

TOWN OF MEXICO, MAINE
INDEPENDENT AUDITORS' REPORT AND
FINANCIAL STATEMENTS

JUNE 30, 2025

TABLE OF CONTENTS

	Statement	Page
Independent Auditors' Report		3-4
Basic Financial Statements		
<i>Government-wide Financial Statements:</i>		
Statement of Net Position	1	5
Statement of Activities	2	6
<i>Fund Financial Statements:</i>		
Balance Sheet – Governmental Funds	3	7
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	4	8-9
Statement of Net Position – Fiduciary Funds	5	10
Statement of Changes in Net Position – Fiduciary Funds	6	11
Notes to Financial Statements		12-28
Required Supplemental Information	Exhibit	
Schedule of the Town's Proportionate Share of the Net Pension Liability	1	29
Schedule of the Town's Pensions Contributions	2	30
Schedule of Changes in Net OPEB Liability and Related Ratios	3	31
Budgetary Comparison Schedule – General Fund	4	32

Maine Municipal Audit Services, PA

Mindy J. Cyr, CPA

Independent Auditors' Report

To the Select Board
Town of Mexico
Mexico, Maine

OPINIONS

We have audited the accompanying financial statements of the governmental activities of the Town of Mexico, Maine, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town of Mexico, Maine's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Town of Mexico, Maine, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

BASIS FOR OPINIONS

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Mexico, Maine, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

3

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Town of Mexico, Maine’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Town of Mexico, Maine’s ability to continue as a going concern for a reasonable period of time.

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

REQUIRED SUPPLEMENTARY INFORMATION

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the schedule of the Town’s share of net pension liability, schedule of the Town’s pension contributions, schedule of changes in net OPEB liability and related ratios, and the budgetary comparison schedule, on pages 30-33 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.

Maine Municipal Audit Services, PA
Levant, Maine
January 2, 2026

Town of Mexico, Maine
Statement of Net Position
June 30, 2025

		Total Governmental Activities
ASSETS:		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 2,966,095	
Accounts receivable	135,573	
Taxes receivable	494,654	
Tax liens receivable	34,950	
<i>Total current assets</i>	\$ 3,631,272	
<i>Non-current assets:</i>		
Capital assets, net of accumulated depreciation	5,396,782	
<i>Total non-current assets</i>	5,396,782	
TOTAL ASSETS		9,028,054
DEFERRED OUTFLOWS OF RESOURCES:		
Pension related outflows	158,764	
OPEB related outflows	42,177	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	200,941	
		\$ 9,228,995
LIABILITIES:		
<i>Current liabilities:</i>		
Accounts payable	\$ 28,510	
Interfund payable	492	
Current portion of capital leases payable	39,714	
Current portion of bonds payable	193,333	
<i>Total current liabilities</i>	\$ 262,049	
<i>Non-current liabilities:</i>		
Bonds payable	266,667	
Pension liability	177,479	
OPEB liability	151,397	
<i>Total non-current liabilities</i>	595,543	
TOTAL LIABILITIES		857,592
DEFERRED INFLOWS OF RESOURCES:		
Taxes collected in advance	12,168	
Pension related inflows	18,453	
OPEB related inflows	50,686	
TOTAL DEFERRED INFLOWS OF RESOURCES		81,307
NET POSITION:		
Net investment in capital assets	4,897,068	
Unrestricted	3,393,028	
TOTAL NET POSITION		8,290,096
		\$ 9,228,995

Town of Mexico, Maine
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Government	
				Governmental Activities	Total
<i>Governmental activities:</i>					
General government	\$ 919,348	\$ 152,718	\$ -	\$ (766,630)	\$ (766,630)
Salaries and benefits	1,293,644	-	-	(1,293,644)	(1,293,644)
Public safety	417,971	-	-	(417,971)	(417,971)
Sanitation	365,549	-	-	(365,549)	(365,549)
Public works	113,163	16,076	79,889	(17,198)	(17,198)
Education	1,621,560	-	-	(1,621,560)	(1,621,560)
County tax	139,660	-	-	(139,660)	(139,660)
Social services	10,765	-	4,845	(5,920)	(5,920)
Culture and recreation	81,628	-	58,203	(23,425)	(23,425)
Other	314,244	-	-	(314,244)	(314,244)
Interest on long-term debt	16,544	-	-	(16,544)	(16,544)
Depreciation	397,020	-	-	(397,020)	(397,020)
<i>Total governmental activities</i>	<i>\$ 5,691,096</i>	<i>\$ 168,794</i>	<i>\$ 142,937</i>	<i>(5,379,365)</i>	<i>(5,379,365)</i>
 <i>General revenues:</i>					
Property taxes, levied for general purposes				3,340,700	3,340,700
Excise taxes				376,637	376,637
Interest and lien fees				34,973	34,973
Licenses and permits				11,272	11,272
<i>Grants and contributions not restricted to specific programs:</i>					
State revenue sharing				1,932,446	1,932,446
Other				400,250	400,250
Interest income				73,201	73,201
Miscellaneous revenues				55,665	55,665
<i>Total general revenues and transfers</i>				<i>6,225,144</i>	<i>6,225,144</i>
<i>Changes in net position</i>				845,779	845,779
NET POSITION - BEGINNING				7,444,317	7,444,317
NET POSITION - ENDING				\$ 8,290,096	\$ 8,290,096

The accompanying notes are an integral part of these statements.

**Town of Mexico, Maine
Balance Sheets
Governmental Funds
June 30, 2025**

	General Fund		Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 2,966,095	\$	2,966,095
Accounts receivable	135,573		135,573
Taxes receivable	494,654		494,654
Tax liens receivable	34,950		34,950
TOTAL ASSETS	\$ 3,631,272	\$	3,631,272
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
<i>Liabilities:</i>			
Accounts payable	\$ 28,510	\$	28,510
Interfund payable	492		492
<i>Total liabilities</i>	29,002		29,002
<i>Deferred inflows of resources:</i>			
Taxes collected in advance	12,168		12,168
Uncollected property taxes	423,683		423,683
<i>Total deferred inflows of resources</i>	435,851		435,851
<i>Fund balances:</i>			
Committed - <i>see footnotes</i>	699,539		699,539
Assigned - <i>see footnotes</i>	341,668		341,668
Unassigned	2,125,212		2,125,212
<i>Total fund balances</i>	3,166,419		3,166,419
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 3,631,272		

Amounts reported for governmental activities in the statement of net position (Stmt. 1) are different because:

Depreciable and non-depreciable capital assets as reported in Stmt. 1	5,396,782
Long-term liabilities, including bonds payable, as reported on Stmt. 1	(499,714)
Uncollected property taxes not reported on Stmt. 1	423,683
Deferred outflows of resources - pension related expenditures	158,764
Deferred inflows of resources - pension related inflows	(18,453)
Net pension (liability) asset	(177,479)
Deferred outflows of resources - OPEB related expenditures	42,177
Deferred inflows of resources - OPEB related inflows	(50,686)
OPEB liabilities	(151,397)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 8,290,096

The accompanying notes are an integral part of these statements.

Town of Mexico, Maine
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Total Governmental Funds
REVENUES:		
Property taxes	\$ 3,340,700	\$ 3,340,700
Excise taxes	443,754	443,754
Intergovernmental revenue	2,475,632	2,475,632
Charges for services	168,795	168,795
Interest and lien fees	34,973	34,973
Licenses and permits	11,272	11,272
Interest income	73,201	73,201
Other revenue	55,665	55,665
<i>Total revenues</i>	6,603,992	6,603,992
EXPENDITURES:		
General government	882,060	882,060
Salaries and benefits - all departments	1,293,644	1,293,644
Public safety	1,170,105	1,170,105
Sanitation	365,549	365,549
Public works	283,916	283,916
Education	1,621,560	1,621,560
County tax	139,660	139,660
Debt service	209,877	209,877
Social services	10,765	10,765
Culture and recreation	131,478	131,478
Reserve accounts	403,256	403,256
<i>Total expenditures</i>	6,511,870	6,511,870
<i>Excess (deficiency) of revenues over expenditures</i>	92,122	92,122
OTHER FINANCING SOURCES (USES):		
Operating transfers (out)	79,427	79,427
<i>Total other financing sources (uses)</i>	79,427	79,427
<i>Net change in fund balances</i>	171,549	171,549
FUND BALANCES - BEGINNING	2,994,870	2,994,870
FUND BALANCES - ENDING	\$ 3,166,419	\$ 3,166,419

The accompanying notes are an integral part of these statements.

Town of Mexico, Maine
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds (Stmt. 4)	\$	171,549
<p>Amounts reported for governmental activities in the Statement of Activities (Stmt. 2) are different due to the following items:</p>		
<p>Depreciation expense recorded on Statement of Activities, yet not required to be recorded as expenditures on governmental funds</p>		(397,020)
<p>Capital outlays expensed on the Governmental Funds report (Stmt. 4), yet not considered an expense for the purposes of Statement of Activities (Stmt. 2)</p>		1,022,035
<p>Revenues in the Statement of Activities (Stmt. 2) that do not provide current financial resources are not reported as revenues in the funds. More specifically, this amount represents the change in deferred property taxes.</p>		(67,117)
<p>Repayment of bond 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 reduction in debt service made during the fiscal year.</p>		233,047
<p>Issuance of capital leases payable recognized as revenue in the governmental funds, but increases long-term liabilities in the Statement of Net Position.</p>		(79,427)
<p>Change in net position relating to OPEB - GASB #75</p>		(8,722)
<p>Change in net position relating to pensions</p>		(28,566)
<hr/>		
Changes in net position of governmental activities (see Stmt. 2)	\$	845,779

Town of Mexico, Maine
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	<u>Private Purpose</u>	
	<u>Trust Fund</u>	
ASSETS		
Interfund receivable	\$ 492	
TOTAL ASSETS		\$ 492
NET POSITION		
<i>Restricted for:</i>		
Cemetery	\$ 492	
<i>Fiduciary net position</i>		<u>492</u>
TOTAL LIABILITIES & NET POSITION		\$ 492

Town of Mexico, Maine
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2025

	Private Purpose Trust Fund
<hr/>	
Additions:	
Investment income	\$ 8
	8
<i>Change in Net Position</i>	8
	8
NET POSITION - BEGINNING OF YEAR	484
	484
NET POSITION - END OF YEAR	\$ 492
	492

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Town operates under a selectboard-manager form of government and was incorporated in 1818 under the laws of the State of Maine.

The accounting policies of the Town conform to U.S. generally accepted accounting principles (GAAP) as applicable to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

GASB Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – For State and Local Governments*, and its amendments, established new financial reporting requirements for governments and caused the Town to restructure much of the information presented in the past. The more significant of the government’s accounting policies are described below.

The financial statements include those of the various departments governed by the Select Board and other officials with financial responsibility. The Town has no other separate organizational units, which meet criteria for inclusion in the financial statements as defined by GASB.

B. Basis of Presentation

The Town’s basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town’s major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

Government-Wide Financial Statements

The Government-wide financial statements consist of a Statement of Net Position and a Statement of Activities and reports information on all of the non-fiduciary activities of the Town as a whole.

The Statement of Net Position presents the financial condition of the governmental and business-type (if applicable) activities of the Town at year end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the Town’s governmental and business-type (if applicable) activities. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the Town.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Continued)

The Town has elected not to allocate indirect costs among programs. Program revenues include 1) charges to customers for services and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the Government-wide financial statements. The focus of governmental and proprietary fund financial statements is on major funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being aggregated and displayed in a single column. The General Fund is always a major fund.

Because of the basis of accounting and reporting differences, summary reconciliations to the Government-wide financial statements are presented at the end of each applicable fund financial statement.

C. Fund Accounting

The Town uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Town employs the use of three categories of funds: governmental, proprietary and fiduciary.

Governmental Fund Types

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources, is reported as fund balance. The following are the Town's major funds:

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

Fiduciary Funds (not included in the Government-wide Financial Statements)

Private Purpose Trust Fund – Private purpose trust funds account for resources legally held in trust for the benefit of persons and organizations other than the Town. Since these funds cannot be used for providing Town services, they are excluded from the Town's government-wide financial statements.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus

Government-Wide Financial Statements:

The government-wide financial statements are prepared using the economic resources measurement focus. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position.

Fund Financial Statements

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The fiduciary funds are reported using the economic resources measurement focus.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements, proprietary and fiduciary funds are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and in the presentation of expenses versus expenditures.

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the Town, available means expected to be received within sixty days of year end.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Non-exchange transactions, in which the Town receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the Town must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the Town on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year end: property taxes, charges for services, and interest on investments.

Licenses and permits and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

Grants and entitlements received before the eligibility requirements are met are recorded as advances from grantors. On governmental fund financial statements, property taxes receivable that will not be collected within the available period have been reported as deferred inflows of resources.

Expenses/Expenditures

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization are not recognized in governmental funds.

F. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control for the general fund only. Annual operating budgets are adopted each fiscal year by the registered voters of the Town at their annual Town meeting. Budgets are established in accordance with generally accepted accounting principles. Budgetary control is exercised by department heads, town administration and the Select Board. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Select Board or required by law.

G. Assets, Liabilities, Fund Equity, Revenue, Expenditures and Expenses

Cash and Cash Equivalents

Cash and cash equivalents include currency on hand, demand deposits with financial institutions, and other accounts with an original maturity of three months or less when purchased. Investments are recorded at fair market value.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Receivables and Payables

Short-term advances between funds are accounted for in the appropriate interfund receivable and payable accounts.

Compensated Absences

Vacation and sick pay benefits are substantially non-vesting and are not material. Therefore, no liability has been recorded in the financial statements for the year ended June 30, 2025.

Capital Assets and Depreciation

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical costs or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value as of the date received. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	25-30
Infrastructure	50
Machinery and Equipment	7-25
Vehicles	3-25

Net Position and Fund Balances

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances on any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Unrestricted net position is the residual amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Town's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In the Fund financial statements, governmental funds report reservations of fund balances for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. These designations are categorized as follows:

Non-spendable – Funds that are not in spendable form, such as funds that are legally required to be maintained in tact (corpus of a permanent fund).

Restricted – Funds that are restricted for use by an external party, constitutional provision, or enabling legislation.

Committed – Funds that can only be used for specific purposes pursuant to constraints imposed by formal action of the governing body.

Assigned – Funds intended to be used for specific purposes set by the Select Board.

Unassigned – Funds available for any purpose.

When an expenditure is incurred for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first.

When expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

Uncollected Revenue

Uncollected revenue arises when potential revenue does not meet both the “measurable” and “available” criteria for recognition in the current period. Uncollected revenue arises when resources are received by the Town before the Town has legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the Town has a legal claim to the resources, the liability for Uncollected revenue is removed from the balance sheet and revenue is recognized.

Property Taxes

Property taxes for the current year were committed on September 15, 2024, on the assessed value listed as of April 1, 2024, for all real and personal property located in the Town. Payment of taxes was due October 25, 2024 and March 7, 2025 with interest at 6% on all tax bills unpaid as of the due date.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay, and amounted to \$66, 502 for the year ended June 30, 2025.

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

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 uncollected revenues.

Risk Management

The Town pays insurance premiums to certain agencies to cover risks that may occur in normal operations. The Town purchases employee fidelity bond coverage. There have been no significant reductions in insurance coverage from the prior year. No settlements of claims have exceeded insurance coverage in the current year.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates are used to determine depreciation expense. Actual results could differ from those estimates.

2. DEPOSITS AND INVESTMENTS

Typically, the Town invests funds in checking accounts, savings accounts, certificates of deposit, and U.S. government obligations (through an investment group owned by a financial institution). From time to time the Town's deposits and investments may be subject to risks, such as the following:

Custodial Credit Risk – Deposits - the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town uses only financial institutions that are insured by the FDIC or additional insurance. At June 30, 2025, cash deposits had a carrying value of \$2,966,095, all of which was covered by FDIC or collateralized.

Interest Rate Risk – The Town does not currently have a deposit policy for interest rate risk.

Credit Risk – The Town does not have a formal policy regarding credit risk. Maine statutes authorize the Town to invest in obligations of the U.S. Treasury, and U.S. Agencies and certain bonds, securities and real assets.

Custodial Credit Risk – Investments – the risk that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have an investment policy. None of the Town's investments were subject to custodial credit risk.

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

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

3. CAPITAL ASSETS

Governmental activities:	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025
<i>Capital assets:</i>				
Land	\$ 139,645	\$ -	\$ -	\$ 139,645
Buildings	440,851	67,500	-	508,351
Vehicles	952,508	727,921	-	1,680,429
Equipment	1,390,317	95,575	-	1,485,892
Infrastructure	6,987,693	131,039	-	7,118,732
	<hr/>			<hr/>
Total capital assets	9,911,014	1,022,035	-	10,933,049
<i>Less accumulated depreciation</i>	<i>(5,139,247)</i>	<i>(397,020)</i>	<i>-</i>	<i>(5,536,267)</i>
	<hr/>			<hr/>
Governmental activities Capital assets, net	<u>\$ 4,771,767</u>	<u>\$ 625,015</u>	<u>\$ -</u>	<u>\$ 5,396,782</u>

Depreciation expense has not been charged as a direct expense for any department of the Town.

4. CONTINGENCIES

There may be various claims and suits pending against the Town, which arise in the normal course of the Town's activities. According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town through the date of the audit report.

5. SUBSEQUENT EVENTS

Management has made an evaluation of subsequent events to and including the audit report date, which was the date the financial statements were available to be issued, and determined that any subsequent events that would require recognition or disclosure have been considered in the preparation of the financial statements.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

6. FUND BALANCES

Committed:

Dangerous buildings reserve	\$ 20,340
Computer reserve	15,226
Recreation department reserve	163,281
Capital equipment reserve	2,401
Tax map reserve	4,685
Police capital reserve	131,859
Contingency reserve	543
Highway road construction reserve	205,067
Town buildings reserve	15,391
Property revaluation reserve	59,871
Fire department reserve	69,607
Fuel oil reserve	<u>11,268</u>
TOTAL COMMITTED	<u>\$ 699,539</u>

Assigned:

General government	\$ 8,492
Public safety	81,568
Culture and recreation	211,416
Public works	<u>40,192</u>
TOTAL ASSIGNED	<u>\$ 341,668</u>

UNASSIGNED **\$ 2,125,212**

7. LONG-TERM OBLIGATIONS

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

Description	Balance 7/1/2024	Additions	(Reductions)	Balance 6/30/2025	Due within one year
Bonds payable	\$ 653,333	\$ -	\$ (193,333)	\$ 460,000	\$ 193,333
Capital leases payable	-	79,427	(39,713)	39,714	39,714
Total	<u>\$ 653,333</u>	<u>\$ 79,427</u>	<u>\$ (233,046)</u>	<u>\$ 499,714</u>	<u>\$ 233,047</u>

Payments on bonds payable, notes payable and capital leases of the governmental activities are paid out of the General Fund.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

7. LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Bonds

Bonds payable at June 30, 2025 are comprised of the following:

	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at 6/30/2025</u>
Governmental Activities:			
Maine Municipal Bond Bank	.35-3.697%	11/2030	\$ 320,000
Maine Municipal Bond Bank	.831-4.23%	11/2026	<u>\$ 140,000</u>
Total governmental activities			<u>\$ 460,000</u>

Debt service requirements to retire the bonds payable outstanding for governmental activities at June 30, 2025 are as follows:

Year ending June 30,	Principal	Governmental Activities Interest	Total
2026	\$ 193,333	\$ 12,796	\$ 206,129
2027	53,333	8,284	61,617
2028	53,333	6,586	59,919
2029	53,333	4,771	58,104
2030	53,334	2,905	56,239
2031	53,334	1,972	55,306
Total	<u>\$ 460,000</u>	<u>\$ 37,314</u>	<u>\$ 497,314</u>

Capital Lease Obligations

Capital lease obligations represent lease agreements entered into for the financing of equipment acquisitions. These contracts are subject to cancellation should funds not be appropriated to meet payment obligations. Amounts are annually budgeted in the applicable function.

The following are the individual capital lease obligations outstanding for governmental activities at June 30, 2025:

	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Balance at 6/30/2025</u>
Governmental activities:			
Tractor (Wells Fargo)	5.0%	2026	\$ 39,714
			<u>\$ 39,714</u>

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

7. LONG-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to retire capital lease obligations outstanding for governmental activities at June 30, 2025 are as follows:

Year ending June 30,	Principal	Governmental Activities Interest	Total
2026	\$ 39,714	\$ 1,833	\$ 41,547
Total	\$ 39,714	\$ 1,833	\$ 41,547

8. OPEB OBLIGATIONS

Plan Description

The Town provides health insurance to its employees through Maine Municipal Employees Health Trust (MMEHT). The Town does not provide postemployment or postretirement health benefits, but it is subject to an implicit benefit for its members in MMEHT.

Accounting Policies

The impact of experience gains or losses and assumption changes on the Total OPEB Liability (TOL) are recognized in the OPEB expense over the average expected remaining life of all active and inactive members of the Plan. As of the beginning of the measurement period, this average was 9 years.

The table below summarizes the current balances of deferred outflows and deferred inflows of resources along with the net recognition over the next 5 years, and thereafter:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,718	\$ 33,054
Changes in assumptions	34,824	17,632
Contributions subsequent to measurement date	2,635	-
Total	\$ 42,177	\$ 50,686

Amounts reported as deferred outflows and deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended June 30:	
2026	(1,848)
2027	(386)
2028	(387)
2029	(393)
2030	(4,083)
Thereafter	(4,047)

As of January 1, 2025, the plan membership data is comprised of 17 active members with only an implicit benefit.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

8. OPEB OBLIGATIONS (CONTINUED)

Key Economic Assumptions:

Measurement date: January 1, 2025

Discount rates: 4.08% per annum for year end 2025 reporting
3.26% per annum for year end 2024 reporting

Trend assumptions: *Pre-Medicare Medical* – Initial trend of 8.40% applied in FYE 2024 grading over 20 years to 3.81% per annum.

Pre-Medicare Drug – Initial trend of 16.13% applied in FYE 2024 grading over 20 years to 3.81% per annum.

Medicare Medical – Initial trend of 1.90% applied in FYE 2024 grading over 20 years to 3.81% per annum.

Medicare Drug – Initial trend of 9.63% applied in FYE 2024 grading over 20 years to 3.81% per annum.

Administrative and claims expense – 3% per annum.

Future Plan Changes

It is assumed that the current plan and cost-sharing structure remains in place for all future years.

Demographic Assumptions:

Retiree continuation: Retirees who are current Medicare participants – 100%
Retirees who are Pre-medicare, active participants – 75%
Spouses who are Pre-medicare, spouse is active participant – 50%

Rate of mortality: Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those include in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

8. OPEB OBLIGATIONS (CONTINUED)

Assumed rate of retirement: For employees hired prior to July 1, 2014

- Age 57-58 – 6%
- Age 59 – 10%
- Age 60-61 - 12%
- Age 62-63 - 16%
- Age 64 – 20%
- Age 65-66 – 30%
- Age 67-69 – 25%
- Age 70+ - 100%

For employees hired after July 1, 2014

- Age 55-61 – 6%
- Age 62 – 10%
- Age 63-64 – 12%
- Age 65 – 20%
- Age 66-68 – 16%
- Age 69 – 20%
- Age 70-74 - 25%
- Age 75+ - 100%

Salary increases: 2.75% per year

Discount Rate

The discount rate used to measure the TOL was 4.08% based on a measurement date of January 1, 2025. This rate is assumed to be an index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher, for pay as you go plans.

The following table shows how the net OPEB liability as of June 30, 2025 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate. The current rate is 4.08%.

1% Decrease 3.08%	Current Rate 4.08%	1% Increase 5.08%
\$ 177,724	\$ 151,397	\$ 129,918

Changes in the healthcare trend affect the measurement of the TOL. Lower healthcare trend rates produce a lower TOL and higher healthcare trend rates produce a higher TOL. The table below shows the sensitivity of the TOL to the healthcare trend rates.

1% Decrease	Healthcare Trend Rates	1% Increase
\$ 126,031	\$ 151,397	\$ 184,260

A 1% decrease in the healthcare trend rate decreases the NOL by approximately 16.8%. A 1% increase in the healthcare trend rate increases the NOL by approximately 21.7%.

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

9. DEFINED BENEFIT PENSION PLAN

Plan Description

Full-time Town employees are eligible to participate in the Maine Public Employees Retirement System (MainePERS), a cost sharing multiple-employer defined benefit pension plan established by the Maine State Legislature. Title V of the Maine Revised Statutes Annotated assigns the authority to establish and amend benefit provisions to the Participating Local District (PLD) Consolidated Plan's advisory group, which reviews the terms of the plan and periodically makes recommendations to the Legislature to amend the terms. The Maine Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information for the Consolidated Plan. That report may be obtained online at www.maineper.org or by contacting the System at (800) 451-9800

Benefits Provided

The MainePers provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The System's retirement programs provide defined retirement benefits based on members' average final compensation and service credit earned as of retirement. Vesting (eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit (effective October 1, 1999, the prior ten year requirement was reduced by legislative action to five years for employees of PLDs). In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. For PLD members, normal retirement age is 60 or 65. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below his/her normal retirement age at retirement. The System also provides disability and death benefits which are established by contract with PLD employers under applicable statutory provisions.

Upon termination of membership, members' accumulated employee contributions are refundable with interest, credited in accordance with statute. Withdrawal of accumulated contributions results in forfeiture of all benefits and membership rights. The annual rate of interest credited to members' accounts is set by the System's Board of Trustees and is currently 3.88%.

Member and Employer Contributions

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

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources

At June 30, 2025, the Town reported a liability of \$177, 479 for its proportionate share of the net pension asset/liabilities for the plan. The net pension asset/liabilities were measured as of June 30, 2024, and the total pension liability used to calculate the net pension asset/liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset/liability was based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2024, the Town's proportion was 0.044342%, compared to 0.038023% in the prior year.

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

	<i>Deferred outflows of resources</i>	<i>Deferred inflows of resources</i>
Difference between expected and actual experience	\$ 52,675	\$ -
Net difference between projected and actual earnings on pension plan investments	-	18,453
Changes in assumptions	-	-
Contributions made after measurement date	78,767	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	27,322	-
	\$ 158,764	\$ 18,453

Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	\$ 17,925
2026	49,654
2027	(2,460)
2028	(3,576)

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions

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

Actuarial Cost Method

The entry age normal cost method is used to determine costs. Using this method, the total employer contribution rate contains two elements – the normal cost rate and the unfunded actuarial liability (UAL) rate.

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

Experience gains (losses) – increases or decreases in liabilities and in assets when actual experience is different from the actuarial assumptions – affect the unfunded actuarial accrued liability.

Asset Valuation Method

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

Amortization

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

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

Investment Rate of Return – 6.50% per annum

Salary Increases, Merit and Inflation – 2.75%-11.48% plus merit component based on each employee's years of service

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

**TOWN OF MEXICO, MAINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

9. DEFINED BENEFIT PENSION PLAN (CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method where best-estimate ranges of expected future real rates of return are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the target asset allocation as of June 30, 2024 are summarized below:

<i>Asset Class</i>	<i>Long-term Expected Real Rate of Return</i>
Public equities	5.6 %
US government	2.2
Private equity	7.2
<i>Real assets:</i>	
Real estate	5.8
Infrastructure	5.3
Natural resources	5.1
Traditional credit	2.7
Alternative credit	6.4
Diversifiers	4.8

Discount Rate

The discount rate used to measure the collective pension liability was 6.5% for 2024. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table shows how the collective net pension liability/(asset) as of June 30, 2024 would change if the discount rate used was one percentage point lower or one percentage point higher than the current rate.

1% Decrease	Current Discount Rate	% Increase
5.50%	6.50%	7.50%
\$ 443,457	\$ 177,479	\$ (41,656)

Pension Plan Financial and Actuarial Information

Additional financial information and actuarial information can be found in the Maine PERS 2024 Comprehensive Annual Financial Report available online at www.maineopers.org or by contacting the System at (207) 512-3100.

Town of Mexico, Maine
Schedule of the Town's Proportionate Share of the Net Pension Liability
Maine Public Employees Retirement System Consolidated Plan
Last 10 Fiscal Years *

	<u>2024**</u>	<u>2023**</u>	<u>2022**</u>
Town's proportion of the net pension liability	0.044342%	0.038023%	0.022593%
Town's proportionate share of the net pension liability (asset)	\$ 177,479	\$ 121,330	\$ 60,063
Town's covered payroll	\$ 406,667	\$ 311,966	\$ 156,207
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	43.60%	38.89%	38.45%
Plan fiduciary net position as a percentage of the total pension liability	91.10%	92.30%	93.20%

** This schedule is intended to show information for ten years, but information for only three years is available. Information for additional years will be displayed as it becomes available.*

*** The amounts presented have a measurement date twelve months prior to the Town's fiscal year end.*

Town of Mexico, Maine
Schedule of the Town's Contributions
Maine Public Employees Retirement System Consolidated Plan
Last 10 Fiscal Years *

Exhibit 2

	<u>2024**</u>		<u>2023**</u>		<u>2022**</u>
Contractually required contribution	\$ 28,670	\$	26,517	\$	13,121
Contributions in relation to the contractually required contribution	<u>(28,670)</u>		<u>(26,517)</u>		<u>(13,121)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>
 Town's covered-employee payroll	 \$ 406,667	 \$	 311,966	 \$	 156,207
 Contributions as a percentage of covered payroll	 7.05%		 8.50%		 8.40%

** This schedule is intended to show information for ten years, but information for only three years is available. Information for additional years will be displayed as it becomes available.*

*** The amounts presented have a measurement date twelve months prior to the Town's fiscal year end.*

Town of Mexico, Maine
Schedule of Changes in Net OPEB Liability and Related Ratios
Postretirement Employee Healthcare Plan
For the Year Ended June 30, 2025

Exhibit 3

	<u>FYE 2025</u>	<u>FYE 2024</u>	<u>FYE 2023</u>	<u>FYE 2022</u>	<u>FYE 2021</u>	<u>FYE 2020</u>	<u>FYE 2019</u>	<u>FYE 2018</u>
<u>Total OPEB Liability</u>								
Service cost (BOY)	\$ 11,015	\$ 5,490	\$ 6,676	\$ 5,756	\$ 4,839	\$ 3,066	\$ 3,592	\$ 3,161
Interest (includes interest on service cost)	4,980	5,643	3,473	3,007	3,472	5,046	4,536	5,676
Changes in benefit terms	-	-	-	-	-	(2,500)	-	-
Differences between expected and actual experience	-	(32,560)	-	9,438	-	(23,186)	-	(28,181)
Changes of assumptions	(5,036)	21,894	(18,711)	12,524	8,567	23,185	(11,717)	5,864
Benefit payments, including refunds of member contributions	(2,611)	(7,201)	(7,086)	(2,738)	(2,633)	(4,782)	(4,598)	(5,846)
Net change in total OPEB liability	\$ 8,348	\$ (6,734)	\$ (15,648)	\$ 27,987	\$ 14,245	\$ 829	\$ (8,187)	\$ (19,326)
Total OPEB liability - beginning	\$ 143,049	\$ 149,783	\$ 165,431	\$ 137,444	\$ 123,199	\$ 122,370	\$ 130,557	\$ 149,883
Total OPEB liability - ending	\$ 151,397	\$ 143,049	\$ 149,783	\$ 165,431	\$ 137,444	\$ 123,199	\$ 122,370	\$ 130,557
<u>Plan fiduciary net position</u>								
Contributions - employer	2,611	7,201	7,086	2,738	2,633	4,782	4,598	5,846
Contributions - member	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(2,611)	(7,201)	(7,086)	(2,738)	(2,633)	(4,782)	(4,598)	(5,846)
Administrative expense	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	\$ 151,397	\$ 143,049	\$ 149,783	\$ 165,431	\$ 137,444	\$ 123,199	\$ 122,370	\$ 130,557
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 918,064	\$ 918,064	\$ 561,906	\$ 591,906	\$ 614,861	\$ 614,861	\$ 544,655	\$ 544,655
Net OPEB liability as a percentage of covered employee payroll	16.50%	15.60%	26.70%	29.40%	22.40%	20.00%	22.50%	24.00%

**Town of Mexico, Maine
General Fund
Budgetary Comparison Schedule
For the Year Ended June 30, 2025**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,326,636	\$ 3,326,636	\$ 3,340,700	\$ 14,064
Excise taxes	-	-	443,754	443,754
Interest and lien fees	-	-	34,973	34,973
Intergovernmental revenue	1,928,933	1,987,136	2,475,632	488,496
Charges for services	-	-	168,795	168,795
Licenses and permits	-	-	11,272	11,272
Interest income	-	-	73,201	73,201
Other revenue	-	10,868	55,665	44,797
<i>Total revenues</i>	<u>5,255,569</u>	<u>5,324,640</u>	<u>6,603,992</u>	<u>1,279,352</u>
EXPENDITURES:				
General government	632,977	838,134	882,060	(43,926)
Salaries and benefits - all departments	-	1,605,148	1,293,644	311,504
Public safety	1,657,941	1,318,828	1,170,105	148,723
Sanitation	365,631	365,631	365,549	82
Public works	834,527	351,789	283,916	67,873
Education	1,621,560	1,621,560	1,621,560	-
County tax	139,660	139,660	139,660	-
Debt service	213,275	213,275	209,877	3,398
Social services	21,753	21,753	10,765	10,988
Culture and recreation	233,232	368,507	131,478	237,029
General fund reserves	60,000	1,082,907	403,256	679,651
<i>Total expenditures</i>	<u>5,780,556</u>	<u>7,927,192</u>	<u>6,511,870</u>	<u>1,415,322</u>
<i>Excess (deficiency) of revenues over (under) expenditures</i>			<u>92,122</u>	
OTHER FINANCING SOURCES (USES):				
Issuance of capital lease payable	-	79,427	79,427	-
<i>Total other financing sources</i>	<u>-</u>	<u>79,427</u>	<u>79,427</u>	<u>-</u>
<i>Net changes in fund balances</i>			171,549	
FUND BALANCES - BEGINNING			<u>2,994,870</u>	
FUND BALANCES - ENDING			<u>\$ 3,166,419</u>	