

Audited Financial Statements and  
Other Financial Information

**Town of Madison, Maine**

June 30, 2024



*Proven Expertise & Integrity*

TOWN OF MADISON, MAINE

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JUNE 30, 2024

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## INDEPENDENT AUDITOR'S REPORT

Selectboard  
Town of Madison  
Madison, Maine

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Madison, Maine, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town'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 Town of Madison, Maine as of June 30, 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.

We did not audit the financial statements of Madison Electric Works, which represent 100% and 100%, respectively, of the assets and revenues of the business-type activities as of December 31, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Madison Electric Works, is based solely on the report of the other auditors.

#### *Emphasis of Matter*

As discussed in Note 1 of Notes to Financial Statements, the financial statements of the Madison Electric Works are intended to present the financial position and the changes in financial position of only the business-type activities of the Town of Madison, Maine that is attributable to the transactions of the Madison Electric Works which are presented as of their last audited financial statements for the period ending December 31, 2023. They do not purport to and do not present fairly the financial position of the

Madison Electric Works as of June 30, 2024 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### *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 Madison, 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 Madison, 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.

### Auditors' Responsibilities for the Audit of Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Madison, 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 Madison, 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, budgetary comparison information and OPEB information on pages 5 through 12 and 73 through 79 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 Madison, Maine's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund, combining and individual nonmajor fund financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2025, on our consideration of the Town of Madison, Maine's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Madison, Maine's internal control over financial reporting and compliance.

*RHR Smith & Company*

Buxton, Maine  
May 13, 2025



**REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2024**

**(UNAUDITED)**

The following management's discussion and analysis of the Town of Madison, Maine's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2024. Please read it in conjunction with the Town's financial statements.

**Financial Statement Overview**

The Town of Madison, 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 OPEB information and other supplementary information which includes combining and other schedules.

**Basic Financial Statements**

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

**Government-Wide Financial Statements**

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

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

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

Both of the above mentioned financial statements have separate columns for the two different types of Town's activities. The types of activities presented for the Town of Madison are:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, parks and recreation, cemeteries, community and social agencies, education, town property and unclassified.
- *Business-type activities* - These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and/or services. These activities for the Town of Madison, Maine include the Madison Electric Works.

### **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 Madison, 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 Madison, Maine can be divided into two categories: governmental funds and proprietary funds.

*Governmental funds:* Most 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 Madison, Maine presents three 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, and the ARPA fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

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

*Proprietary Funds:* The Town of Madison maintains one proprietary fund, the Madison Electric Works. This fund is used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

### **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 Statement of Cash Flows - Proprietary Funds.

### **Required Supplementary Information**

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund, Schedule of Changes in Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contributions - OPEB and Notes to Required Supplementary Information.

### **Other Supplementary Information**

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

## Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities decreased by \$65,758 from \$10,286,568 to \$10,220,810. For the business-type activities, total net position increased by \$4,283 from \$7,832,427 to \$7,836,710.

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 - decreased for governmental activities to a balance of \$2,333,025 and increased for the business-type activities to a balance of \$2,865,910.

**Table 1**  
**Town of Madison, Maine**  
**Net Position**  
**June 30 and December 31**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2024</b>	<b>2023 (Restated)</b>	<b>2023</b>	<b>2022</b>
<b>Assets</b>				
Current Assets	\$ 3,840,801	\$ 3,980,648	\$ 3,577,141	\$ 3,058,631
Noncurrent Assets:				
Capital Assets	6,708,686	6,771,347	5,612,448	5,886,590
Other	446,889	500,156	392,905	592,832
Total Assets	10,996,376	11,252,151	9,582,494	9,538,053
<b>Deferred Outflows of Resources:</b>				
Deferred Outflows Related to OPEB	50,362	50,579	18,497	28,871
Total Deferred Outflows of Resources	50,362	50,579	18,497	28,871
<b>Liabilities</b>				
Current Liabilities	156,315	228,263	1,087,485	877,138
Noncurrent Liabilities	175,712	229,419	631,733	809,023
Total Liabilities	332,027	457,682	1,719,218	1,686,161
<b>Deferred Inflows of Resources</b>				
Prepaid Taxes	29,379	52,748	-	-
Deferred Revenue	208,321	280,000	-	-
Deferred Inflows Related to leases	100,993	105,566	-	-
Deferred Inflows Related to OPEB	155,208	120,166	45,063	48,336
Total Deferred Inflows of Resources	493,901	558,480	45,063	48,336
<b>Net Position</b>				
Net Investment in Capital Assets	6,708,686	6,771,347	4,970,800	5,048,860
Restricted	1,179,099	1,014,078	-	-
Unrestricted	2,333,025	2,501,143	2,865,910	2,783,567
Total Net Position	\$ 10,220,810	\$ 10,286,568	\$ 7,836,710	\$ 7,832,427

**Table 2**  
**Town of Madison, Maine**  
**Change in Net Position**  
**For the Years Ended June 30 and December 31**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2024</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>
Revenues				
<i>Program revenues:</i>				
Charges for services	\$ 151,864	\$ 131,702	\$ 5,865,768	\$ 4,852,834
Operating grants and contributions	73,032	210,687	-	-
<i>General revenues:</i>				
Taxes	8,012,920	7,723,828	-	-
Grants and contributions not restricted to specific programs	2,061,286	1,979,130	-	-
Miscellaneous	220,726	302,238	54,253	26,141
Total Revenues	<u>10,519,828</u>	<u>10,347,585</u>	<u>5,920,021</u>	<u>4,878,975</u>
Expenses				
General government	768,229	696,984	-	-
Public safety	866,019	726,625	-	-
Public works	1,351,193	1,616,066	-	-
Parks and recreation	81,906	75,979	-	-
Cemeteries	38,895	42,330	-	-
Community and social agencies	211,154	196,409	-	-
Education	4,973,488	4,761,923	-	-
County tax	898,439	798,452	-	-
Town property	33,633	31,204	-	-
Unclassified	911,405	1,287,653	5,989,984	5,177,365
Capital outlay	451,225	211,431	-	-
Total Expenses	<u>10,585,586</u>	<u>10,445,056</u>	<u>5,989,984</u>	<u>5,177,365</u>
Special and extraordinary items:				
Gain (loss) on disposal of capital assets	-	-	25,388	-
Contributions in aid of construction	-	-	48,858	18,948
Total special and extraordinary items	<u>-</u>	<u>-</u>	<u>74,246</u>	<u>18,948</u>
Change in Net Position	<u>(65,758)</u>	<u>(97,471)</u>	<u>4,283</u>	<u>(279,442)</u>
Net Position - July 1/January 1, as reported	10,566,568	10,664,039	7,832,427	8,111,869
Fund Balance Correction - ARPA	<u>(280,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position - July 1/January 1, as restated	<u>10,286,568</u>	<u>10,664,039</u>	<u>7,832,427</u>	<u>8,111,869</u>
Net Position - June 30/December 31	<u>\$10,220,810</u>	<u>\$10,566,568</u>	<u>\$ 7,836,710</u>	<u>\$ 7,832,427</u>

### Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.66%, while total expenses increased by 1.35%. Revenue increased primarily due to taxes. The largest increases in expenses were in public safety, education and capital outlay, offset by decreases in public works and unclassified.

Revenues for the Town's business-type activities increased by 21.34% while total expenses increased by 15.70%.

### 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 Madison, Maine**  
**Fund Balances - Governmental Funds**  
**June 30,**

	<u>2024</u>	<u>2023</u> <u>(Restated)</u>	<u>Increase/</u> <u>(Decrease)</u>
General Fund:			
Nonspendable	\$ 17,413	\$ -	\$ 17,413
Assigned	647,268	843,500	(196,232)
Unassigned	<u>1,549,175</u>	<u>1,556,608</u>	<u>(7,433)</u>
Total General Fund	<u>\$ 2,213,856</u>	<u>\$ 2,400,108</u>	<u>\$ (186,252)</u>
Nonmajor Funds:			
Special Revenue Funds:			
Nonspendable	\$ 400,000	\$ 400,000	\$ -
Restricted	557,627	429,181	128,446
Assigned	221,962	205,239	16,723
Unassigned (deficit)	(22,137)	(1,044)	(21,093)
Permanent Funds:			
Nonspendable	28,046	28,046	-
Restricted	<u>176,013</u>	<u>156,851</u>	<u>19,162</u>
Total Nonmajor Funds	<u>\$ 1,361,511</u>	<u>\$ 1,218,273</u>	<u>\$ 143,238</u>

The changes to total fund balances for the general fund and the aggregate nonmajor funds occurred due to the regular activity of operations.

## Budgetary Highlights

The difference between the original and final budget for the general fund was the use of assigned and unassigned fund balances.

The general fund actual revenues exceeded budgeted amounts by \$191,600. This was the result of all revenue categories being receipted within or in excess of budgeted amounts with the exception of property taxes.

The general fund actual expenditures were under budgeted amounts by \$347,148. All expenditure categories were within or below budgeted amounts with the exception of general government and public safety.

## Capital Asset and Debt Administration

### Capital Assets

As of June 30, 2024, the net book value of capital assets recorded by the Town decreased by \$336,803 from the prior year. This decrease was the result of capital additions of \$386,705 less current year depreciation expense of \$723,508.

**Table 4**  
**Town of Madison, Maine**  
**Capital Assets (Net of Depreciation)**  
**June 30,**

	<u>2024</u>	<u>2023</u>
Land and non-depreciable assets	\$ 978,593	\$ 978,593
Buildings, building improvements and land improvements	664,286	690,983
Machinery, equipment and vehicles	1,362,709	1,267,540
Infrastructure	<u>9,315,546</u>	<u>9,720,821</u>
Total	<u>\$12,321,134</u>	<u>\$12,657,937</u>

### Debt

As of December 31, 2023, the Town's business-type activities had \$641,648 in a bond and a note from direct borrowings payable versus \$837,730 as of December 31, 2022. The Town's governmental activities had no long-term debt as of June 30, 2024. Refer to Note 7 of Notes to Financial Statements for more detailed information.

## **Currently Known Facts, Decisions or Conditions**

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

On June 12, 2023, voters at Madison's Annual Town Meeting approved a total spending budget of \$3,938,449.07. To offset some of the 12% increase from the previous year's spending, voters also approved bringing forward \$700,000 from undesignated fund balance. During Town Meeting, voters finished allocating funds from Coronavirus Local Fiscal Recovery Funds (aka American Rescue Plan Act or ARPA funds). ARPA funds were allocated as follows: \$50,000 for Highway Equipment, \$150,000 for Road Surface Projects.

The continuation of strong housing prices meant that the Selectboard and the Assessors Agent had to implement a more aggressive strategy to valuations to keep a 90% sales ratio. Valuations were raised approximately 15% across the board. Despite lowering the tax rate from \$19.42 per thousand to \$16.70, the increase in valuations resulted in most taxpayers seeing an increase in their tax bill.

For the 2023 tax year, nearly 300 senior taxpayers had their property taxes frozen at the 2022 rate by applying for the Tax Stabilization Act (LD290) passed by the Maine Legislature in 2021. The stabilization resulted in a cost of approximately \$70,187 to the Town which received approximately 99% in reimbursement from the State. If additional funds are made available in the 2024 Supplemental State Budget, the Town will be made whole. LD290 was repealed and replaced in 2022 and towns no longer have to track frozen tax bills.

With a ribbon cutting in August of 2023, Timber HP began production of the first of three product lines at the former Madison Paper site. Work to build out equipment for full scale production continued through the summer and into winter. Over 90 jobs have been filled with the potential for a total of over 125 positions. The Town anticipates tax revenues in excess of \$350,000 in the early part of the Timber HP project development. Grant funding from the Northern Borders Regional Commission was used on site redevelopment. As of June 30, 2024, 80% of the original \$1,000,000 NBRC grant had been spent.

Turnover in Town staff will have an impact on the coming year. New hires at Town Manager, Town Clerk/Treasurer, Finance Director and Road Commissioner will bring a sharp learning curve to Town finances.

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

This financial report is designed to provide our citizens, taxpayers, customers and 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, the Treasurer for the Town of Madison can be reached at P.O. Box 190, Madison, Maine 04950.



## TOWN OF MADISON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2024/DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,885,162	\$ 1,386,446	\$ 4,271,608
Investments	435,130	-	435,130
Accounts receivable (net of allowance for uncollectibles):			
Taxes	296,257	-	296,257
Liens	80,773	-	80,773
Other	164	1,375,668	1,375,832
Current portion of notes receivable	49,439	200,412	249,851
Current portion of lease receivable	4,665	-	4,665
Due from other governments	71,798	-	71,798
Accrued interest receivable	-	2,926	2,926
Prepaid items	17,413	91,892	109,305
Inventory	-	519,797	519,797
Total current assets	<u>3,840,801</u>	<u>3,577,141</u>	<u>7,417,942</u>
Noncurrent assets:			
Note receivable, less current portion	350,561	392,905	743,466
Lease receivable, less current portion	96,328	-	96,328
Capital assets:			
Land and other assets not being depreciated	976,169	-	976,169
Buildings and vehicles, net of accumulated depreciation	<u>5,732,517</u>	<u>5,612,448</u>	<u>11,344,965</u>
Total noncurrent assets	<u>7,155,575</u>	<u>6,005,353</u>	<u>13,160,928</u>
 TOTAL ASSETS	 <u>10,996,376</u>	 <u>9,582,494</u>	 <u>20,578,870</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to OPEB	<u>50,362</u>	<u>18,497</u>	<u>68,859</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>50,362</u>	<u>18,497</u>	<u>68,859</u>
 TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 <u>\$11,046,738</u>	 <u>\$ 9,600,991</u>	 <u>\$20,647,729</u>

## STATEMENT A (CONTINUED)

## TOWN OF MADISON, MAINE

STATEMENT OF NET POSITION  
JUNE 30, 2024/DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 132,629	\$ 362,998	\$ 495,627
Other accrued payables	20,646	37,548	58,194
Customer deposits	-	300,447	300,447
Unearned revenue	-	194,000	194,000
Current portion of long-term obligations	3,040	192,492	195,532
Total current liabilities	<u>156,315</u>	<u>1,087,485</u>	<u>1,243,800</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bond payable, less current portion	-	415,000	415,000
Note from direct borrowings payable	-	34,156	34,156
Accrued compensated absences	27,359	67,267	94,626
Net OPEB liability	148,353	115,310	263,663
Total noncurrent liabilities	<u>175,712</u>	<u>631,733</u>	<u>807,445</u>
TOTAL LIABILITIES	<u>332,027</u>	<u>1,719,218</u>	<u>2,051,245</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid taxes	29,379	-	29,379
Deferred revenue related to ARPA	208,321	-	208,321
Deferred revenue related to leases	100,993	-	100,993
Deferred inflows related to OPEB	155,208	45,063	200,271
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>493,901</u>	<u>45,063</u>	<u>538,964</u>
NET POSITION			
Net investment in capital assets	6,708,686	4,970,800	11,679,486
Restricted	1,179,099	-	1,179,099
Unrestricted	2,333,025	2,865,910	5,198,935
TOTAL NET POSITION	<u>10,220,810</u>	<u>7,836,710</u>	<u>18,057,520</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$11,046,738</u>	<u>\$ 9,600,991</u>	<u>\$20,647,729</u>

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

## TOWN OF MADISON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024/DECEMBER 31, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 768,229	\$ 52,540	\$ -	\$ -	\$ (715,689)	\$ -	\$ (715,689)
Public safety	866,019	987	-	-	(865,032)	-	(865,032)
Public works	1,351,193	59,587	73,032	-	(1,218,574)	-	(1,218,574)
Parks and recreation	81,906	31,650	-	-	(50,256)	-	(50,256)
Cemeteries	38,895	-	-	-	(38,895)	-	(38,895)
Community and social agencies	211,154	7,100	-	-	(204,054)	-	(204,054)
Education	4,973,488	-	-	-	(4,973,488)	-	(4,973,488)
County tax	898,439	-	-	-	(898,439)	-	(898,439)
Town property	33,633	-	-	-	(33,633)	-	(33,633)
Unclassified	911,405	-	-	-	(911,405)	-	(911,405)
Capital outlay	451,225	-	-	-	(451,225)	-	(451,225)
Total governmental activities	10,585,586	151,864	73,032	-	(10,360,690)	-	(10,360,690)
Business-type activities:							
Madison electric works	5,989,984	5,865,768	-	-	-	(124,216)	(124,216)
Total business-type activities	5,989,984	5,865,768	-	-	-	(124,216)	(124,216)
Total government	<u>\$ 16,575,570</u>	<u>\$ 6,017,632</u>	<u>\$ 73,032</u>	<u>\$ -</u>	<u>(10,360,690)</u>	<u>(124,216)</u>	<u>(10,484,906)</u>

## STATEMENT B (CONTINUED)

## TOWN OF MADISON, MAINE

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024/DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	<u>(10,360,690)</u>	<u>(124,216)</u>	<u>(10,484,906)</u>
General revenues:			
Taxes:			
Property taxes, levied for general purposes	7,061,560	-	7,061,560
Excise taxes	951,360	-	951,360
Grants and contributions not restricted to specific programs	2,061,286	-	2,061,286
Interest income	-	54,253	54,253
Miscellaneous	<u>220,726</u>	<u>-</u>	<u>220,726</u>
Total general revenues	<u>10,294,932</u>	<u>54,253</u>	<u>10,349,185</u>
Special and extraordinary items:			
Gain (loss) on disposal of capital assets	-	25,388	25,388
Contributions in aid of construction	<u>-</u>	<u>48,858</u>	<u>48,858</u>
Total special and extraordinary items	<u>-</u>	<u>74,246</u>	<u>74,246</u>
Change in net position	<u>(65,758)</u>	<u>4,283</u>	<u>(61,475)</u>
NET POSITION - JULY 1/JANUARY 1, AS PREVIOUSLY REPORTED	10,566,568	7,832,427	18,398,995
FUND BALANCE CORRECTION - ARPA	<u>(280,000)</u>	<u>-</u>	<u>(280,000)</u>
NET POSITION - JULY 1/JANUARY 1, AS RESTATED	<u>10,286,568</u>	<u>7,832,427</u>	<u>18,118,995</u>
NET POSITION - JUNE 30/DECEMBER 31	<u>\$10,220,810</u>	<u>\$ 7,836,710</u>	<u>\$ 18,057,520</u>

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

## TOWN OF MADISON, MAINE

BALANCE SHEET - GOVERNMENTAL FUNDS  
JUNE 30, 2024

	General Fund	Moved to Nonmajor Fund NBRC Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$2,678,796	\$ -	\$ -	\$ 206,366	\$ 2,885,162
Investments	-	-	-	435,130	435,130
Accounts receivable (net of allowance for uncollectibles):					
Taxes	296,257	-	-	-	296,257
Liens	80,773	-	-	-	80,773
Notes	-	-	-	400,000	400,000
Other	164	-	-	-	164
Due from other governments	71,798	-	-	-	71,798
Prepaid items	17,413	-	-	-	17,413
Due from other funds	6,542	-	208,321	342,326	557,189
<b>TOTAL ASSETS</b>	<b>\$3,151,743</b>	<b>\$ -</b>	<b>\$ 208,321</b>	<b>\$ 1,383,822</b>	<b>\$ 4,743,886</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 116,860	\$ -	\$ -	\$ 15,769	\$ 132,629
Accrued expenses	20,485	-	-	-	20,485
Due to other governments	161	-	-	-	161
Due to other funds	550,647	-	-	6,542	557,189
<b>TOTAL LIABILITIES</b>	<b>688,153</b>	<b>-</b>	<b>-</b>	<b>22,311</b>	<b>710,464</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Prepaid taxes	29,379	-	-	-	29,379
Deferred revenue	-	-	208,321	-	208,321
Deferred tax revenue	220,355	-	-	-	220,355
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>249,734</b>	<b>-</b>	<b>208,321</b>	<b>-</b>	<b>458,055</b>
<b>FUND BALANCES</b>					
Nonspendable	17,413	-	-	428,046	445,459
Restricted	-	-	-	733,640	733,640
Committed	-	-	-	-	-
Assigned	647,268	-	-	221,962	869,230
Unassigned (deficit)	1,549,175	-	-	(22,137)	1,527,038
<b>TOTAL FUND BALANCES</b>	<b>2,213,856</b>	<b>-</b>	<b>-</b>	<b>1,361,511</b>	<b>3,575,367</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$3,151,743</b>	<b>\$ -</b>	<b>\$ 208,321</b>	<b>\$ 1,383,822</b>	<b>\$ 4,743,886</b>

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

## TOWN OF MADISON, MAINE

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2024

	Total Governmental Funds
Total Fund Balances	\$ 3,575,367
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	6,708,686
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	220,355
Lease receivable	100,993
Deferred outflows of resources related to pensions are not financial resources and therefore are not reported in the funds	50,362
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Accrued compensated absences	(30,399)
Net OPEB liability	(148,353)
Deferred inflows of resources related to pensions are not financial resources and therefore are not reported in the funds	
OPEB	(155,208)
Lease receivable	(100,993)
Net position of governmental activities	<u>\$ 10,220,810</u>

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

## TOWN OF MADISON, MAINE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	<i>Moved to Nonmajor Fund</i> NBRC Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property taxes	\$ 7,042,611	\$ -	\$ -	\$ -	\$ 7,042,611
Excise taxes	951,360	-	-	-	951,360
Intergovernmental	2,062,639	-	71,679	-	2,134,318
Charges for services	151,864	-	-	-	151,864
Miscellaneous revenues	97,015	-	-	123,711	220,726
TOTAL REVENUES	10,305,489	-	71,679	123,711	10,500,879
EXPENDITURES					
Current:					
General government	766,181	-	-	-	766,181
Public safety	811,062	-	-	-	811,062
Public works	1,366,665	-	-	-	1,366,665
Parks and recreation	81,746	-	-	-	81,746
Cemeteries	38,895	-	-	-	38,895
Community and social agencies	211,154	-	-	-	211,154
Education	4,973,488	-	-	-	4,973,488
County tax	898,439	-	-	-	898,439
Town property	33,633	-	-	-	33,633
Unclassified	16,943	-	21,686	872,776	911,405
Capital outlay	401,232	-	49,993	-	451,225
TOTAL EXPENDITURES	9,599,438	-	71,679	872,776	10,543,893
EXCESS REVENUES OVER (UNDER) EXPENDITURES	706,051	-	-	(749,065)	(43,014)
OTHER FINANCING SOURCES					
Transfers in	120,000	-	-	1,022,303	1,142,303
Transfers (out)	(1,012,303)	-	-	(130,000)	(1,142,303)
TOTAL OTHER FINANCING SOURCES (USES)	(892,303)	-	-	892,303	-
NET CHANGE IN FUND BALANCES	(186,252)	-	-	143,238	(43,014)
FUND BALANCES - JULY 1, AS PREVIOUSLY REPORTED	2,400,108	-	280,000	1,218,273	3,898,381
FUND BALANCE CORRECTIONS	-	-	(280,000)	-	(280,000)
FUND BALANCES - JULY 1, AS RESTATED	2,400,108	-	-	1,218,273	3,618,381
FUND BALANCES - JUNE 30	\$ 2,213,856	\$ -	\$ -	\$ 1,361,511	\$ 3,575,367

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

## TOWN OF MADISON, MAINE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balances - total governmental funds (Statement E)    \$    (43,014)

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	331,568
Depreciation expense	<u>(394,229)</u>
	<u>(62,661)</u>

Deferred outflows of resources are a consumption of net position by  
the government that are applicable to a future reporting period and  
therefore are not reported in the funds

(217)

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	18,949
Lease receivable	<u>(4,573)</u>
	<u>14,376</u>

Deferred inflows of resources are an acquisition of net position by the  
government that are applicable to a future reporting period and  
therefore are not reported in the funds

OPEB	(35,042)
Lease receivable	<u>4,573</u>
	<u>(30,469)</u>

Some expenses reported in the Statement of Activities do not require  
the use of current financial resources and therefore are not reported  
as expenditures in governmental funds:

Accrued compensated absences	25,201
Net OPEB liability	<u>31,026</u>
	<u>56,227</u>

Change in net position of governmental activities (Statement B)    \$    (65,758)

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



## TOWN OF MADISON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2023

	<u>Enterprise Fund</u> <u>Madison</u> <u>Electric Works</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,386,446
Accounts receivable, net of allowance for doubtful accounts	1,375,668
Accrued interest receivable	2,926
Note receivable, current portion	200,412
Prepaid items	91,892
Inventory	519,797
Total current assets	<u>3,577,141</u>
Noncurrent assets:	
Note receivable, less current portion	392,905
Property, plant and equipment, net of accumulated depreciation	5,612,448
Total noncurrent assets	<u>6,005,353</u>
<b>TOTAL ASSETS</b>	<u>9,582,494</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to OPEB	18,497
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>18,497</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u><u>\$ 9,600,991</u></u>

STATEMENT G (CONTINUED)

TOWN OF MADISON, MAINE

STATEMENT OF NET POSITION - PROPRIETARY FUNDS  
DECEMBER 31, 2023

	<u>Enterprise Fund</u> <u>Madison</u> <u>Electric Works</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	\$ 362,998
Other current and accrued liabilities	37,548
Customer deposits	300,447
Unearned revenue	194,000
Bond payable, current portion	145,000
Note from direct borrowings payable, current portion	47,492
Total current liabilities	<u>1,087,485</u>
Noncurrent liabilities:	
Bond payable, less current portion	415,000
Note from direct borrowings payable, less current portion	34,156
Net OPEB liability	67,267
Accrued compensated absences	115,310
Total Noncurrent Liabilities	<u>631,733</u>
<b>TOTAL LIABILITIES</b>	<u>1,719,218</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to OPEB	45,063
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>45,063</u>
<b>NET POSITION</b>	
Net investment in capital assets	4,970,800
Unrestricted	2,865,910
<b>TOTAL NET POSITION</b>	<u>7,836,710</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 9,600,991</u>

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

## TOWN OF MADISON, MAINE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Enterprise Fund</u> <u>Madison</u> <u>Electric Works</u>
OPERATING REVENUES	
Charges for services	\$ 5,865,768
TOTAL OPERATING REVENUES	<u>5,865,768</u>
OPERATING EXPENSES	
Operations and maintenance	5,608,642
Depreciation	358,226
TOTAL OPERATING EXPENSES	<u>5,966,868</u>
OPERATING INCOME (LOSS)	<u>(101,100)</u>
NONOPERATING REVENUES (EXPENSES)	
Interest income	54,253
Interest expense	(23,116)
Gain (loss) on disposal of capital assets	25,388
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>56,525</u>
INCREASE (DECREASE) IN NET POSITION	(44,575)
Contributions in aid of construction	<u>48,858</u>
CHANGE IN NET POSITION	4,283
NET POSITION - JANUARY 1	<u>7,832,427</u>
NET POSITION - DECEMBER 31	<u><u>\$ 7,836,710</u></u>

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

## TOWN OF MADISON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Enterprise Fund</u> <u>Madison</u> <u>Electric Works</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 5,081,571
Other receipts (payments)	429,776
Payments to employees	(1,654,374)
Payments to suppliers	<u>(3,777,983)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>78,990</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income, net of unrealized gains/(losses)	<u>55,224</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>55,224</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(93,748)
Proceeds from sale of capital assets	25,388
Contributions in aid of construction received	30,763
Interest paid on bond	(24,241)
Principal paid on bond	(150,000)
Principal paid on note from direct borrowing	(46,082)
Payments received on note receivable	<u>193,996</u>
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(63,924)</u>
NET INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS)	70,290
CASH AND CASH EQUIVALENTS - JANUARY 1	<u>1,316,156</u>
CASH AND CASH EQUIVALENTS - DECEMBER 31	<u><u>\$ 1,386,446</u></u>

## TOWN OF MADISON, MAINE

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Enterprise Fund</u> <u>Madison</u> <u>Electric Works</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ (101,100)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation/amortization expense	367,890
Change in allowance for doubtful accounts	15,000
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:	
(Increase) decrease in accounts receivable	(369,420)
(Increase) decrease in inventory	(47,260)
(Increase) decrease in prepaid items	(23,485)
(Increase) decrease in deferred outflows related to OPEB	10,374
Increase (decrease) in accounts payable	(36,898)
Increase (decrease) in other current and accrued liabilities	2,829
Increase (decrease) in customer deposits	249,131
Increase (decrease) in accrued paid leave	18,721
Increase (decrease) in net OPEB liability	(3,519)
Increase (decrease) in deferred inflows related to OPEB	(3,273)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 78,990</u>

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

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Reporting Entity**

The Town of Madison was incorporated under the laws of the State of Maine. The Town operates under the selectboard-manager form of government and provides the following services: general government, public safety, public works, parks and recreation, cemeteries, community and social agencies, education, town property 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. Madison Electric Works (MEW), a department of the Town reported in the business-type activities, was created by a legislative act of the State of Maine for the purpose of performing all duties of the Town of Madison in connection with the management and operation of the service area's electric works. MEW services parts of the towns of Madison, Anson, Norridgewock and Starks. Operations of MEW are financed through usage fees charged to customers. Debt issued for MEW is backed by the full faith and credit of the Town. Financing costs for MEW debt are provided through user charges. The MEW has a fiscal year end of December 31st and the last separate financial statements were as of and for the year ended December 31, 2023. The amounts included in the Town's 2024 financial statements for MEW are as of and for the year ended December 31, 2023. Separately issued financial statements of MEW can be obtained by contacting the Electric Works' Superintendent at 6 Business Park Drive, Madison, ME.

**Implementation of New Accounting Standards**

During the year ended June 30, 2024, the following statement 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 the impact of this Statement is material to the financial statements.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 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 either governmental or business-type. The Town's Madison Electric Works fund is categorized as a business-type activity. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, the governmental and business-type activities columns are (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 and business-type activities (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 MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 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 ARPA Fund is used to account for the proceeds of federal revenue sources that are legally restricted to expenditures for specified purposes.

**Nonmajor Funds:**

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. 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. The Town's policy for authorizing and spending investment income follows State statutes.



TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Nonoperating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

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

**Basis of Accounting**

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

1. Accrual

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

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Modified Accrual

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

**Budget**

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

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

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

**Deposits and Investments**

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

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

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

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 
- Repurchase agreements
- Money market mutual funds

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

**Receivables**

Receivables include amounts due from governmental agencies and local businesses. All receivables with the exception of lease receivables are current and therefore due within one year. Lease receivables are presented with both current and noncurrent portions. 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. For the Town's governmental activities, the allowance for uncollectible accounts is estimated to be \$0 as of June 30, 2024. The Town's governmental activities accounts receivable netted with allowances for uncollectible accounts were \$164 for the year ended June 30, 2024. The Town's governmental activities notes receivable netted with allowances for uncollectible accounts were \$400,000 for the year ended June 30, 2024. The Town's lease receivable was \$100,993 for the year ended June 30, 2024. For the Town's business-type activities, the allowance for uncollectible accounts is estimated to be \$210,000 as of December 31, 2023. The Town's business-type activities accounts receivable netted with allowances for uncollectible accounts were \$1,375,668 for the year ended December 31, 2023. The Town's business-type activities notes receivable netted with allowances for uncollectible accounts were \$593,317 for the year ended December 31, 2023.

**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). The proprietary fund inventory consists of parts on hand at the end of the year.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 and Proprietary 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.

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	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**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 long-term obligations consist of a bond payable, a note from direct borrowing payable, accrued compensated absences and net OPEB liability.

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

**OPEB**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, management received and relied on an actuarial report provided to them by the Maine Municipal Employees Health Trust (MMEHT), which determined the Town's fiduciary net position as a single employer defined benefit plan based on information provided solely by MMEHT to complete the actuarial report. Additions to/deductions from the MMEHT OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by MMEHT. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**Net Position**

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

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 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 MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 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 one type of item, deferred outflows related to OPEB. This item is reported in the statements of net position.

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

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

The Town's property tax for the current year was levied on August 18, 2023 at 16.10 mills on the assessed value listed as of April 1, 2023, for all real and personal property located in the Town. Taxes were due in two installments on September 18, 2023 and March 15, 2024. Interest on unpaid taxes commenced on September 19, 2023 and March 16, 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 \$156,815 for the year ended June 30, 2024.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

**Program Revenues**

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided, operating or capital grants and contributions, including special assessments).

**Operating/Nonoperating Proprietary Fund Revenues**

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to the fund's ongoing operations. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Encumbrance Accounting**

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

**Use of Estimates**

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

State statutes require that all investments made by the Town consider the safe and sound investment of principal and preservation of capital in the overall portfolio, maintenance of sufficient liquidity to meet day-to-day operations and other cash requirements and maximization of income, within established investment risk guidelines, with consistent cash flows throughout the budgetary cycle. These investment policies apply to all Town funds.



TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

**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 June 30, 2024, the Town's governmental activities cash and cash equivalents balance of \$2,855,162 was comprised of bank deposits and cash equivalents amounting to \$3,015,896. Bank deposits and cash equivalents are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash and cash equivalents balance. All of these bank deposits were insured by federal depository insurance and consequently was not exposed to custodial credit risk.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 2,705,962
Savings accounts	339
ICS accounts	57,685
Repurchase agreements	160,346
Cash and cash equivalents	91,564
	<u>\$ 3,015,896</u>

At December 31, 2023, the Town's business-type activities cash balance amounting to \$1,386,446 were comprised of bank deposits of \$1,497,160. Bank deposits are adjusted primarily by outstanding checks and deposits in transit to reconcile to the Town's cash balance. Of these bank deposits, \$476,713 were fully insured by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining deposits of \$942,747 were uncollateralized and uninsured.

**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.

# TOWN OF MADISON, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 2 - DEPOSITS AND INVESTMENTS

Interest rate risk - 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.

At June 30, 2024, the Town's investment balances amounting to \$435,130 were comprised of debt securities, mutual funds and equities and options. All of the Town's investments were fully covered by the Securities Investor Protection Corporation (SIPC).

Investment Type	Fair Value	Maturity		
		N/A	<1 Year	1 - 5 Years
Debt Securities:				
Corporate bonds	\$ 92,276	\$ -	\$ -	\$ 92,276
Equity Securities:				
Mutual funds	335,556	335,556	-	-
Equities and options	7,298	7,298	-	-
	<u>\$ 435,130</u>	<u>\$ 342,854</u>	<u>\$ -</u>	<u>\$ 92,276</u>

#### Fair Value Hierarchy:

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Town has the following recurring fair value measurements as of June 30, 2024:

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
	June 30, 2024 Total			
<u>Investments by fair value level</u>				
Debt securities:				
Corporate bonds	\$ 92,276	\$ -	\$ 92,276	\$ -
Total debt securities	92,276	-	92,276	-
Equity securities:				
Mutual funds - domestic and foreign	335,556	335,556	-	-
Equities and options	7,298	7,298	-	-
Total equity securities	342,854	342,854	-	-
Total investments by fair value level	435,130	\$ 342,854	\$ 92,276	\$ -
<u>Cash equivalents measured at the net asset value (NAV)</u>				
Money market mutual funds	91,564			
Total cash equivalents measured at the NAV	91,564			
Total investments and cash equivalents measured at fair value	\$ 526,694			

Equity securities classified in Level I of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level II of the fair value hierarchy are valued from publicly reliable sources or using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Town has no Level III investments. The fair value of money market mutual funds that are measured at NAV per share (or its equivalent) is calculated as of June 30, 2024 in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies.

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 repurchase agreements and savings accounts. Certain long-term trust funds are invested through a financial institution with trust powers in a mix of securities that comply with state and federal regulations to provide long-term growth and income. The Town's investments in corporate bonds were not rated.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	\$ 6,542	\$ 550,647
ARPA Fund	208,321	-
Nonmajor Special Revenue Funds	342,126	6,542
Nonmajor Permanent Funds	200	-
	<u>\$ 557,189</u>	<u>\$ 557,189</u>

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

NOTE 4 - INTERFUND TRANSFERS

Interfund transfers at June 30, 2024 consisted of the following:

	Transfers In	Transfers Out
General Fund	\$ 120,000	\$ 1,012,303
Nonmajor Special Revenue Funds	1,022,303	130,000
	<u>\$ 1,142,303</u>	<u>\$ 1,142,303</u>

Interfund transfers are the results of legally authorized activity and are considered to be in the course of normal operations. Significant transfers that occurred were between the General Fund and the Backyard Farms Capture and Retain TIF and Backyard Farms Capture and Return TIF.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 5 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Disposals	Balance, 6/30/24
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 976,169	\$ -	\$ -	\$ 976,169
	<u>976,169</u>	<u>-</u>	<u>-</u>	<u>976,169</u>
Depreciated assets:				
Buildings and improvements	933,742	-	-	933,742
Land improvements	284,601	-	-	284,601
Vehicles and equipment	2,797,473	267,891	-	3,065,364
Infrastructure	8,191,530	63,677	-	8,255,207
	<u>12,207,346</u>	<u>331,568</u>	<u>-</u>	<u>12,538,914</u>
Less: accumulated depreciation	<u>(6,412,168)</u>	<u>(394,229)</u>	<u>-</u>	<u>(6,806,397)</u>
	<u>5,795,178</u>	<u>(62,661)</u>	<u>-</u>	<u>5,732,517</u>
Net governmental capital assets	<u>\$ 6,771,347</u>	<u>\$ (62,661)</u>	<u>\$ -</u>	<u>\$ 6,708,686</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Intangibles	\$ 2,424	\$ -	\$ -	\$ 2,424
	<u>2,424</u>	<u>-</u>	<u>-</u>	<u>2,424</u>
Depreciated assets:				
Production plant	975,693	-	-	975,693
Transmission property	2,571,173	-	-	2,571,173
Distribution property	7,118,410	38,359	-	7,156,769
General property	1,286,414	16,778	-	1,303,192
Right of use lease asset	235,299	-	-	235,299
	<u>12,186,989</u>	<u>55,137</u>	<u>-</u>	<u>12,242,126</u>
Less: accumulated depreciation	<u>(6,302,823)</u>	<u>(329,279)</u>	<u>-</u>	<u>(6,632,102)</u>
	<u>5,884,166</u>	<u>(274,142)</u>	<u>-</u>	<u>5,610,024</u>
Net business-type capital assets	<u>\$ 5,886,590</u>	<u>\$ (274,142)</u>	<u>\$ -</u>	<u>\$ 5,612,448</u>

# TOWN OF MADISON, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 5 - CAPITAL ASSETS (CONTINUED)

#### Current year depreciation:

General government	\$ 23,016
Public safety	76,341
Public works	294,712
Recreation	160
Subtotal governmental	<u>394,229</u>
Madison Electric Works	<u>329,279</u>
Subtotal business-type	<u>329,279</u>
Total depreciation expense	<u>\$ 723,508</u>

### NOTE 6 - NOTES RECEIVABLE

Amounts recorded as loans receivable represent notes made under an economic development program to local businesses. Management has determined that no allowance for loan losses is necessary at June 30, 2024. Bad debt expense for the year ended June 30, 2024 was \$0. The portion of the notes receivable balance expected to be collected beyond a period of one year is reported in the fund financial statements as nonspendable because those resources are unavailable for use in the near term.

#### GOVERNMENTAL

In 2019 the Town issued a note receivable to GO Labs, which was modified in 2024, for the amount of \$400,000. Beginning January 30, 2025, and continuing monthly thereafter through July 30, 2028, GO Labs will make monthly principal and interest payment of \$9,257. On August 30, 2028, GO Labs shall make one final payment of the remaining principal of \$45,684 and unpaid and deferred interest of \$10,700, for a total balloon payment of \$56,384.

#### ENTERPRISE

In 2006 the Electric Works expended funds for the infrastructure costs associated with supplying power to Backyard Farms LLC's greenhouse. Under an agreement, signed March 12, 2007, Backyard Farms agreed to reimburse the Electric Works \$3,000,000 for these costs and make monthly payments of \$19,289 including interest (which corresponds with the interest for the long-term debt at Note F) through June 2026. During the year ended December 31, 2016, the Electric Works refinanced the associated long-term debt. Over the remaining bond term, this will result in a reduction of interest costs of approximately \$165,000. This savings will be passed on to Backyard Farms LLC resulting in reduced payments, which began in May 2017. Monthly payments are \$17,914.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 6 - NOTES RECEIVABLE (CONTINUED)

Since the underlying assets constructed will remain property of the Electric Works, \$3,000,000 was recognized as contributions in aid of construction in the statement of revenues, expenses and changes in net position in 2006.

Amounts outstanding on the governmental note receivable at June 30 are as follows:

GOVERNMENTAL

	<u>GO Labs Note Receivable</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 49,439	\$ 6,103
2026	98,879	12,206
2027	98,879	12,206
2028	98,879	12,206
2029	53,924	11,717
	<u>\$ 400,000</u>	<u>\$ 54,438</u>

Amounts outstanding on the enterprise note receivable at December 31 are as follows:

ENTERPRISE

	<u>2023</u>	<u>2022</u>
Notes receivable from Backyard Farms, LLC	\$ 593,317	\$ 787,313
Less current portion	<u>(200,412)</u>	<u>(194,481)</u>
Note receivable, less current portion	<u>\$ 392,905</u>	<u>\$ 592,832</u>

NOTE 7 - LONG-TERM DEBT

The following is a summary of the changes in long-term debt for Madison Electric Works for the year ended December 31, 2023:

	<u>Balance, 1/1/23 (Restated)</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, 12/31/23</u>	<u>Current Portion</u>
<i><u>Business-type activities:</u></i>					
Bond payable	\$ 710,000	\$ -	\$ (150,000)	\$ 560,000	\$ 145,000
Note from direct borrowings payable	127,730	-	(46,082)	81,648	47,492
	<u>\$ 837,730</u>	<u>\$ -</u>	<u>\$ (196,082)</u>	<u>\$ 641,648</u>	<u>\$ 192,492</u>

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 7 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the outstanding bond payable and note from direct borrowings payable:

Bond payable

*Business-type activities:*

2016 General Obligation Refunding Bond through Cede and Company in the original amount of \$1,650,000, due 2027, annual principal payments ranging between \$135,000 and \$170,000 and semi-annual interest payments at fixed rates ranging from 2.265% to 5.000%.

\$ 560,000

Total business-type bond payable

\$ 560,000

Note from direct borrowings payable:

\$177,844, capital lease with Wells Fargo Equipment Finance, Inc. for a truck due in monthly payments of \$3,191 for 60 months with maturity in February 2025. Interest is charged at a fixed rate of 2.940% per annum.

\$ 81,648

Total note from direct borrowings payable

\$ 81,648

The following is a summary of the outstanding bond and note from direct borrowings principal and interest requirements for the following fiscal years ending December 31:

	Business-type Activities				Total Debt Service
	Bond		Note from direct borrowing		
	Principal	Interest	Principal	Interest	
2024	\$ 145,000	\$ 17,325	\$ 47,492	\$ 1,900	\$ 211,717
2025	140,000	13,050	16,180	802	170,032
2026	140,000	8,850	10,667	433	159,950
2027	135,000	3,375	7,309	91	145,775
	<u>\$ 560,000</u>	<u>\$ 42,600</u>	<u>\$ 81,648</u>	<u>\$ 3,226</u>	<u>\$ 687,474</u>

No interest costs were capitalized during the period. The amount of interest costs incurred and charged to expense for the year ended December 31, 2023 was \$23,116 for business-type activities.



# TOWN OF MADISON, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 7 - LONG-TERM DEBT (CONTINUED)

All bonds payable and notes from direct borrowings payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt for the Town's governmental activities is payable from taxes levied on all taxable property within the Town, while all debt for the Town's business-type activities is payable from charges for services levied on the customers of the Electric Works.

### NOTE 8 - OTHER LONG-TERM OBLIGATIONS

The following is a summary of changes in the other long-term obligations for the year ended June 30, 2024:

	Balance, 7/1/23	Additions	Deletions	Balance, 6/30/24	Current Portion
<i><u>Governmental activities:</u></i>					
Accrued compensated absences	\$ 55,600	\$ -	\$ (25,201)	\$ 30,399	\$ 3,040
Net OPEB liability	179,379	46,193	(77,219)	148,353	-
	<u>\$ 234,979</u>	<u>\$ 46,193</u>	<u>\$ (102,420)</u>	<u>\$ 178,752</u>	<u>\$ 3,040</u>

The following is a summary of changes in the long-term obligations for business-type activities for the year ended December 31, 2023:

	Balance, 1/1/23	Additions	Deletions	Balance, 12/31/23	Current Portion
<i><u>Business-type activities:</u></i>					
Accrued compensated absences	\$ 96,589	\$ 18,721	\$ -	\$ 115,310	\$ 14,414
Net OPEB liability	70,786	-	(3,519)	67,267	-
	<u>\$ 167,375</u>	<u>\$ 18,721</u>	<u>\$ (3,519)</u>	<u>\$ 182,577</u>	<u>\$ 14,414</u>

Please see Notes 9, 19 and 20 for more detailed information on each of these long-term obligations.

### NOTE 9 - ACCRUED COMPENSATED ABSENCES

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences are 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 June 30, 2024, the

# TOWN OF MADISON, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 9 - ACCRUED COMPENSATED ABSENCES (CONTINUED)

Town's governmental activities liability for compensated absences is \$30,399. As of December 31, 2023, the Town's business-type activities liability for compensated absences is \$115,310.

### NOTE 10 - NET INVESTMENT IN CAPITAL ASSETS

The following is the calculation of the net investment in capital assets for the Town at June 30, 2024/December 31, 2023:

<i>Governmental activities:</i>	
Invested in capital assets	\$ 13,515,083
Accumulated depreciation	(6,806,397)
	<u>\$ 6,708,686</u>
 <i>Business-type activities:</i>	
Invested in capital assets	\$ 12,244,550
Accumulated depreciation	(6,632,102)
Outstanding capital related debt	(641,648)
	<u>\$ 4,970,800</u>

### NOTE 11 - RESTRICTED NET POSITION

At June 30, 2024, the Town had the following restricted net position:

General Fund	
Prepaid	\$ 17,413
Nonmajor Special Revenue Funds (Schedule E)	
Revolving Loan Fund - Nonspendable	400,000
Public Library Expendable Trust Fund	67,006
Dorothy Brown Expendable Trust Fund	59,084
Woodland Capture and Retain TIF	54,387
Woodland Capture and Return TIF	170
Backyard Farms Capture and Retain TIF	179,697
Backyard Farms Capture and Return TIF	339
Cemetery Lot Sales Fund	104,003
Revaluation Reserve	92,941
Nonmajor Permanent Funds (Schedule G)	
Perpetual Care - Nonspendable Principal	23,046
Jacobs Scholarship - Nonspendable Principal	5,000
Perpetual Care	173,188
Jacobs Scholarship	2,825
	<u>\$ 1,179,099</u>

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 12 - NONSPENDABLE FUND BALANCES

At June 30, 2024, the Town had the following nonspendable fund balances:

General Fund:	
Prepaid	\$ 17,413
Nonmajor Special Revenue Funds (Schedule E)	400,000
Nonmajor Permanent Funds (Schedule G)	28,046
	<u>\$ 445,459</u>

NOTE 13 - RESTRICTED FUND BALANCES

At June 30, 2024, the Town had the following restricted fund balances:

Nonmajor Special Revenue Funds (Schedule E)	\$ 557,627
Nonmajor Permanent Funds (Schedule G)	176,013
	<u>\$ 733,640</u>

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 14 - ASSIGNED FUND BALANCES

At June 30, 2024, the Town had the following assigned fund balances:

General Fund	
Capital Equipment	\$ 147,268
Use for FY 25 budget	500,000
Nonmajor Special Revenue Funds (Schedule E)	
Legal Expense	3,931
Lifelong Community Fellows	550
Anson Days	4,498
Families in Need	7,218
Age Friendly Community	731
Forest Hill Donations	200
Christmas Toy Donations	200
Christmas Parade Committee	722
Police Contract Reimbursement	5,072
Playground/Parking Main Street	1,194
Fire Equipment EMA	51,331
Fortin Playground	6,726
Equipment	24,638
Recreation Participation	1,628
Summer Recreation	5,937
Recreation	585
Foreclosure Sales	13,233
Library Equipment	202
Building Maintenance	1,128
Cemetery E Madison Dam	2,200
Revolving Loan Fund	90,038
	<u>\$ 869,230</u>

NOTE 15 - DEFICIT FUND BALANCE

At June 30, 2024 the Town had the following deficit fund balance:

Nonmajor Special Revenue Funds (Schedule E)	
FH Interest Maintenance	\$ 2,419
NBRC Fund	19,718
	<u>\$ 22,137</u>

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 16 - OVERLAPPING DEBT

The Town is contingently liable for its proportionate share of any defaulted debt by entities of which it is a member. As of June 30, 2024, the Town's share of school and county debt was as follows:

	Outstanding Debt	Town's Percentage	Total Share
County of Somerset	\$ 5,730,000	6.12%	\$ 350,676
MSAD No. 59	1,490,000	100.00%	1,490,000
			<u>\$ 1,840,676</u>

NOTE 17 - TAX INCREMENT FINANCING DISTRICT AND ABATEMENTS

**Tax Increment Financing District**

The Town has established a tax increment financing district in accordance with Maine statutes to finance economic development programs located in the Town of Madison, Maine. The expenditures from these development programs will be recovered in future years through an incremental tax levied upon the district's so called "captured assessed value". A portion of the incremental tax revenues will be returned to the district to repay principal and interest on any indebtedness, to fund the expenditures of the development program and to finance future expansion.

Backyard Farms Municipal Development and Tax Increment Financing District

On March 30, 2006, the Madison Selectboard, as well as the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy. The original District, known as the "Backyard Farms Tract," is comprised of 160 acres with an original assessed value of \$349,840. This agreement was amended in February of 2008 to adjust the District boundaries and to add 85 acres of town-owned public roads. This area is known as "Town Tract 1." In November of 2013 a second amendment request was approved to further adjust the District boundaries and add an additional 94.46 acres with an original assessed value of \$6,817,100. This area is known as "Town Tract 2." The potential projects that will be implemented under this Development Program include: the development of up to 8 multi-acre greenhouses, a cogeneration facility and other ancillary improvements, along with the related machinery and equipment, reconstruction and maintenance of roads, sidewalks and infrastructure, construction of a centrally located public safety building, creation of a local transfer station, economic development planning and administrative expenses associated with the

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - TAX INCREMENT FINANCING DISTRICT AND ABATEMENTS  
(CONTINUED)

development effort. The Town anticipates over the life of the district that new development, rehabilitation and redevelopment will result in approximately \$31,641,914 in new taxable value. Tax increment revenues generated from this value over the life of the district will be approximately \$14,849,791. The Development Program provides for 100% of the increase in assessed value of the Backyard Farms Tract to be captured and designated as captured assessed value for 30 years, starting with the Town's 2007-2008 fiscal year. The Town will not capture any of the increased assessed value of Town Tract 1 or Town Tract 2. The tax increment revenues will be deposited by the Town into the Development Program Fund for a period of 30 years. The Development Program Fund is pledged to and charged with the payment of the project costs in the manner provided in 30-A M.R.S.A. §5227(3)(A).

The TIF District will remain in place for a period of 30 years from adoption. The allocation of tax increment revenues, through a credit enhancement agreement, to be paid to owners/developers of specified property, will commence by agreement between the Town and the owner/developer and will continue for a period of 15 or 20 years or the remainder of the term of the District designation, whichever is less. The actual term will depend on a combination of Company investment in the Backyard Farms Tract of the District and the number of full-time employees (Less than \$60 million invested and less than 170 full-time employees - lesser of 15 years or the remainder of the District term. \$60 million or more invested and 170 or more full-time employees - lesser of 20 years or the remainder of the District term). The percentage of TIF revenues to be paid to the Company varies from 70% to 75%, depending on the number of full-time employees hired and retained by the Company (Less than 350 full-time employees - 70% returned to the Company and 30% retained by the Town. 350 or more full-time employees - 75% returned to the Company and 25% retained by the Town). If the value of the taxable property within the original District drops below \$8 million, the Company will not receive any TIF revenues. The remaining amount will be retained by the Town and used to fund the development plan of the District. The Selectboard shall determine, in its discretion, whether it is necessary or appropriate to enter any Credit Enhancement Agreement to grant these abatements. The state law does not provide for the recapture of abated taxes in the event an abatement recipient does not fill the commitment it makes in return for the tax abatement. The Town reserves the right to incur indebtedness to finance, in part or in whole, the projects within the Development Program. Any projects financed through municipal bonded indebtedness must be approved in advance by the Madison voters.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - TAX INCREMENT FINANCING DISTRICT AND ABATEMENTS  
(CONTINUED)

Woodlands Senior Living of Madison Municipal Development and Tax Increment  
Financing District

On July 8, 2020, the Madison Selectboard, as well as the Maine Department of Economic and Community Development, approved a Tax Increment Financing District to expand and diversify the Town's tax base and improve its economy. The original District, known as the "Woodlands Tract," is comprised of 7.11 acres with an original assessed value of \$27,400. The project that resulted in this Development Program is the first purpose-built ground-up memory care facility in the Madison area.

Completed in May of 2021, the 20,000 square foot community accommodates 42 residents and employs 32 full time people. The overall value of the facility is \$5.2M which includes a captured value of over \$5M in the Woodlands TIF District. 100% of the Woodlands Tract value will be captured assessed value for 15 years, through 2035.

The allocation of tax increment revenues, through a credit enhancement agreement, are paid to owners/developers of the Woodlands property throughout the 15-year period of the agreement. The Town of Madison will retain 15% of real estate property tax revenues and will return 85% to Woodlands.

**Abatements**

The Town has not made any commitments as part of the Credit Enhancement Agreements other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities. The Town currently has two tax abatement agreements, the Backyard Farms Municipal Development and Tax Increment Financing District and the Woodlands Senior Living of Madison Municipal Development and Tax Increment Financing District, which are summarized below:

*Backyard Farms Municipal Development and Tax Increment Financing District*

In March of 2006, the Town of Madison entered into a credit enhancement agreement with Backyard Farms, LLC for the development of the Backyard Farms greenhouse facility. The agreement is effective for 20 years. 70% of the property taxes to be generated on the improvements within the District will be returned to the developer and 30% will be retained by the Town and used to fund the development plan of the District. If certain hiring thresholds are achieved by Backyard Farms at any point during the 20 year period, the percentage of tax increment revenues captured and returned to Backyard Farms, LLC would increase from 70% to 75%. As such, the percentage of tax increment revenues captured and retained by the Town would decrease from 30% to 25%.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 17 - TAX INCREMENT FINANCING DISTRICT AND ABATEMENTS  
(CONTINUED)

*Woodlands Senior Living of Madison Municipal Development and Tax Increment Financing District*

In July of 2020, the Town of Madison entered into a credit enhancement agreement with Woodlands Senior Living of Madison, LLC for the development of the Woodlands memory care facility. The agreement is effective for 15 years. 85% of the property taxes to be generated on the improvements within the District will be returned to the developer and 15% will be retained by the Town and used to fund the development plan of the District.

For the fiscal year ended June 30, 2024, the Town abated property taxes for the following programs:

<u>Tax Abatement Program</u>	<u>Percentage of Taxes Abated During the Fiscal Year</u>	<u>Amount of Taxes Abated During the Fiscal Year</u>
Backyard Farms Municipal Development and Tax Increment Financing District	46%	\$ 376,850
Woodlands Senior Living of Madison Municipal Development and Tax Increment Financing District	85%	\$ 82,338

The total amount of captured tax increment revenues for this TIF District was \$865,435. The amount of captured tax increment revenues returned to Backyard Farms LLC was \$376,850, representing 43% of the total captured tax increment revenues. The remaining 19% (\$161,507) was retained by the Town for economic development and infrastructure initiatives. In addition, the BETE reimbursement from the State (\$327,078) related to the property added in this TIF district is also captured and retained for the noted designated purpose for a total of \$488,585. The amount of captured tax increment revenues returned to Woodlands Senior Living of Madison LLC was \$82,338, representing 85% of the total captured tax increment revenues. The remaining 15% (\$14,530) was retained by the Town for economic development and infrastructure initiatives.



TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 18 - DEFERRED COMPENSATION PLAN

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is administered by Mission Square Retirement.

The plan, available to all full-time and permanent part-time Town employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts and all income attributable to those amounts, property or rights are solely the property and rights of the participants. All assets are protected by a trust arrangement from any claims on the Town and from any use by the Town other than paying benefits to employees and their beneficiaries in accordance with the plan.

The Town's deferred compensation plan contribution for the employees for the year ended June 30, 2024, was approximately \$73,990 which was expensed to the general fund. The amount withheld from the Town's employees' as deferred compensation which was contributed to the plan was approximately \$20,378 which was charged to the general fund as wages. In addition, Madison Electric Works is allowed to participate in the plan. The amount contributed to the plan from Madison Electric Works (both employee and employer portions) was approximately \$153,000 for the year ended December 31, 2023, which was reimbursed in full by the Electric Works.

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN

MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

**Plan Description**

The Town and Town retirees contribute to the Town's OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Town and/or the Town retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Town concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criterion of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment*

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN  
(CONTINUED)

*Benefits Other Than Pensions.* MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

**Employees Covered by Benefit Terms**

At January 1, 2024, the following employees were covered by the benefit terms:

Active members	16
Retirees and spouses	<u>0</u>
Total	<u><u>16</u></u>

**Contributions**

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

**Retiree Premium Amounts**

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN  
(CONTINUED)

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS C	\$1,243	\$2,788
PPO1500	\$1,056	\$2,368
PPO 2500	\$1,015	\$1,980
<u>Medicare</u>		
Medicare-Eligible Retirees	\$659	\$1,319

**Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2024, the Town reported a liability of \$148,353 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2024 and was determined by an actuarial valuation as of that date. The Town's total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended June 30, 2024, the Town recognized OPEB expense of \$4,233. At June 30, 2024, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>MMEHT</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 130,518
Changes of assumptions	48,945	24,690
Contributions subsequent to the measurement date	1,417	-
Total	<u>\$ 50,362</u>	<u>\$ 155,208</u>

\$1,417 were reported as deferred outflows of resources related to OPEB resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

# TOWN OF MADISON, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN (CONTINUED)

	<u>MMEHT</u>
Plan year ended June 30:	
2025	\$ (27,438)
2026	(23,344)
2027	(16,477)
2028	(18,965)
2029	(8,841)
Thereafter	(11,198)

#### Discount Rate

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2024. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.26% per annum for June 30, 2024 was based upon a measurement date of December 28, 2023. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.26%	3.26%	4.26%
Total OPEB liability	\$ 174,122	\$ 148,353	\$ 127,220
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 174,122</u>	<u>\$ 148,353</u>	<u>\$ 127,220</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

#### Healthcare Trend

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

# TOWN OF MADISON, MAINE

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2024

### NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN (CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 124,801	\$ 148,353	\$ 178,402
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 124,801</u>	<u>\$ 148,353</u>	<u>\$ 178,402</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

### Actuarial Methods and Assumptions

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2024, using the following methods and assumptions applied to all periods included in the measurement:

#### *Actuarial Cost Method*

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

#### *Assumptions*

The actuarial assumptions used in the January 1, 2024 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021 and based on the experience study covering the period from June 30, 2016 through June 30, 2020. As of January 1, 2024, they are as follows:

Discount Rate - 3.26% per annum for year ending 2024 reporting. 3.72% per annum for year end 2023 reporting.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN  
(CONTINUED)

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2024\_1b was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	2.38%
Rate of Growth in Real Income/GDP per capital 2032+	1.40%
Extra Trend due to Taste/Technology 2031+	1.10%
Expected Health Share of GDP 2031	19.80%
Health Share of GDP Resistance Point	18.00%
Year for Limiting Cost Growth to GDP Growth	2044

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2024 to 2027 were based on plan design, population weighting, renewal projections, and market analysis. For years 2028 to 2032, these are interpolated from 2027 to 2033 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, Co-payments and Out of Pocket Maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense - 3% per annum.

Future plan changes - Assumes that the current Plan and cost-sharing structure remain in place for all future years.

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment).

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN  
(CONTINUED)

The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant- Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95, and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN  
(CONTINUED)

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected.

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2024 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2024 was \$130,518.

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2024 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021



TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 19 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - TOWN  
(CONTINUED)

and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Town Office at P.O. Box 190, Madison, Maine 04950.

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS

MAINE MUNICIPAL EMPLOYEES' HEALTH TRUST

**Plan Description**

The Electric Works and Electric Works retirees contribute to the Electric Works' OPEB Plan with the Maine Municipal Employees Health Trust (MMEHT), a single employer defined benefit plan. Contributions and membership in this Plan are voluntary and may be terminated at any time by the Electric Works and/or the Electric Works retirees. MMEHT is a fully funded, self-insured trust which provides benefits to municipal and quasi-municipal organizations and county governments and acts as the agent to the Electric Works concerning administration of this Plan. Title 24-A Chapter 81 of the Maine Revised Statutes Annotated authorizes the regulation of MMEHT as a Multiple Employer Welfare Arrangement by the State of Maine Bureau of Insurance. Benefits and plans are designed and governed by MMEHT participants and are administered by a number of third-party administrators contracted by MMEHT. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. MMEHT issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by MMEHT at (800) 852-8300.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

**Benefits Provided**

This Plan provides medical/prescription drug benefits during retirement to Medicare and non-Medicare retirees and their surviving spouses with varying levels of benefits determined by voluntary plan selection by the retiree as well as applicable Medicare statutes and regulations. The Plan also provides an automatic life insurance benefit of \$2,000 to participants which includes a surviving spouse benefit for the same. The employee must meet the minimum requirement of age 55 with at least 5 years of service at retirement to be eligible for the Plan. The retiree must enroll when first eligible and continue coverage without interruption.

**Employees Covered by Benefit Terms**

At January 1, 2023, the following employees were covered by the benefit terms:

Active members	6
Retirees and spouses	0
Total	<u>6</u>

**Contributions**

Retiree and spouse premium amounts are funded by the retiree at the rate for the coverage elected by the retiree. Premium rates are those determined by the MMEHT's Board of Trustees to be actuarially sufficient to pay anticipated claims. Premiums for retiree life insurance coverage are factored into the premiums paid for basic coverage. Retirees and spouses must contribute 100% of the premium amounts. The sponsoring employer pays the remainder of the premium. Medical benefits are provided for the life of the retiree and surviving spouses.

**Retiree Premium Amounts**

The following monthly premium amounts were reported on the individual data file. Actual plan election was reflected in expected retiree premium amounts.

<u>Pre-Medicare</u>	<u>Single Coverage</u>	<u>Family Coverage</u>
POS C	\$1,243	\$2,788
PPO 1500	\$1,056	\$2,368
<u>Medicare</u>		
Medicare-Eligible Retirees	\$659	\$1,319

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

**Total OPEB Liability, OPEB Expense and Deferred Outflows of Resources  
and Deferred Inflows of Resources Related to OPEB**

At December 31, 2023, the Electric Works reported a liability of \$67,267 for its total OPEB liability for this Plan. The total OPEB liability was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date. The Electric Works' total OPEB liability was based on the Entry Age Normal Actuarial Cost Method which does not reflect future changes in benefits, subsidies, penalties, taxes or administrative costs that may be required as a result of the Patient Protection and Affordable Care Act of 2010 (ACA) related legislation and regulations.

For the year ended December 31, 2023, the Electric Works recognized OPEB expense of \$3,582. At December 31, 2023, the Electric Works reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	MMEHT	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,349	\$ 32,643
Changes of assumptions	13,148	12,420
Net difference between projected and actual earnings on OPEB plan investments	-	-
Total	<u>\$ 18,497</u>	<u>\$ 45,063</u>

\$0 were reported as deferred outflows of resources related to OPEB resulting from Electric Works contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

	<u>MMEHT</u>
Plan year ended December 31:	
2024	\$ (1,409)
2025	(8,191)
2026	(6,656)
2027	(4,080)
2028	(5,013)
Thereafter	(1,217)

**Discount Rate**

The discount rate is the assumed interest rate used for converting projected dollar related values to a present value as of the valuation date of January 1, 2023. The discount rate determination is based on the high-quality AA/Aa or higher bond yields in effect for 20-year, tax-exempt general obligation municipal bonds using the Bond Buyer 20-Bond GO Index. The rate of 3.72% per annum for January 1, 2023 was based upon a measurement date of December 29, 2022. The sensitivity of net OPEB liability to changes in discount rate are as follows:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	2.72%	3.72%	4.72%
Total OPEB liability	\$ 78,282	\$ 67,267	\$ 58,186
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 78,282</u>	<u>\$ 67,267</u>	<u>\$ 58,186</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Healthcare Trend**

The healthcare trend is the assumed dollar increase in dollar-related values in the future due to the increase in the cost of health care. The healthcare cost trend rate is the rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design and technological developments. The sensitivity of net OPEB liability to changes in healthcare cost trend rates are as follows:

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

	1% Decrease	Healthcare Trend Rates	1% Increase
Total OPEB liability	\$ 56,976	\$ 67,267	\$ 80,102
Plan fiduciary net position	-	-	-
Net OPEB liability	<u>\$ 56,976</u>	<u>\$ 67,267</u>	<u>\$ 80,102</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%

**Actuarial Methods and Assumptions**

The total OPEB liability for the Plan was determined by an actuarial valuation as of January 1, 2023, using the following methods and assumptions applied to all periods included in the measurement:

*Actuarial Cost Method*

The Entry Age Normal Actuarial Cost Method is used to determine costs. Under this funding method, a normal cost rate is determined as a level percent of pay for each active Plan member and then summed to produce the total normal cost for this Plan. The unfunded actuarial liability is the difference between the actuarial liability and the actuarial value of assets.

For medical and pharmacy, historical claims and census records were assembled and provided through June 30, 2021. Medicare and non-Medicare eligible medical and prescription experience were analyzed. It was assumed that current enrollment distribution of benefit options would remain constant in the future for retirees. The cost was distributed based on the current covered population and the actuary's standard age curves which vary by age, gender and Medicare status. Children costs are converted to a load on the non-Medicare retirees which implicitly assumes that future retirees will have the same child distribution as current retirees.

*Assumptions*

The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2022 and based on the experience study covering the period from June 30, 2016 through June 30, 2021. As of January 1, 2023, they are as follows:

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

Discount Rate – 3.72% per annum for year end 2023 reporting. 2.06% per annum for 2022 year end reporting.

Trend Assumptions:

Medical Trend assumptions were developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and version 2023\_fl was used for this valuation. The following assumptions were input into this model:

<u>Variable</u>	<u>Rate</u>
Rate of Inflation	3.00%
Rate of Growth in Real Income/GDP per capital 2032+	1.50%
Extra Trend due to Taste/Technology 2032+	0.80%
Expected Health Share of GDP 2032	19.80%
Health Share of GDP Resistance Point	19.00%
Year for Limiting Cost Growth to GDP Growth	2043

The SOA Long-Run Medical Cost Trend Model and its baseline projection are based on an econometric analysis of historical U.S. medical expenditures and the judgements of experts in the field. The long-run baseline projection and input variables have been developed under the guidance of the SOA Project Oversight Group.

The trends selected from 2023 to 2026 were based on plan design, population weighting, renewal projections and market analysis. For years 2027 to 2031, these are interpolated from 2026 to 2032 (which is the product of the inflation, GDP and extra trend rate assumptions).

Deductibles, co-payments and out of pocket maximums are assumed to increase at the above trend rates. The ultimate trend rate reflects an assumed nominal per capital GDP growth.

Administrative and claims expense: 3% per annum

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

Retirement Rates - Rates vary for plans with no explicit employer subsidy (or payment) versus those plans defining an explicit employer subsidy (or payment).

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

The rates are based on assumptions from the Maine State Retirement Consolidated Plan for Participating Local District at June 30, 2021.

Retirement Contribution Increases - Assumed to increase at the same rate as incurred claims. A constant cost sharing in plan design between employer and employees is assumed.

Family Enrollment Composition - For males, 50% of future retirees under the age of 65 and 50% of current retirees are married and elect spousal coverage while females are at 30% for both. 25% of male and female future retirees over the age of 65 are married and elect spousal coverage.

Age Difference of Spouses - Husbands are assumed to be 3 years older than wives.

Administrative expenses - Included in the per capita claims cost.

Disability Incidence - Disabled lives will be considered active employees and will not be valued separately.

Salary Increase Rate - 2.75% per year assumed using the level percentage of pay entry age method.

Dates of Hire - Needed to be assumed for some employees and will be based on the average age at hire for similar employees.

Rate of Mortality:

Healthy Annuitant - Based on 112.1% and 118.5% of the 2010 Public Plan General Benefits-Weighted Healthy Retiree Mortality Table, respectively, for males and females. The proposed rates are projected generationally using the RPEC\_2020 model, with an ultimate rate of 1.00% for ages 80 and under, grading down to 0.05% at age 95 and further grading down to 0.00% at age 115, along with convergence to the ultimate rates in the year 2027. All other parameters used in the RPEC\_2020 model are those included in the published MP-2020 scale. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

Active Employees - Rates of mortality are based on 83.5% and 88.6% of the 2010 Public Plan General Benefits- Weighted Employee Mortality Table, respectively, for males and females. These rates are generationally projected using the same version of the RPEC\_2020 model as described in the healthy annuitant mortality. As prescribed by the Trust, mortality rates were taken from the assumptions for the Maine State Retirement Consolidated Plan for Participating Local Districts at June 30, 2021.

Retiree Continuation Percentage:

Medicare participant retirees - 100% assumed to continue in the plan elected

Pre-Medicare plan retirees and active participants - 75% assumed to continue coverage once Medicare-eligible

Pre-Medicare plan spouses and spouses of active participants - 50% assumed to continue coverage once Medicare-eligible

**Changes in Net OPEB Liability**

Changes in net OPEB liability are recognized in OPEB expense for the year ended June 30, 2023 with the following exceptions:

*Differences between Expected and Actual Experience*

The difference between expected and actual experience are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources. The difference between expected and actual experience as of January 1, 2023 was (\$27,294).

*Changes in Assumptions*

Differences due to changes in assumptions about future economic, demographic or claim and expense factors or other inputs are recognized in OPEB expense using a straight-line amortization method over a closed period equal to the average expected remaining service lives of active and inactive members in each plan. The actuarial assumptions used in the January 1, 2023 actuarial valuation were adopted by the Maine State Retirement Consolidated Plan for Participating Local Districts as of June 30, 2021



TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 20 - OTHER POST EMPLOYMENT BENEFIT (OPEB) PLAN - MADISON  
ELECTRIC WORKS (CONTINUED)

and based on the experience study covering the period from June 30, 2016 through June 30, 2020. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

*Differences between Projected and Actual Earnings on OPEB Plan Investments*

Differences between projected and actual investment earnings are recognized in OPEB expense using a straight-line amortization method over a closed five-year period. The first year is recognized as OPEB expense and the remaining years are shown as either deferred outflows of resources or deferred inflows of resources.

**OPEB Plan Fiduciary Net Position**

Additional financial and actuarial information with respect to this Plan can be found at the Madison Electric Works' office at 6 Business Park Drive, Madison, Maine.

NOTE 21 - RISK MANAGEMENT

The Town is a member of the Maine Municipal Association - Property and Casualty Pool and pays an annual premium for its coverage. Under the property portion of the policy, coverage is provided after a per occurrence deductible is met. The limit of coverage for liability claims brought under the Maine Tort Claims Act is \$400,000 per occurrence. A \$2,000,000 limit of liability is provided for liability claims outside the Maine Tort Claims Act. There is no aggregate liability limit. Coverage for Public Officials Liability, including Employment Practices, is a part of the program. Coverage is on an occurrence basis, rather than a "claims made" form. A \$2,000,000 limit of liability is provided for all claims for Wrongful Acts seeking monetary damages pursuant to federal or state law for which the Maine Tort Claims Act does not provide immunity or limitations. Each member has a \$4,000,000 annual aggregate limit. An annual sublimit of \$100,000 per member applies for all back wages and/or future salary awards for employment related claims, subject to a \$5,000 retention and a 10% contribution by the member.

The Town is also a member of the Maine Municipal Association - Worker Compensation Trust Fund ("Fund"). The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain lower costs for worker's compensation coverage and develop a comprehensive loss control program. The Town pays an annual premium to the fund for its worker's compensation coverage. The Town's agreement with the Fund provides that the fund will be self-sustaining through member premiums and will provide, through commercial companies' reinsurance contracts, coverage for claims in excess of \$1,000,000.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 22 - CONTINGENCIES

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 23 - COMMITMENTS

The Town of Madison, Maine has entered into a contract with Robert Bishop for landscaping services. The contract begins January 1, 2023 and expires December 31, 2025, payment not to exceed \$11,500 per year.

The Town of Madison, Maine has entered into a contract with York's Lawn Care November 20, 2019 for landscaping services in the Forest Hill Cemetery. The contract begins January 1, 2023 and expires December 31, 2025, at \$22,000 per year, increasing \$250 per subsequent year.

The Town of Madison, Maine has entered into a contract agreement with Boyton's Landscaping November 21, 2019 for landscaping services. The contract begins January 1, 2023 and expires December 31, 2025, payment not to exceed \$8,000 per year.

Future annual contract costs for each of these services is as follows:

<b>Fiscal Years Ending June 30,</b>	<b>Robert Bishop</b>	<b>York's Lawn Care</b>	<b>Boyton's Landscaping</b>
2024	\$ 11,500	\$ 22,000	\$ 8,000
2025	11,500	22,250	8,000
2026	11,500	22,500	8,000

All future contract amounts are subject to annual appropriation by the Town of Madison.

The Electric Works has a power supply contract with NextEra Energy Power Marketing, LLC, the Electric Works' standard offer electricity provider. The contract term is through December 31, 2028 and is cancelable under certain conditions as set in the contract. Under the contract, the fees change from year to year. The contract price for 2023 was \$51.24 per MWh, plus additional fees related to the Renewable Energy Credit Fee (REC) component of full requirements service. Under this contract, annual purchases for the years ended December 31, 2023 and 2022 were \$2,353,906 and \$1,770,046, respectively.

TOWN OF MADISON, MAINE

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2024

NOTE 23 - COMMITMENTS (CONTINUED)

The Electric Works has a power supply contract with IGS Solar, LLC where the Electric Works began purchasing all electricity generated by IGS Solar, LLC's solar farm, in January 2017. Under this contract, annual purchases for the years ended December 31, 2023 and 2022 were \$480,207 and \$565,613, respectively. The land on which the solar farm is run is owned by the Electric Works and will be rented to IGS Solar, LLC for \$1 per year for twenty-five years.

NOTE 24 - RESTATEMENT

In 2024, the Town determined that certain transactions were recorded incorrectly. Therefore a restatement to the governmental activities net position and fund balances were required. The ARPA fund balance was restated to record deferred revenue. The restatements are as follows:

	6/30/2023 As Previously Reported	Fund Balance Corrections	6/30/2023 As Restated
Government-Wide Activities	<u>\$ 10,566,568</u>	<u>\$ (280,000)</u>	<u>\$ 10,286,568</u>
Major Funds:			
General Fund	\$ 2,400,108	\$ -	\$ 2,400,108
NBRC Fund	-	-	-
ARPA Fund	280,000	(280,000)	-
Other Governmental Funds	<u>1,218,273</u>	<u>-</u>	<u>1,218,273</u>
	<u>\$ 3,898,381</u>	<u>\$ (280,000)</u>	<u>\$ 3,618,381</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 of Changes in Net OPEB Liability
- Schedule of Changes in Net OPEB Liability and Related Ratios
- Schedule of Contributions - OPEB
- Notes to Required Supplementary Information

## TOWN OF MADISON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,400,108	\$ 2,400,108	\$ 2,400,108	\$ -
Resources (Inflows):				
Taxes:				
Property taxes	7,061,560	7,061,560	7,042,611	(18,949)
Excise taxes	840,250	840,250	951,360	111,110
Intergovernmental revenues:				
State revenue sharing	1,037,623	1,037,623	1,081,932	44,309
Homestead exemption	337,333	337,333	337,333	-
Local road assistance	63,500	63,500	73,032	9,532
BETE reimbursement	527,549	527,549	527,657	108
Other	37,500	41,898	42,685	787
Charges for services	133,376	133,376	151,864	18,488
Interest income	25,000	25,000	49,487	24,487
Miscellaneous revenues	45,800	45,800	47,528	1,728
Transfers from other funds	120,000	120,000	120,000	-
Amounts Available for Appropriation	<u>12,629,599</u>	<u>12,633,997</u>	<u>12,825,597</u>	<u>191,600</u>
Charges to Appropriations (Outflows):				
General government	733,545	758,545	766,181	(7,636)
Public safety	815,675	815,675	811,062	4,613
Public works	1,529,550	1,529,550	1,366,665	162,885
Parks and recreation	87,450	87,450	81,746	5,704
Cemeteries	48,475	48,475	38,895	9,580
Community and social agencies	207,850	212,248	211,154	1,094
Education	4,973,488	4,973,488	4,973,488	-
County tax	898,440	898,440	898,439	1
Town property	35,900	35,900	33,633	2,267
Unclassified	156,815	156,815	16,943	139,872
Capital outlay	430,000	430,000	401,232	28,768
Transfers to other funds	1,012,303	1,012,303	1,012,303	-
Total Charges to Appropriations	<u>10,929,491</u>	<u>10,958,889</u>	<u>10,611,741</u>	<u>347,148</u>
Budgetary Fund Balance, June 30	<u>\$ 1,700,108</u>	<u>\$ 1,675,108</u>	<u>\$ 2,213,856</u>	<u>\$ (155,548)</u>
Utilization of assigned fund balance	\$ -	\$ 25,000	\$ -	\$ (25,000)
Utilization of unassigned fund balance	700,000	700,000	-	(700,000)
	<u>\$ 700,000</u>	<u>\$ 725,000</u>	<u>\$ -</u>	<u>\$ (725,000)</u>

## TOWN OF MADISON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
FOR THE YEAR ENDED JUNE 30, 2024

Increase (Decrease)

	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/23 (Reporting December 31, 2023)	\$ 179,379	\$ -	\$ 179,379
Changes for the year:			
Service cost	8,055	-	8,055
Interest	6,949	-	6,949
Changes of benefits	-	-	-
Differences between expected and actual experience	(75,963)	-	(75,963)
Changes of assumptions	31,189	-	31,189
Contributions - employer	-	871	(871)
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(1,256)	(871)	(385)
Administrative expense	-	-	-
Net changes	(31,026)	-	(31,026)
Balances at 1/1/24 (Reporting December 31, 2024)	<u>\$ 148,353</u>	<u>\$ -</u>	<u>\$ 148,353</u>

SCHEDULE 2 (CONTINUED)

TOWN OF MADISON, MAINE - ELECTRIC WORKS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY  
FOR THE YEAR ENDED DECEMBER 31, 2023

	Increase (Decrease)		
	Net OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 1/1/23 (Reporting December 31, 2022)	\$ 70,786	\$ -	\$ 70,786
Changes for the year:			
Service cost	3,786	-	3,786
Interest	1,533	-	1,533
Changes of benefits	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(8,511)	-	(8,511)
Contributions - employer	-	-	-
Contributions - member	-	-	-
Net investment income	-	-	-
Benefit payments	(327)	-	(327)
Administrative expense	-	-	-
Net changes	(3,519)	-	(3,519)
Balances at 1/1/24 (Reporting December 31, 2023)	<u>\$ 67,267</u>	<u>\$ -</u>	<u>\$ 67,267</u>

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

## TOWN OF MADISON, MAINE

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\*

	2024	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>							
Service cost (BOY)	\$ 8,055	\$ 10,096	\$ 9,858	\$ 8,454	\$ 4,997	\$ 5,737	\$ 4,873
Interest (includes interest on service cost)	6,949	4,088	5,390	6,054	10,477	9,374	5,173
Changes of benefit terms	-	-	-	-	(4,070)	-	-
Differences between expected and actual experience	(75,963)	-	(63,203)	-	(97,774)	-	99,829
Changes of assumptions	31,189	(22,697)	(7,674)	17,390	49,701	(28,637)	26,741
Benefit payments, including refunds of member contributions	(1,256)	(871)	-	-	(2,748)	(2,642)	(1,032)
Net change in total OPEB liability	\$ (31,026)	\$ (9,384)	\$ (55,629)	\$ 31,898	\$ (39,417)	\$ (16,168)	\$ 135,584
Total OPEB liability - beginning	\$ 179,379	\$ 188,763	\$ 244,392	\$ 212,494	\$ 251,911	\$ 268,079	\$ 132,495
Total OPEB liability - ending	\$ 148,353	\$ 179,379	\$ 188,763	\$ 244,392	\$ 212,494	\$ 251,911	\$ 268,079
<u>Plan fiduciary net position</u>							
Contributions - employer	1,256	871	-	-	2,748	2,642	1,032
Contributions - member	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(1,256)	(871)	-	-	(2,748)	(2,642)	(1,032)
Administrative expense	-	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	<u>\$ 148,353</u>	<u>\$ 179,379</u>	<u>\$ 188,763</u>	<u>\$ 244,392</u>	<u>\$ 212,494</u>	<u>\$ 251,911</u>	<u>\$ 268,079</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 1,131,943	\$ 932,321	\$ 932,321	\$ 905,589	\$ 905,589	\$ 1,018,396	\$ 1,018,396
Net OPEB liability as a percentage of covered payroll	13.1%	19.2%	20.2%	27.0%	23.5%	24.7%	26.3%

\* The amounts presented for each fiscal year are for those years for which information is available.



## TOWN OF MADISON, MAINE - ELECTRIC WORKS

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS  
LAST TEN FISCAL YEARS\*

	2023	2022	2021	2020	2019	2018
<u>Total OPEB liability</u>						
Service cost (BOY)	\$ 3,786	\$ 3,697	\$ 3,973	\$ 2,349	\$ 3,385	\$ 2,436
Interest (includes interest on service cost)	1,533	2,021	2,845	4,924	5,531	2,586
Changes of benefit terms	-	-	-	(1,913)	-	-
Differences between expected and actual experience	-	(23,701)	-	(76,182)	-	49,915
Changes of assumptions	(8,511)	(26,095)	8,174	23,359	7,230	13,371
Benefit payments, including refunds of member contributions	(327)	-	-	(1,292)	(1,559)	(516)
Net change in total OPEB liability	\$ (3,519)	\$ (44,078)	\$ 14,992	\$ (48,755)	\$ 14,587	\$ 67,792
Total OPEB liability - beginning	\$ 70,786	\$ 114,864	\$ 99,872	\$ 148,627	\$ 134,040	\$ 66,248
Total OPEB liability - ending	\$ 67,267	\$ 70,786	\$ 114,864	\$ 99,872	\$ 148,627	\$ 134,040
<u>Plan fiduciary net position</u>						
Contributions - employer	327	-	-	1,292	1,559	516
Contributions - member	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(327)	-	-	(1,292)	(1,559)	(516)
Administrative expense	-	-	-	-	-	-
Net change in fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan fiduciary net position - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB liability - ending	<u>\$ 67,267</u>	<u>\$ 70,786</u>	<u>\$ 114,864</u>	<u>\$ 99,872</u>	<u>\$ 148,627</u>	<u>\$ 134,040</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered payroll	\$ 349,620	\$ 349,620	\$ 425,627	\$ 425,627	\$ 600,854	\$ 509,198
Net OPEB liability as a percentage of covered payroll	19.2%	20.2%	27.0%	23.5%	24.7%	26.3%

\* The amounts presented for each fiscal year are for those years for which information is available.

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

TOWN OF MADISON, MAINE

SCHEDULE OF CONTRIBUTIONS - OPEB  
LAST TEN FISCAL YEARS\*

	2024	2023	2022	2021	2020	2019	2018
<u>MMEHT:</u>							
Employer contributions	\$ 1,256	\$ 871	\$ -	\$ -	\$ 2,748	\$ 2,642	\$ 1,032
Benefit payments	(1,256)	(871)	-	-	(2,748)	(2,642)	(1,032)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,131,943	\$ 932,321	\$ 932,321	\$ 905,589	\$ 905,589	\$ 1,018,396	\$ 1,018,396
Contributions as a percentage of covered payroll	0.11%	0.09%	0.00%	0.00%	0.30%	0.26%	0.10%

\* The amounts presented for each fiscal year are for those years for which information is available.

FOR MADISON ELECTRIC WORKS

	2023	2022	2021	2020	2019	2018
<u>MMEHT:</u>						
Employer contributions	\$ 327	\$ -	\$ -	\$ 1,292	\$ 1,559	\$ 516
Benefit payments	(327)	-	-	(1,292)	(1,559)	(516)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 349,620	\$ 349,620	\$ 425,627	\$ 425,627	\$ 600,854	\$ 509,198
Contributions as a percentage of covered payroll	0.09%	0.00%	0.00%	0.30%	0.26%	0.10%

\* The amounts presented for each fiscal year are for those years for which information is available.

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

TOWN OF MADISON, MAINE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2024

**Changes in Assumptions**

MMEHT OPEB Plan for the Town:

There was a change in the discount rate from 3.72% to 3.26% per GASB 75 discount rate selection. Trends have been updated since the last valuation.

MMEHT OPEB Plan for Electric Works:

There was a change in the discount rate from 2.06% to 3.72% per GASB 75 discount rate selection. Ultimate medical trends were aligned to the higher inflation environment for the roll forward as of this measurement date.

### 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.

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

## TOWN OF MADISON, MAINE

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS  
 BUDGET AND ACTUAL - GENERAL FUND REVENUES  
 FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Taxes:				
Property taxes	\$ 7,061,560	\$ 7,061,560	\$ 7,042,611	\$ (18,949)
Excise taxes	835,000	835,000	945,016	110,016
Boat excise	5,250	5,250	6,344	1,094
Intergovernmental revenues:				
State revenue sharing	1,037,623	1,037,623	1,081,932	44,309
Homestead exemption	337,333	337,333	337,333	-
Tree growth reimbursement	28,000	28,000	27,986	(14)
Veteran's exemption	4,000	4,000	3,432	(568)
Local road assistance	63,500	63,500	73,032	9,532
BETE reimbursement	527,549	527,549	527,657	108
Other state/federal funds	5,500	9,898	11,267	1,369
Charges for services:				
Town clerk fees/licenses	30,250	30,250	32,701	2,451
Code enforcement/permit fees	28,050	28,050	19,839	(8,211)
Public safety	750	750	987	237
Public works	56,526	56,526	59,587	3,061
Community service	10,000	10,000	31,650	21,650
Library	7,800	7,800	7,100	(700)
Investment income:				
Regular investment income	25,000	25,000	49,487	24,487
Other revenues:				
Fees/interest on taxes	34,500	34,500	33,603	(897)
Misc. other	11,300	11,300	13,925	2,625
Transfers from other funds	120,000	120,000	120,000	-
Amounts Available for Appropriation	<u>\$ 10,229,491</u>	<u>\$ 10,233,889</u>	<u>\$ 10,425,489</u>	<u>\$ 191,600</u>

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

## TOWN OF MADISON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
EXPENDITURES					
General government:					
Administration	\$ 573,680	\$ 25,000	\$ 598,680	\$ 613,784	\$ (15,104)
Planning board	5,725	-	5,725	4,500	1,225
Code enforcement	81,700	-	81,700	77,537	4,163
Boards and commissions	19,440	-	19,440	18,669	771
Elections	8,000	-	8,000	6,916	1,084
Assessing	45,000	-	45,000	44,775	225
	<u>733,545</u>	<u>25,000</u>	<u>758,545</u>	<u>766,181</u>	<u>(7,636)</u>
Public safety:					
Ambulance	81,000	-	81,000	80,342	658
Police department	589,325	-	589,325	589,320	5
Fire department	138,400	-	138,400	138,158	242
Animal control officer	6,950	-	6,950	3,242	3,708
	<u>815,675</u>	<u>-</u>	<u>815,675</u>	<u>811,062</u>	<u>4,613</u>
Public works:					
Public utilities	730,000	-	730,000	629,299	100,701
General operations	723,000	-	723,000	663,083	59,917
Winter roads	30,300	-	30,300	28,312	1,988
Summer roads	46,250	-	46,250	45,971	279
	<u>1,529,550</u>	<u>-</u>	<u>1,529,550</u>	<u>1,366,665</u>	<u>162,885</u>

## TOWN OF MADISON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Parks and recreation:					
Preble Avenue	14,000	-	14,000	14,357	(357)
Recreation	73,450	-	73,450	67,389	6,061
	87,450	-	87,450	81,746	5,704
Cemeteries	48,475	-	48,475	38,895	9,580
Community and social agencies:					
Community programs	33,600	-	33,600	33,509	91
Library	136,150	-	136,150	133,322	2,828
Service organizations	38,100	4,398	42,498	44,323	(1,825)
	207,850	4,398	212,248	211,154	1,094
Education	4,973,488	-	4,973,488	4,973,488	-
County tax	898,440	-	898,440	898,439	-
Capital outlay:					
Road projects	230,000	-	230,000	230,000	-
Public works equipment	200,000	-	200,000	171,232	28,768
	430,000	-	430,000	401,232	28,768

## TOWN OF MADISON, MAINE

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Budget Adjustments	Final Budget	Actual	Variance Positive (Negative)
Town property:					
Old Point	25,300	-	25,300	23,799	1,501
Town sign mowing	350	-	350	355	(5)
Boat landing	1,350	-	1,350	1,650	(300)
55 Western Ave	2,900	-	2,900	3,390	(490)
Playground	6,000	-	6,000	4,439	1,561
	<u>35,900</u>	<u>-</u>	<u>35,900</u>	<u>33,633</u>	<u>2,267</u>
Unclassified:					
Overlay	156,815	-	156,815	16,943	139,872
	<u>156,815</u>	<u>-</u>	<u>156,815</u>	<u>16,943</u>	<u>139,872</u>
Transfers to other funds:					
Special revenue funds	1,012,303	-	1,012,303	1,012,303	-
	<u>1,012,303</u>	<u>-</u>	<u>1,012,303</u>	<u>1,012,303</u>	<u>-</u>
Total Departmental Operations	<u>\$ 10,929,491</u>	<u>\$ 29,398</u>	<u>\$ 10,958,889</u>	<u>\$ 10,611,741</u>	<u>\$ 347,147</u>

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



## TOWN OF MADISON, MAINE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2024

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 144,346	\$ 62,020	\$ 206,366
Investments	293,291	141,839	435,130
Notes receivable	400,000	-	400,000
Due from other funds	342,126	200	342,326
TOTAL ASSETS	<u>\$ 1,179,763</u>	<u>\$ 204,059</u>	<u>\$ 1,383,822</u>
LIABILITIES			
Accounts payable	\$ 15,769	\$ -	\$ 15,769
Due to other funds	6,542	-	6,542
TOTAL LIABILITIES	<u>22,311</u>	<u>-</u>	<u>22,311</u>
FUND BALANCES			
Nonspendable	400,000	28,046	428,046
Restricted	557,627	176,013	733,640
Committed	-	-	-
Assigned	221,962	-	221,962
Unassigned (deficit)	(22,137)	-	(22,137)
TOTAL FUND BALANCES	<u>1,157,452</u>	<u>204,059</u>	<u>1,361,511</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,179,763</u>	<u>\$ 204,059</u>	<u>\$ 1,383,822</u>

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

## TOWN OF MADISON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment income, net of unrealized gains/(losses)	\$ 27,948	\$ 14,962	\$ 42,910
Other	76,601	4,200	80,801
TOTAL REVENUES	<u>104,549</u>	<u>19,162</u>	<u>123,711</u>
EXPENDITURES			
Program expenses	<u>872,776</u>	-	<u>872,776</u>
TOTAL EXPENDITURES	<u>872,776</u>	<u>-</u>	<u>872,776</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(768,227)</u>	<u>19,162</u>	<u>(749,065)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,022,303	-	1,022,303
Transfers (out)	<u>(130,000)</u>	<u>-</u>	<u>(130,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>892,303</u>	<u>-</u>	<u>892,303</u>
NET CHANGE IN FUND BALANCES	124,076	19,162	143,238
FUND BALANCES - JULY 1	<u>1,033,376</u>	<u>184,897</u>	<u>1,218,273</u>
FUND BALANCES - JUNE 30	<u><u>\$ 1,157,452</u></u>	<u><u>\$ 204,059</u></u>	<u><u>\$ 1,361,511</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.

## TOWN OF MADISON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Legal Expense	FH Interest Maintenance	Lifelong Community Fellows	Madison Anson Days	Families in Need	Age Friendly Community	Disaster Relief Donations	Forest Hills Donations	Christmas Toy Donations
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-	-
Due from other funds	3,931	-	550	4,498	7,218	731	-	200	200
TOTAL ASSETS	<u>\$ 3,931</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ 4,498</u>	<u>\$ 7,218</u>	<u>\$ 731</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	2,419	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>2,419</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	3,931	-	550	4,498	7,218	731	-	200	200
Unassigned	-	(2,419)	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>3,931</u>	<u>(2,419)</u>	<u>550</u>	<u>4,498</u>	<u>7,218</u>	<u>731</u>	<u>-</u>	<u>200</u>	<u>200</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 3,931</u>	<u>\$ -</u>	<u>\$ 550</u>	<u>\$ 4,498</u>	<u>\$ 7,218</u>	<u>\$ 731</u>	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 200</u>

## TOWN OF MADISON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Christmas Parade Committee	Police Contract Reimburse	Playground/ Parking Main Street	Fire Equipment EMA	Fortin Playground	Equipment	Recreation Participation	Summer Recreation
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-	-	-
Due from other funds	722	5,072	1,194	51,331	6,726	24,638	1,628	5,937
TOTAL ASSETS	<u>\$ 722</u>	<u>\$ 5,072</u>	<u>\$ 1,194</u>	<u>\$ 51,331</u>	<u>\$ 6,726</u>	<u>\$ 24,638</u>	<u>\$ 1,628</u>	<u>\$ 5,937</u>
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-
Assigned	722	5,072	1,194	51,331	6,726	24,638	1,628	5,937
Unassigned	-	-	-	-	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>722</u>	<u>5,072</u>	<u>1,194</u>	<u>51,331</u>	<u>6,726</u>	<u>24,638</u>	<u>1,628</u>	<u>5,937</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 722</u>	<u>\$ 5,072</u>	<u>\$ 1,194</u>	<u>\$ 51,331</u>	<u>\$ 6,726</u>	<u>\$ 24,638</u>	<u>\$ 1,628</u>	<u>\$ 5,937</u>

## TOWN OF MADISON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Recreation	Foreclosure Sales	Library Equipment	Franchise	Moved from Major Fund NBRC Fund	United Way Emergency Food and Shelter	Public Library Expendable Trust Fund	Dorothy Brown Expendable Trust Fund	Cemetery E Madison Dam
ASSETS									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 738	\$ 5,573	\$ -
Investments	-	-	-	-	-	-	66,268	53,511	-
Notes receivable	-	-	-	-	-	-	-	-	-
Due from other funds	585	13,233	202	-	-	1,128	-	-	2,200
TOTAL ASSETS	<u>\$ 585</u>	<u>\$ 13,233</u>	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,128</u>	<u>\$ 67,006</u>	<u>\$ 59,084</u>	<u>\$ 2,200</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 15,595	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	4,123	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,718</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	67,006	59,084	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	585	13,233	202	-	-	1,128	-	-	2,200
Unassigned	-	-	-	-	(19,718)	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	<u>585</u>	<u>13,233</u>	<u>202</u>	<u>-</u>	<u>(19,718)</u>	<u>1,128</u>	<u>67,006</u>	<u>59,084</u>	<u>2,200</u>
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)	<u>\$ 585</u>	<u>\$ 13,233</u>	<u>\$ 202</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,128</u>	<u>\$ 67,006</u>	<u>\$ 59,084</u>	<u>\$ 2,200</u>

## TOWN OF MADISON, MAINE

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2024

	Woodland Capture and Retain TIF	Woodland Capture and Return TIF	Backyard Farms Capture and Retain TIF	Backyard Farms Capture and Return TIF	Revolving Loan Fund	Cemetery Lot Sales Fund	Revaluation Reserve	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 54,052	\$ 170	\$ 60,241	\$ 339	\$ -	\$ 18,714	\$ 4,519	\$ 144,346
Investments	-	-	-	-	-	85,090	88,422	293,291
Notes receivable	-	-	-	-	400,000	-	-	400,000
Due from other funds	509	-	119,456	-	90,038	199	-	342,126
<b>TOTAL ASSETS</b>	<u>\$ 54,561</u>	<u>\$ 170</u>	<u>\$ 179,697</u>	<u>\$ 339</u>	<u>\$ 490,038</u>	<u>\$ 104,003</u>	<u>\$ 92,941</u>	<u>\$ 1,179,763</u>
<b>LIABILITIES</b>								
Accounts payable	\$ 174	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,769
Due to other funds	-	-	-	-	-	-	-	6,542
<b>TOTAL LIABILITIES</b>	<u>174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,311</u>
<b>FUND BALANCES (DEFICITS)</b>								
Nonspendable	-	-	-	-	400,000	-	-	400,000
Restricted	54,387	170	179,697	339	-	104,003	92,941	557,627
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	90,038	-	-	221,962
Unassigned	-	-	-	-	-	-	-	(22,137)
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>54,387</u>	<u>170</u>	<u>179,697</u>	<u>339</u>	<u>490,038</u>	<u>104,003</u>	<u>92,941</u>	<u>1,157,452</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 54,561</u>	<u>\$ 170</u>	<u>\$ 179,697</u>	<u>\$ 339</u>	<u>\$ 490,038</u>	<u>\$ 104,003</u>	<u>\$ 92,941</u>	<u>\$ 1,179,763</u>

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

## TOWN OF MADISON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Legal Expense	FH Interest Maintenance	Lifelong Community Fellows	Madison Anson Days	Families in Need	Age Friendly Community	Disaster Relief Donations	Forest Hills Donations	Christmas Toy Donations
REVENUES									
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	6,870	-	500	5,462	-	-
TOTAL REVENUES	-	-	-	6,870	-	500	5,462	-	-
EXPENDITURES									
Program expenditures	6,138	1,375	-	17,792	-	437	5,462	-	-
TOTAL EXPENDITURES	6,138	1,375	-	17,792	-	437	5,462	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(6,138)	(1,375)	-	(10,922)	-	63	-	-	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	10,000	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	10,000	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(6,138)	(1,375)	-	(922)	-	63	-	-	-
FUND BALANCES (DEFICITS) - JULY 1	10,069	(1,044)	550	5,420	7,218	668	-	200	200
FUND BALANCES (DEFICITS) - JUNE 30	\$ 3,931	\$ (2,419)	\$ 550	\$ 4,498	\$ 7,218	\$ 731	\$ -	\$ 200	\$ 200



## TOWN OF MADISON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Christmas Parade Committee	Police Contract Reimburse	Playground/ Parking Main Street	Fire Equipment EMA	Fortin Playground	Equipment	Recreation Participation	Summer Recreation
REVENUES								
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	1,500	-	-	1,023	-	2,679	256	4,748
TOTAL REVENUES	1,500	-	-	1,023	-	2,679	256	4,748
EXPENDITURES								
Program expenditures	1,631	-	-	18,884	-	12,937	2,530	2,972
TOTAL EXPENDITURES	1,631	-	-	18,884	-	12,937	2,530	2,972
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(131)	-	-	(17,861)	-	(10,258)	(2,274)	1,776
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	50,000	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	50,000	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	(131)	-	-	32,139	-	(10,258)	(2,274)	1,776
FUND BALANCES (DEFICITS) - JULY 1	853	5,072	1,194	19,192	6,726	34,896	3,902	4,161
FUND BALANCES (DEFICITS) - JUNE 30	<u>\$ 722</u>	<u>\$ 5,072</u>	<u>\$ 1,194</u>	<u>\$ 51,331</u>	<u>\$ 6,726</u>	<u>\$ 24,638</u>	<u>\$ 1,628</u>	<u>\$ 5,937</u>

## TOWN OF MADISON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Recreation	Foreclosure Sales	Library Equipment	Franchise	Moved from Major Fund NBRC Fund	United Way Emergency Food and Shelter	Public Library Expendable Trust Fund	Dorothy Brown Expendable Trust Fund	Cemetery E Madison Dam
REVENUES									
Investment income, net of unrealized gains/(losses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,087	\$ 3,568	\$ -
Other	-	-	3,071	22,792	-	1,000	-	-	-
TOTAL REVENUES	-	-	3,071	22,792	-	1,000	8,087	3,568	-
EXPENDITURES									
Program expenditures	-	-	41,378	22,792	19,718	9,732	10,400	2,013	-
TOTAL EXPENDITURES	-	-	41,378	22,792	19,718	9,732	10,400	2,013	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(38,307)	-	(19,718)	(8,732)	(2,313)	1,555	-
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES (DEFICITS)	-	-	(38,307)	-	(19,718)	(8,732)	(2,313)	1,555	-
FUND BALANCES (DEFICITS) - JULY 1	585	13,233	38,509	-	-	9,860	69,319	57,529	2,200
FUND BALANCES (DEFICITS) - JUNE 30	\$ 585	\$ 13,233	\$ 202	\$ -	\$ (19,718)	\$ 1,128	\$ 67,006	\$ 59,084	\$ 2,200

## TOWN OF MADISON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Woodland Capture and Retain TIF	Woodland Capture and Return TIF	Backyard Farms Capture and Retain TIF	Backyard Farms Capture and Return TIF	Revolving Loan Fund	Cemetery Lot Sales Fund	Revaluation Reserve	Total
REVENUES								
Investment income, net of unrealized gains/(losses)	\$ 886	\$ 89	\$ 2,859	\$ 16	\$ -	\$ 7,109	\$ 5,334	\$ 27,948
Other	-	-	-	-	24,500	2,200	-	76,601
TOTAL REVENUES	886	89	2,859	16	24,500	9,309	5,334	104,549
EXPENDITURES								
Program expenditures	12,596	82,338	199,801	376,850	-	-	25,000	872,776
TOTAL EXPENDITURES	12,596	82,338	199,801	376,850	-	-	25,000	872,776
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,710)	(82,249)	(196,942)	(376,834)	24,500	9,309	(19,666)	(768,227)
OTHER FINANCING SOURCES (USES)								
Transfers in	14,530	82,338	488,585	376,850	-	-	-	1,022,303
Transfers (out)	-	-	(130,000)	-	-	-	-	(130,000)
TOTAL OTHER FINANCING SOURCES (USES)	14,530	82,338	358,585	376,850	-	-	-	892,303
NET CHANGE IN FUND BALANCES (DEFICITS)	2,820	89	161,643	16	24,500	9,309	(19,666)	124,076
FUND BALANCES (DEFICITS) - JULY 1	51,567	81	18,054	323	465,538	94,694	112,607	1,033,376
FUND BALANCES (DEFICITS) - JUNE 30	\$ 54,387	\$ 170	\$ 179,697	\$ 339	\$ 490,038	\$ 104,003	\$ 92,941	\$ 1,157,452

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 Madison, 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.

## TOWN OF MADISON, MAINE

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS  
JUNE 30, 2024

	Perpetual Care	Jacobs Scholarship	Total
ASSETS			
Cash and cash equivalents	\$ 61,493	\$ 527	\$ 62,020
Investments	134,541	7,298	141,839
Due from other funds	200	-	200
TOTAL ASSETS	<u>\$ 196,234</u>	<u>\$ 7,825</u>	<u>\$ 204,059</u>
LIABILITIES			
Due to other funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	23,046	5,000	28,046
Restricted	173,188	2,825	176,013
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>196,234</u>	<u>7,825</u>	<u>204,059</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 196,234</u>	<u>\$ 7,825</u>	<u>\$ 204,059</u>

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

## TOWN OF MADISON, MAINE

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - NONMAJOR PERMANENT FUNDS  
FOR THE YEAR ENDED JUNE 30, 2024

	Perpetual Care	Jacobs Scholarship	Total
REVENUES			
Investment income, net of unrealized gains/(losses)	\$ 14,663	\$ 299	\$ 14,962
Other	4,200	-	4,200
TOTAL REVENUES	<u>18,863</u>	<u>299</u>	<u>19,162</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	18,863	299	19,162
FUND BALANCES - JULY 1	<u>177,371</u>	<u>7,526</u>	<u>184,897</u>
FUND BALANCES - JUNE 30	<u><u>\$ 196,234</u></u>	<u><u>\$ 7,825</u></u>	<u><u>\$ 204,059</u></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 MADISON, MAINE

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION  
JUNE 30, 2024/DECEMBER 31, 2023

	Land and Non-depreciable Assets	Buildings, Building Improvements and Land Improvements	Furniture, Fixtures, Equipment and Vehicles	Infrastructure	Total
General government	\$ 292,910	\$ 917,319	\$ 22,473	\$ -	\$ 1,232,702
Public safety	20,000	158,760	1,228,073	-	1,406,833
Public works	7,500	132,664	1,812,318	8,255,207	10,207,689
Recreation	655,759	9,600	2,500	-	667,859
Electric works	2,424	-	-	12,242,126	12,244,550
Total General Capital Assets	978,593	1,218,343	3,065,364	20,497,333	25,759,633
Less: Accumulated Depreciation	-	(554,057)	(1,702,655)	(11,181,787)	(13,438,499)
Net General Capital Assets	<u>\$ 978,593</u>	<u>\$ 664,286</u>	<u>\$ 1,362,709</u>	<u>\$ 9,315,546</u>	<u>\$ 12,321,134</u>

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



## TOWN OF MADISON, MAINE

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION  
FOR THE YEAR ENDED JUNE 30, 2024/DECEMBER 31, 2022

	General Capital Assets 7/1/23 (Restated)	Additions	Deletions	General Capital Assets 6/30/24
General government	\$ 1,232,702	\$ -	\$ -	\$ 1,232,702
Public safety	1,385,449	21,384	-	1,406,833
Public works	9,897,505	310,184	-	10,207,689
Recreation	667,859	-	-	667,859
Electric works	12,189,413	55,137	-	12,244,550
Total General Capital Assets	25,372,928	386,705	-	25,759,633
Less: Accumulated Depreciation	(12,714,991)	(723,508)	-	(13,438,499)
Net General Capital Assets	<u>\$ 12,657,937</u>	<u>\$ (336,803)</u>	<u>\$ -</u>	<u>\$ 12,321,134</u>

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



*Proven Expertise & Integrity*

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 Madison  
Madison, 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, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Madison, Maine as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Madison, Maine's basic financial statements and have issued our report thereon dated May 13, 2025.

Report on Internal Control Over Financial Reporting

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

3 Old Orchard Road, Buxton, Maine 04093  
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609  
www.rhrsmith.com

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 Madison, Maine's financial statements are free of 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 Town of Madison, Maine in a separate letter dated May 13, 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  
May 13, 2025