	<b>Total net debt applicable to limit as a percentage of debt limit</b>
2006	270,810,000	20,437,694	250,372,306	7.55%
2007	298,132,500	18,851,960	279,280,540	6.32%
2008	325,552,500	20,913,662	304,638,838	6.42%
2009	318,165,000	18,662,589	299,502,411	5.87%
2010	319,267,500	24,838,716	294,428,784	7.78%
2011	314,970,000	22,687,523	292,282,477	7.20%
2012	304,777,500	17,777,550	286,999,950	5.83%
2013	303,855,000	16,282,494	287,572,506	5.36%
2014	300,172,500	14,737,983	285,434,517	4.91%
2015	306,315,000	16,001,600	290,313,400	5.22%

**Legal Debt Margin Calculation for Fiscal Year 2015**

	<b>Outstanding bonds and leases</b>	<b>Percent of state assessed value \$2,042,100,000</b>	<b>Allowable Amount</b>	<b>Margin</b>
For school purposes	\$ 2,065,000	10.00%	\$ 204,210,000	\$ 202,145,000
For waste water treatment plant	290,000	7.50%	153,157,500	152,867,500
For municipal	13,646,600	7.50%	153,157,500	139,510,900
<b>Total</b>	<b>\$ 16,001,600</b>	<b>15.00%</b>	<b>\$ 306,315,000</b>	<b>\$ 290,313,400</b>

Table 14

**CITY OF SACO, MAINE**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Personal Income (1)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
2006	16,822	441,863,474	26,267	37.2	2,823	3.1%
2007	16,822	441,863,474	26,267	37.2	2,795	3.2%
2008	16,822	441,863,474	26,267	37.2	2,801	4.3%
2009	16,822	441,863,474	26,267	37.2	2,878	8.1%
2010	16,822	441,863,474	26,267	37.2	3,135	5.6%
2011	18,482	485,300,356	26,258	41.9	3,117	6.8%
2012	18,482	485,300,356	26,258	41.9	3,103	6.1%
2013	18,482	485,300,356	26,258	41.9	2,901	5.9%
2014	18,482	485,300,356	26,258	41.9	2,991	5.5%
2015	18,482	485,300,356	26,258	41.9	2,797	4.7%

(1) - U.S. Department of Commerce, Bureau of Census (2000 and 2010)

(2) - Maine Department of Education. Figures are based on April 1 enrollment

(3) - Maine Department of Labor

Table 15

**CITY OF SACO, MAINE**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2015			2006		
	Employees	Rank	Percentage of Saco's Labor Force	Employees	Rank	Percentage of Saco's Labor Force
Saco School Department	349	1	3.40%	290	2	3.14%
Sweetser Children's Services	329	2	3.21%	479	1	5.19%
Prime Dealerships	306	3	2.99%			
General Dynamics	243	4	2.37%	183	5	1.98%
Thornton Academy	218	5	2.13%	132	9	1.43%
City of Saco	164	6	1.60%	164	7	1.78%
Hannaford Brothers	160	7	1.56%	250	3	2.71%
Atlantic Heights	160	7	1.56%			
Shaw's Supermarkets	140	9	1.37%	142	8	1.54%
Saco & Biddeford Savings	125	10	1.22%	99	10	1.07%
Visiting Nurses Association				178	6	1.93%
Wood Structures, Inc.				208	4	2.25%

Source: Maine Department of Labor and U.S. Department of Labor

Table 16

**CITY OF SACO, MAINE**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Function:</b>										
General government	26.5	26	26	26.5	26.5	26.5	26.5	27.5	27.5	29.5
Public safety										
Police	47	47	46	46	47	47	47	47	47	47
Fire	36	36	36	36	36	36	36	36	36	36
Public works	34.25	34.25	34.25	31.6	31.6	31.6	31.6	31.6	31.6	31.6
Parks and recreation	6.25	8.25	8.25	9	9	9	9	9	11	11
<b>Total General Fund</b>	<b>150</b>	<b>151.5</b>	<b>150.5</b>	<b>149.1</b>	<b>150.1</b>	<b>150.1</b>	<b>150.1</b>	<b>151.1</b>	<b>153.1</b>	<b>155.1</b>
Waste Water Treatment Plant	14	14	13	12.3	14	14	14	14	14	14
<b>Total Enterprise Fund</b>	<b>14</b>	<b>14</b>	<b>13</b>	<b>12.3</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>

Table 17

**CITY OF SACO, MAINE**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
General government										
Building permits										
Single family	67	53	42	33	56	58	45	60	59	45
Condos/multi	53	39	10	7	1	32	35	3	9	7
Commercial	71	30	46	31	29	30	57	45	50	67
Total number permits issued	598	504	440	368	395	381	358	361	435	450
Public safety										
Police										
Number of calls for service	25,703	25,248	25,470	26,635	26,681	29,967	30,422	27,959	29,557	29,557
Number of traffic stops	6,731	5,727	6,105	5,962	6,612	9,675	9,145	6,689	6,417	6,417
Number of traffic summons issued	1,654	1,124	1,161	1,381	1,485	1,643	1,826	1,315	910	910
Number of warnings issued	4,558	4,001	4,395	4,106	4,524	7,419	6,872	4,785	4,995	4,995
Number of traffic related arrests	246	184	160	176	134	159	151	128	110	110
Number of non-traffic related arrests & summons	920	843	861	818	923	798	769	775	786	786
Number of parking tickets issued	911	512	478	418	202	214	396	268	242	242
Fire										
Number of calls for service	527	685	544	657	595	535	698	677	658	726
Ambulance										
Number of calls for service	1,846	2,152	2,315	2,151	2,288	2,289	2,380	2,535	2,621	2,801
Public works										
Number of roads maintained	384	384	386	386	387	387	340	340	340	340
Lane miles of roads maintained	257	260	262	262	263	263	290	290	290	290
Acres of public area maintained	379	384	404	404	404	404	414	414	414	414

Table 18

**CITY OF SACO, MAINE**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function										
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	6	6	6	6	6
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Public works										
Street lights	1,825	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842	1,842
Traffic signals	148	148	148	148	148	148	148	148	148	148
Recreation										
Parks	10	10	10	19	24	25	25	25	25	25
Park acreage maintained	100	100	100	135	140	143	143	143	143	143
Tennis and basketball courts	6	6	6	7	7	7	7	7	7	7

Sources: Various City departments.

Note: No capital asset indicators are available for the general government function.