

Audited Financial Statements and  
Other Financial Information

**Town of Mercer, Maine**

December 31, 2024



*Proven Expertise & Integrity*

TOWN OF MERCER, MAINE

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Mercer  
Mercer, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Mercer, Maine, as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Town of Mercer, Maine's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Mercer, Maine as of December 31, 2024 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Mercer, Maine and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Responsibilities of Management for the Financial Statements

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

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

## Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mercer, Maine's internal control. Accordingly, no such opinion is expressed.

- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise doubt about the Town of Mercer, Maine's ability to continue as a going concern for a reasonable period of time.

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

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison on pages 5 through 12 and 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Mercer, Maine's basic financial statements. The Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements

or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 4, 2025, on our consideration of the Town of Mercer, Maine's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Town of Mercer Maine's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Mercer, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
November 4, 2025

**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2024**

**(UNAUDITED)**

The following management's discussion and analysis of the Town of Mercer, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2024. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Mercer, Maine's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government wide financial statements include the following two statements:

The Statement of Net Position - this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities - this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have one column for the Town's type of activity. The type of activity presented for the Town of Mercer, Maine is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, protection, health and welfare, recreation and culture, education, public works, community service, Shaw library, welfare/charity and unclassified.

## **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Mercer, Maine, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Mercer, Maine are categorized as governmental funds.

*Governmental funds:* All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Mercer, Maine presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, FEMA May Day Storm fund and the FEMA December Storm Fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column of these statements.

The general fund is the only fund for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund.

### **Other Supplementary Information**

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regard to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

### **Government-Wide Financial Analysis**

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position increased by \$361,109 from \$2,150,382 to \$2,511,491.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - increased by \$340,925 to a total balance of \$1,260,925 at the end of this year.

**Table 1**  
**Town of Mercer, Maine**  
**Net Position**  
**December 31,**

	<b>2024</b>	<b>2023 (Restated)</b>
<b>Assets:</b>		
Current Assets	\$ 1,360,903	\$ 1,017,380
Noncurrent Assets-Capital Assets	<u>1,187,237</u>	<u>1,168,043</u>
Total Assets	<u>2,548,140</u>	<u>2,185,423</u>
<b>Liabilities:</b>		
Current Liabilities	14,645	15,341
Noncurrent Liabilities	<u>1,691</u>	<u>1,187</u>
Total Liabilities	<u>16,336</u>	<u>16,528</u>
<b>Deferred Inflows of Resources:</b>		
Prepaid Taxes	2,933	3,467
Advance payment of LRAP funding	<u>17,380</u>	<u>15,046</u>
Total Deferred Inflows of Resources	<u>20,313</u>	<u>18,513</u>
<b>Net Position:</b>		
Net Investment in Capital Assets	1,187,237	1,176,419
Restricted	63,329	53,963
Unrestricted	<u>1,260,925</u>	<u>920,000</u>
Total Net Position	<u>\$ 2,511,491</u>	<u>\$ 2,150,382</u>

**Table 2**  
**Town of Mercer, Maine**  
**Change in Net Position**  
**For the Years Ended December 31,**

	<b>2024</b>	<b>2023</b>
<b>Revenues</b>		
<i>Program Revenues:</i>		
Charges for services	\$ 8,938	\$ 21,151
Operating grants and contributions	48,491	180,484
<i>General Revenues:</i>		
Taxes	1,481,275	1,378,194
Grants and contributions not restricted to specific programs	688,942	199,644
Miscellaneous	475,747	84,238
Total Revenues	<u>2,703,393</u>	<u>1,863,711</u>
<b>Expenses</b>		
General government	233,429	173,348
Protection	23,679	30,370
Health and welfare	236,905	82,492
Recreation and culture	660	700
Education	627,043	588,076
Public works	137,319	106,749
County tax	198,695	192,132
Community service	11,000	10,500
Shaw library	11,358	10,978
Overlay	2,647	3,600
Welfare/charity	2,339	300
Unclassified	738,648	241,372
Capital projects	118,562	201,456
Total Expenses	<u>2,342,284</u>	<u>1,642,073</u>
Equity transfer	-	12,446
Change in Net Position	<u>361,109</u>	<u>234,084</u>
Net Position - January 1, As Previously Reported	2,158,758	1,924,674
Net Position Correction	<u>(8,376)</u>	-
Net Position - January 1, As Restated	<u>2,150,382</u>	<u>1,924,674</u>
Net Position - December 31	<u>\$ 2,511,491</u>	<u>\$ 2,158,758</u>

## Revenues and Expenses

Revenues for the Town's governmental activities increased by 45.05%, while total expenses increased by 42.64%. The increase in revenues was due to taxes, grants and contributions not restricted to specific programs and miscellaneous. The increase in expenses was primarily due to health and welfare and unclassified.

### Financial Analysis of the Town's Fund Statements

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

**Table 3**  
**Town of Mercer, Maine**  
**Fund Balances - Governmental Funds**  
**December 31,**

	<b>2024</b>	<b>2023 (Restated)</b>	<b>Increase/ (Decrease)</b>
<b>Major Funds:</b>			
General Fund:			
Nonspendable	\$ 28,187	\$ 42,450	\$ (14,263)
Restricted	34,324	34,324	-
Committed	120,325	111,949	8,376
Unassigned	754,361	565,365	188,996
<b>Total General Fund</b>	<b><u>\$ 937,197</u></b>	<b><u>\$ 754,088</u></b>	<b><u>\$ 183,109</u></b>
FEMA May Day Storm			
Unassigned (deficit)	\$ (43,059)	\$ (110,353)	\$ 67,294
<b>Total FEMA May Day Storm</b>	<b><u>\$ (43,059)</u></b>	<b><u>\$ (110,353)</u></b>	<b><u>\$ 67,294</u></b>
FEMA December Storm			
Committed	\$ 101,210	\$ -	\$ 101,210
<b>Total FEMA December Storm</b>	<b><u>\$ 101,210</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 101,210</u></b>
<b>Nonmajor Funds:</b>			
Special Revenue Funds:			
Nonspendable	\$ -	\$ 13,405	\$ (13,405)
Committed	188,024	287,502	(99,478)
Assigned	940	1,070	(130)
Unassigned (deficit)	-	(116,145)	116,145
Permanent Funds:			
Nonspendable	11,993	11,992	1
Restricted	17,012	16,023	989
<b>Total Nonmajor Funds</b>	<b><u>\$ 217,969</u></b>	<b><u>\$ 213,847</u></b>	<b><u>\$ 4,122</u></b>

The changes to total fund balances for the general fund, FEMA May Day Storm, FEMA December Storm and the aggregate nonmajor funds occurred due to the regular activity of operations.

### **Budgetary Highlights**

The general fund actual revenues were over budgeted amounts by \$69,477. This was the result of all revenue categories being receipted over budget except for intergovernmental - homestead exemption, intergovernmental - local road assistance, interest/fees on taxes and miscellaneous revenues.

The general fund actual expenditures were under budgeted amounts by \$113,632. All expenditure categories were within or under budget except for transfers to other funds.

### **Capital Asset and Debt Administration**

#### **Capital Assets**

As of December 31, 2024, the net book value of capital assets recorded by the Town increased by \$10,818. This was the result of capital additions of \$83,499 less current year depreciation of \$72,681.

**Table 4**  
**Town of Mercer, Maine**  
**Capital Assets (Net of Depreciation)**  
**December 31,**

	<b>2024</b>	<b>2023</b>
Land	\$ 8,850	\$ 850
Buildings and improvements	197,823	217,081
Machinery and equipment	19,655	2,514
Infrastructure	960,909	955,974
<b>Total</b>	<b>\$ 1,187,237</b>	<b>\$ 1,176,419</b>

#### **Debt**

At December 31, 2024, the Town had no outstanding debt.

### **Economic Factors and Next Year's Budgets and Rates**

The Town continues to maintain a sufficient unassigned fund balance to sustain government operations for a period of approximately six months, while also maintaining reserve accounts for future capital and program needs.

### **Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Treasurer at 1015 Beech Hill Road, Suite A, Mercer, Maine 04957.

STATEMENT A  
TOWN OF MERCER, MAINE

STATEMENT OF NET POSITION  
DECEMBER 31, 2024

	<u>Governmental Activities</u>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 169,557
Investments	1,033,929
Accounts receivable (net of allowance for uncollectibles):	
Taxes	105,282
Liens	23,468
Other	480
Prepaid items	6,563
Inventory	21,624
Total current assets	<u>1,360,903</u>
<b>Noncurrent assets:</b>	
<b>Capital assets:</b>	
Land and other assets not being depreciated	8,850
Depreciable assets, net of accumulated depreciation	<u>1,178,387</u>
Total noncurrent assets	<u>1,187,237</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 2,548,140</u></u>
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable	\$ 5,970
Due to other governments	8,586
Current portion of long-term obligations	89
Total current liabilities	<u>14,645</u>
<b>Noncurrent liabilities:</b>	
Noncurrent portion of long-term obligations:	
Accrued compensated absences	<u>1,691</u>
Total noncurrent liabilities	<u>1,691</u>
<b>TOTAL LIABILITIES</b>	<u>16,336</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Prepaid taxes	2,933
Advance payment of LRAP funding	<u>17,380</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>20,313</u>
<b>NET POSITION</b>	
Net investment in capital assets	1,187,237
Restricted	63,329
Unrestricted	<u>1,260,925</u>
<b>TOTAL NET POSITION</b>	<u>2,511,491</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u><u>\$ 2,548,140</u></u>

See accompanying independent auditor's report and notes to financial statements.

## STATEMENT B

## TOWN OF MERCER, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities		
Governmental activities:							
General government	\$ 233,429	\$ 8,938	\$ -	\$ -	\$ (224,491)		
Protection	23,679	-	-	-	(23,679)		
Health and welfare	236,905	-	-	-	(236,905)		
Recreation and culture	660	-	-	-	(660)		
Education	627,043	-	-	-	(627,043)		
Public works	137,319	-	32,426	-	(104,893)		
County tax	198,695	-	-	-	(198,695)		
Community service	11,000	-	-	-	(11,000)		
Shaw library	11,358	-	-	-	(11,358)		
Overlay	2,647	-	-	-	(2,647)		
Welfare/charity	2,339	-	-	-	(2,339)		
Unclassified	738,648	-	16,065	-	(722,583)		
Capital projects	118,562	-	-	-	(118,562)		
Total government	<u>\$ 2,342,284</u>	<u>\$ 8,938</u>	<u>\$ 48,491</u>	<u>\$ -</u>	<u>(2,284,855)</u>		

STATEMENT B (CONTINUED)  
TOWN OF MERCER, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(2,284,855)</u>
General revenues:	
Property taxes, levied for general purposes	1,296,714
Excise taxes	184,561
Grants and contributions not restricted to specific programs	688,942
Miscellaneous	<u>475,747</u>
Total general revenues	<u>2,645,964</u>
Change in net position	<u>361,109</u>
NET POSITION - JANUARY 1, AS PREVIOUSLY REPORTED	2,158,758
NET POSITION CORRECTION	<u>(8,376)</u>
NET POSITION - JANUARY 1, AS RESTATED	<u>2,150,382</u>
NET POSITION - DECEMBER 31	<u>\$ 2,511,491</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT C  
TOWN OF MERCER, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	(Moved from Nonmajor Fund)					(Moved from Nonmajor Fund)		Total Governmental Funds
	General Fund	FEMA May Day Storm	FEMA December Storm	Other Governmental Funds				
	FEMA May Day Storm	FEMA December Storm	Other Governmental Funds					
<b>ASSETS</b>								
Cash and cash equivalents	\$ 106,720	\$ -	\$ -	\$ 62,837	\$ 169,557			
Investments	911,182	-	-	122,747	1,033,929			
Accounts receivable (net of allowance for uncollectibles):								
Taxes	105,282	-	-	-	-	105,282		
Liens	23,468	-	-	-	-	23,468		
Other	3	-	-	477	480			
Prepaid items	6,563	-	-	-	-	6,563		
Inventory	21,624	-	-	-	-	21,624		
Due from other funds	43,457	-	101,210	32,326	176,993			
<b>TOTAL ASSETS</b>	<b>\$ 1,218,299</b>	<b>\$ -</b>	<b>\$ 101,210</b>	<b>\$ 218,387</b>	<b>\$ 1,537,896</b>			
<b>LIABILITIES</b>								
Accounts payable	\$ 5,950	\$ -	\$ -	\$ 20	\$ 5,970			
Due to other governments	8,586	-	-	-	-	8,586		
Due to other funds	133,536	43,059	-	398	176,993			
<b>TOTAL LIABILITIES</b>	<b>148,072</b>	<b>43,059</b>	<b>-</b>	<b>418</b>	<b>191,549</b>			
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Prepaid taxes	2,933	-	-	-	-	2,933		
Advance payment of LRAP funding	17,380	-	-	-	-	17,380		
Deferred tax revenues	112,717	-	-	-	-	112,717		
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>133,030</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,030</b>		
<b>FUND BALANCES</b>								
Nonspendable	28,187	-	-	11,993	40,180			
Restricted	34,324	-	-	17,012	51,336			
Committed	120,325	-	101,210	188,024	409,559			
Assigned	-	-	-	940	940			
Unassigned (deficit)	754,361	(43,059)	-	-	-	711,302		
<b>TOTAL FUND BALANCES</b>	<b>937,197</b>	<b>(43,059)</b>	<b>101,210</b>	<b>217,969</b>	<b>1,213,317</b>			
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>								
	<b>\$ 1,218,299</b>	<b>\$ -</b>	<b>\$ 101,210</b>	<b>\$ 218,387</b>	<b>\$ 1,537,896</b>			

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MERCER, MAINE

STATEMENT D

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2024

	Total Governmental Funds
Total Fund Balances	\$ 1,213,317
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	1,187,237
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	112,717
Accrued compensated absences	<u>(1,780)</u>
Net position of governmental activities	<u>\$ 2,511,491</u>

See accompanying independent auditor's report and notes to financial statements.

STATEMENT E  
TOWN OF MERCER, MAINE

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	(Moved from Nonmajor Fund)					Total Governmental Funds
	General Fund	FEMA May Day Storm	FEMA December Storm	Other Governmental Funds		
	(Moved from Nonmajor Fund)					
<b>REVENUES</b>						
Taxes:						
Property taxes	\$ 1,301,627	\$ -	\$ -	\$ -	\$ 1,301,627	
Excise taxes	184,561	-	-	-	184,561	
Intergovernmental revenues	231,777	-	489,591	16,065	737,433	
Charges for services	8,938	-	-	-	8,938	
Miscellaneous revenues	38,173	387,536	-	50,038	475,747	
<b>TOTAL REVENUES</b>	<b>1,765,076</b>	<b>387,536</b>	<b>489,591</b>	<b>66,103</b>	<b>2,708,306</b>	
<b>EXPENDITURES</b>						
Current:						
General government	230,780	-	-	-	230,780	
Sanitation	23,679	-	-	-	23,679	
Public works	302,635	-	-	-	302,635	
Recreation	660	-	-	-	660	
Community programs	11,000	-	-	-	11,000	
Shaw library	11,358	-	-	-	11,358	
Public safety	84,525	-	-	-	84,525	
County tax	198,695	-	-	-	198,695	
Overlay	2,647	-	-	-	2,647	
Public education	627,043	-	-	-	627,043	
Welfare/charity	2,339	-	-	-	2,339	
Unclassified	-	318,063	384,024	36,561	738,648	
Capital projects	118,562	-	-	-	118,562	
<b>TOTAL EXPENDITURES</b>	<b>1,613,923</b>	<b>318,063</b>	<b>384,024</b>	<b>36,561</b>	<b>2,352,571</b>	
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>						
	151,153	69,473	105,567	29,542	355,735	
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	54,438	-	-	22,482	76,920	
Transfers (out)	(22,482)	(2,179)	(4,357)	(47,902)	(76,920)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>31,956</b>	<b>(2,179)</b>	<b>(4,357)</b>	<b>(25,420)</b>	<b>-</b>	
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<b>183,109</b>	<b>67,294</b>	<b>101,210</b>	<b>4,122</b>	<b>355,735</b>	
<b>FUND BALANCES (DEFICITS) - JANUARY 1, AS PREVIOUSLY REP(</b>	<b>762,464</b>	<b>-</b>	<b>-</b>	<b>103,494</b>	<b>865,958</b>	
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY</b>	<b>-</b>	<b>(110,353)</b>	<b>-</b>	<b>110,353</b>	<b>-</b>	
<b>FUND BALANCE CORRECTION</b>	<b>(8,376)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,376)</b>	
<b>FUND BALANCES (DEFICITS) - JANUARY 1, AS RESTATED</b>	<b>754,088</b>	<b>(110,353)</b>	<b>-</b>	<b>213,847</b>	<b>857,582</b>	
<b>FUND BALANCES (DEFICITS) - DECEMBER 31</b>	<b>\$ 937,197</b>	<b>\$ (43,059)</b>	<b>\$ 101,210</b>	<b>\$ 217,969</b>	<b>\$ 1,213,317</b>	

See accompanying independent auditor's report and notes to financial statements.

STATEMENT F  
TOWN OF MERCER, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds (Statement E) \$ 355,735

Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:

Capital asset acquisitions	83,499
Depreciation expense	<u>(72,681)</u>
	10,818

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Taxes and liens receivable	<u>(4,913)</u>
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Accrued compensated absences	<u>(531)</u>
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Change in net position of governmental activities (Statement B) \$ 361,109

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Mercer was incorporated under the laws of the State of Maine. The Town operates under the Selectboard-Treasurer form of government and provides the following services: general government, protection, health and welfare, recreation and culture, education, public works, community service, Shaw library, welfare/charity and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

**Implementation of New Accounting Standards**

During the year ended December 31, 2024, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 100 "Accounting Changes and Error Corrections - an Amendment of GASB Statement No. 62". The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent and comparable information for making decisions or assessing accountability. Management has determined there was an impact to the financial statements due to this Statement.

Statement No. 101 "Compensated Absences". The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Management has determined the impact of this Statement is not material to the financial statements.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Government-Wide and Fund Financial Statements**

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the Town as governmental.

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Measurement Focus - Basic Financial Statements and Fund Financial Statements**

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

**Major Funds**

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The FEMA May Day Storm Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the FEMA May Day Storm Fund. Revenues are primarily from intergovernmental revenues.
- c. The FEMA December Storm Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for the FEMA December Storm Fund. Revenues are primarily from intergovernmental revenues.

**Nonmajor Funds**

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
- e. Permanent Funds are used to account for assets held by the Town that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Town's policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in governmental activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

**Budget**

The Town of Mercer, Maine's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following procedures are followed in establishing budgetary data reflected in the basic financial statements.

1. Early in the second half of the prior fiscal year the Town prepared a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings on the budget were held.
3. The proposed budget was then approved by a majority of the Town citizens.

**Deposits and Investments**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposit and other evidence of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of Mercer, Maine has no formal investment policy but instead follows the State of Maine Statutes.

**Receivables**

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2024. Accounts receivable netted with allowances for uncollectible accounts were \$480 for the year ended December 31, 2024.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Inventories**

Inventories consist of expendable supplies held for consumption and are valued at cost which approximates market, using the first-in/first-out (FIFO) method. The costs of inventories are recorded as expenditures when used (consumption method).

**Interfund Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

**Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized.

Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated capital assets are reported at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years

**Long-term Obligations**

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The Town does not have any long-term obligations.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

**Net Position**

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components - nonspendable, restricted, committed, assigned and unassigned.

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

**Restricted** - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

**Committed** - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

**Assigned** - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is given annually by vote of the taxpayers and is expressed by the Selectboard.

**Unassigned** - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently has no deferred outflows.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and advance payment of LRAP funding qualify for reporting in this category. These items are reported in both the statements of net position and the governmental funds balance sheet. All items in this category are deferred and recognized as inflows of resources in the period that the amounts become available.

**Revenue Recognition - Property Taxes - Modified Accrual Basis**

The Town's property tax for the current year was levied July 13, 2024 on the assessed value listed as of April 1, 2024, for all real and personal property located in the Town. Taxes were due on August 14, 2024. Interest on unpaid taxes commenced on August 15, 2024 at 8% per annum.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

The Town is permitted by the laws of the State of Maine to levy taxes up to 105% of its net budgeted expenditures for the related fiscal period. The amount raised in excess of 100% is referred to as overlay and amounted to \$42,617 for the year ended December 31, 2024.

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

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town follows state statutes for the investment of funds, which authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These apply to all Town funds.

**Deposits:**

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits. The Town does not have a policy covering custodial credit risk for deposits. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF as defined in Title 30-A, Section 5706 of the Maine Revised Statutes.

At December 31, 2024, the Town's cash balance of \$169,557 was comprised of bank deposits amounting to \$242,421. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. The entire amount in bank deposits was fully insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ <u>242,421</u>

**Investments:**

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Currently, the Town does not have a policy for custodial credit risk for investments.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates. Certificates of deposit held with local financial institutions for \$1,033,929 are excluded from interest rate risk as these investments are considered held to maturity and are therefore not measured at fair value.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2024, the Town had \$1,033,929 in certificates of deposit. Of these investments \$250,000 was covered by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining \$783,929 was covered by an irrevocable standby letter of credit.

Credit risk - Statutes for the State of Maine authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Maine, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town does not have an investment policy on credit risk. Generally, the Town invests excess funds in savings accounts and various certificates of deposit.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2024 consisted of the following individual fund receivables and payables:

	Receivables (Due from)	Payables (Due to)
General fund	\$ 43,457	\$ 133,536
FEMA May Day Storm	-	43,059
FEMA December Storm	101,210	-
Nonmajor special revenue funds	32,326	398
	<u>\$ 176,993</u>	<u>\$ 176,993</u>

The result of amounts owed between funds are considered to be in the course of normal operations by the Town. Reconciliation of amounts owed between funds may or may not be expected to be repaid within one year in their entirety due to the recurring nature of these transactions during operations.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

**NOTE 4 - INTERFUND TRANSFERS**

Interfund transfers at December 31, 2024 consisted of the following:

	Transfers From	Transfers To
General fund	\$ 54,438	\$ 22,482
FEMA May Day Storm	-	2,179
FEMA December Storm	-	4,357
Nonmajor special revenue funds	<u>22,482</u>	<u>47,902</u>
	<u><u>\$ 76,920</u></u>	<u><u>\$ 76,920</u></u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations.

**NOTE 5 - CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended December 31, 2024:

	Balance, 1/1/24	Additions	Disposals	Balance, 12/31/24
<b><u>Governmental activities</u></b>				
Non-depreciated assets:				
Land	\$ 850	\$ -	\$ -	\$ 850
Construction in progress	-	8,000	-	8,000
	<u>850</u>	<u>8,000</u>	<u>-</u>	<u>8,850</u>
Depreciated assets:				
Buildings and improvements	593,036	-	-	593,036
Machinery and equipment	4,400	17,769	-	22,169
Infrastructure	1,168,999	57,730	-	1,226,729
	<u>1,766,435</u>	<u>75,499</u>	<u>-</u>	<u>1,841,934</u>
Less: accumulated depreciation	(590,866)	(72,681)	-	(663,547)
	<u>1,175,569</u>	<u>2,818</u>	<u>-</u>	<u>1,178,387</u>
Net capital assets	<u><u>\$ 1,176,419</u></u>	<u><u>\$ 10,818</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,187,237</u></u>
<b><u>Current year depreciation</u></b>				
General government				\$ 19,887
Public works				52,794
Total depreciation expense				<u><u>\$ 72,681</u></u>

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 6 - OTHER LONG-TERM OBLIGATIONS

A summary of changes in the other long-term obligations for the year ended December 31, 2024 is as follows:

	Balance, 1/1/24	Additions	Deletions	Balance, 12/31/24	Current Portion
Accrued compensated absences	\$ 1,249	\$ 531	\$ -	\$ 1,780	\$ 89

See Note 7 for more detailed information regarding other long-term obligations.

NOTE 7 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation but not sick leave. The liability for these compensated absences is recorded as a long-term obligation in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of December 31, 2024 the Town's liability for compensated absences is \$1,780.

NOTE 8 - LETTER OF CREDIT

At December 31, 2024, the Town has an outstanding irrevocable standby letter of credit issued by the Federal Home Loan Bank of Pittsburgh serving as collateral for its deposits held at TD Bank. This letter of credit, which expires at the close of business on April 7, 2025, authorizes one draw only up to the amount of \$1,250,000. There were no draws for the year ended December 31, 2024.

NOTE 9 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at December 31, 2024:

Invested in capital assets	\$ 1,850,784
Accumulated depreciation	(663,547)
	<u>\$ 1,187,237</u>

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 10 - RESTRICTED NET POSITION

At December 31, 2024, the Town had the following restricted net position and fund balances:

General fund:	
LRAP	\$ 34,324
Nonmajor permanent funds (Schedule F):	
Village cemetery - nonexpendable	980
Village cemetery - expendable	14,691
Pressey prize fund - nonexpendable	1,970
Pressey prize fund - expendable	79
Hampshire Hill Cemetery fund - expendable	1,568
TRUE prize fund - nonexpendable	1,756
TRUE prize fund - expendable	80
Ethel Springer trust - nonexpendable	6,048
Ethel Springer trust - expendable	594
New Village Cemetery trust - nonexpendable	1,239
	<hr/>
	\$ 63,329

NOTE 11 - NONSPENDABLE FUND BALANCES

At December 31, 2024, the Town had the following nonspendable fund balances:

General fund:	
Prepaid items	\$ 6,563
Inventory	21,624
Nonmajor permanent funds (Schedule F)	11,993
	<hr/>
	\$ 40,180

NOTE 12 - RESTRICTED FUND BALANCES

At December 31, 2024, the Town had the following restricted fund balances:

General fund	\$ 34,324
Nonmajor permanent funds (Schedule F)	17,012
	<hr/>
	\$ 51,336

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 13 - COMMITTED FUND BALANCES

At December 31, 2024, the Town had the following committed fund balances:

General fund	
Reserve for 2025	\$ 120,325
FEMA December Storm	101,210
Nonmajor special revenue funds (Schedule D)	<u>188,024</u>
	<u>\$ 409,559</u>

NOTE 14 - ASSIGNED FUND BALANCE

At December 31, 2024, the Town had the following assigned fund balance:

Nonmajor special revenue funds (Schedule D)	\$ <u>940</u>
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NOTE 15 - DEFICIT FUND BALANCE

At December 31, 2024, the Town had the following deficit fund balance:

FEMA May Day Storm	\$ <u>43,059</u>
--------------------	------------------

NOTE 16 - OVERSPENT APPROPRIATIONS

At December 31, 2024, the following appropriations were exceeded by actual expenditures:

Transfers to other funds	\$ <u>22,482</u>
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NOTE 17 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters for which the Town carries commercial insurance.

Based on the coverage provided by the commercial insurance described above, the Town is not aware of any material actual or potential claim liabilities which should be recorded at December 31, 2024. Amounts of settlements have not exceeded insurance coverage in the past three years.

TOWN OF MERCER, MAINE

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024

NOTE 18 - COMMITMENTS AND CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

In the normal course of operations, the Town receives grant funds from Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with condition precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Town of Mercer, Maine currently does not have a have a municipal fire department. The Town has contracted with the Town of Norridgewock, Maine for full fire protection. The contract term is from January 1, 2024 to December 31, 2026. The Town of Mercer, Maine will pay a sum representing 17% the Town of Norridgewock, Maine's total municipal fire department budget but not less than \$40,000 per year. For the year ending December 31, 2024 the Town paid the Town Norridgewock, Maine \$73,372 for fire services.

On May 12, 2022, The Town entered into a contract with R.J.D. Appraisal for the purpose of aiding the Town's assessors in placing an assessed value of all taxable real estate consisting of land, buildings and all other structures considered to be real estate for the 2024 tax year. R.J.D. Appraisal is to be paid \$85,000 over the course of 5 payments of \$17,000 each for these services. For the year ending December 31, 2024 the Town paid R.J.D Appraisal \$57,725 for appraisal services.

On February 21, 2019 The Town entered into a contract with Waste Management Disposal Services of Maine to collect solid waste from the Town's transfer station and transport it to a landfill, separation facility or material recovery facility. The contract term is from July 1, 2019 to June 30, 2024. There are various fees charges based on services provided. For the year ending December 31, 2024 the town paid \$23,426 for these services.

The Town leases office space in the Mercer Community Center in connection with the operation of Healthbanks Inc., a medical software business. The term of the new lease is January 1, 2024 to December 31, 2024. The rent is \$250 a month. For the year ending December 31, 2024, total payments to the town were \$2,400.

## TOWN OF MERCER, MAINE

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024

## NOTE 19 - RESTATEMENT

During fiscal year 2024, the Town determined that certain transactions were recorded incorrectly or omitted. Therefore, a restatement to the general fund beginning fund balance and the beginning net position of the government-wide activities was required. In addition, the Town also determined that a change within the financial reporting entity was necessary to reclassify FEMA May Day Storm and FEMA December Storm from being presented as nonmajor funds to being presented as major funds, as follows:

	12/31/23 As Previously Reported	Change from Nonmajor to Major Fund	Fund Balance Net Position/ Correction	12/31/23 As Restated
<b>Government-Wide Governmental Activities</b>	<u>\$ 2,158,758</u>	<u>\$ -</u>	<u>\$ (8,376)</u>	<u>\$ 2,150,382</u>
<b>Governmental Funds</b>				
<b>Major Fund:</b>				
General Fund	\$ 762,464	\$ -	\$ (8,376)	\$ 754,088
FEMA May Day Storm	-	(110,353)	-	(110,353)
FEMA December Storm	-	-	-	-
Other Governmental Funds	<u>103,494</u>	<u>110,353</u>	<u>-</u>	<u>213,847</u>
	<u>\$ 865,958</u>	<u>\$ -</u>	<u>\$ (8,376)</u>	<u>\$ 857,582</u>

### Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund

SCHEDULE 1  
TOWN OF MERCER, MAINE

**BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1, As Restated	\$ 754,088	\$ 754,088	\$ 754,088	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	419,115	1,286,470	1,301,627	15,157
Excise taxes	166,500	166,500	184,561	18,061
Intergovernmental revenues:				
State revenue sharing	100,000	100,000	117,885	17,885
Homestead exemption	75,000	75,000	56,646	(18,354)
Local road assistance	34,000	34,000	32,426	(1,574)
Other income	23,200	23,200	24,820	1,620
Charges for services	6,650	6,650	8,938	2,288
Interest income	10,000	10,000	27,017	17,017
Interest/fees on taxes	10,000	10,000	8,957	(1,043)
Miscellaneous revenues	34,217	34,217	7,199	(27,018)
Transfers from other funds	4,000	4,000	49,438	45,438
Amounts Available for Appropriation	<u>1,636,770</u>	<u>2,504,125</u>	<u>2,573,602</u>	<u>69,477</u>
Charges to Appropriations (Outflows):				
General government	251,416	251,416	230,780	20,636
Sanitation	32,915	32,915	23,679	9,236
Public works	349,252	349,252	302,635	46,617
Recreation	750	750	660	90
Community programs	11,000	11,000	11,000	-
Shaw library	11,359	11,359	11,358	1
Public safety	88,226	88,226	84,525	3,701
County tax	-	198,695	198,695	-
Overlay	-	42,617	2,647	39,970
Public education	1,025	627,068	627,043	25
Welfare/charity	2,500	2,500	2,339	161
Capital projects	134,239	134,239	118,562	15,677
Transfers to other funds	-	-	22,482	(22,482)
Total Charges to Appropriations	<u>882,682</u>	<u>1,750,037</u>	<u>1,636,405</u>	<u>113,632</u>
Budgetary Fund Balance, December 31	<u>\$ 754,088</u>	<u>\$ 754,088</u>	<u>\$ 937,197</u>	<u>\$ 183,109</u>

See accompanying independent auditor's report and notes to financial statements.

### Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

## SCHEDULE A

## TOWN OF MERCER, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
<b>General Government -</b>					
Town officers - wages, stipends and benefits	\$ 121,566	\$ -	\$ 121,566	\$ 121,566	\$ -
Administration	97,148	-	97,148	89,196	7,952
Contingency	8,000	-	8,000	-	8,000
Assessing	8,970	-	8,970	6,725	2,245
Planning board	500	-	500	287	213
Special officers	10,107	-	10,107	8,997	1,110
Town cemeteries	5,125	-	5,125	4,009	1,116
	<u>251,416</u>	<u>-</u>	<u>251,416</u>	<u>230,780</u>	<u>20,636</u>
<b>Sanitation -</b>					
Recycling	11,500	-	11,500	6,802	4,698
Transfer station	415	-	415	415	-
Solid waste disposal	21,000	-	21,000	16,462	4,538
	<u>32,915</u>	<u>-</u>	<u>32,915</u>	<u>23,679</u>	<u>9,236</u>
<b>Public Works -</b>					
Summer roads	114,122	-	114,122	86,294	27,828
Sand/salt shed	2,130	-	2,130	2,210	(80)
Winter roads	233,000	-	233,000	214,131	18,869
	<u>349,252</u>	<u>-</u>	<u>349,252</u>	<u>302,635</u>	<u>46,617</u>
<b>Recreation -</b>					
Youth leagues	750	-	750	660	90
<b>Community Programs -</b>					
Historical society	2,500	-	2,500	2,500	-
Meeting house association	3,000	-	3,000	3,000	-
North pond association	3,500	-	3,500	3,500	-
7 Lakes alliance youth	2,000	-	2,000	2,000	-
	<u>11,000</u>	<u>-</u>	<u>11,000</u>	<u>11,000</u>	<u>-</u>
Shaw library -	11,359	-	11,359	11,358	1

## SCHEDULE A (CONTINUED)

## TOWN OF MERCER, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Public Safety -					
Fire protection	72,833	-	72,833	72,832	1
Traffic light	600	-	600	760	(160)
Street light	450	-	450	281	169
Rescue	14,343	-	14,343	10,652	3,691
	<u>88,226</u>	<u>-</u>	<u>88,226</u>	<u>84,525</u>	<u>3,701</u>
County Tax	-	-	198,695	198,695	-
Overlay	-	-	42,617	2,647	39,970
Public Education -					
MSAD 54	-	-	626,043	626,043	-
Scholarships	1,025	-	1,025	1,000	25
	<u>1,025</u>	<u>-</u>	<u>627,068</u>	<u>627,043</u>	<u>25</u>
Welfare/Charity -					
Community projects	500	-	500	500	-
General assistance	2,000	-	2,000	1,839	161
	<u>2,500</u>	<u>-</u>	<u>2,500</u>	<u>2,339</u>	<u>161</u>
Capital Projects -					
Revaluation	51,000	-	51,000	51,000	-
Roads	25,000	-	25,000	9,750	15,250
Paving and LRAP projects	55,329	-	55,329	55,329	-
Library improvements	2,910	-	2,910	2,483	427
	<u>134,239</u>	<u>-</u>	<u>134,239</u>	<u>118,562</u>	<u>15,677</u>
Transfers to Other Funds -					
Special revenue	-	-	-	22,482	(22,482)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,482</u>	<u>(22,482)</u>
<b>TOTAL DEPARTMENTAL OPERATIONS</b>	<b>\$ 882,682</b>	<b>\$ -</b>	<b>\$ 1,750,037</b>	<b>\$ 1,636,405</b>	<b>\$ 113,632</b>

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE B  
TOWN OF MERCER, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 50,793	\$ 12,044	\$ 62,837
Investments	106,263	16,484	122,747
Accounts receivable (net of allowance for uncollectibles)	-	477	477
Due from other funds	32,326	-	32,326
<b>TOTAL ASSETS</b>	<b>\$ 189,382</b>	<b>\$ 29,005</b>	<b>\$ 218,387</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 20	\$ -	\$ 20
Due to other funds	398	-	398
<b>TOTAL LIABILITIES</b>	<b>418</b>	<b>-</b>	<b>418</b>
<b>FUND BALANCES</b>			
Nonspendable	-	11,993	11,993
Restricted	-	17,012	17,012
Committed	188,024	-	188,024
Assigned	940	-	940
Unassigned	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>188,964</b>	<b>29,005</b>	<b>217,969</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 189,382</b>	<b>\$ 29,005</b>	<b>\$ 218,387</b>

See accompanying independent auditor's report and notes to financial statements.

SCHEDULE C  
TOWN OF MERCER, MAINE

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Intergovernmental	\$ 16,065	\$ -	\$ 16,065
Investment income, net of unrealized gains/(losses)	- 990	990	990
Interest income	5,122	-	5,122
Other	43,926	-	43,926
<b>TOTAL REVENUES</b>	<u>65,113</u>	<u>990</u>	<u>66,103</u>
<b>EXPENDITURES</b>			
Other	36,561	-	36,561
<b>TOTAL EXPENDITURES</b>	<u>36,561</u>	<u>-</u>	<u>36,561</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>28,552</u>	<u>990</u>	<u>29,542</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	22,482	-	22,482
Transfers (out)	(47,902)	-	(47,902)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(25,420)</u>	<u>-</u>	<u>(25,420)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>3,132</u>	<u>990</u>	<u>4,122</u>
<b>FUND BALANCES - JANUARY 1, AS PREVIOUSLY REPORTED</b>	<u>75,479</u>	<u>28,015</u>	<u>103,494</u>
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY (NONMAJOR TO MAJOR FUND)</b>	<u>110,353</u>	<u>-</u>	<u>110,353</u>
<b>FUND BALANCES - JANUARY 1, AS RESTATED</b>	<u>185,832</u>	<u>28,015</u>	<u>213,847</u>
<b>FUND BALANCES - DECEMBER 31</b>	<u><u>\$ 188,964</u></u>	<u><u>\$ 29,005</u></u>	<u><u>\$ 217,969</u></u>

See accompanying independent auditor's report and notes to financial statements.

### Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

## SCHEDULE D

## TOWN OF MERCER, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2024

	Mercer Community Center Maintenance	Road Maintenance	Town Forest	Assessing Revaluation	Community	(Moved to Major Fund)	FEMA	FEMA May Day Storm	FEMA Winter Storm	Library Remote Workspace
<b>ASSETS</b>										
Cash and cash equivalents	\$ 12,008	\$ 2,377	\$ 6	\$ 1,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	63,746	27,473	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	940	-	-	-	-	20,373
<b>TOTAL ASSETS</b>	<b>\$ 75,754</b>	<b>\$ 29,850</b>	<b>\$ 6</b>	<b>\$ 1,615</b>	<b>\$ 940</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,373</b>
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	75,754	29,850	6	1,615	-	-	-	-	-	20,373
Assigned	-	-	-	-	940	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>75,754</b>	<b>29,850</b>	<b>6</b>	<b>1,615</b>	<b>940</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,373</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 75,754</b>	<b>\$ 29,850</b>	<b>\$ 6</b>	<b>\$ 1,615</b>	<b>\$ 940</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,373</b>

## SCHEDULE D (CONTINUED)

## TOWN OF MERCER, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
DECEMBER 31, 2024

	Winter Road Contract Bond	Rescue Fund	Summer Road Improvement	Shaw Library	Heating	Legal Expense Reserve	CERT Program	CTCL Election Grant	FEMA (Moved to Major Fund)	December Storm	Total
<b>ASSETS</b>											
Cash and cash equivalents	\$ 26,026	\$ 3,237	\$ -	\$ 5,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,793
Investments	-	2,198	-	12,846	-	-	-	-	-	-	106,263
Due from other funds	-	-	-	-	137	9,376	1,500	-	-	-	32,326
<b>TOTAL ASSETS</b>	<b>\$ 26,026</b>	<b>\$ 5,435</b>	<b>\$ -</b>	<b>\$ 18,370</b>	<b>\$ 137</b>	<b>\$ 9,376</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 189,382</b>
<b>LIABILITIES</b>											
Accounts payable	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20
Due to other funds	-	398	-	-	-	-	-	-	-	-	398
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>418</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>418</b>
<b>FUND BALANCES</b>											
Nonspendable	-	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-	-
Committed	26,026	5,017	-	18,370	137	9,376	1,500	-	-	-	188,024
Assigned	-	-	-	-	-	-	-	-	-	-	940
Unassigned	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>26,026</b>	<b>5,017</b>	<b>-</b>	<b>18,370</b>	<b>137</b>	<b>9,376</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>188,964</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 26,026</b>	<b>\$ 5,435</b>	<b>\$ -</b>	<b>\$ 18,370</b>	<b>\$ 137</b>	<b>\$ 9,376</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 189,382</b>

See accompanying independent auditor's report and notes to financial statements.

## SCHEDULE E

## TOWN OF MERCER, MAINE

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	Mercer Community Center Maintenance	Road Maintenance	Town Forest	Assessing Revaluation	Community	(Moved to Major Fund)	FEMA May Day Storm	FEMA Winter Storm	Library Remote Workspace
<b>REVENUES</b>									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,065
Interest income	2,057	1,336	-	447	-	-	-	-	-
Other	39,975	-	-	-	1,217	-	-	-	-
<b>TOTAL REVENUES</b>	<b>42,032</b>	<b>1,336</b>	<b>-</b>	<b>447</b>	<b>1,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,065</b>
<b>EXPENDITURES</b>									
Other	-	-	-	-	1,346	-	-	-	26,623
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,346</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,623</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>42,032</b>	<b>1,336</b>	<b>-</b>	<b>447</b>	<b>(129)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,558)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	10,338	-	-	-	-	-	-	5,792	-
Transfers (out)	-	-	-	(40,000)	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>10,338</b>	<b>-</b>	<b>-</b>	<b>(40,000)</b>	<b>-</b>	<b>-</b>	<b>5,792</b>	<b>-</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>	<b>52,370</b>	<b>1,336</b>	<b>-</b>	<b>(39,553)</b>	<b>(129)</b>	<b>-</b>	<b>5,792</b>	<b>-</b>	<b>(15,558)</b>
<b>FUND BALANCES (DEFICITS) - JANUARY 1, AS PREVIOUSLY REPORTED</b>	<b>23,384</b>	<b>28,514</b>	<b>6</b>	<b>41,168</b>	<b>1,069</b>	<b>(110,353)</b>	<b>(5,792)</b>	<b>35,931</b>	
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,353</b>	<b>-</b>	<b>-</b>	
<b>FUND BALANCES (DEFICITS) - JANUARY 1, AS RESTATED</b>	<b>23,384</b>	<b>28,514</b>	<b>6</b>	<b>41,168</b>	<b>1,069</b>	<b>-</b>	<b>(5,792)</b>	<b>35,931</b>	
<b>FUND BALANCES (DEFICITS) - DECEMBER 31</b>	<b>\$ 75,754</b>	<b>\$ 29,850</b>	<b>\$ 6</b>	<b>\$ 1,615</b>	<b>\$ 940</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,373</b>	

## SCHEDULE E (CONTINUED)

## TOWN OF MERCER, MAINE

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Winter Road Contract Bond	Rescue Fund	Summer Road Improvement	Shaw Library	Heating	Legal Expense Reserve	CERT Program	CTCL Election Grant	FEMA December Storm	(Moved to Major Fund)
<b>REVENUES</b>										
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 16,065
Interest income	498	161	2	621	-	-	-	-	-	5,122
Other	-	1,159	-	75	-	-	1,500	-	-	43,926
<b>TOTAL REVENUES</b>	<b>498</b>	<b>1,320</b>	<b>2</b>	<b>696</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>5,000</b>	<b>-</b>	<b>65,113</b>
<b>EXPENDITURES</b>										
Other	-	1,435	-	715	380	1,062	-	5,000	-	36,561
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>1,435</b>	<b>-</b>	<b>715</b>	<b>380</b>	<b>1,062</b>	<b>-</b>	<b>5,000</b>	<b>-</b>	<b>36,561</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>										
	498	(115)	2	(19)	(380)	(1,062)	1,500	-	-	28,552
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	-	2,136	-	-	-	4,216	-	-	-	22,482
Transfers (out)	-	-	(419)	(7,483)	-	-	-	-	-	(47,902)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>2,136</b>	<b>(419)</b>	<b>(7,483)</b>	<b>-</b>	<b>4,216</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(25,420)</b>
<b>NET CHANGE IN FUND BALANCES (DEFICITS)</b>										
	498	2,021	(417)	(7,502)	(380)	3,154	1,500	-	-	3,132
<b>FUND BALANCES (DEFICITS) - JANUARY 1, AS PREVIOUSLY REPORTED</b>	<b>25,528</b>	<b>2,996</b>	<b>417</b>	<b>25,872</b>	<b>517</b>	<b>6,222</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,479</b>
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY</b>										
	-	-	-	-	-	-	-	-	-	110,353
<b>FUND BALANCES (DEFICITS) - JANUARY 1, AS RESTATED</b>	<b>25,528</b>	<b>2,996</b>	<b>417</b>	<b>25,872</b>	<b>517</b>	<b>6,222</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>185,832</b>
<b>FUND BALANCES (DEFICITS) - DECEMBER 31</b>	<b>\$ 26,026</b>	<b>\$ 5,017</b>	<b>\$ -</b>	<b>\$ 18,370</b>	<b>\$ 137</b>	<b>\$ 9,376</b>	<b>\$ 1,500</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 188,964</b>

See accompanying independent auditor's report and notes to financial statements.

### Permanent Funds

Permanent funds are used to account for assets held by the Town of Mercer, Maine that are legally restricted pursuant to Title 30-A, §5653 of the Maine State Statutes, as amended and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of cemeteries and scholarships.

## SCHEDULE F

## TOWN OF MERCER, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
DECEMBER 31, 2024

	Village Cemetery	Pressey Prize Fund	Hampshire Hill Cemetery Fund	TRUE Prize Fund	Ethel Springer Trust	New Village Cemetery Trust	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,682	\$ 2,049	\$ 1,091	\$ 1,836	\$ 1,147	\$ 1,239	\$ 12,044
Investments	10,989	-	-	-	5,495	-	16,484
Accounts receivable (net of allowance for uncollectibles)	-	-	477	-	-	-	477
<b>TOTAL ASSETS</b>	<b>\$ 15,671</b>	<b>\$ 2,049</b>	<b>\$ 1,568</b>	<b>\$ 1,836</b>	<b>\$ 6,642</b>	<b>\$ 1,239</b>	<b>\$ 29,005</b>
<b>LIABILITIES</b>							
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL LIABILITIES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>FUND BALANCES</b>							
Nonspendable	980	1,970	-	1,756	6,048	1,239	11,993
Restricted	14,691	79	1,568	80	594	-	17,012
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>15,671</b>	<b>2,049</b>	<b>1,568</b>	<b>1,836</b>	<b>6,642</b>	<b>1,239</b>	<b>29,005</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 15,671</b>	<b>\$ 2,049</b>	<b>\$ 1,568</b>	<b>\$ 1,836</b>	<b>\$ 6,642</b>	<b>\$ 1,239</b>	<b>\$ 29,005</b>

See accompanying independent auditor's report and notes to financial statements.

## SCHEDULE G

## TOWN OF MERCER, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR PERMANENT FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2024

	Village Cemetery	Pressey Prize Fund	Hampshire Hill Cemetery Fund	TRUE Prize Fund	Ethel Springer Trust	New Village Cemetery Trust	Total
REVENUES							
Investment income, net of unrealized gains/(losses)	\$ 606	\$ 39	\$ 30	\$ 35	\$ 280	\$ -	\$ 990
TOTAL REVENUES	<u>606</u>	<u>39</u>	<u>30</u>	<u>35</u>	<u>280</u>	<u>-</u>	<u>990</u>
EXPENDITURES							
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>606</u>	<u>39</u>	<u>30</u>	<u>35</u>	<u>280</u>	<u>-</u>	<u>990</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>606</u>	<u>39</u>	<u>30</u>	<u>35</u>	<u>280</u>	<u>-</u>	<u>990</u>
FUND BALANCES - JANUARY 1	<u>15,065</u>	<u>2,010</u>	<u>1,538</u>	<u>1,801</u>	<u>6,362</u>	<u>1,239</u>	<u>28,015</u>
FUND BALANCES - DECEMBER 31	<u>\$ 15,671</u>	<u>\$ 2,049</u>	<u>\$ 1,568</u>	<u>\$ 1,836</u>	<u>\$ 6,642</u>	<u>\$ 1,239</u>	<u>\$ 29,005</u>

See accompanying independent auditor's report and notes to financial statements.

### General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position.

## TOWN OF MERCER, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
DECEMBER 31, 2024

	Land and Non-depreciable Assets	Buildings and Building Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 850	\$ 593,036	\$ 22,169	\$ -	\$ 616,055
Public works	<u>8,000</u>	<u>-</u>	<u>-</u>	<u>1,226,729</u>	<u>1,234,729</u>
Total General Capital Assets	8,850	593,036	22,169	1,226,729	1,850,784
Less: Accumulated Depreciation	<u>-</u>	<u>(395,213)</u>	<u>(2,514)</u>	<u>(265,820)</u>	<u>(663,547)</u>
Net General Capital Assets	<u>\$ 8,850</u>	<u>\$ 197,823</u>	<u>\$ 19,655</u>	<u>\$ 960,909</u>	<u>\$ 1,187,237</u>

See accompanying independent auditor's report and notes to financial statements.

TOWN OF MERCER, MAINE

SCHEDULE I

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED DECEMBER 31, 2024

	General Capital Assets 1/1/24	Additions	Disposals	General Capital Assets 12/31/24
General government	\$ 598,286	\$ 17,769	\$ -	\$ 616,055
Public works	<u>1,168,999</u>	<u>65,730</u>	<u>-</u>	<u>1,234,729</u>
 Total General Capital Assets	 1,767,285	 83,499	 -	 1,850,784
 Less: Accumulated Depreciation	 (590,866)	 (72,681)	 -	 (663,547)
 Net General Capital Assets	 <u>\$ 1,176,419</u>	 <u>\$ 10,818</u>	 <u>\$ -</u>	 <u>\$ 1,187,237</u>

See accompanying independent auditor's report and notes to financial statements.



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Selectboard  
Town of Mercer  
Mercer, Maine

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Mercer, Maine as of and for the year ended December 31, 2024 and the related notes to the financial statements, which collectively comprise the Town of Mercer, Maine's basic financial statements and have issued our report thereon dated November 4, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Mercer, Maine's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Mercer, Maine's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Mercer, Maine's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Mercer, Maine's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of Mercer, Maine in a separate letter dated November 4, 2025.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*RHR Smith & Company*

Buxton, Maine  
November 4, 2025