TOWN OF LAMOINE, MAINE

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR
ENDED JUNE 30, 2025

TOWN OF LAMOINE, MAINE
FINANCIAL STATEMENTS AND SUPPLEMENTAL SCHEDULES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Selectmen
Town of Lamoine
Lamoine, ME 04605

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit and each major fund of the Town of Lamoine, Maine (the Town) as of and for the year ended June 30, 2025, including the related notes to the financial statements, which collectively comprise the Town of Lamoine, Maine's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for out audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statements 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 the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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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.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension disclosure statements and other post-employment benefits disclosure statements on pages 3 - 6 and pages 32 - 39 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying supplementary information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Respectfully Submitted,

Wadman C.P.A.'s PLLC

Wadman C.P.A.'s PLLC
March 10, 2026

TOWN OF LAMOINE, MAINE
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2025

The management of the Town of Lamoine, Maine (the Town) offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider this information in conjunction with the financial statements and accompanying notes that follow.

FINANCIAL HIGHLIGHTS – PRIMARY GOVERNMENT

Government-wide Highlights:

Net Position – The assets of the Town exceeded its liabilities at the fiscal year ending June 30, 2025 by $9,268,915 (presented as "net position"). Of this amount, $1,154,080 was reported as "unrestricted net position". Unrestricted net position represents the amount available to be used to meet the Town's ongoing obligations to citizens and creditors.

Changes in Net Position – The Town's total net position decreased by $410,301 (a 4.2% decrease) for the fiscal year ended June 30, 2025.

Fund Highlights:

Governmental Funds – Fund Balances – As of the close of the fiscal year ended June 30, 2025, the Town's governmental funds reported a combined ending fund balance of $2,771,648, a decrease of $484,644 in comparison with the prior year. Of this total fund balance, $549,072 represents general unassigned fund balance. This unassigned fund balance represents approximately 10.2% of the total general fund expenditures for the fiscal year.

Long-term Debt:

The Town's total long-term debt obligations decreased $166,293 (41.3%) during the current fiscal year. There were no new debt obligations during the year. Existing debt obligations were retired according to schedule.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements include three component's: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains additional required supplementary information (budgetary comparison) and other supplementary information. These components are described below:

Government-wide Financial Statements

The government-wide financial statements present the financial picture of the Town from the economic resources measurement focus using the accrual basis of accounting and are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business. They distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of net position includes all assets of the Town (including infrastructure) as well as all liabilities (including long-term debt), with the difference between the two reported as net position. The statement of activities shows how the Town's net position changed during the year, regardless of the timing of related cash flows. The government-wide financial statements can be found on pages 7 - 8 of this report.

The government-wide financial statements include not only the Town itself (known as the primary government), but also a legally separate entity - the Lamoine School Patrons - for which the Town is financially accountable. Financial information for this component unit is reported separately from the financial information for the primary government itself.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements include statements for one category of activities – governmental funds.

The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting and are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund financial statements focus on near-term inflows and

outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balance provide a reconciliation to explain the differences between the governmental funds and governmental activities. The basic governmental fund financial statements can be found on pages 9 - 10 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and the fund financial statements. The notes to the financial statements can be found on pages 11 - 31 of this report.

Required Supplementary Information

This section includes a budgetary comparison schedule, which includes a reconciliation between the statutory fund balance for budgetary purposes and the fund balance for the general fund as presented in the governmental fund financial statements (if necessary), schedules of proportionate share of net pension and other post-employment benefit liabilities, schedules of employer contributions and notes to historical pension and other post-employment benefit information. Required supplementary information can be found on pages 32 - 39 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

The largest portion of the Town's net position (74.9%) reflects its investment in capital assets such as land, buildings, equipment and infrastructure (roads, bridges and other immovable assets), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although, the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Governmental Activities	Business-type Activities	Total 2025	Total 2024
Current Assets	$ 3,457,240	$ 0	$ 3,457,240	$ 3,894,862
Capital Assets	$ 7,175,686	$ 0	$ 7,175,686	$ 7,190,721
Total Assets	$10,632,926	$ 0	$10,632,926	$11,085,583
Deferred Outflows	$ 298,210	$ 0	$ 298,210	$ 366,963
Total Assets and Deferred Outflows	$10,931,135	$ 0	$10,931,135	$11,452,545
Current Liabilities	$ 790,621	$ 0	$ 790,621	$ 736,616
Other Liabilities	$ 822,453	$ 0	$ 822,453	$ 976,358
Deferred Inflows	$ 49,146	$ 0	$ 49,146	$ 60,355
Net Position;				
Invested in Capital Assets	$ 6,938,957	$ 0	$ 6,938,957	$ 6,787,700
Restricted	$ 1,175,878	$ 0	$ 1,175,878	$ 1,389,146
Unrestricted	$ 1,154,080	$ 0	$ 1,154,080	$ 1,502,370
Total Liabilities, Deferred Inflows, and Net Position	$10,931,135	$ 0	$10,931,135	$11,452,545

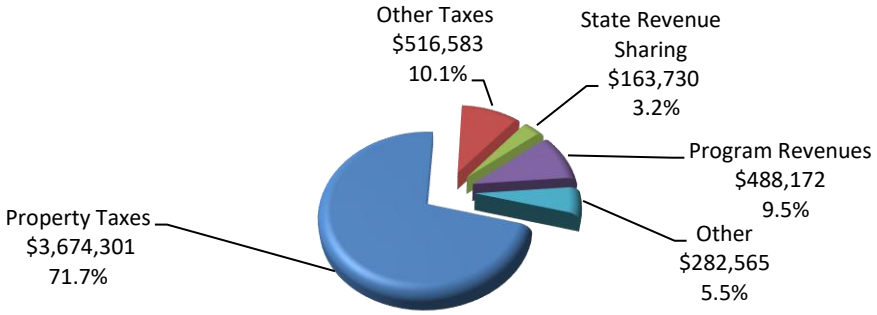
An additional portion of the Town's net position (12.7%) represents resources that are subject to external restrictions on their use. The remaining balance of unrestricted net position (12.4%) may be used to meet the government's ongoing obligations to citizens and creditors.

Changes in Net Position

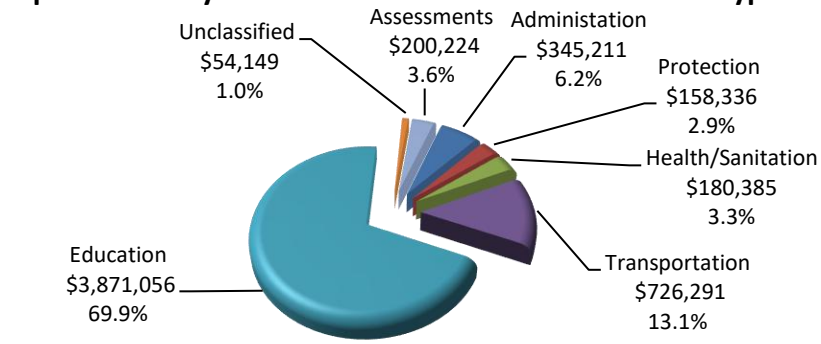
Governmental activities decreased the Town's net position by $410,301. This decrease was primarily due to conservative budgeting and controlled costs offset by depreciation on capital assets and costs being funded from reserves and surplus.

	Governmental Activities	Business-type Activities	Total 2025	Total 2024
Revenues;				
Tax Revenues	$ 4,190,884	$ 0	$ 4,190,884	$ 4,123,933
Investments	$ 192,848	$ 0	$ 192,848	$ 199,044
Revenue Sharing	$ 163,730	$ 0	$ 163,730	$ 165,686
Other	$ 577,890	$ 0	$ 577,890	$ 812,426
Total Revenues	$ 5,125,352	$ 0	$ 5,125,352	$ 5,301,089
Expenses;				
Administration	$ 345,211	$ 0	$ 345,211	$ 353,870
Protection	$ 158,336	$ 0	$ 158,336	$ 148,611
Health/Sanitation	$ 180,385	$ 0	$ 180,385	$ 183,474
Transportation	$ 726,291	$ 0	$ 726,291	$ 751,466
Education	$ 3,871,056	$ 0	$ 3,871,056	$ 3,630,794
Unclassified	$ 54,149	$ 0	$ 54,149	$ 165,539
Assessments	$ 200,224	$ 0	$ 200,224	$ 183,277
Total Expenses	$ 5,535,652	$ 0	$ 5,535,652	$ 5,417,031
Changes in Net Position	$ (410,301)	$ 0	$ (410,301)	$ (115,942)

Revenues by Source - Governmental and Business-Type



Expenditures by Source - Governmental and Business-Type



FINANCIAL ANALYSIS OF THE TOWN'S INDIVIDUAL FUNDS

Governmental Funds

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

At the end of the fiscal year, the Town's governmental funds reported ending fund balances of $2,771,648, a decrease of $484,644 in comparison with the prior fiscal year. Approximately 19.8 percent of this total amount constitutes unassigned fund balance. The remainder is reserved to indicate that it is not available for new spending because it has been committed to liquidate contracts and commitments of the prior fiscal year or for a variety of other purposes.

GENERAL FUND BUDGETARY HIGHLIGHTS

Variances between actual General Fund revenues and expenditures and the final amended budget included the following:

- $1,404 positive variance in real estate and personal property tax revenues. Actual collections were 97.7% of the levy as compared to 96.5% in the prior year. There was an increase in unavailable property tax revenue due to slower collections through the year and within 60 days of year end.
- $375,676 positive variance in all other revenues. This is primarily due to conservative budgeting and good returns on investments during the year.
- $246,794 negative variance in education expenditures. This is due to a portion of the budget being funded from surplus offset by conservative budget and controlled costs.
- $490,034 negative variance in protection expenditures. This is due to the purchase of a new fire truck that was funded through a prior year reserve.
- $108,267 positive variance in all other expenditures. This is primarily due to conservative budgeting, controlled expenditures and funding reserves.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities amounts to $25,881,295, net of accumulated depreciation of $18,705,610, leaving a net book value of $7,175,685. There were current year additions of $10,300 of school department equipment, $463,305 of fire truck purchase, $43,300 of equipment purchases and $154,841 of road improvements. There were no current year retirements or impairments. Additional information on the Town's capital assets can be found in Note 4 of the notes to the financial statements on pages 18 - 19 of this report.

Debt

The Town has total finance purchase obligations outstanding of $40,116 and $196,612 of total outstanding loans that is backed by the full faith and credit of the Town. The outstanding debt decreased $166,293 during the current fiscal year. Additional information on the Town's long-term debt can be found in Note 7 of the notes to the financial statements on pages 19 - 20 of this report.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all citizens, taxpayers, investors and creditors. This financial report seeks to demonstrate the Town's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to: Town of Lamoine, 606 Douglas Highway, Lamoine, ME 04605.

TOWN OF LAMOINE, MAINE *(Exhibit I)*
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	*Component Unit Lamoine School Patrons*
Assets & Deferred Outflows		
Assets		
Cash and Cash Equivalents	$315,310	$8,231
Investments, at Fair Market Value	$2,866,902	
Accounts Receivable	$113,201	
Taxes and Tax Liens Receivable	$102,704	
School Lunch Inventory, at cost	$6,118	
Prepaid Expenses	$53,006	
Capital Assets		
Land	$460,154	
Other Capital Assets, net of Accumulated Depreciation	$6,715,532	
Total Capital Assets	$7,175,686	$0
Total Assets	$10,632,926	$8,231
Deferred Outflows of Resources		
Related to Pensions	$95,730	
Related to Other Post-Employment Benefits	$202,480	
Total Deferred Outflows of Resources	$298,210	$0
Total Assets & Deferred Outflows	$10,931,135	$8,231
Liabilities, Deferred Inflows & Net Position		
Liabilities		
Current Liabilities		
Accounts Payable	$431,641	
Accrued Salaries & Benefits	$191,865	
Long-Term Liabilities		
Net Pension Liability	$65,645	
Net Other Post-Employment Benefit Liability	$680,196	
Compensated Absences	$7,000	
Finance Purchase Obligations		
Due within on year	$40,116	
Bond Payable		
Due within on year	$127,000	
Due in more than one year	$69,612	
Total Liabilities	$1,613,075	$0
Deferred Inflows of Resources		
Property Taxes Paid in Advance	$11,510	
Related to Pensions	$24,514	
Related to Other Post-Employment Benefits	$13,122	
Total Deferred Inflows of Resources	$49,146	$0
Net Position		
Net Investment in Capital Assets	$6,938,957	
Restricted	$1,175,878	
Unrestricted	$1,154,080	$8,231
Total Net Position	$9,268,915	$8,231
Total Liabilities, Deferred Inflows & Net Position	$10,931,135	$8,231

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE *(Exhibit II)*
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

		Program Revenues		Net (Expense) Revenue and Changes in Net Position	
				Primary Government	Component Unit
Functions/Programs		Charges for	Operating	Governmental	Lamoine School
Primary Government	Expenses	Services	Grants	Activities	Patrons
Governmental Activities					
Administration	$345,211	$18,189		($327,022)	
Protection	$158,336		$25,000	($133,336)	
Health & Sanitation	$180,385	$807		($179,578)	
Transportation	$726,291		$29,952	($696,339)	
Education	$3,871,056	$270	$410,595	($3,460,192)	
Unclassified	$54,149	$3,360		($50,789)	
Assessments and Debt Service	$200,224			($200,224)	
Total Governmental Activities	$5,535,652	$22,625	$465,547	($5,047,480)	$0
Total Primary Government	$5,535,652	$22,625	$465,547	($5,047,480)	$0
Component Unit					
School Activities	$4,656				($4,656)
Total Component Unit	$25,035	$0	$0	$0	($4,656)
General Revenues;					
Tax Revenues, Including Homestead Exemption				$3,661,352	
Excise Taxes				$516,583	
State Revenue Sharing				$163,730	
Investment Earnings				$192,848	
Interest and Fees on Delinquent Taxes				$12,949	
Other Revenues				$89,717	$6,897
Total Revenues				$4,637,179	$6,897
Changes in Net Position				($410,301)	$2,241
Net Position - Beginning				$9,679,216	$5,990
Net Position - Ending				$9,268,915	$8,231

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE *(Exhibit III)*
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2025

Assets	*General Fund*	*Permanent Fund*	*Total Governmental Funds*
Cash On Hand and On Deposit	$315,310		$315,310
Investments, at Fair Value	$2,789,673	$77,229	$2,866,902
Accounts Receivable	$113,201		$113,201
Property Taxes Due	$102,704		$102,704
School Lunch Inventory, at cost	$6,118		$6,118
Prepaid Expenses	$53,006		$53,006
Due from Other Funds	$3,499	$16,639	$20,138
Total Assets	$3,383,509	$93,868	$3,477,377
Liabilities, Deferred Inflows & Fund Balances			
Liabilities;			
Accounts Payable	$431,641		$431,641
Accrued Salaries	$191,865		$191,865
Due to Other Funds	$16,639	$3,499	$20,138
Total Liabilities	$640,145	$3,499	$643,643
Deferred Inflows of Resources			
Property Taxes Paid in Advance	$11,510		$11,510
Unavailable Property Tax Revenue	$50,577		$50,577
Total Deferred Inflows of Resources	$62,087	$0	$62,087
Fund Balance;			
Nonspendable		$9,677	$9,677
Restricted	$1,087,607	$78,594	$1,166,201
Committed	$717,237		$717,237
Assigned	$327,363	$2,098	$329,461
Unassigned	$549,072		$549,072
Total Fund Balance	$2,681,278	$90,369	$2,771,648
Total Liabilities, Deferred Inflows & Fund Balance	$3,383,509	$93,868	$3,477,377
Total Fund Balance - Governmental Funds			$2,771,648
Net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds			$7,175,686
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are reported as unavailable revenue (a deferred inflow) in governmental funds			$50,577
Deferred outflows of resources related to pension plans			$95,730
Deferred inflows of resources related to pension plans			($24,514)
Deferred outflows of resources related to other post-employment benefits			$202,480
Deferred inflows of resources related to other post-employment benefits			($13,122)
Some liabilities, including bonds payable and compensated absences, are not due and payable in the current period and therefore, are not reported in the funds, including:			
Finance Purchase Obligations			($40,116)
Bond Payable			($196,612)
Net Pension Liability			($65,645)
Net Other Post-Employment Benefit Liability			($680,196)
Compensated Absences			($7,000)
Net Position of Governmental Activities			$9,268,915

The Notes to the Financial Statements are an Integral Part of this Statement.

TOWN OF LAMOINE, MAINE *(Exhibit IV)*

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Fund	*Permanent Fund*	*Total Governmental Funds*
Revenues;			
Tax Revenues, Including Homestead Reimbursement	$3,661,340		$3,661,340
Excise Taxes	$516,583		$516,583
State Revenue Sharing	$163,730		$163,730
Investment Earnings (Includes Unrealized Gains / (Losses))	$189,863	$2,985	$192,848
Interest and Fees on Delinquent Taxes	$12,949		$12,949
Intergovernmental Revenues	$35,833		$35,833
State On-Behalf Contributions	$187,210		$187,210
Grants/Donations	$54,952		$54,952
Other Revenues	$37,245	$16,639	$53,884
Total Revenues	$4,859,706	$19,624	$4,879,329
Expenditures (Net of Departmental Revenues);			
Current			
Administration and Planning	$305,947		$305,947
Protection	$108,804		$108,804
Health & Sanitation	$179,420		$179,420
Highways & Bridges	$259,747		$259,747
Education	$3,236,162		$3,236,162
Unclassified	$48,421		$48,421
Assessments	$200,224		$200,224
State On-Behalf Contributions	$187,210		$187,210
Capital Outlay	$671,746		$671,746
Debt Service	$166,293		$166,293
Total Expenditures	$5,363,973	$0	$5,363,973
Excess Revenues Over Expenditures	($504,268)	$19,624	($484,644)
Beginning Fund Balances	$3,185,546	$70,746	$3,256,292
Ending Fund Balances	$2,681,278	$90,369	$2,771,648

Reconciliation to Statement of Activities, changes in Net Position:	
Net Change in Fund Balances - Above	($484,644)
Delinquent taxes are recognized as revenue in the period for which levied in the government-wide financial statements, but are recorded as unavailable revenue (a deferred inflow) in governmental funds	$12
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds, including:	
Pension Plan (Deferred Outflows, Net Pension Liability, Deferred Inflows)	$12,839
Other Post-Employment Benefits (Deferred Outflows, Net OPEB Liability, Deferred Inflows)	($89,766)
Bond proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of bond principal is an expenditure in Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position	
This amount represents long-term debt payments	$166,293
Governmental funds report capital outlays as expenditures, while in the statement of activities, the cost of those assets are allocated over the estimated useful lives as depreciation expense.	$671,746
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.	($686,781)
Changes in Net Position of Governmental Activities	($410,301)

The Notes to the Financial Statements are an Integral Part of this Statement.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Lamoine, Maine (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for the governmental accounting and financial reporting principles. The more significant of the Town's accounting principles are described below.

A. Financial Reporting Entity

The accompanying financial statements present the government of the Town of Lamoine, Maine, which is identified based upon the criteria identified in Governmental Accounting Standards Board (GASB) Statement 14, *The Financial Reporting Entity* , as amended. The Town is governed under an Administration Assistant/Selectmen form of government. The Town engages in a comprehensive range of municipal services, including administrative services, public safety, health and sanitation, transportation, education and cultural services. The financial statements include all operations of the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

The accompanying financial statements present the government and its component unit, and entity for which the government is considered to be financially accountable. The component unit, although a legally separate entity, is, in substance, part of the government's operations. The School Department's discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely presented component unit: The Lamoine School Patrons is responsible for acting as a parent/teachers organization for the school and fund raises money for the benefit of the school and its programs. The Lamoine School Patrons fund raising activities are solely for the benefit of the school.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. Fiduciary activities, whose resources are not available to finance the Town's programs are excluded from the government-wide statements. The effect of material interfund activity has been removed from these statements. *Governmental activities* are normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. Functional expenses may also include an element of indirect cost, designed to recover administrative (overhead) costs. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues* .

Separate financial statements are provided for governmental funds and the fiduciary fund. Major individual governmental funds and the fiduciary fund are reported as separate columns in the respective fund financial statements.

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

The government-wide financial statements are reported using the *total economic resources measurement focus* and the *accrual basis of accounting* . Revenues and additions are recognized when transactions occur and expenses and deductions are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied (i.e. intended to finance). Grants are recognized as revenue as soon as all eligibility requirements have been met.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting* . Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including interest on long-term debt, are recorded only when payment is due.

Property taxes, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports unavailable revenue on its governmental fund financial statements. Unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unavailable revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Town has a legal claim to the resources, the liability for unavailable revenue is removed from the balance sheet and the revenue is recognized.

The Town reports the following major governmental funds:

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

Permanent funds are used to account for assets held in perpetuity and therefore cannot be used to support the Town's own programs, but the investment earnings may be used for designated purposes.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Inflows/Outflows and Net Position or Fund Equity

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of one year or less from the date of acquisition. These investments are not specifically identified with any one fund.

The Town may invest in certificates of deposit, in time deposits, and in any securities in which State of Maine Statutes authorize them to invest in.

Investments are carried at fair value. Income from investments held by the individual funds are recorded in the respective funds as it is earned.

Accounts Receivable and Payable

All material receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Inventories and Prepaid Items

All inventories are valued at cost using the first in/first our (FIFO) method. Inventories of governmental funds are accounted for using the consumption method. Under this method, inventories are recorded as expenditures when used rather than when purchased. Inventory in the School Lunch Program consist of food, supplies and U.S.D.A. Donated Commodities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The prepayments are charged to expenditures on the governmental fund financial statements over the period of their economic benefit. Amounts of governmental fund inventories are offset by a fund balance reserve account to indicate that they do not represent "available spending resources".

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure (e.g. 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 cost or estimated historical cost if purchased and constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the asset constructed. Property, plant and equipment is depreciated using the straight line method over the following estimated useful lives:

Assets	*Years*
Buildings	50
Infrastructure	30-50
Sewer Lines	40
Equipment	5-10

Interfund Activity

Interfund receivables and payables arise from interfund activity and are recorded by all funds effected in the period in which transactions are executed.

Deferred Inflows/Outflows of Resources

In addition to assets and liabilities, the statement of net position and the governmental fund balance sheet will report a separate section for deferred outflows and/or inflows of resources. Deferred outflows of resources represent consumption of net position that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until then. Deferred inflows or resources represent and acquisition of net position that applies to future period(s) and therefore will not be recognized as revenue until that time. The Town has two items that qualify as deferred outflows of resources and it has three items that qualify as deferred inflows. The two deferred outflows and two of the deferred inflows are related to pensions and other post-employment benefits. The other deferred inflow is related to property taxes paid in advance. These amounts are considered unavailable and will be recognized as an outflow of resources (expenditure) and inflows of resources (revenue) in the period that the amounts become available.

Pensions

For purposes of measuring 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 (System) and additions to / deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income

is recognized when earned and investment expenses are recorded when incurred.

Other Post Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net positions of the Maine Education Association Benefits Trust (MEABT) and Maine Municipal Employees Health Trust (MMEHT) and additions to / deductions from their fiduciary net position have been determined on the same basis as they are reported by MEABT and MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable pursuant to formal commitments or statutory requirements. Investments are reported at fair value. Investment income is recognized when earned and investment expenses are recorded when incurred.

Accrued Compensated Absences

In the fund financial statements, vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the governmental fund that will pay it. Vested or accumulated vacation and sick leave in the government-wide financial statements is recorded as an expense and liability of the fund as the benefits accrued to employees. In accordance GASB Statement No. 16, no liability is recorded for nonvesting accumulated right to receive sick pay benefits.

The Town administrative assistant, by contract, may accumulate 90 days of sick leave at the rate of 12 days per year and may accumulate all unused vacation time at the rate of 15 days per year. Upon termination of employment, the accumulated sick and vacation days will be compensated at the same pay rate in effect when the days were accumulated. An obligation for accrued compensated absences under this contract provision has been recorded on the government-wide financial statements in the past but there was a new contract drawn up with the administrative assistant during the current year and as part of that, the accumulated portion of this contract provision was paid out in part. Therefore, there is no provision for compensated absences in the current year.

Teachers may accumulate 120 days of sick leave at the rate of 15 days per year. Full time employees other than teachers accrue vacation and sick leave in varying amounts based on length of service. Vacation pay accumulation does not exceed a normal year's allowance. An obligation for compensated absences is recorded in the general fund balance sheet for compensated sick pay for employees eligible for retirement. Under the current contract provisions, teachers who have 25 years of creditable teaching service with at least 10 of those years being at the Lamoine School Department are entitled to thirty days of compensated sick pay at their per diem rate.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources.

Governmental Fund Balances

The Town has identified June 30, 2025 fund balances on the balance sheet as follows:

	General Fund	*Permanent Fund*	*Total*
Nonspendable			
Cemetery Trust Principal		$9,677	$9,677
Restricted			
Gott Restoration	$5,431		$5,431
Restoration Fund-Goodwin	$19,514		$19,514
Restoration Fund-Gott (Smith BH)	$9,522		$9,522
Restoration - MacQuinn	$9,300		$9,300
Restoration - Gott M3 L6	$163		$163
Restoration - Goodwin	$14		$14
Restoration - Jordan	$400		$400
Restoration - Fowler	$1,422		$1,422
Gravel Escrow-Jordan	$1,169		$1,169

Education Fund	$153,668		$153,668
Special Education Reserve	$220,645		$220,645
Secondary Tuition Reserve	$74,617		$74,617
Facilities Maintenance Reserve	$496,993		$496,993
General Education Fund Reserve	$52,476		$52,476
New Fire Truck Purchase	$11,215		$11,215
Sesquicentennial Fund	$10,257		$10,257
Heating Assistance Fund	$20,801		$20,801
Hodgkin's Trust		$78,594	$78,594
Committed			
Code Enforcement Fund	$145,575		$145,575
Fire Department Emergency Repair Fund	$38,781		$38,781
Road Fund	$317,053		$317,053
Education Capital Fund	$11,064		$11,064
Revaluation Fund	$18,483		$18,483
Veteran's Memorial Fund	$5,433		$5,433
Capital Improvement Fund	$56,749		$56,749
Town Hall Restoration	$103,424		$103,424
Land Conservation Fund	$20,676		$20,676
Assigned			
Flag Program Fund	$1,913		$1,913
Transfer Station Capital Fund	$107,011		$107,011
Fire Truck Fund	$2,434		$2,434
Animal Control Fund	($5,390)		($5,390)
Recreation Fund	$22,346		$22,346
Parks & Recreation Fund	$20,885		$20,885
Athletic Fields Capital Fund	$4,116		$4,116
Cemetery Care Fund	$192		$192
Whitcomb Woods Fund	$3,586		$3,586
Cable TV Equipment Fund	$55,251		$55,251
Insurance Deductible Fund	$12,483		$12,483
Harbor Fund	$29,029		$29,029
Community Center Fund	$41,813		$41,813
Conservation Commission Fund	$5,118		$5,118
Committee on Aging	$2,089		$2,089
Reserve for Encumbrances	$24,487		$24,487
Cemetery Trust Income		$2,098	$2,098
Unassigned	$549,072		$549,072
Total Fund Balances	$2,681,278	$90,369	$2,771,648

In accordance with GASB Statement 54, the Town classifies governmental fund balances as follows:

Non-spendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.

Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as grantors or creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed - includes fund balance amounts that are constrained for specific purposes that are internally imposed by the Town through formal action at the highest level of decision making authority and does not lapse at the end of the year.

Assigned - includes fund balance amounts that are intended to be used for specific purposes that are neither considered Restricted or Committed.

Unassigned - includes fund balance amounts that are not considered to be Non-spendable, Restricted, Committed or Assigned.

The Town considers restricted, committed, assigned and unassigned amounts to be spent in that order when expenditures are incurred for which any of those amounts are available.

The Board of Selectmen are authorized to make assignments pursuant to their appointment. Committed fund balances are determined based on the need of town meeting votes.

Net Position

Net position is required to be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

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

Restricted - This component of net position consists of restrictions placed on net position use through external constraints imposed by creditors (such as debt covenants), grantors, contributors, or law or regulation of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net position reports $1,175,878 of restricted net position, of which enabling legislation restricts $0.

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

E. 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 at the selectman level, since individual department heads do not exist. All unencumbered budget appropriations lapse at the end of the year unless specifically designated by the Board of Selectmen or required by law.

F. Endowments

In the permanent funds, there are established endowment funds of $9,677 for the Cemetery Trust Funds. The investment earnings of these funds are used for the specific purposes that the funds were established for and shall be paid out by order of those persons responsible for administering the funds. State law directs that, subject to the intent of a donor expressed in the gift instrument, an institution may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established. The current amount available for expenditure is $2,098 from the Cemetery Trust Funds, which is reported as unrestricted net position in the statement of net position. The initial endowment principal is reported as part of the restricted net position in the statement of net position.

F. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. The Town's deposit policy for custodial credit risk requires compliance with the provisions authorized by Maine State Statutes. The Town requires that, at the time funds are deposited, there is collateral in place to cover the deposits in excess of the FDIC insurance limits.

State Statutes require banks either to give bond or to pledge government securities (types of which are specifically identified in the Statutes) to the Town in the amount of the Town's deposits. The Statutes allow pledged securities to be reduced by the amount of the deposits insured by the Federal Deposit Insurance Corporation (FDIC).

The financial institution holding the Town's cash accounts is participating in the FDIC Transaction Account Guarantee Program. Under the program, all accounts, including non-interest bearing accounts, are aggregated and are insured up to $250,000 in total by the FDIC. Any cash deposits, including certificates of deposit, in excess of the $250,000 FDIC limits are not covered by collateral and thus, custodial credit risk could exist. In order to avoid exceeding the $250,000 FDIC limits, the Town deposits excess funds into an investment account, which invests funds in certificates of deposit and other fixed income securities.

At year end, the carrying value of the Town's deposits was $323,541 and the bank balance was $411,594. The Town has $258,231 of insured deposits and $153,363 of collateralized deposits as of June 30, 2025.

Investments

Investments are separated into short-term and long-term categories. Within the investment account, the short-term investments are held in a brokerage account containing a money market fund and certificates of deposit. The long-term investments are held invested in certificates of deposit and bond funds. All short-term and long-term investments are recorded based on level 1 inputs and measure on a recurring basis.

Short-term investments	
Money Market Fund	$224,265
Certificates of Deposit	$595,050
Total short-term investments	$819,315
Long-term investments	
Certificates of deposit and bond funds	$2,047,587
Total long-term investments	$2,047,587

The investments are managed by a broker to maximize long-term gain while minimizing volatility. These investments are maintained as a funding source for the reserve funds within the Town. Of the total $2,866,902 held in this investment account, $2,789,673 represents general fund reserves and $77,229 represents permanent fund reserves.

Investment returns were as follows:

	General Fund	*Permanent Fund*	*Total*
Investment income (loss)	$175,349	$2,985	$178,333.66

Return Objectives

In support of the mission of the Town, the investment assets are to be invested to provide sufficient growth in the form of total return from dividends, income, earnings and price appreciation to meet the Town's requirements and to maintain a balance within the investment account for growth and earnings to fund the reserve funds within the Town.

Risk Parameters

To meet the stated objectives, the entirety of the Town's portfolio is dedicated to an equity position in order to produce long-term appreciation of principal. The allocation of holdings should reasonably attempt to reduce overall portfolio volatility.

Fair Value

The Town categorizes the fair value measurements of its investments within the fair value hierarchy established by the accounting principles generally accepted in the United States. The fair value hierarchy categorizes the inputs to valuation techniques used for fair value measurement into three levels as follows (in order of priority):

Level 1 - Inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities that the Town has the

Level 2 - Inputs other than quoted prices that are observable for assets or liabilities either directly or indirectly, including

Level 3 - Significant unobservable inputs

Fair values of assets at June 30, 2025 measured on a recurring basis are as follows:

	2025 Fair Value
Quoted prices in active markets (Level 1)	
Certificates of Deposit and Bond Funds	$2,642,637
Total certificates of deposit and bond funds	$2,642,637
Model-based techniques not observable in the market (Level 3)	
Money Market Fund	$224,265
Total money market fund	$224,265

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town's investments to be made into highly liquid investment vehicles to minimize exposure to interest rate risk.

The Town has not formally adopted an investment policy for managing interest rate risk.

Information about the sensitivity of the fair values of the Town's investments subject to market interest rate fluctuations is provided by the following table that shows the distribution of investments by maturity:

		Remaining Maturity (In Years)		
Investment Type	*Fair Value*	*0 - 1 Years*	*1 - 5 Years*	*> 5 Years*
Fixed Income Funds	$2,642,637	$595,050	$1,915,645	$131,942
	$2,642,637	$595,050	$1,915,645	$131,942

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town has not formally adopted an investment policy for managing credit risk.

The following are the actual ratings as of year-end for each investment type:

Ratings as of Year End	*Money Market Funds*	*Fixed Income Funds*	*Total*
Not Rated	$224,265	$2,642,637	$2,866,902

Note 3 - Property Taxes

Property taxes were assessed on April 1, 2024 and committed on July 19, 2024. Interest of 8.0% per annum is charged on delinquent taxes. Tax liens are recorded on property taxes remaining unpaid eight to twelve months after the commitment date. Tax liens unpaid for a period of eighteen months expire and the property becomes tax acquired by the Town. For governmental funds, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. Accordingly, $50,577 of the property taxes receivable have been classified as unavailable property tax revenue on the general fund balance sheet.

Note 4 - Capital Assets

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

	Beginning Balance	*Increases*	*Decreases*	*Ending Balance*
Governmental Activities;				
Capital assets not being depreciated				
Land	$460,154			$460,154
Capital assets being depreciated				
Buildings / Improvements	$3,895,484			$3,895,484
Equipment	$1,667,040	$516,905		$2,183,945
Infrastructure	$19,186,871	$154,841		$19,341,713
Total capital assets being depreciated	$24,749,396	$671,746	$0	$25,421,141
Less accumulated depreciation for				
Buildings	$1,570,579	$115,795		$1,686,375
Equipment	$1,045,382	$109,714		$1,155,096
Infrastructure	$15,402,868	$461,272		$15,864,139
Total accumulated depreciation	$18,018,828	$686,781	$0	$18,705,610
Net capital assets being depreciated	$6,730,567	($15,035)	$0	$6,715,532
Governmental Activities, Capital Assets, net	$7,190,721	($15,035)	$0	$7,175,686

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

Governmental Activities	
Administration	$17,273
Protection	$49,532
Health & Sanitation	$158
Education	$150,906
Unclassified	$2,368
Highways, including depreciation of general infrastructure assets	$466,544
Total Depreciation Expense - Governmental Activities	$686,781

Note 5 - Interfund Activity

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. On the Governmental Fund financial statements, the payables are classified as Due to Other Funds with offsetting receivables on the Governmental Fund financial statements classified as Due from Other Funds. At June 30, 2025, the offsetting receivable and payable balances were $20,138. The balances represent amounts due to the general fund from the cemetery care and amounts due to the Hodgkin's Trust from the general fund. These amounts are expected to be repaid when the funds are needed. The change during the current year represents amounts transferred to/from the Hodgkin's Trust Reserve from the general fund offset by amounts received from the Hodgkin's Trust to fund the current year budget.

Note 6 - Obligation Under Contracted Services

An obligation for July 2025 and August 2025 salaries for school employees under September 2024 through August 2025 contracts is being recorded on the general fund balance sheet. This obligation, along with the obligation for compensated absences, represents GAAP reporting for the Town.

Note 7 - Long-Term Debt

The following is a summary of long-term debt transactions of the Town of Lamoine, Maine for the fiscal year ended June 30, 2025:

Long-Term Debt payable at July 1,	$403,021
Long-Term Debt Issued	$0
Long-Term Debt Retired	($166,293)
Long-Term Debt payable at June 30,	$236,728

General Obligation bonds and notes are direct obligations and pledge the full faith and credit of the Town of Lamoine, Maine. Outstanding bonds at June 30, 2025 are as follows:

In May 2021, the School Department entered into a financing purchase obligation with U.S. Bank for the purpose of upgrading photocopiers. The debt is for five years with annual payments of $2,559, including interest at the rate of 5.25%. The balance at June 30, 2025 was $2,428.

In July 2021, the School Department entered into a financing purchase obligation with Gorham Saving for the purpose of purchasing a school bus. The debt is for five years of annual payments of $19,198, including interest at 3.89%. The balance at June 30, 2025 was $18,842.

In August 2021, the School Department entered into a financing purchase obligation with Gorham Savings for the purpose of purchasing a school bus. The debt is for five years of annual payments of $19,201, including interest at 1.89%. The balance at June 30, 2025 was $18,846.

In February 2022, the Town entered into a loan agreement with Camden National Bank for the purpose of purchasing a fire truck. The debt is for five years of annual principal payments of $60,000 with interest at 2.05%. The balance at June 30, 2025 was $120,000.

In July 2023, the Town entered into a loan agreement with Machias Savings Bank for the purpose of purchasing land for municipal purposes. The debt is for five years with annual principal payments of $67,000 with interest at 4.68%. As part of the land purchase, the Town decided to sell 2 acres of the land that had a dwelling on it and used the proceeds from that sale to pay down the principal balance of the debt. The balance at June 30, 2025 was $76,612.

Annual debt service requirements to maturity, including estimated interest are as follows:

Fiscal Year Ended	*Principal*	*Estimated Interest*	*Total*
2026	$167,116	$6,888	$174,004
2027	$69,612	$1,680	$71,292
	$236,728	$8,568	$245,297

Note 8 - Defined Benefit Employee Pension Plan

A. Plan Description

Qualifying personnel of the Department participate in the Maine Public Employees Retirement System (System) State Employee and Teacher (SET) Plan. The plan is a multiple-employer, cost-sharing pension plan with a special funding situation. The State of Maine is the non-employer contributing entity in that the State pays the initial unfunded actuarial liability on behalf of teachers, while school systems contribute the normal cost, calculated actuarially, for their teacher members.

B. Pension Benefits

Benefit terms are established in Maine Statute. The System's retirement programs provide defined retirement benefits based on member's average final compensation and service credit earned as of retirement. Vesting (i.e., eligibility for benefits upon reaching qualification) occurs upon the earning of five years of service credit for State employees and teachers. In some cases, vesting occurs on the earning of one year of service credit immediately preceding retirement at or after normal retirement age. Normal retirement age for State employees and teachers is age 60, 62 or 65. The normal retirement age is determined by whether a member had met certain creditable service requirements on specific dates, as established by statute. The monthly benefit of members who retire before normal retirement age by virtue of having at least 25 years of service credit is reduced by a statutorily prescribed factor for each year of age that a member is below her/his normal retirement age at retirement. The System also provides disability and death benefits which are established by statute for State employee and teacher members.

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

C. Member and Employer Contributions

Retirement benefits are funded by contributions from members, employers, State contributions 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 Board rule and depend on the terms of the Plan under which a member is covered. Employer contribution rates are determined through actuarial valuations. For the year ended June 30, 2025, the member contribution rate was 7.65% and the employer contribution rate was 4.47% of applicable member compensation. The employer is also responsible for contributing 15.10% of all federally funded member compensation. The State of Maine, as a non-employer contributing entity, pays 14.51% of the applicable member compensation into the System.

The required contributions paid into the System for the year ended June 30, 2025 and the previous two years are as follows:

For the year ended June 30,	*Employee Contributions*	*Employer Contributions*	*State of Maine Contributions*	*Applicable Member Compensation*
2025	$100,758	$65,643	$184,608	$1,317,104
2024	$91,058	$64,655	$162,699	$1,190,305
2023	$82,234	$59,882	$142,234	$1,074,955

D. Revenue Recognition

Employer contributions to the System are recognized as additions in the period when they become due pursuant to formal commitments or statutory requirements. Investment income is recognized when earned and investment expenses are recorded when incurred. For the teacher group, total employer and non-employer contributions were the basis for the allocation, adjusted to remove the normal cost contributions paid by local school systems on behalf of their employees. This leaves contributions toward the net pension liability of the Plan as the basis of allocation. This method of allocation properly distributes the collective net pension liability between the State of Maine as the non-employer contributing entity and those School Systems contributing towards the net pension liability of the Plan using grant funding.

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

At June 30, 2025, the School Department reported a net pension liability of $65,645. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The School Department's proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating members. At June 30, 2024, the School Department's proportion was .00478%, which was a decrease of 0.00056% from its proportion measured at June 30, 2023.

For the fiscal year ended June 30, 2025, the School Department recognized pension expense of $52,643. At June 30, 2025, the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$6,639	$0
Changes in Assumptions	$0	$0
Net Difference between projected and actual investment earnings on pension plan investments	$0	$5,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	$23,448	$19,514
Employer contributions made subsequent to measurement date	$65,643	$0
	$95,730	$24,514

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

Year ended June 30,	
2025	$56,459
2026	$17,626
2027	($1,906)
2028	($963)

F. Actuarial Assumptions

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

Inflation	2.75%
Salary Increases	2.80% - 13.03%
Investment Rate of Return	6.50%, net of administrative and pension plan investment expense
Cost of Living Benefit Increases	2.20%

For the School Department employees, the mortality rate is based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table for males and females projected generationally using the RPEC_2020 model.

The actuarial assumptions used in the June 30, 2024 valuation were based on the Entry Age Normal actuarial funding method. Under this funding method, the total employer contribution rate consists of two elements, the normal cost rate and the unfunded actuarial liability rate.

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major class of assets. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

Asset Class	*Target Allocation*	*Long-Term Expected Real Rate of Return*
Public Equities	30.0%	5.6%
U.S. Government	7.5%	2.2%
Private Equity	15.0%	7.2%
Real Assets:		
Real Estate	10.0%	5.8%
Infrastructure	10.0%	5.3%
Natural Resources	5.0%	5.1%
Traditional Credit	7.5%	2.7%
Alternative Credit	5.0%	6.4%
Diversifiers	10.0%	4.8%
	100%	

G. Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made the current contribution rate and that employer and non-employer entity contributions will be made at contractually required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

H. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the School Department's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what the School Department's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	*Current Discount Rate (6.50%)*	*1% Increase (7.50%)*
Proportionate Share of the Net Pension Liability	$137,742	$65,645	$5,637

I. Pension Plan Financial and Actuarial Information

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

Note 7 - Other Post Employment Benefits

A. Plan Description - Group Life Plan

Qualifying personnel of the School Department participate in the Group Life Insurance Plan for Retired State Employees and Teachers as provided by the Maine Public Employees Retirement System (SET Plan) The plan is a multiple-employer, cost sharing plan with a special funding situation. As of June 30, 2024 there were 237 employers, including the State of Maine participating in the plan. The State of Maine is also a non-employer contributing entity in that the State pays contributions for retired public school teachers in the Plan.

B. Benefits

The Group Life Insurance Plans (the Plans) provide basis group life insurance benefits, during retirement to retirees who participated in the Plans prior to retirement for a minimum of 10 years (the 10 year participation requirement does not apply to recipients of disability retirement benefits). The level of coverage in retirement is initially set to an amount equal to the retiree's average final compensation. The initial amount of basic life is then subsequently reduced at a rate of 15% per year to the greater of 40% of the initial amount or $2,500.

C. Funding Policy

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

D. Actuarial Methods and Assumptions

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

Actuarial Cost Method

Projections of benefits for financial reporting purposes are based on the provisions of the Plans in effect at the time of each valuation and the historical pattern of sharing of premium costs between the employer and plan members. Actuarial methods and

assumptions include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of the assets, consistent with the long-term perspective of the funding methodologies. Costs are developed using the individual entry age normal cost method based on a level percentage of payroll. Experience gains and losses, i.e., actual decreases or increases in the liabilities and/or in assets which differ from the actuarial assumptions, affect the unfunded actuarial accrued liability.

Asset Valuation Method
Investments are reported at fair value.

Significant Actuarial Assumptions

Inflation	2.75%
Salary Increases	2.80% - 13.03% at selected years of service
Investment Rate of Return	6.50%, net of administrative and pension plan investment expense
Participation Rates for Future Retirees	100% of those currently enrolled
Conversion Charges	Apply to the cost of active group life insurance, not retiree group life insurance
Form of Benefit Payment	Lump Sum

For the School Department employees, the mortality rate is based on the 2010 Public Plan Teacher Benefits-Weighted Healthy Retiree Mortality Table for males and females, projected generationally using the RPEC_2020 model.

E. On-Behalf Payments

As mentioned in Section A. above, contributions are made by the System for participating retired teachers. The summary below provides the School Department's allocation of these contributions as well as the proportionate share of the Net OPEB liability. The Net OPEB Liability is not recorded on the School Department financial statements since it is a liability of the State of Maine and not a liability of the School Department.

	Allocation of:		
	On-Behalf Payments	*Benefits Expense*	*Net OPEB Liability*
2024	$2,602	$1,503	$12,790

B. Plan Description - Health Insurance Plan

Qualifying personnel of the School Department can participate in the Maine Education Association Benefits Trust (MEABT) postretirement benefit plan. The plan is a single employer OPEB plan.

B. Eligibility

The employee must have participated in the MEABT health plan for the 12 months prior to retirement, and have 10 years of continuous active service and enrollment in the health plan (under age 50), or 5 years of continuous active service and enrollment in the health plan (age 50 or above), in order to be eligible for postretirement benefits.

A retiree who terminates coverage may elect to re-enroll in coverage at a later date if the participant participated in the health plan for 12 months prior to terminating coverage, if the re-enrollment occurs within 5 years from the date of termination coverage, and if the retiree does not surpass attaining age 62 at the time of re-enrollment. The participant has to have maintained continuous health insurance coverage during this break in coverage. To be eligible for re-enrollment, a retiree may not take more than one break in coverage.

C. Cost Sharing Provisions

The retiree is eligible for a State subsidy of 60% of the blended single premium for the retiree only. Under State law, the blended premium is determined by blending rates for active members and retired members.

The retiree pays 40% of the blended premium rate for coverage elected. Spouses must contribute 100% of the blended premium amounts. Thus, the total premium is paid for by both the State and the retiree and/or spouse. The MEABT is not responsible for the premium, but instead the implicit rate subsidy. The implicit rate subsidy is the value of the cost of care minus the premiums charged. Since the premiums are based on the average active and per-Medicare retirees, the retirees are implicitly paying less than the true cost of coverage, thus an implied subsidy.

D. Employees covered by benefit terms:

At June 30, 2024, the following employees were covered under the benefit terms:

Active employees	20
Average age	50.65
Average service	14.96
Retirees	12
Average Age	73.83

E. Net OPEB Liability

The School Department's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

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

Discount Rate	3.65% per annum for 2023 reporting 3.93% per annum for 2024 reporting
Salary Increase Rate	2.75% per year.
Administration and claims expense	Included in per capita claims cost
Healthcare cost trend rates:	

Pre -Medicare Medical: Initial trend of 9.0% applied in FYE 2025 grading over 19 years to 4,50% per annum
Medicare Medical: Initial trend of 6.0% applied in FYE 2025, 5.7% applied in 2026, 6.1% applied in 2027 grading over 18 years to 4.5% per annum.

F. Actuarial Assumptions

Rates of mortality for the different level of participants are described below:

Healthy Annuitants: based on 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted to 98.1% 87.5 % respectively of the rates for males before age 85 and females before age 80 and 106.4% and 122.3% respectively of the rates for males on or after age 85 and females on or after age 80. Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115 along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP_2020 scale.

Healthy Employees: based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_ 2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

The actuarial assumptions are the assumptions that were adopted by the Maine Public Employees Retirement System State Employee and Teacher Program valuation at June 30, 2024 and are based on the experience study covering the period from June 30, 2015 through June 30, 2020.

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets. The plan has no assets to apply against the liabilities.

For claim curves, the Actuary used actual community rated premiums and census records provided by MEABT through June 30, 2024. Participation experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The Actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The Actuary distributed the cost based on the current covered population and Cheiron's (Actuary) standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

In the Actuary report, cost and trend assumptions reflect the Inflation Reduction Act of 2022 (the Act) including associated regulations and market responses to date.

G. Discount Rate

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year, tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate as of June 30, 2023 is 3.65% per annum. The discount rate as of June 30, 2024 is 3.93% per annum. 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.

H. Changes in the Net OPEB Liability

	Total OPEB Liability	*Plan Fiduciary Net Position*	*Net OPEB Liability*
Balances at 6/30/2023	$616,552	$0	$616,552
Changes:			
Service Cost	$4,013		$4,013
Interest	$22,202		$22,202
Changes of Benefits	$0		$0
Differences between experienced and actual experiences	($1,774)		($1,774)
Change of Assumptions	$31,388		$31,388
Contributions - Employer		$24,815	($24,815)
Benefit Payments	($24,815)	($24,815)	$0
Net changes	$31,014	$0	$31,014
Balances at 6/30/2024	$647,566	$0	$647,566

I. Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

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

	1.0% Decrease (2.93%)	*Discount Rate (3.93%)*	*1.0% Increase (4.93%)*
Net OPEB Liability (Asset)	$753,327	$647,566	$561,037

J. Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1.0% Decrease	*Healthcare Trend Rate*	*1.0% Increase*
Net OPEB Liability (Asset)	$559,355	$647,566	$754,645

J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

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

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$112,953	$1,515
Changes in Assumptions	$60,601	$6,907
Net Difference between projected and actual earnings on OPEB plan investments	$0	$0
Employer contributions made subsequent to measurement date	$8,841	$0
	$182,395	$8,422

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

Year ended	
2025	$74,609
2026	$45,872
2027	$45,344
2028	$3,209
2029	$4,939
Thereafter	$0

C. Plan Description - Town Health Insurance Plan

Qualifying personnel of the Town can participate in the Maine Municipal Employees Health Trust (MMEHT) postretirement benefit plan. The plan is a single employer OPEB plan.

B. Eligibility

The employee must have enrolled in the MMEHT health plan when first eligible, continue coverage without interruption, have obtained the age of 55 at retirement and have 5 years of continuous active service and enrollment in the health plan (under age 50), in order to be eligible for postretirement benefits.

A retiree who terminates coverage for any reason is not eligible for subsequent enrollment. The employer must be a participating employer at the time of retirement and the retiree must be covered under the Plan immediately prior to retirement and the retiree is receiving (or has received) retirement benefits, other than Social Security, from the Participating Employer's retirement plan. If the employer has no sponsored retirement plan or the employee has waived their right to participate in the employer sponsored plan, the employee must be employed for at least 5 consecutive years prior to retirement and be at least 55 years of age at retirement.

C. Cost Sharing Provisions

The retiree pays the premium equivalent rate for the coverage elected. Retirees and spouses must contribute 100% of the pre-Medicare and/or Medicare premium rates, depending on eligibility and enrollment.

D. Benefits Provided

Medical/Prescription Drug: The non-Medicare retirees are offered the same plans that are available to the active employees, as described in the benefits summaries. Medicare retirees are assumed to be enrolled in Medicare Part A and Part B which are primary, and the Retiree Group Companion Plan which includes prescription drug coverage.

Medicare: Medicare benefits will be taken into account for any member or dependent while they are eligible to apply for Medicare. The Fund will determine a family member's benefit allowance, if any, based upon the applicable Medicare statutes and regulations. The Fund does not participate in the Medicare Retiree Drug Subsidy program.

Duration of Coverage: Medical benefits are provided for the life of retiree and surviving spouses.

Life Insurance: The $2,000 life insurance benefit is provided automatically to all retirees participating in the retiree medical plan. Spouses are not covered for life insurance, but surviving spouses covered by the retiree medical plan are covered for a $2,000 life insurance benefit as well.

Dental: Prior to January 1, 2017, retirees do not have access to dental benefits. Retirees who retire on and after January 1, 2017 have access to purchase dental coverage at the Plan COBRA rates. Since retirees pay for the coverage and rates are set to mirror plan experience costs, no additional obligation is anticipated. Program experience will be monitored with future valuations and updated as with all benefit provisions and assumptions.

E. Employees covered by benefit terms:

At January 1, 2025, the following employees were covered under the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	2
Average age	54.65
Average service	25.62

F. Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.26% per annum for 2024 reporting 4.08% per annum for 2025 reporting
Salary Rate Increase	2.75% per year
Administration and claims expense	3% per annum
Healthcare cost trend rates:	

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 9.00% applied in FYE 2024 grading over 20 years to 3.81% per annum.
Medicare Drug: Initial trend of 10.00% applied in FYE 2024 grading over 20 years to 3.81% per annum.

G. Actuarial Assumptions

Rates of mortality are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits Weighted Healthy Retiree Mortality Table, respectively, for males and females, using the RPEC-2020 model with an ultimate rate of 1.00% for ages 80 and under, grading down to .05% at 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rate in the year 2027. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021.

The actuarial assumptions are the assumptions that were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020.

The Entry Age Normal Actuarial Cost Method was used to value the Plan's actuarial liabilities and to set the normal cost. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for the Plan. An open 30-year amortization period was

used. The amortization method is a level dollar amortization method. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records assembled and provided by Maine Municipal through June 30, 2023 were used by the Actuary. Medical and prescription experience for Medicare eligible (ME) and non-Medicare eligible (NME) (actives and retired covered persons) were analyzed by the Actuary. The Actuary assumed that the current enrollment distribution of Benefit Options will remain constant in the future for retirees. The Actuary distributed the cost based on the current covered population and Cheiron's (Actuary) standard age curves which vary by age, gender, and Medicare status. Children costs are converted to a load on the non-Medicare (NME) retirees which implicitly assumes that future retirees will have the same child distributions as current retirees.

The Actuary report does not reflect future changes in benefits, subsidies, penalties, taxes, or administrative costs that may be required as a result of the Inflation Reduction Act, the 2021 Consolidated Appropriation Act, related legislation, or regulations.

H. Discount Rate

Since the plan is pay as you go and is not funded, the discount rate will be based on a 20-year, tax-exempt general obligation municipal bond index. Using the Bond Buyer 20-Bond GO Index, the discount rate is based on an earlier measurement date, as of December 26, 2024, and is 4.08% per annum. 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.

I. Changes in the Net OPEB Liability

	Total OPEB Liability	*Plan Fiduciary Net Position*	*Net OPEB Liability*
Balances at 1/1/2024	$32,167	$0	$32,167
Changes:			
Service Cost	$811		$811
Interest	$1,071		$1,071
Difference Between Expected and Actual Experience	$0		$0
Change of Assumptions	($1,169)		($1,169)
Contributions - Employer		$250	($250)
Benefit Payments	($250)	($250)	$0
Net changes	$463	$0	$463
Balances at 1/1/25	$32,630	$0	$32,630

J. Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) or 1 percentage point higher (5.08%) than the current discount rate:

	1.0% Decrease (3.08%)	*Discount Rate (4.08%)*	*1.0% Increase (5.08%)*
Net OPEB Liability (Asset)	$38,341	$32,630	$27,936

K. Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following represents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1.0% Decrease	*Healthcare Trend Rate*	*1.0% Increase*
Net OPEB Liability (Asset)	$27,158	$32,630	$39,645

L. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The impact of experience gains or losses and assumption changes on the Total OPEB Liability are recognized in the OPEB expense over the average expected remaining services life of all active and inactive members of the Plan. As of the beginning of the measurement period, the average was 10 years.

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

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$12,457	$780
Changes in Assumptions	$7,247	$3,920
Net Difference between projected and actual earnings on OPEB plan investments	$0	$0
Employer contributions made subsequent to measurement date	$381	$0
	$20,085	$4,700

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

Year ended	
2026	$2,682
2027	$2,301
2028	$2,301
2029	$2,301
2030	$2,301
Thereafter	$3,499

Note 10 - Municipal Solid Waste Landfill Closure and Postclosure Care Cost

State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site after closure. The Town of Lamoine, Maine has completed the closure of it's municipal landfill. The Town will fund any future postclosure monitoring costs on an as needed basis through town meeting appropriations.

Note 11 - Restricted Net Position

The Town reports restricted net position totaling $1,175,878 on its statements of net position. This restricted net position represents the nonspendable and restricted fund balances detailed in the Governmental Fund Balances note above.

Note 12 - Commitments and Contingencies

The School Department participates in a number of federal and state assisted grant programs. These programs are subject to financial and compliance audits. The amount of expenditures, if any, which may be disallowed by the granting agencies is not determinable at this time, however, the School Department does not believe such amounts would be significant.

Note 13 - Risk Management

The Town of Lamoine, Maine participates in Public Entity Risk Pools for the purposes of Workers Compensation, Property and Liability Insurance and Unemployment Compensation. The Public Entity Risk Pool is administered by the Maine Municipal Association. The Public Entity Risk Pools were established for the purposes of lowering costs for members and for developing specific programs to control losses. Members pay annual premiums to the Maine Municipal Association for the participation in the respective programs.

The Town is exposed to various risks of loss related to torts, theft of, damage, or destruction of assets, errors or omissions, and natural disasters for which it carries commercial and municipal insurance. Based on the coverage provided by this insurance, the Town is not aware of any material actual or potential claim liabilities which should be recorded at June 30, 2025.

Note 14 - Pending Litigation

According to Town management, there are no matters that would result in adverse losses, claims, or assessments against the Town of Lamoine, Maine through the date of the audit report.

Note 15 - Lease and Service Based Information Technology Agreement (SBITA) Reporting

Governmental Accounting Standards Board (GASB) Statement No. 87 related to lease reporting became effective during the fiscal year ended December 31, 2022. This Statement requires the recognition of certain lease assets and liabilities, deferred inflows and outflows related to lease activity previously classified as operating leases by governmental entities. Governmental Accounting Standards Board (GASB) Statement No. 96 related to service based information technology agreement (SBITA) reporting became effective during the fiscal year ended December 31, 2023.

During the fiscal year ended June 30, 2025 the Town had no material lease or SBITA activity to report. The Town has immaterial lease agreement in effect. The Town has immaterial SBITA agreements in effect related to accounting software.

TOWN OF LAMOINE, MAINE *(Exhibit VII)*

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL - GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Original Budget	*Final Budget*	*Actual*	*Variance Favorable (Unfavorable)*
Revenues;				
Tax Revenues	$3,662,744	$3,662,744	$3,661,340	($1,404)
Excise Taxes	$413,500	$413,500	$516,583	$103,083
State Revenue Sharing	$161,599	$161,599	$163,730	$2,131
Investment Earnings (Includes Unrealized Losses)	$15,000	$15,000	$189,863	$174,863
Interest and Fees on Delinquent Taxes	$8,000	$8,000	$12,949	$4,949
Intergovernmental Revenues	$3,400	$3,400	$35,833	$32,433
Grants/Donations	$0	$0	$54,952	$54,952
Other Revenues	$33,960	$33,960	$37,245	$3,285
Total Revenues	$4,298,204	$4,298,204	$4,672,496	$374,292
Expenditures (Net of Departmental Revenues);				
Administration and Planning	$335,021	$335,021	$305,947	$29,073
Protection	$125,375	$125,375	$615,409	($490,034)
Health & Sanitation	$204,320	$204,320	$179,420	$24,900
Highways & Bridges	$452,480	$452,480	$414,588	$37,892
Education	$2,999,668	$2,999,668	$3,246,462	($246,794)
Unclassified	$67,070	$67,070	$48,421	$18,649
Assessments & Debt Service	$364,270	$364,270	$366,517	($2,248)
Total Expenditures	$4,548,203	$4,548,203	$5,176,763	($628,560)
Excess Revenues Over Expenditures	($250,000)	($250,000)	($504,268)	($254,268)
Beginning Fund Balances	$3,185,546	$3,185,546	$3,185,546	$0
Ending Fund Balances	$2,935,546	$2,935,546	$2,681,278	($254,268)

Reconciliation to Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds;	
Total Revenues per above	$4,672,496
State On-Behalf Contributions	$187,210
Total Revenues per Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	$4,859,706
Total Expenditures per above	$5,176,763
State On-Behalf Contributions	$187,210
Total Expenditures per Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	$5,363,973

TOWN OF LAMOINE, MAINE *(Exhibit VIII)*
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

For the Fiscal Year Ended June 30,	*Proportion of Net Pension Liability*	*Proportionate Share of Net Pension Liability (Asset)*	*Covered Employee Payroll*	*Proportionate Share of Net Pension Liability (Asset) as a % of Its Covered Employee Payroll*	*Plan Total Pension Liability*	*Plan Fiduciary Net Position*	*Plan Net Pension Liability*	*Plan Fiduciary Net Position as a % of the Total Pension Liability*	*Plan Covered Employee Payroll*	*Plan Net Pension Liability as a % of the Covered Employee Payroll*
Last 10 fiscal years										
2025	0.00478%	$65,645	$1,317,104	4.984%	$18,050,569,851	$15,809,709,899	$2,240,859,952	87.586%	$2,437,075,004	91.949%
2024	0.00534%	$81,015	$1,190,305	6.806%	$17,520,535,684	$15,073,155,781	$2,447,379,903	86.031%	$2,312,413,537	105.837%
2023	0.00203%	$30,084	$1,074,955	2.799%	$16,981,792,082	$14,568,697,883	$2,413,094,199	85.790%	$2,221,410,193	108.629%
2022	0.00544%	$46,030	$1,056,521	4.357%	$16,392,351,328	$14,900,649,703	$1,491,701,625	90.900%	$2,096,365,352	71.157%
2021	0.00250%	$40,823	$986,870	4.137%	$14,865,460,130	$12,044,918,612	$2,820,541,518	81.026%	$2,003,075,813	140.811%
2020	0.00246%	$36,119	$879,034	4.109%	$14,547,222,913	$12,035,565,075	$2,511,657,838	82.734%	$1,924,006,618	130.543%
2019	0.00262%	$35,409	$916,730	3.863%	$14,031,187,845	$11,632,192,771	$2,398,995,074	82.902%	$1,808,274,919	132.668%
2018	0.00451%	$79,599	$909,595	8.751%	$13,484,886,512	$10,893,291,864	$2,591,594,648	80.781%	$1,860,230,663	139.316%
2017	0.00178%	$31,429	$941,863	3.337%	$13,069,954,948	$9,960,335,390	$3,109,619,558	76.208%	$1,816,435,084	171.194%
2016	0.00179%	$24,127	$833,011	2.896%	$12,616,287,054	$10,242,097,022	$2,374,190,032	81.182%	$1,699,160,889	139.727%

** Amounts presented for each fiscal year were determined as of June 30 of the previous year.*

TOWN OF LAMOINE, MAINE *(Exhibit IX)*
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

For the Fiscal Year Ended June 30,	*Contractually Required Contribution*	*Actual Contribution*	*Contribution Deficiency*	*Covered Employee Payroll*	*Contributions as a % of Covered Employee Payroll*
2025	$65,643	$65,643	$0	$1,317,104	4.984%
2024	$64,655	$64,655	$0	$1,190,305	5.432%
2023	$59,882	$59,882	$0	$1,074,955	5.571%
2022	$44,187	$44,187	$0	$1,056,521	4.182%
2021	$51,822	$51,822	$0	$986,870	5.251%
2020	$41,315	$41,315	$0	$879,034	4.700%
2019	$39,998	$39,998	$0	$916,730	4.363%
2018	$39,855	$39,855	$0	$909,595	4.382%
2017	$38,709	$38,709	$0	$941,863	4.110%
2016	$32,667	$32,667	$0	$833,011	3.922%

** Amounts presented for each fiscal year were determined as of June 30 of the previous year.*

TOWN OF LAMOINE, MAINE
NOTES TO HISTORICAL PENSION INFORMATION
MAINE PUBLIC EMPLOYEES RETIREMENT SYSTEM
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 - Actuarial Methods and Assumptions

The information in the historical pension information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation date, June 30, 2024, is as follows:

A. Actuarial Cost Method

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

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

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

B. 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.

C. Amortization

The net pension liability is amortized on a level percentage of payroll over the amortization period then in effect under statutory and constitutional requirements. The statutory and constitutional requirements include an amendment to the Maine Constitution approved in November 1995 that requires the State of Maine to fund the unfunded actuarial liability existing on June 30, 1996, over a period not to exceed 31 years beginning on July 1, 1997, and not later than June 30, 2028. The amendment prohibits the creation of new unfunded liabilities in the Plan except those arising from experience losses, which must be funded over a period of not more than ten years. In addition, the amendment requires the use of actuarially sound current cost accounting, reinforcing existing statutory requirements.

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

Inflation	2.75%
Salary Increases	2.80% - 13.03%
Investment Rate of Return	6.50%, net of administrative and pension plan investment expense
Cost of Living Benefit Increases	2.20%

For members, the mortality rate is based on the 2010 Public Plan Teacher Benefit-Weighted Healthy Mortality Table for males and females projected generationally using the RPEC_2020 model. The actuarial assumptions used in the June 30, 2024 valuation were based in the results of an actuarial valuation experience study for the period of June 30, 2015 to June 30, 2020. The first year is recognized as pension expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. There were no changes in assumptions for the fiscal year ended June 20, 2024.

TOWN OF LAMOINE, MAINE *(Exhibit X)*

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF NET OPEB LIABILITIES

MAINE EDUCATION ASSOCIATION BENEFITS TRUST

MAINE MUNICIPAL EMPLOYEES HEALTH TRUST

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Total OPEB Liability									*Plan Fiduciary Net Position*									
For the Fiscal Years Ended	*Service Cost (BOY)*	*Interest (Includes Interest on Service Cost)*	*Change of Benefits*	*Differences Between Expected and Actual Experience*	*Changes of Assumptions*	*Benefit Payments, Including Refunds of Member Contributions*	*Net Change in Total OPEB Liability*	*Total OPEB Liability - Beginning*	*Total OPEB Liability - Ending*	*Contributions-Employer*	*Contributions-Member*	*Benefit Payments, Including Refunds of Member Contributions*	*Net Change in Plan Fiduciary Net Position*	*Plan Fiduciary Net Position - Beginning*	*Plan Fiduciary Net Position - Ending*	*Net OPEB Liability - Ending*	*Plan Fiduciary Net Position as a % of the Total OPEB Liability*	*Covered Employee Payroll*	*Net OPEB Liability as a % of the Covered Employee Payroll*
Maine Education Association Benefit Trust School Plan																			
2025	$4,013	$22,202	$0	($1,774)	$31,388	($24,815)	$31,014	$616,552	$647,566	$24,815	$0	($24,815)	$0	$0	$0	$647,566	$0	$907,860	71.329%
2024	$4,998	$21,755	$0	$0	($10,361)	($18,614)	($2,222)	$618,774	$616,552	$18,614	$0	($18,614)	$0	$0	$0	$616,552	$0	$896,644	68.762%
2023	$5,856	$7,737	$0	$225,909	$26,932	$0	$266,434	$352,340	$618,774	$0	$0	$0	$0	$0	$0	$618,774	$0	$870,523	71.081%
2022	$7,027	$7,622	$0	$0	$3,128	($6,571)	$11,206	$341,134	$352,340	$6,571	$0	($6,571)	$0	$0	$0	$352,340	$0	$883,191	39.894%
2021	$2,336	$8,971	($37,740)	($222)	$119,625	($11,537)	$81,433	$259,701	$341,134	$11,537	$0	($11,537)	$0	$0	$0	$341,134	$0	$861,650	39.591%
2020	$1,923	$9,177	$0	$0	$16,909	($6,969)	$21,040	$238,661	$259,701	$6,969	$0	($6,969)	$0	$0	$0	$259,701	$0	$1,032,973	25.141%
2019	$2,097	$8,818	$0	$0	($13,084)	($6,728)	($8,897)	$247,558	$238,661	$6,728	$0	($6,728)	$0	$0	$0	$238,661	$0	$1,005,327	23.740%
Maine Municipal Employees Health Trust Town Plan																			
2025	$811	$1,071	$0	$0	($1,169)	($250)	$463	$32,167	$32,630	$250	$0	($250)	$0	$0	$0	$32,630	$0	$131,200	24.870%
2024	$598	$964	$0	($974)	$6,600	($649)	$6,539	$25,628	$32,167	$649	$0	($649)	$0	$0	$0	$32,167	$0	$131,200	24.518%
2023	$844	$589	$0	$0	($3,414)	($248)	($2,229)	$27,857	$25,628	$248	$0	($248)	$0	$0	$0	$25,628	$0	$112,000	22.882%
2022	$246	$160	$0	$20,303	($139)	$0	$20,570	$7,287	$27,857	$0	$0	$0	$0	$0	$0	$27,857	$0	$112,000	24.872%
2021	$201	$177	$0	$0	$664	$0	$1,042	$6,245	$7,287	$0	$0	$0	$0	$0	$0	$7,287	$0	$38,000	19.176%
2020	$112	$148	($99)	$316	$2,274	$0	$2,751	$3,494	$6,245	$0	$0	$0	$0	$0	$0	$6,245	$0	$36,317	17.196%
2019	$138	$140	$0	$0	($702)	$0	($424)	$3,918	$3,494	$0	$0	$0	$0	$0	$0	$3,494	$0	$36,317	9.621%

** Amounts presented for each fiscal year were determined as of January 1 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.*

TOWN OF LAMOINE, MAINE *(Exhibit XI)*
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF EMPLOYER CONTRIBUTIONS
MAINE EDUCATION ASSOCIATION BENEFITS TRUST
MAINE MUNICIPAL EMPLOYEES HEALTH TRUST
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

For the Fiscal Year Ended June 30,	*Contractually Required Contribution*	*Actual Contribution*	*Contribution Deficiency*
Maine Education Association Benefit Trust School Plan			
2025	$8,841	$8,841	$0
2024	$24,815	$24,815	$0
2023	$18,614	$18,614	$0
2022	$4,205	$4,205	$0
2021	$6,571	$6,571	$0
2020	$11,537	$11,537	$0
2019	$6,969	$6,969	$0
Maine Municipal Employees Health Trust Town Plan			
2025	$381	$381	$0
2024	$250	$250	$0
2023	$649	$649	$0
2022	$248	$248	$0
2021	$0	$0	$0
2020	$0	$0	$0
2019	$0	$0	$0

** Amounts presented for each fiscal year were determined as of June 30 of the previous year. Retroactive information is not required to be presented. A full 10 year schedule will be displayed as it becomes available.*

TOWN OF LAMOINE, MAINE
NOTES TO OPEB LIABILITIES AND CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Note 1 – Actuarial Methods and Assumptions - Maine Education Association Benefits Trust

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

Benefit Changes

No benefit changes during the current year

Changes of Assumptions

The changes that are provided in the deferred inflows and outflows are related to the change in the discount rate between the beginning of the measurement date and the end of the measurement date. No other changes in assumptions were made.

Net OPEB Liability

The School Department's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Amortization period	30 years
Discount Rate	3.93% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	Included in per-capita claims cost
Retirement Age	65
Healthcare cost trend rates	

Pre -Medicare Medical: Initial trend of 9.00% applied in FYE 2025 grading over 20 years to 4.50% per annum
Medicare Medical: Initial trend of 6.0% applied in FYE 2025, 5.7% applies in 2026 and 6.1% applied in FYE 2027 grading over 18 years to 4.5% per annum

Rates of mortality for the different level of participants are described below:

Healthy Annuitants: based on 2010 Public Plan Teacher Benefits Weighted Healthy Retiree Mortality Table adjusted to 98.1% 87.5 % respectively of the rates for males before age 85 and females before age 80 and 106.4% and 122.3% respectively of the rates for males on or after age 85 and females on or after age 80. Rates are projected generationally using the RPEC_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115 along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC_2020 model are those included in the published MP_2020 scale.

Healthy Employees: based on 93.1% and 91.9% of the 2010 Public Plan Teacher Benefits Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_ 2020 model as described in the healthy annuitant mortality.

Disabled Annuitants: based on 94.2% and 123.8% of the 2010 Public Plan Non-Safety Benefits-Weighted Disabled Retiree Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC_2020 model described in the healthy annuitant mortality.

Note 2 – Actuarial Methods and Assumptions - Maine Municipal Employees Health Trust Town Plan

The total OPEB liability in the January 1, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Changes of Assumptions

Discount rate was changed from 3.26% to 4.08% per GASB 75 discount rate selection.

Net OPEB Liability

The Town's net OPEB liability was measured as of January 1, 2025, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar
Amortization period	30 years
Discount Rate	4.08% per annum.
Salary Increase Rate	2.75% per year
Administration and claims expense	3% per annum
Retirement Age	65
Healthcare cost trend rates	

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 9.00% applied in FYE 2024 grading over 20 years to 3.81% per annum.
Medicare Drug: Initial trend of 10.00% applied in FYE 2024 grading over 20 years to 3.81% per annum.

Rates of mortality are based on 112.1% and 118.5% of the 2010 Public Plan General Benefits Weighted Healthy Retiree Mortality Table, respectively, for males and females, using the RPEC-2020 model with an ultimate rate of 1.00% for ages 80 and under, grading down to .05% at 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rate in the year 2027. As prescribed by the Trust mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021.

TOWN OF LAMOINE, MAINE *(Exhibit A-1)*

SCHEDULE OF DEPARTMENTAL OPERATIONS (NON-CONTINUING ACCOUNTS)

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Department	*Appropriations*	*Expenditures*	*Variance Favorable (Unfavorable)*
Administration;			
General Government	$304,921	$288,863	$16,058
	$304,921	$288,863	$16,058
Protection;			
Public Safety	$115,375	$111,009	$4,366
	$115,375	$111,009	$4,366
Health & Sanitation;			
Solid Waste	$151,820	$124,383	$27,437
Recycling Program	$54,000	$47,031	$6,969
Dump Closing	$0	$5,129	($5,129)
	$205,820	$176,543	$29,277
Unclassified;			
Appeals & Charities	$11,700	$11,700	$0
Library Contract	$8,600	$8,600	$0
Shellfish Program	$3,000	$3,000	$0
	$23,300	$23,300	$0
Assessments and Debt Service;			
County Tax	$189,689	$189,689	$0
Fire Truck Payment	$63,692	$63,698	($7)
Land Purchase Bond Payment	$79,542	$73,837	$5,705
Overlay	$31,347	$0	$31,347
	$364,270	$327,224	$37,045
TOTALS	$1,013,685	$926,939	$86,747

TOWN OF LAMOINE, MAINE *(Exhibit A-2)*

SCHEDULE OF CHANGES IN UNASSIGNED FUND BALANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Beginning Unassigned Fund Balance		$474,677
Additions;		
Lapsed Accounts	$86,747	
Increase in Fair Market Value of Investments	$69,678	
Supplemental Taxes	$2,271	
Excise Taxes (Net of Appropriation)	$103,083	
State Revenues (Net of Appropriation)	$5,053	
Investment Earnings (Net of Appropriation)	$53,745	
Interest and Fees on Delinquent Taxes	$4,949	
Other Revenues (Net of Appropriation)	$2,544	
Total Additions		$328,070
Reductions;		
Appropriations from Unassigned Fund Balance	$250,000	
Increase in Unavailable Property Tax Revenues	$12	
Abatements Granted	$3,663	
Total Reductions		$253,675
Ending Unassigned Fund Balance		$549,072

TOWN OF LAMOINE, MAINE *(Exhibit A-3)*
SCHEDULE OF VALUATION, COMMITMENT AND COLLECTIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Taxable Valuation;		
Land and Buildings	$413,780,000	
Personal Property	$3,047,908	
Total Taxable Valuation		$416,827,908
Rate per $1 Valuation		$0.0086
Tax Commitment		$3,584,720
Collections and Adjustments;		
Cash Collections	$3,501,930	
Supplemental Taxes	($2,271)	
Abatements on Commitment	$3,125	
Total Collections and Adjustments		$3,502,784
Uncollected Taxes June 30, 2025		$81,936

TOWN OF LAMOINE, MAINE *(Exhibit A-4)*

SCHEDULE OF RESERVES

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Balance 7/1/2024	*Investment Earnings (Net of Fees)*	*Appropriated to Reserves*	*Revenues*	*Total Available*	*Appropriated from Reserves*	*Expenditures*	*Balance 6/30/2025*
General Administration;								
Code Enforcement	$141,866	$3,161	$37,300	$18,189	$200,516	$23,700	$31,241	$145,575
Revaluation	$2,876	$606	$15,000	$0	$18,483	$0	$0	$18,483
Flag Program	$1,913	$0	$500	$100	$2,513	$0	$600	$1,913
Town Hall Restoration	$100,450	$2,974	$0	$0	$103,424	$0	$0	$103,424
Insurance Deductible	$11,645	$337	$500	$0	$12,483	$0	$0	$12,483
	$258,751	$7,078	$53,300	$18,289	$337,418	$23,700	$31,841	$281,877
Public Safety;								
Fire Truck	$2,371	$63	$0	$0	$2,434	$0	$0	$2,434
FD Emergency Repair	$27,619	$1,162	$10,000	$0	$38,781	$0	$0	$38,781
New Fire Truck Purchase	($24,040)	$10,255	$0	$25,000	$11,215	$0	$0	$11,215
	$5,950	$11,479	$10,000	$25,000	$52,430	$0	$0	$52,430
Health & Sanitation;								
Animal Control	($1,013)	$0	$0	$807	($206)	$1,500	$3,684	($5,390)
Transfer Station Capital	$104,040	$2,971	$0	$0	$107,011	$0	$0	$107,011
	$103,027	$2,971	$0	$807	$106,805	$1,500	$3,684	$101,621
Highways & Bridges;								
Road Fund	$235,480	$3,945	$499,480	$57,332	$796,238	$47,000	$432,185	$317,053
	$235,480	$3,945	$499,480	$57,332	$796,238	$47,000	$432,185	$317,053
Education;								
Education Fund	$489,755	$0	$2,949,668	$541,353	$3,980,776	$0	$3,827,108	$153,668
Special Education Reserve	$164,095	$6,550	$50,000	$0	$220,645	$0	$0	$220,645
Secondary Tuition Reserve	$73,218	$1,399	$0	$0	$74,617	$0	$0	$74,617
Facilities Maintenance Reserve	$490,284	$6,709	$0	$0	$496,993	$0	$0	$496,993
General Education Fund	$51,019	$1,457	$0	$0	$52,476	$0	$0	$52,476
Education Capital	$10,760	$304	$0	$0	$11,064	$0	$0	$11,064
	$1,279,130	$16,420	$2,999,668	$541,353	$4,836,572	$0	$3,827,108	$1,009,464
Unclassified;								
Harbor	$25,998	$867	$0	$3,360	$30,224	$0	$1,195	$29,029
Restoration-Goodwin	$19,528	$0	$0	$0	$19,528	$0	$0	$19,528
Restoration-Gott	$15,116	$0	$0	$0	$15,116	$0	$0	$15,116
Restoration-MacQuinn	$9,300	$0	$0	$0	$9,300	$0	$0	$9,300
Restoration-Jordan	$400	$0	$0	$0	$400	$0	$0	$400
Restoration-Fowler	$1,422	$0	$0	$0	$1,422	$0	$0	$1,422
Gravel Escrow-Jordan	$1,169	$0	$0	$0	$1,169	$0	$0	$1,169
Capital Improvement	$55,173	$1,576	$0	$0	$56,749	$0	$0	$56,749
Cable Television	$54,731	$1,945	$0	$14,863	$71,539	$0	$16,288	$55,251
Recreation Fund	$25,169	$636	$19,500	$3,226	$48,532	$9,030	$17,155	$22,346
Parks & Recreation	$20,117	$522	$16,800	$150	$37,589	$6,000	$10,704	$20,885
Athletic Fields Capital Fund	$0	$100	$2,500	$1,516	$4,116	$0	$0	$4,116
Sesquicentennial	$9,771	$486	$0	$0	$10,257	$0	$0	$10,257
Cemetery	$194	$0	$6,000	$0	$6,194	$0	$6,002	$192
Whitcomb Woods	$3,721	$0	$0	$0	$3,721	$0	$135	$3,586
Veteran's Memorial	$5,288	$158	$0	$386	$5,831	$0	$398	$5,433
Community Center	$30,528	$1,285	$10,000	$0	$41,813	$0	$0	$41,813
Athletic Fields Maintenance	$1,516	$0	$0	$0	$1,516	$0	$1,516	$0
COVID-19	$121	$755	$0	$0	$876	$0	$876	$0
Conservation Commission	$4,170	$66	$0	$5,281	$9,517	$0	$4,399	$5,118
Committee on Aging	$273	$0	$0	$2,726	$2,999	$0	$910	$2,089
Heating Assistance	$18,785	$516	$0	$3,150	$22,451	$0	$1,650	$20,801
Land Conservation	$15,042	$634	$5,000	$0	$20,676	$0	$0	$20,676
	$317,530	$9,546	$59,800	$34,657	$421,533	$15,030	$61,228	$345,274
Total Reserves	$2,199,869	$51,440	$3,622,248	$677,438	$6,550,995	$87,230	$4,356,046	$2,107,719

TOWN OF LAMOINE, MAINE *(Exhibit A-5)*
SCHEDULE OF APPROPRIATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Revenues;			
Property Taxes, Including Homestead Exemption		$3,664,044	
Excise Taxes		$413,500	
State Revenue Sharing		$161,599	
Local Road Assistance		$22,000	
Investment Interest		$15,000	
Interest on Delinquent Taxes		$8,000	
Lease Income		$23,060	
General Assistance Reimbursements		$2,100	
Fees Revenues		$10,900	
Fund Balance Appropriations;			
Unassigned Fund Balance	$250,000		
Total Fund Balance Appropriations		$250,000	
Total Revenues			$4,570,203
Expenditures;			
Administration and Planning		$335,021	
Protection		$125,375	
Health & Sanitation		$204,320	
Highways & Bridges		$474,480	
Education		$2,999,668	
Unclassified		$67,070	
Assessments & Debt Service		$364,270	
Total Expenditures			$4,570,203

TOWN OF LAMOINE, MAINE *(Exhibit A-6)*
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Federal Grantor/Pass-Through Grantor/Program Title	*CFDA #*	*Grantor Pass-Through Number*	*Program Award Amount*	*Expenditures*
U.S. Department of Education;				
Passed through State of Maine Department of Education				
Title IA - Disadvantaged	84.010A	013-05A-3107-13	$39,564	$42,880
Title IIA - Teacher Quality	84.367A	013-05A-3042-11	$14,092	$12,094
Title IV - Student Support & Academic Enrichment	84.358B	013-05A-3345-66	$10,000	$10,000
Special Education Cluster				
Local Entitlement	84.027A	013-05A-3046-12	$43,185	$43,603
Total Special Education Cluster			$43,185	$43,603
ARP ESSER 3	84.425U	025-05A-7071.94	$0	$10,579
Literacy Grant	84.425U	025-05A-7072-94	$5,052	$5,052
Rural Education Achievement Program	84.213	013-05A-6336-13	$13,532	$11,174
Total U.S. Department of Education			$125,426	$135,382
U.S. Department of Agriculture;				
Passed through State of Maine Department of Education				
Child Nutrition Cluster				
National School Lunch Program - Lunch	10.555	-	$22,571	$22,571
Breakfast SNP	10.553	-	$5,707	$5,707
Total Child Nutrition Cluster			$28,278	$28,278
Food Distribution Cluster				
Food Distribution - Donated Commodities	10.565	-	$6,353	$6,353
Total Food Distribution Cluster			$6,353	$6,353
Total U.S. Department of Agriculture			$34,632	$34,632
Totals			$160,058	$170,013