

OFFICIAL STATEMENT DATED DECEMBER 3, 2025

NEW ISSUE-BOOK ENTRY ONLY

RATINGS: See "Ratings" herein

In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds and the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taking into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code. Interest on the Bonds and the Notes may be includable in the calculation of certain taxes under the Code, as described under Appendix B – "Form of Legal Opinion of Bond Counsel and Tax Exemption for the Bonds" and Appendix C – "Form of Legal Opinion of Bond Counsel and Tax Exemption for the Notes" herein.

In the opinion of Bond Counsel, under existing statutes, interest on the Bonds and the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

TOWN OF MADISON, CONNECTICUT

\$20,670,000 General Obligation Bonds, Issue of 2025

Dated: Date of Delivery

Due: Serially, December 15, as shown herein

The \$20,670,000 General Obligation Bonds, Issue of 2025 (the "Bonds") will be general obligations of the Town of Madison, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein). Interest on the Bonds will be payable semiannually on June 15 and December 15, in each year until maturity, commencing December 15, 2026.

RATINGS: See "Ratings" herein

\$24,685,000 General Obligation Bond Anticipation Notes

Dated: December 18, 2025

Due: December 17, 2026

The \$24,685,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of the Town of Madison, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. (See "Security and Remedies" herein). The Notes will bear interest calculated on the basis of a 360-day year, consisting of twelve 30-day months, payable at maturity at the rate per annum as shown on the inside cover page.

The Notes are not subject to optional redemption prior to maturity.

The Bonds and the Notes will be issued by means of a book-entry-only transfer system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Bonds and the Notes will not receive certificates representing their ownership interest in the Bonds and the Notes. Principal of, redemption premium, if any, and interest on the Bonds and the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds and the Notes. Ownership of the Bonds and the Notes may be in principal amounts of \$5,000 or integral multiples thereof. DTC will act as security depository for the Bonds and the Notes. So long as Cede & Co. is the Bondowner or Noteowner, respectively, as nominee for DTC, reference herein to the Bondowner or owners or Noteowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as defined herein) of the Bonds or the Notes. (See "Book-Entry-Only Transfer System" herein.)

The Registrar, Certifying Bank, Transfer, and Paying Agent for the Bonds and the Notes will be U.S. Bank Trust Company, National Association, of Hartford, Connecticut.

The Bonds and the Notes are offered for delivery when, as and if issued, subject to the final approving opinions of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds and the Notes will be made in either book-entry form to DTC on or about December 18, 2025.

TOWN OF MADISON, CONNECTICUT

\$20,670,000

General Obligation Bonds, Issue of 2025

Dated: Date of Delivery

Due: Serially, December 15, as shown below

MATURITY SCHEDULE AND AMOUNTS

Maturity	Amount	Coupon	Yield	CUSIP ¹	Maturity	Amount	Coupon	Yield	CUSIP ¹
2028	\$ 850,000	5.000 %	2.140 %	556717UN4	2037	\$1,225,000	4.000 %	2.770 % *	556717UX2
2029	900,000	5.000	2.120	556717UP9	2038	1,225,000	4.000	2.900 *	556717UY0
2030	950,000	5.000	2.120	556717UQ7	2039	1,225,000	4.000	3.030 *	556717UZ7
2031	1,025,000	5.000	2.170	556717UR5	2040	1,225,000	4.000	3.180 *	556717VA1
2032	1,075,000	4.000	2.240 *	556717US3	2041	1,275,000	4.000	3.340 *	556717VB9
2033	1,095,000	4.000	2.330 *	556717UT1	2042	1,275,000	4.000	3.480 *	556717VC7
2034	1,150,000	4.000	2.400 *	556717UU8	2043	1,275,000	4.000	3.620 *	556717VD5
2035	1,150,000	4.000	2.490 *	556717UV6	2044	1,275,000	4.000	3.800 *	556717VE3
2036	1,200,000	4.000	2.610 *	556717UW4	2045	1,275,000	4.000	3.900 *	556717VF0

* Priced assuming redemption on December 15, 2031; however, any such redemption is at the option of the Town. "See Optional Redemption" herein.

Fidelity Capital Markets

\$24,685,000

General Obligation Bond Anticipation Notes

Dated: December 18, 2025

Due: December 17, 2026

Coupon	Yield	CUSIP ¹
4.000 %	2.520 %	556717VG8

BNY Mellon Capital Markets, LLC

¹ CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc., which is not affiliated with the Town and are included solely for the convenience of the holders of the Bonds and the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Bonds and on the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds and the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and the Notes.

No dealer, broker, salesman or other person has been authorized by the Town of Madison, Connecticut, to give any information or to make any representations, other than those contained in this Official Statement; and if given or made, such other information or representation must not be relied upon as having been authorized by the foregoing.

This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds and the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and the Notes and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement, nor any sale hereunder, shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

Set forth in Appendix A – “Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon, and do not assume responsibility for, the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Other than matters expressly set forth in Appendices B and C herein, Bond Counsel is not passing on, and does not assume any responsibility for, the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

This Official Statement is in a form "deemed final" by the Town for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

The Town currently files its official statements for primary offerings with the Municipal Securities Rulemaking Board through its EMMA system. The Town will enter into Continuing Disclosure Agreements with respect to the Bonds and the Notes, substantially in the forms attached as Appendices D and E to this Official Statement, to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5), (i) certain annual financial information and operating data with respect to the Bonds; (ii) timely notice of the occurrence of certain events with respect to the Bonds and the Notes, not in excess of ten (10) business days after the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement with respect to the Bonds.

The Municipal Advisor to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

BOND COUNSEL
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Hartford, Connecticut
(860) 251-5000

MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC.
Madison, Connecticut
(203) 421-2880

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BOND ISSUE SUMMARY

The information in this section is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	The Town of Madison, Connecticut (the “Town”).
Issue:	\$20,670,000 General Obligation Bonds, Issue of 2025 (the “Bonds”).
Dated Date:	Date of Delivery.
Interest Due:	June 15 and December 15 in each year until maturity, commencing December 15, 2026.
Principal Due Date:	Annually on December 15, as shown on the inside cover page of the Official Statement.
Purpose:	The Bonds are being issued to fund Board of Education capital improvements as authorized by the Town pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Madison, and a bond resolution adopted at referendum by the Town.
Security:	The Bonds will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due. See “Security and Remedies” herein.
Tax Exemption:	See Appendix B - "Form of Legal Opinion of Bond Counsel and Tax Exemption for the Bonds".
Bank Qualification:	The Bonds are NOT designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
Ratings:	See "Ratings" herein.
Basis of Award:	Lowest True Interest Cost (“TIC”), as of the dated date.
Optional Redemption:	The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.
Registrar, Transfer Agent, Certifying Bank and Paying Agent:	U.S. Bank Trust Company, National Association, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Shipman & Goodwin LLP, Hartford, Connecticut, will act as Bond Counsel.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) annual financial information and operating data; (ii) notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, and (iii) timely notice of a failure by the Town to provide the required information on or before the date specified in the Continuing Disclosure Agreement for the Bonds to be executed substantially in the form attached as Appendix D to this Official Statement.
Delivery:	It is expected that delivery of the Bonds in book-entry-only form to The Depository Trust Company will be made on or about December 18, 2025. Payment must be made in Federal Funds.
Issuer Official:	Ms. Stacy S. Nobitz, CPA, Executive Director of Finance and Town Administrative Services, 8 Campus Drive, Madison, Connecticut 06443. Telephone (203) 245-6310.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: William Lindsay, Managing Director, Telephone: 203-421-2880.

NOTE ISSUE SUMMARY

The information in this section is qualified in its entirety by the detailed information and financial statement appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. The Official Statement speaks only as of its date and the information herein is subject to change.

Issuer:	The Town of Madison, Connecticut (the “Town”).
Issue:	\$24,685,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	December 18, 2025.
Interest Due:	At maturity on December 17, 2026.
Principal Due Date:	At maturity on December 17, 2026.
Purpose:	The Notes are being issued to fund Board of Education capital improvements as authorized by the Town pursuant to Title 7 of the General Statutes of Connecticut, as amended, the Charter of the Town of Madison, and a bond resolution adopted at referendum by the Town.
Security:	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal of and interest on the Notes when due. See “Security and Remedies” herein.
Tax Exemption:	See Appendix C - "Form of Legal Opinion of Bond Counsel and Tax Exemption for the Notes".
Bank Qualification:	The Notes are NOT designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.
Ratings:	See "Ratings" herein.
Basis of Award:	Lowest Net Interest Cost (“NIC”), as of dated date.
Optional Redemption:	The Notes are not subject to redemption prior to maturity.
Certifying Bank, Registrar, Transfer, and Paying Agent:	U.S. Bank Trust Company, National Association, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided notice of the occurrence of certain events within ten (10) business days of the occurrence of such events, as specified in the Continuing Disclosure Agreement to be executed substantially in the form attached as Appendix E to this Official Statement.
Delivery:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about December 18, 2025. Payment must be made in Federal Funds.
Issuer Official:	Ms. Stacy S. Nobitz, CPA, Executive Director of Finance and Town Administrative Services, 8 Campus Drive, Madison, Connecticut 06443. Telephone (203) 245-6310.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: William Lindsay, Managing Director, Telephone: (203) 421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page, inside cover page and appendices has been prepared by the Town of Madison, Connecticut (the "Town"), in connection with the issuance and sale by the Town of \$20,670,000 General Obligation Bonds, Issue of 2025 (the "Bonds") and \$24,685,000 General Obligation Bond Anticipation Notes (the "Notes"). All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents; and all references to the Bonds and the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and the Notes and such proceedings.

This presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in financial or other positions of the Town. Except for information expressly attributed to other sources, all financial and other information presented herein has been provided by the Town.

Bond Counsel is not passing upon, and does not assume responsibility for, the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinions in Appendices B and C) and they make no representation that they have independently verified the same.

DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on December 15 in each of the years and in the principal amounts set forth on the inside cover page of this Official Statement. Interest will be payable on December 15, 2026 and semiannually thereafter on June 15 and December 15 in each year until maturity and will be payable to the registered owners of the Bonds as of the last business day of November and May in each year. A book-entry transfer system will be employed evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York ("DTC"), and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry-Only Transfer System" herein). The Registrar, Certifying Bank, Transfer and Paying Agent for the Bonds will be U.S. Bank Trust Company, National Association, of Hartford, Connecticut. The legal opinion for the Bonds will be rendered by Shipman & Goodwin LLP, of Hartford, Connecticut. (See Appendix B herein). The Bonds shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

OPTIONAL REDEMPTION

The Bonds maturing on or before December 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on December 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after December 15, 2031, at any time, either in whole or in part, in such amounts and in such order of maturity, but by lot within a maturity, as the Town may determine, at the redemption prices (expressed as a percentage of the par amount of the Bonds to be redeemed) set forth in the following table, together with interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 15, 2031 and thereafter	100%

NOTICE OF REDEMPTION

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail at least twenty (20) days prior to the date fixed for redemption to the registered owner of the Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if such funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee of the Depository Trust Company ("DTC") is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or a successor securities depository) or its successor nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof and that, in

selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds being called for redemption, will send any notice of redemption only to the DTC, or a successor securities depository, or its DTC nominee. Any failure of DTC to advise any Direct Participant or of any Direct Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption (see "Book-Entry-Only Transfer System" herein for discussion of DTC and definitions of "Direct Participant", "Indirect Participant", and "Beneficial Owners"). Redemption of portions of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by Direct Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with Direct Participants. The Direct Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town or be the responsibility of the Town, the Registrar or Paying Agent.

DESCRIPTION OF THE NOTES

The Notes will be dated December 18, 2025 and will be due and payable as to both principal and interest at maturity on December 17, 2026. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months.

The Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiples thereof. A book-entry transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of The Depository Trust Company, New York, New York (DTC), and its participants pursuant to the rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein.

The certifying bank, registrar, transfer and paying agent for the Notes will be certified by U.S. Bank Trust Company, National Association, City Place I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Shipman & Goodwin LLP of Hartford, Connecticut, in substantially the form set forth in Appendix C to this Official Statement. The Notes shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

The Notes are not subject to redemption prior to maturity.

AUTHORIZATION AND USE OF PROCEEDS

Authorization: The Bonds and the Notes were authorized and are being issued pursuant to a bond resolution approved at a referendum held on February 15, 2022 in accordance with the Town Charter.

Use of Proceeds: Proceeds of the Bonds and the Notes will be used to finance the following projects:

Project	Total Amount of Authorization	Notes Maturing 12/18/2025	Additions/ Reductions	The Bonds (This Issue)	The Notes (This Issue)
New Elementary School & Systemwide Renovations...	\$ 89,200,000	\$30,000,000	\$15,355,000	\$20,670,000	\$24,685,000

RATINGS

The Bonds have been rated “Aaa” by Moody’s Ratings (“Moody’s”). The rating on the Town’s outstanding bond issues has recently been affirmed as “Aaa” by Moody’s. The Notes have been rated “MIG 1” by Moody’s. The rating reflects only the views of such organization and an explanation of the significance of such rating may be obtained from the rating agency at the following address: Moody’s Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York. There is no assurance that such rating will continue for any given period of time or that they will not be revised or withdrawn entirely by such agencies if, in the judgment of such rating agencies, circumstances so warrant. A revision or withdrawal of such rating may have an effect on the market price of the bonds and notes of the Town, including the Bonds and the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE INFORMATION

The Town will enter into Continuing Disclosure Agreements with respect to the Bonds and the Notes, substantially in the forms attached as Appendices D and E to this Official Statement (each a "Continuing Disclosure Agreement"), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data with respect to the Bonds, (ii) timely notice of the occurrence of certain events with respect to the Bonds and Notes, not in excess of ten (10) business days after such occurrence of such events with respect to the Bonds and Notes, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement for the Bonds. The purchaser's obligation to purchase the Bonds shall be conditioned upon it receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds. The purchaser's obligation to purchase the Notes shall be conditioned upon it receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to SEC Rule 15c2-12(b)(5). In the past five years, the Town has not failed to comply in all material respect with its undertakings under such agreements with the exception of the inadvertent failure to associate CUSIP numbers from the 2016 issuance with the annual filing of the financial statements and related report for the fiscal year ending June 30, 2018. On December 6, 2023 a filing was made to correct the effected CUSIPs. The Town has implemented procedures to ensure future compliance with its continuing disclosure obligations, this includes working with its municipal advisor to ensure requirements are followed.

CYBERSECURITY

Town departments may face cyber threats from time to time, including, but not limited to, hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the Town invests in various forms of cybersecurity and operational controls, including, but not limited to, comprehensive Managed Detection & Response services, disaster recovery planning, proactive maintenance, patch management, multi-factor authentication, and other industry-standard protections. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the Town's digital networks and systems and the costs of remedying any such damage could be substantial.

ENVIRONMENTAL FACTORS

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. The Town's location in southern Connecticut on the Long Island Sound increases its vulnerability to flooding. In addition to flooding, the Town faces other threats due to climate change, including damaging wind that could become more severe and frequent. The Town cannot predict the timing, extent or severity of climate change and its impact on the Town's operations and finances.

The Town has a long history of planning for resiliency, including the adoption of Coastal Zone Regulations in accordance with Connecticut General Statutes Section 22a-90 through 22a-111, inclusive. The Town participates in the South-Central Region Multi-Jurisdiction Hazard Mitigation Plan, which was originally adopted in 2014 and most recently updated and approved by the Federal Emergency Management Agency ("FEMA") in 2023. A Coastal Resiliency Plan was developed in 2016 (the "2016 Plan") by consultants at the direction of Town officials. The 2016 Plan addresses current and future social, economic and ecological resilience of the Town's shoreline with respect to the impacts of sea level rise and anticipated increases in the frequency and severity of storm surge, coastal flooding, and erosion. The four basic steps of the 2016 Plan include: 1) generate awareness of coastal risks; 2) assess coastal risks and opportunities; 3) identify options or choices for addressing priority risks and vulnerabilities; and 4) develop and implement an action plan to put selected options or choices into place. The Town is receiving support through the Long Island Sound Resilience Planning Support Program to develop a Climate Resilience Plan that builds on and broadens the 2016 Plan using updated projections and expanding on previous findings to allow for a fresh approach with new resources. Additionally, in December 2024, the Board of Selectmen adopted an ordinance establishing the Flood Prevention, Climate Resilience, and Erosion Control Board (the "Board") to prevent, correct, and arrest erosion and flood damage within the boundaries of the Town. The Board also evaluates the impacts of climate change and sea level rise to the Town of Madison and adapts strategies to communicate and address the potential impacts to the Town. There are seven members of the Board who aid in the recommendation of capital projects for inclusion in the Town's Capital Improvements Program ("CIP"). Some of the Town's priority projects include hard shoreline protection, infrastructure improvements and retrofits, and emergency operations and shelter improvements. During fiscal year 2021-22, the Town established a Coastal Resiliency Fund with an initial deposit of \$500,000. During fiscal year 2023-2024, the Town made a special appropriation of \$225,000 towards the Coastal Resiliency Fund. As of June 30, 2025, the Coastal Resiliency Fund had a balance of \$738,458.

SECURITY AND REMEDIES

The Bonds and the Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds and the Notes when due.

Unless paid from other sources, the Bonds and the Notes are payable from general property tax revenues. The Town has the power under the Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There are approximately 6,200 acres of such certified forest land on the last completed Grand List of the Town. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

Payment of the Bonds and the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds and the Notes.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds and the Notes, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has the power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Bonds and the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, amended in 1993, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds or other obligations.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Bonds and the Notes shall NOT be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions of interest expense incurred to carry the Bonds and the Notes.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds and the Notes. The Bonds and the Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds and one fully-registered Note certificate will be issued for each interest rate of the Notes in the aggregate principal amount of such maturity and interest rate, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks,

trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Bonds and the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds and the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond and Note ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds and the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds and the Notes, except in the event that use of the book-entry system for the Bonds and the Notes is discontinued.

To facilitate subsequent transfers, all Bonds and Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds and the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds and the Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds and Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds and the Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds and the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds and the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds and the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds and the Notes at any time by giving reasonable notice to the Town or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond and Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond and Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The Town takes no responsibility for the accuracy thereof.

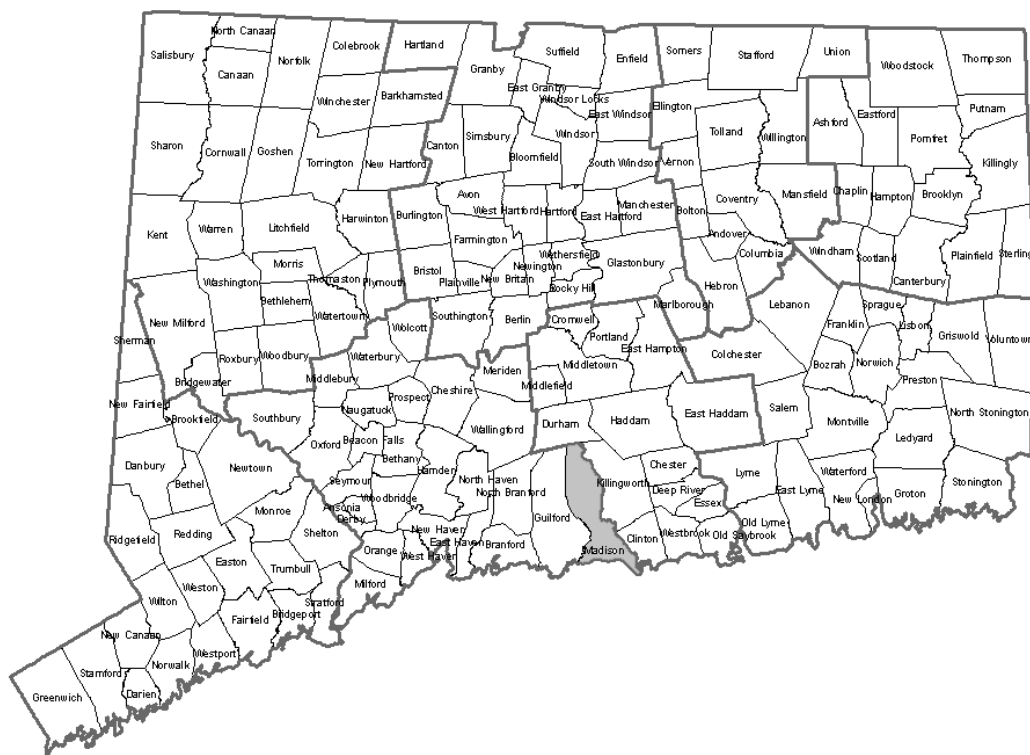
REPLACEMENT BONDS AND NOTES

The determination of the Town officials authorizing the issuance of the Bonds and the Notes provides for issuance of fully-registered Bond and Note certificates directly to Beneficial Owners of the Bonds and the Notes or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds and the Notes, and the Town fails to identify another qualified securities depository for the Bonds and the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry-only system of evidence and transfer of ownership of the Bonds and the Notes. A Beneficial Owner of the Bonds and the Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds and the Notes.

DTC PRACTICES

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

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DESCRIPTION OF THE TOWN

The Town was first settled in 1641 as part of Guilford. It was organized as a separate community in 1707 and incorporated in 1826. The Town was the one hundred twenty-eighth town established in Connecticut. The Town encompasses approximately 36.3 square miles within New Haven County, approximately 15 miles east of New Haven and 35 miles south of Hartford. Interstate 95 and state highways 80 and 1 (Boston Post Road) intersect the Town for east and west transportation access, while state highway 79 provides north-south access. Madison is bounded on the east by Clinton and Killingworth; on the north by Durham; on the south by Long Island Sound; and on the west by Guilford. The Town is primarily a suburban, residential community with single-family homes.

Since the 1860s, the Town has maintained a large summer resident community attracted to the Town's beaches and Long Island Sound. Most year-round residents are in the executive, professional, technical, and managerial categories, with employment in Hartford, New Haven, Fairfield and New London Counties and New York. According to the 2023 U.S. Census, the Town's population was 17,577. Bus, air and rail service are available from New Haven, Hartford, Providence, Rhode Island and New York. The Town has a railroad stop near the central business district provided by Shore Line East, a State of Connecticut Department of Transportation Commuter Railroad that provides commuter service between New London and New Haven during rush hours. Other Metro-North and Amtrak connections are available from New Haven's Union Station.

Located within the Town are two state parks: the Cockaponset State Forest in the northern portion of Town, and Hammonasset State Park and Beach located on the southeastern edge of Madison. Hammonasset Park consists of 930 acres and 558 campsites and provides concessions, bathhouses, a pavilion and picnic areas. Parking for 7,000 vehicles is available for bathers and campers alike, with overall park capacity rated to serve 16,000 people. The Park also provides a fishing jetty for surf and boat fishing.

The Town utilizes an adopted Plan of Conservation and Development to maintain the Town's rural and seashore character. Under the Town Charter, the Planning and Zoning Commission is responsible for approval of all projects. Current zoning regulations were adopted on April 10, 1953, with various revisions adopted since that time. The Town is completely zoned with approximately 96% of the land zoned residential, with one-to-two acre lots. The balance of the Town is zoned commercial or light industrial. The areas zoned for one acre can include apartment or condominium units. As part of the Town Plan of Conservation and Development, open space and preservation of the seashore and rural character of the Town are major goals.

To that end, the Town has provided for three parks, including the Surf Club Beach area, a 45-acre beach/recreation facility owned by the Town that provides beaches, picnic area, basketball and volleyball courts, as well as baseball, softball, football and soccer fields; Rockland Preserve, a 650 acre park which includes walking, hiking and single-track mountain bike trails, a mountain bike pump track and skills park and a family bike area; and Salt Meadow Park, a 42-acre passive and active recreation facility, including three multi-purpose playing fields, conversation areas, shared path and trail system and a canoe/kayak launch.

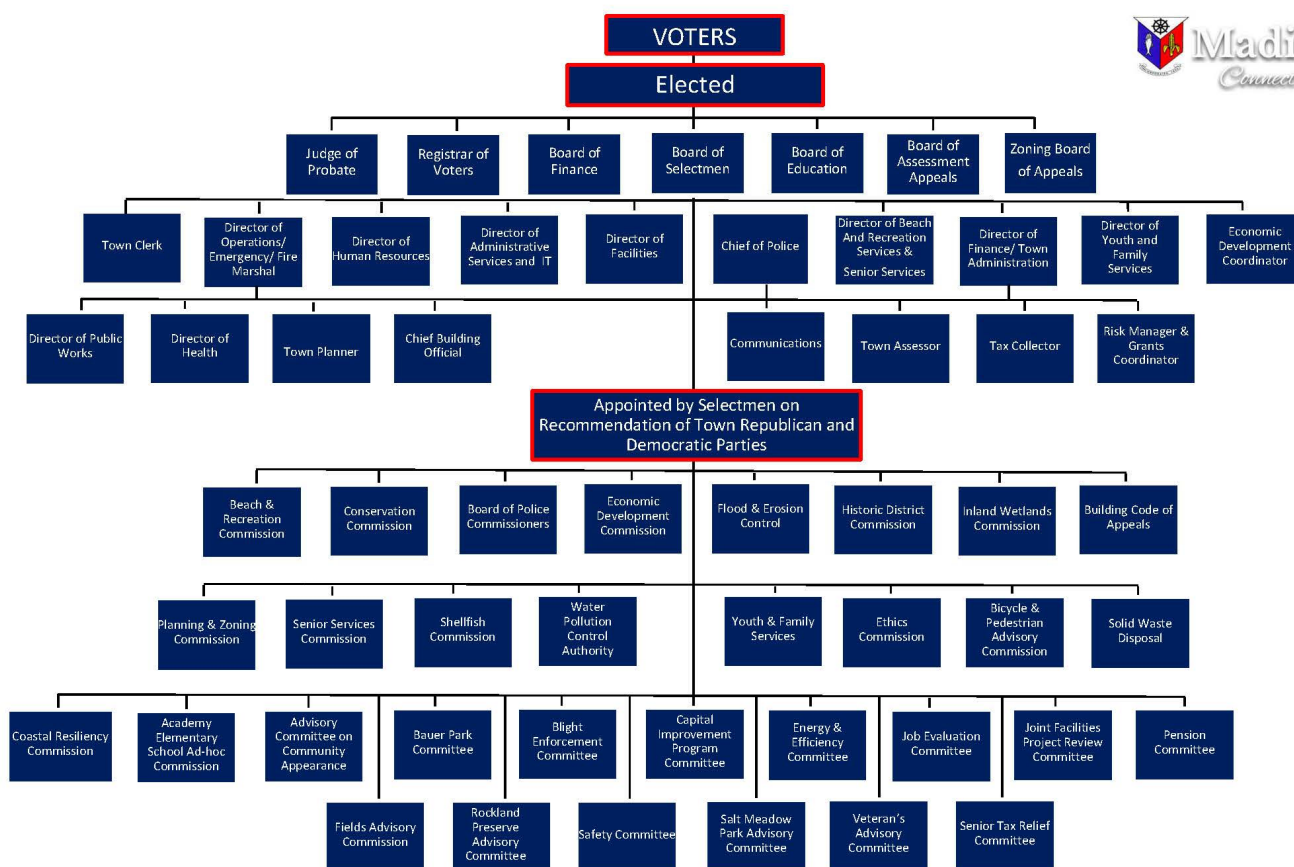
From January 1, 2024 to January 1, 2025, there were approximately 252 single family home sales, including condominiums, with prices ranging from \$82,500 to \$4,400,000. The median price of a home in Madison is approximately \$707,500.

The Madison downtown business district has an active Chamber of Commerce organization, Business Council Group and an active shopping and commercial area located in the south-central part of the community, extending both east and west along the Boston Post Road. In addition to the many businesses in Town, there are numerous banking institutions, including Wells Fargo, Bank of America, J.P. Morgan Chase Bank, M&T Bank, Citizens Bank, Webster Bank, Key Bank, Liberty Bank, Ascend Bank and Essex Savings Bank.

The Town provides educational opportunities with public school grades PreK-12. In addition, within the Town there are two private schools with grades Pre-K-8 and one private school with grades K-12, along with eight different pre-school programs. There are colleges and universities located within a short distance from the Town, including Middlesex Community College and Wesleyan University, both in Middletown, approximately 20 miles north of Madison. To the west are Quinnipiac University, Albertus Magnus College, South Central Community College, Southern Connecticut State University, the University of New Haven, and Yale University, all of which are located in the Greater New Haven area.

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ORGANIZATIONAL CHART



FORM OF GOVERNMENT

The Town of Madison operates under the provisions of its Charter, most recently revised on November 8, 2022, and the General Statutes of the State of Connecticut. The legislative body is the Town Meeting. Starting in calendar year 2023, the executive body consists of a five-member Board of Selectmen, with the First Selectman acting as the chief executive officer. Election to the Board of Selectmen is for a four-year term. A seven-member Board of Finance is responsible for presenting fiscal operating budgets to the Annual Town Meeting. Board of Finance members are elected for four-year terms. A nine-member elected Board of Education is responsible for the operation of the school system.

The Madison Planning & Zoning Commission works to evaluate and implement state and local statutes and regulations regarding residential and commercial development within the municipality while protecting natural and cultural resources. The Planning & Zoning Commission is guided by the 2023 Plan of Conservation & Development (the “Plan”), which is updated every 10 years with input from Madison residents and representatives of different community organizations. The Planning & Zoning Commission held a public hearing in August 2024 to hear public input on the Plan. The Plan was approved by the Board of Selectman in September 2024.

The Economic Development Commission is a seven-member board appointed by the Board of Selectmen. The Commission’s role is to monitor economic conditions, research trends affecting Town revenue/expenses, and prepare recommendations to strengthen and diversify the Town’s tax base. This board seeks options for increasing revenue growth without mill rate increases by identifying and improving under-performing areas seeking opportunities to diversify the tax base to increase the grand list, identifying other revenue opportunities, suggesting viable and acceptable incentives for revenue positive development and uncovering revenue productive strategies for residential and commercial development.

MUNICIPAL OFFICIALS

	Term Expires November
Board of Selectmen	
Peggy Lyons, First Selectman.....	2027
Alfred J. Goldberg.....	2027
Bruce Wilson.....	2027
Jennifer Gordon.....	2027
Scott Murphy.....	2027
Board of Finance	
John Picard, Chairman.....	2027
Matthew Gordon, Vice Chair.....	2027
John Rasimas.....	2027
Robert Donahue.....	2027
Robert Reinhardt.....	2029
Judith Hession.....	2029
John Muller.....	2029
Other Officials	
Stacy S. Nobitz, CPA, Executive Director of Finance and Town Administrative Services....	Indefinite
Samuel DeBurra, Director of Operations and Fire Marshal.....	Indefinite
John Drumm, Chief of Police.....	Indefinite
John J. Iennaco, P.E., CFM Director of Public Works.....	Indefinite
Robert Russo, Town Engineer.....	Indefinite
Peter Anderson, Director of Facilities.....	Indefinite
Erin Mannix, Town Planner.....	Indefinite
Trent Joseph, Director of Health.....	Indefinite
Debra Ferrante, Director of Human Resources.....	Indefinite
Scott Cochran, Director of Youth and Family Services.....	Indefinite
Austin Hall, Director of Beach and Recreation and Senior Services.....	Indefinite
Aaron Fliss, Director of Information Technology and Administrative Services.....	Indefinite
Nancy J. Martucci, Town Clerk.....	Indefinite
Orietta Nucolo, CCMA, Assessor.....	Indefinite
Christina Consiglio, Tax Collector.....	Indefinite
Craig Cooke Ph.D., Superintendent of Schools.....	Indefinite

SUMMARY OF MUNICIPAL SERVICES

Police: The Town is provided with 24-hour police coverage by a force consisting of 31 full-time officers, and 3 executive officers. There is one full-time animal control officer. Hammonasset State Park, located in Madison, is served by the Connecticut State Police Barracks at Westbrook, with occasional assistance by the local department.

Fire: All areas of the Town are covered by 2 volunteer fire companies, Madison Hose Company #1, which covers the southern sector of Town south of Chestnut Hill Road, and the North Madison Volunteer Fire Company which serves the northern sector of the Town. Each company is a private, non-profit corporation which is substantially supported by the Town and owns land, buildings, and some equipment. Both companies are activated by radio contact with the Town Communications Center located in the Police Station, which operates on a twenty-four-hour basis. The companies belong to a mutual aid system with nearby towns. There are currently 42 volunteers in the Madison Hose Company #1, and 43 volunteers in the North Madison Volunteer Fire Company. Each company has a corps of Junior Fire Fighters.

Emergency Medical Assistance: The Town is served by a local private, non-profit association which is supported by a Town subsidy. Emergency medical services are also provided by the Madison Police Department, Madison Hose Company #1, and the North Madison Volunteer Fire Department. The area hospitals are Middlesex Hospital, 20 miles north in Middletown; and Yale New Haven Hospital which is located in New Haven, 23 miles to the west. These facilities are aided by the Middlesex Health Shoreline Medical Center in the Town of Westbrook and the 30,000 square foot Yale New Haven Ambulatory Service Center in Guilford. These two facilities provide satellite emergency services.

Health: The Town engages a full-time Director of Health and a full-time Sanitarian. The Director is responsible for enforcing State and local public health laws.

Sewers: There is no sewage system as all businesses and homes have separate septic systems. As part of the Town's Comprehensive Plan of Development, the Town has had an active Water Pollution Control Authority that is approved and monitored by the State Department of Environmental Protection.

Solid Waste: The Town operates, jointly with the Town of Guilford, a municipal solid waste transfer station and recycling facility. Effective July 1, 2022, the Town, along with Guilford, entered into a five-year renewable contract with Covanta Bristol, Inc. for the transportation and disposal of solid waste and the transportation and processing of recyclables.

Water: The Connecticut Water Company ("Water Company") provides water service to the downtown area and areas south of Interstate 95. Other areas are served by private individual wells. Approximately 50% of all housing units are served by the Water Company.

Electric: Eversource Energy provides electrical service and maintains a regional maintenance facility in Madison.

Beach & Recreation: The Beach & Recreation Director works under the direction of the First Selectman, Beach & Recreation Commission and the Board of Selectmen. The staff consists of a year-round complement of fourteen individuals, including Grounds and Maintenance Division personnel, to which approximately 75 are added in the summer season. Town recreation facilities include 3 beaches, 14 hiking trails, 15 miles of single bike trails, a learning pump track center, and numerous playgrounds and playing fields. The Town operates more than 130 programs throughout the year, including action-oriented opportunities such as aerobics, backpacking, badminton, dancing, skiing, sailing and swimming. The Beach and Recreation Department also includes the Grounds Maintenance Division which manages cemeteries, parks, athletic fields and beaches. The Grounds Maintenance Division consists of grounds maintainers and a superintendent and is responsible for grounds as well as various assigned buildings.

Senior Services: Senior Services provides activities, transportation, lunch and other programs to citizens 60 years of age or older at the Town's Senior Center. Social services, support and advocacy are also provided under the direction of a Director of Senior Services who is supported by three full-time employees, two part-time employees and three part-time bus drivers. Currently, there is one Director who oversees both Senior Services and Beach and Recreation.

Public Works/Engineering: The Department of Public Works & Engineering consists of the Engineering, Highway and Solid Waste divisions. The Department staff includes a Director of Public Works, Town Engineer, an Administrative Assistant, a Highway Superintendent, an eleven-person Highway crew and two employees who work at the Town's Bulky Waste and Recycling Facility.

The Engineering Department provides engineering and land surveying services for the Town and Madison Public School projects. It also provides engineering assistance to other Town departments, boards and commissions. It maintains the Town's infrastructure including 120 miles of Town roads, parking areas, sidewalks, bridges and storm drainage systems. The Department also conducts winter snow and ice control operations for the Town's roadway system and parking areas, manages street and Town property, trees, manages the Town's vehicle and equipment fleet and operates the Town's Bulky Waste Disposal and Recycling Facility.

Facilities: The Facilities Department consists of building custodians and one Director of Facilities, who serves both the Town and the Board of Education. This Department is responsible for various Town buildings including schools.

Youth and Family Services: Youth and Family Services' function is to foster the healthy development of the children of Madison and their families through progressive programs that offer prevention, community coordination, and treatment services. Social Service programs for adults are also contained within Youth and Family Services. There are eleven full-time and two part-time employees who work at Youth and Family Services Department including two school-based clinicians and one Director.

Library: The Library, established in 1900, is a private corporation which is mainly supported by Town funds. Additional funds are raised by the Library Board through donations. Located in downtown Madison, the Library is a center for life-long learning and exploration. The facility has a collection of books and audiovisual materials, computer access and Wi-Fi, early-literacy and discovery classes for children, programs and volunteer opportunities for teens, lecture series and musical performances for adults, monthly art exhibits, and free meeting space for community organizations. In July 2021, the Library completed a major renovation project including the construction of a 20,000 square foot addition which includes a new 90 seat community room. The renovations incorporated upgrades to the current Boston Post Road walkways and the construction of an approximately 47-car on-site parking lot. The total cost of the project was approximately \$14 million and the Town provided a \$9 million grant to the Library. The balance of the project costs were funded by a \$3 million grant from the State of Connecticut and \$2 million in donations.

MUNICIPAL EMPLOYEES

<u>Fiscal Year</u>	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
General Government.....	129.7	129.7	129.4	123.5	128.3
Board of Education.....	512.0	511.0	505.6	538.0	538.0
Total.....	641.7	640.7	635.0	661.5	666.3

Source: Town officials.

MUNICIPAL EMPLOYEES BY CATEGORY

<u>Department</u>	<u>Employees</u>
Animal Control.....	1.00
Assessor.....	4.00
Beach & Recreation.....	13.02
Building.....	2.50
Emergency Communications.....	8.00
Facilities Administration.....	3.25
Finance.....	3.42
Fire Marshal.....	2.12
Health Department.....	2.54
Human Resources.....	2.00
Land Use.....	3.54
Police Chief & Support Staff.....	5.00
Police Clerical.....	2.00
Police Officers.....	31.00
Engineering.....	2.50
Public Works	14.15
Selectman's Office.....	3.00
Senior Services.....	8.40
Tax Office.....	2.00
Technology.....	1.00
Town Clerk.....	3.42
Youth & Family Services.....	11.84
Sub-Total General Government.....	129.70
Education.....	512.00
Grand Total.....	641.70

Source: Town officials.

MUNICIPAL EMPLOYEE COLLECTIVE BARGAINING REPRESENTATION

Employees Represented	Union Organization	Number of Employees Covered	Contract Expiration Date
<i>General Government</i>			
<u>Full-time</u>			
Police.....	AFSCME COUNCIL 4, LOCAL 1836.....	31.0	6/30/2025 ¹
Dispatchers/Police Clerical...	Emergency Communications and Records.....	9.0	6/30/2026
Maintenance.....	United Public Service Employee Union.....	9.0	6/30/2027
Public Works.....	Teamsters Local 443.....	10.0	6/30/2024 ¹
Town Staff.....	Unaffiliated.....	70.7	N/A
	Sub-total General Government	129.7	
<i>Board of Education</i>			
Administrators.....	Association of Madison Administrators.....	11.0	6/30/2027
Teachers.....	Madison Education Association.....	285.0	6/30/2029
Clerical.....	Madison Association of Education.....		
	Support Services.....	136.0	6/30/2028
School Nurses.....	United Public Services Employee Union.....	5.0	6/30/2025 ¹
Maintenance.....	Teamsters Local 443.....	35.0	6/30/2027
BOE Staff.....	Unaffiliated.....	40.0	N/A
	Sub-total Board of Education	512.0	
	Grand total all employees	641.7	

¹ In negotiations.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. Effective October 1, 1997, for binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. For binding arbitration of all other municipal employee contract, there is an irrebuttable presumption that 15% of the municipal employer's budget reserve is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

EDUCATION SYSTEM

The schools are governed by a nine-member Board of Education. In the fall of 2019 the Board of Education voted unanimously to adopt a 4-school model that includes the new construction of a Pre-K-5 school on the Green Hill Road Campus that currently includes Daniel Hand High School and Polson Middle School; undertake improvements to Brown Intermediate School and transition it to a Pre-K-5 school; maintain Polson Middle School for grades 6-8 and undertake improvements, including a new Air Quality/HVAC system, renovations to the auditorium and various security upgrades; and maintain Daniel Hand High School for grades 9-12. Under the 4-school model, the Town Campus Modularity as well as Ryerson and Jeffrey Elementary Schools have been closed to students. A referendum vote to undertake the aforementioned changes and authorize the issuance of up to \$89.2 million in bonds to fund the improvements was approved by voters of the Town in February 2022.

EDUCATIONAL FACILITIES

	Grades	Date of Construction	Additions & Renovations	Number of Classrooms	Enrollment 10/1/2025 ¹	Capacity ²
<u>Elementary Schools:</u>						
Dr. Robert H. Brown.....	PreK-5	1970	1971, 2004,2024,2025	33	478	650
Neck River.....	PreK-5	2025	n/a	53	674	890
Sub totals				86	1,152	1,540
<u>Middle Schools:</u>						
Walter C. Polson.....	6-8	1960	1965,1970,1987,1990	30	560	650
Sub totals				30	560	650
<u>High School:</u>						
Daniel Hand.....	9-12	2003	n/a	60	728	1,250
Totals				176	2,440	3,440

¹ Includes special education students.

² Capacities are programmatic capacities and may differ from the actual physical limitations of the facilities.

Source: Superintendent of Schools.

ENROLLMENT HISTORY

The following table presents school enrollment history as of October 1 of each year.

School Year	Pre-K	K-3	4-5	6-8	9-12	Total
<i>Historical</i>						
2016-17	43	831	414	487	1,154	2,929
2017-18	41	820	393	433	1,132	2,819
2018-19	46	797	380	424	1,072	2,719
2019-20	40	637	335	590	1,012	2,614
2020-21	38	602	319	549	970	2,478
2021-22	48	640	338	539	875	2,440
2022-23	44	678	354	522	828	2,426
2023-24	42	706	345	537	777	2,407
2024-25	51	723	361	541	753	2,429
2025-26	56	720	376	560	728	2,440
<i>Projected</i>						
2026-27	56	761	394	566	723	2,500
2027-28	56	760	395	588	732	2,531
2028-29	56	782	393	604	748	2,583
2029-30	57	796	397	629	764	2,643
2030-31	57	775	444	621	794	2,691

Source:Superintendent of Schools/Applied Data Services.

III. ECONOMIC AND DEMOGRAPHIC DATA

POPULATION TRENDS

Year	Town of Madison	New Haven County	South Central	State of Connecticut
			Planning Region ¹	
1990	15,485	761,337	n/a	3,107,576
2000	17,858	804,219	n/a	3,287,116
2010	18,269	862,477	n/a	3,574,097
2020	18,065	855,733	n/a	3,570,549
2023	17,577	n/a	568,158	3,598,348

¹ Starting with the 2019-23 American Community Survey, the county level area has been changed to reflect the South Central Planning Region.
Source: U.S. Census Bureau, Decennial Census, 1990-2020; American Community Survey, 2019-2023.

AGE DISTRIBUTION OF THE POPULATION

Age	South Central					
	Town of Madison		Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Under 5.....	583	3.3	28,336	5.0	181,240	5.0
5 - 9.....	800	4.6	28,509	5.0	195,390	5.4
10 - 14.....	1,121	6.4	32,419	5.7	217,297	6.0
15 - 19.....	1,116	6.3	39,901	7.0	238,145	6.6
20 - 24.....	746	4.2	39,981	7.0	233,423	6.5
25 - 34.....	1,128	6.4	74,615	13.1	449,771	12.5
35 - 44.....	1,806	10.3	70,860	12.5	451,461	12.5
45 - 54.....	2,656	15.1	67,377	11.9	462,543	12.9
55 - 59.....	1,728	9.8	33,575	5.9	260,758	7.2
60 - 64.....	1,586	9.0	43,737	7.7	257,548	7.2
65 - 74.....	2,841	16.2	62,469	11.0	376,023	10.4
75 - 84.....	996	5.7	32,308	5.7	187,378	5.2
85 and over...	470	2.7	14,071	2.5	87,371	2.4
Total.....	<u>17,577</u>	<u>100.0</u>	<u>568,158</u>	<u>100.0</u>	<u>3,598,348</u>	<u>100.0</u>
Median Age (years).....	51.4		40.5		41.2	

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

EDUCATIONAL ATTAINMENT

Educational Attainment Group	South Central					
	Town of Madison		Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade.....	64	0.5	14,954	3.8	101,530	4.0
9th to 12th grade.....	123	0.9	18,123	4.6	118,019	4.7
High School graduate.....	1,677	12.7	110,944	28.0	647,094	25.5
Some college, no degree.....	1,203	9.1	61,963	15.6	410,591	16.2
Associate's degree.....	665	5.0	27,918	7.0	193,216	7.6
Bachelor's degree.....	4,761	36.0	84,323	21.2	581,935	23.0
Graduate or professional degree.....	<u>4,718</u>	<u>35.7</u>	<u>78,700</u>	<u>19.8</u>	<u>480,468</u>	<u>19.0</u>
Total.....	<u>13,211</u>	<u>100.0</u>	<u>396,925</u>	<u>100.0</u>	<u>2,532,853</u>	<u>100.0</u>
Percent of High School Graduates	98.6%		91.7%		91.3%	
Percent of College Graduates	71.8%		41.1%		41.9%	

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

SELECTED WEALTH AND INCOME INDICATORS

	Median Family Income		Per Capita Income	
	(2000)	(2023)	(2000)	(2023)
Town of Madison.....	\$101,297	\$189,803	\$40,537	\$ 85,234
South Central Planning Region.....	n/a	104,757	n/a	45,854
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	49,600	96,922	21,690	43,289

Source: U.S. Census Bureau Decennial Census, 2000; American Community Survey 2019-2023.

INCOME DISTRIBUTION

	Town of Madison		South Central Planning Region		State of Connecticut	
	Families	Percent	Families	Percent	Families	Percent
Less than \$10,000	7	0.1	5,467	3.9	22,973	2.5
\$ 10,000 to 14,999	-	0.0	1,497	1.1	12,547	1.4
\$ 15,000 to 24,999	42	0.8	4,734	3.4	29,893	3.3
\$ 25,000 to 34,999	24	0.5	6,841	4.9	35,598	3.9
\$ 35,000 to 49,999	115	2.2	11,400	8.1	61,793	6.7
\$ 50,000 to 74,999	230	4.3	17,602	12.6	108,046	11.8
\$ 75,000 to 99,999	579	10.9	18,845	13.4	108,216	11.8
\$100,000 to 149,999	862	16.3	26,749	19.1	185,242	20.2
\$150,000 to 199,999	944	17.8	18,757	13.4	128,574	14.0
\$200,000 or more	2,499	47.1	28,251	20.2	224,258	24.5
Total	<u>5,302</u>	<u>100.0</u>	<u>140,143</u>	<u>100.0</u>	<u>917,140</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

EMPLOYMENT BY INDUSTRY

Employment Sector	Town of Madison		South Central Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting & Mining...		0.0	385	0.1	7,261	0.4
Manufacturing.....	1,282	14.5	27,994	9.4	195,355	10.6
Construction.....	285	3.2	16,614	5.6	112,821	6.1
Wholesale Trade.....	257	2.9	3,819	1.3	37,294	2.0
Retail Trade.....	680	7.7	27,619	9.3	192,535	10.5
Transportation, Warehousing & Utilities.....	274	3.1	15,268	5.1	84,571	4.6
Information.....	185	2.1	5,936	2.0	36,631	2.0
Finance, Insurance & Real Estate.....	592	6.7	17,482	5.9	162,724	8.9
Professional, Scientific & Management.....	1,474	16.7	30,538	10.3	223,982	12.2
Educational Services & Health Care.....	2,927	33.2	110,011	37.0	490,839	26.7
Arts, Entertainment, Recreation & Food Services...	281	3.2	21,860	7.4	145,445	7.9
Other Service (including nonprofit).....	269	3.0	11,834	4.0	67,335	3.7
Public Administration.....	320	3.6	7,978	2.7	78,662	4.3
Total.....	<u>8,826</u>	<u>100.0</u>	<u>297,338</u>	<u>100.0</u>	<u>1,835,455</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

MAJOR EMPLOYERS

Name of Employer	Nature of Entity	Estimated Number of Employees
Town of Madison.....	Municipality.....	642
Clarity Software Solutions/mPulse.....	Private Business.....	267
Camp Laurelwood.....	Camp.....	157
Madison Beach Hotel/Wharf Restaurant.....	Hotel.....	138
Grove School.....	Educational Facility.....	124
Harborside Healthcare/Madison House.....	Long-Term Health Care Facility.....	120
Stop and Shop.....	Grocery Store.....	95
Harbor Chase of Madison/The Hearth at Tuxis Pond....	Healthcare Facility.....	94
Madison Beach Club.....	Private Club.....	50
Total.....		<u>1,687</u>

Source: Town officials.

UNEMPLOYMENT RATE STATISTICS

The following table presents non-seasonally adjusted unemployment rates for the Town, the New Haven Labor Market, the State, and for the United States:

Period	Town of Madison		Percentage Unemployed		
	Employed	Unemployed	Town of Madison (%)	New Haven Labor Market (%)	State of Connecticut (%)
Jan - July 2025.....	9,326	274	2.9	3.9	3.9
Annual Average					
2024.....	9,194	244	2.6	3.3	3.5
2023.....	9,067	291	3.1	3.5	3.8
2022.....	9,126	302	3.2	3.9	4.1
2021.....	8,547	394	4.4	6.1	6.4
2020.....	8,547	503	5.6	7.4	8.0
2019.....	9,094	246	2.6	3.5	3.6
2018.....	9,004	264	2.8	3.8	3.9
2017.....	8,962	301	3.2	4.4	4.4
2016.....	8,754	327	3.6	4.8	4.8
2015.....	8,664	364	4.0	5.6	5.6

Source: State of Connecticut, Department of Labor.

BUILDING PERMITS

<u>Fiscal Year Ending 6/30</u>	<u>Number of Permits</u>	<u>Value of Permits</u>
2025	2,262	\$ 81,094,000
2024	3,281	153,120,464 ¹
2023	2,197	63,261,896
2022	2,366	68,450,822
2021	2,587	58,407,628
2020	1,153	36,678,000
2019	2,158	32,700,000
2018	1,907	32,574,905
2017	1,836	22,541,095
2016	2,157	32,270,053

¹ Includes permits for the Town's new \$61 million Neck River Elementary School.

Source: Town Building Department.

NUMBER OF DWELLING UNITS

<u>2023</u>	<u>2020</u>	<u>2010</u>	<u>2000</u>	<u>1990</u>	<u>% Increase 2000-2023</u>	<u>% Increase 1990-2023</u>
8,020	8,162	8,049	7,386	6,511	8.6%	23.2%

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

HOUSING INVENTORY

<u>Type</u>	<u>Town of Madison</u>	
	<u>Number</u>	<u>Percent</u>
1-unit, detached.....	7,387	92.1
1-unit, attached.....	231	2.9
2 units.....	99	1.2
3 or 4 units.....	103	1.3
5 to 9 units.....	71	0.9
10 to 19 units.....	30	0.4
20 or more units.....	99	1.2
Mobile home, boat, other.....	0	0.0
Total	<u>8,020</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

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OWNER-OCCUPIED HOUSING VALUES

Value of Owner Occupied	Town of Madison		South Central Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000.....	40	0.6	5,183	3.8	22,174	2.4
\$ 50,000 to \$ 99,999	31	0.5	1,317	1.0	15,116	1.6
\$ 100,000 to \$149,999	24	0.4	4,817	3.5	38,832	4.1
\$ 150,000 to \$199,999	102	1.6	7,429	5.4	77,152	8.2
\$ 200,000 to \$299,999	257	4.1	33,398	24.4	233,824	24.9
\$ 300,000 to \$499,999	2,408	38.7	54,017	39.4	319,703	34.0
\$ 500,000 to \$999,999	2,780	44.6	26,415	19.3	173,643	18.5
\$1,000,000 or more	588	9.4	4,414	3.2	59,468	6.3
Total.....	6,230	100.0	136,990	100.0	939,912	100.0
Median Value	\$534,800		\$349,200		\$343,200	

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

AGE DISTRIBUTION OF HOUSING

Year Structure Built	Town of Madison		South Central Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Built 2020 or later.....	11	0.1	1,696	0.7	6,350	0.4
Built 2010 to 2019.....	182	2.3	9,256	3.7	66,546	4.3
Built 2000 to 2009.....	792	9.9	14,232	5.7	108,430	7.1
Built 1990 to 1999.....	1,082	13.5	15,512	6.2	116,617	7.6
Built 1980 to 1989.....	1,121	14.0	33,030	13.3	197,533	12.9
Built 1970 to 1979.....	1,710	21.3	31,196	12.5	210,611	13.7
Built 1960 to 1969.....	1,246	15.5	28,203	11.3	198,807	12.9
Built 1950 to 1959.....	591	7.4	40,082	16.1	221,879	14.4
Built 1940 to 1949.....	363	4.5	16,045	6.4	95,842	6.2
Built 1939 or earlier.....	922	11.5	59,848	24.0	313,434	20.4
Total housing units.....	8,020	100.0	249,100	100.0	1,536,049	100.0

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

BREAKDOWN OF LAND USE

Land Use	Total Area		Developed		Undeveloped	
	Acreage	%	Acreage	%	Acreage	%
Residential.....	10,724	45.5	8,170	38.9	2,553	99.3
Commercial.....	279	1.2	261	1.2	18	0.7
Institutional.....	635	2.7	635	3.0	-	0.0
Open Space.....	10,315	43.8	10,315	49.1	-	0.0
Other ¹	1,611	6.8	1,611	7.7	-	0.0
Total Area.....	23,564	100.0	20,992	100.0	2,571	100.0

¹ Other use contains Public Utilities and Roads/Right of Ways

Source: Town of Madison, Planning Department.

IV. TAX BASE DATA

ASSESSMENTS

The Town of Madison had a general property revaluation for the Grand List dated October 1, 2023. The Town's next revaluation will be for the Grand List dated October 1, 2028. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years based on generally accepted mass appraisal methods and a revaluation by physical inspection no later than 10 years from the preceding physical inspection. Prior to the completion of each revaluation, the Assessor shall conduct a field review. Public Act 06-148 permits a municipality, upon approval of its legislative body, to phase-in a real property assessment increase resulting from a revaluation over a period of up to five years.

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List is the responsibility of the Assessor's Office. The Grand List represents the total of assessed value for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the revaluation. The property depreciation and obsolescence factors are also considered when arriving at an equitable value.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule recommended by the Office of Policy and Management.

All personal property (furniture, fixtures, equipment, machinery and leased equipment) is assessed annually with manufacturers and businesses completing and returning to the Assessor's Office standard worksheets for computing value. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of present market value.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent (8%) of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at six percent (6%) per annum, at such rate approved by the legislative body at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien. To date, the Town has one parcel where 60% of the taxes are abated for the first five years and a second parcel which phases-in taxes over a seven year period. For the fiscal year ending June 30, 2024, the amount of taxes abated totaled \$12,705 and \$122,360, respectively.

TAX COLLECTION PROCEDURE

Taxes for the fiscal year are paid on the Grand List of the prior October 1, and are due July 1, payable in two installments, one half on July 1 and one half on January 1. Payments not received by August 1 and February 1 become delinquent and interest will accrue at the rate of 1.5% per month (18% per annum). Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to suspense account after three years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense fifteen years after the due date in accordance with state statutes.

COMPARATIVE ASSESSED VALUATIONS

Grand List As of 10/1	Real Property	Personal Property	Motor Vehicle Property	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List
2024	\$3,950,189,900	\$104,235,550	\$211,697,590	\$4,266,123,040	\$14,542,996	\$4,251,580,044
2023 ¹	3,934,824,300	95,699,380	231,946,610	4,262,470,290	10,437,053	4,252,033,237
2022	2,750,319,097	91,741,060	243,837,010	3,085,897,167	10,423,685	3,075,473,482
2021	2,731,454,207	87,967,350	229,620,480	3,049,042,037	9,462,850	3,039,579,187
2020	2,717,330,077	82,865,770	181,706,810	2,981,902,657	8,186,691	2,973,715,966
2019	2,709,711,900	79,251,530	171,650,441	2,960,613,871	8,245,513	2,952,368,358
2018 ¹	2,695,098,900	74,927,671	171,465,907	2,941,492,478	8,583,260	2,932,909,218
2017	2,682,848,200	62,627,330	167,606,825	2,913,082,355	8,697,430	2,904,384,925
2016	2,672,487,600	61,544,750	164,082,112	2,898,114,462	9,206,150	2,888,908,312
2015	2,660,790,600	59,406,441	162,452,600	2,882,649,641	9,824,120	2,872,825,521

Grand List As of 10/1	Residential Real Property	Commercial & Industrial Real Property	Vacant Land	Total Real Property
2024	\$3,649,298,500	\$267,767,700	\$33,123,700	\$3,950,189,900
2023 ¹	3,636,531,400	266,163,200	32,129,700	3,934,824,300
2022	2,521,374,317	201,520,080	27,424,700	2,750,319,097
2021	2,502,224,717	200,142,290	29,087,200	2,731,454,207
2020	2,489,859,887	197,891,390	29,578,800	2,717,330,077
2019	2,481,022,940	196,997,860	31,691,100	2,709,711,900
2018 ¹	2,473,164,700	191,392,700	30,541,500	2,695,098,900
2017	2,472,996,000	180,611,300	29,240,900	2,682,848,200
2016	2,462,672,800	179,595,100	30,219,700	2,672,487,600
2015	2,450,789,900	180,454,900	29,545,800	2,660,790,600

¹ Revaluation Year.

Source: Assessor's Office, Town of Madison.

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Ended 30-Jun	Taxable Grand List	Total Tax Rate (Mills)	Adjusted Tax Levy	Collected End of Each FY	Uncollected Taxes % Annual Levy Fiscal Year	As of 6/30/2025
2026 ¹	\$4,251,580,044	22.43	\$95,987,988	N/A	N/A	N/A
2025 ²	4,252,033,237	22.00	93,080,498	99.7%	0.3%	\$290,764
2024	3,075,473,482	29.97	91,714,198	99.6%	0.2%	144,968
2023	3,039,579,187	29.41	89,540,679	99.6%	0.1%	55,320
2022	2,973,715,966	28.85	86,031,358	99.5%	0.1%	62,420
2021	2,952,368,358	28.35	83,631,378	99.9%	0.1%	61,804
2020 ²	2,932,909,218	28.35	83,058,081	99.9%	0.1%	61,780
2019	2,904,384,925	28.04	81,527,844	99.4%	0.1%	55,549
2018	2,888,908,312	27.30	78,890,981	99.5%	0.0%	34,325
2017	2,872,825,521	26.49	76,096,977	99.5%	0.0%	13,036
2016	2,861,223,204	25.76	73,526,539	99.5%	0.0%	12,092

¹ Adopted Budget.

² Revaluation Year.

Source: Assessors Office, Town of Madison.

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The statute provides that (1) for the assessment year October 1, 2016, the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 to October 1, 2020, inclusive, the mill rate for motor vehicles shall not exceed 45 mills, and (3) for the assessment year commencing October 1, 2021, and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 32.46 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for fiscal year 2025-2026 is 22.43.

For the fiscal year ending June 30, 2022, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2020, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills. For the fiscal year ending June 30, 2024, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 32.46 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 32.46 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2021, and each assessment year thereafter, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 32.46 mills.

TEN LARGEST TAXPAYERS

<u>Name of Taxpayer</u>	<u>Nature of Property</u>	<u>Estimated Assessment as of 10/1/2024</u>	<u>Rank</u>	<u>Percent of Total</u>
Eversource.....	Utility.....	\$ 56,199,240	1	1.32%
Madison Beach Hotel.....	Hotel.....	10,053,000	2	0.24%
5M Realty Inc.....	Real Estate.....	8,746,100	3	0.21%
Debolina LLC.....	School.....	8,693,400	4	0.20%
Davis Realty LLC.....	Real Estate.....	7,605,800	5	0.18%
Sherwood Island 44 LLC.....	Supermarket/Retail.....	7,084,800	6	0.17%
Hearth at Tuxis Pond.....	Healthcare / Nursing Home....	6,766,100	7	0.16%
Connecticut Water Company.....	Utility.....	6,708,870	8	0.16%
Ironworks LLC.....	Construction.....	6,611,800	9	0.16%
Youngs Village LLC.....	Real Estate.....	6,565,000	10	0.15%
Total		<u>\$ 125,034,110</u>		<u>2.94%</u>

Source: Assessor Office, Town of Madison.

EQUALIZED NET GRAND LIST

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2023 ¹	\$6,074,723,196	-3.45%
2022	6,292,036,271	6.37%
2021	5,915,327,082	15.42%
2020	5,125,254,449	16.78%
2019	4,388,761,355	4.72%
2018 ¹	4,190,771,740	-1.85%
2017	4,269,820,427	1.59%
2016	4,202,834,048	-0.15%
2015	4,209,286,504	-0.04%
2014	4,211,167,689	3.07%

Source: State of Connecticut, Office of Policy and Management.

V. FINANCIAL INFORMATION

FISCAL YEAR

The Town's fiscal year begins July 1 and ends June 30.

BASIS OF ACCOUNTING

Accounting Policies

The financial statements of the Town of Madison, Connecticut have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

Management's Discussion and Analysis ("MD&A") – provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

Government-wide financial statements – consists of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary activities (employee retirement system and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

Fund financial statements – provides information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize a different basis of accounting.

Required supplementary information – in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A "Basic Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town of Madison.

ANNUAL AUDIT

Pursuant to the provisions of the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes) and the Town of Madison Charter, the Town is obligated to undergo an annual examination by an independent certified public accountant. The current auditors, Mahoney Sabol & Company, LLP, were appointed by the Board of Finance and are required to conduct their examination under the guidelines issued by the State of Connecticut Office of Policy & Management, who receive a copy of said Audit Report when completed.

The most recent annual audit covers the fiscal year ended June 30, 2025, a portion of which is included in this document and made a part hereof as Appendix A. Included in Appendix A are the Town's Basic Financial Statements, Notes to the Financial Statements and Required Supplemental Information, together with the report of the independent auditor as prepared by Mahoney Sabol & Company, LLP, Certified Public Accountants, Glastonbury, Connecticut. The information contained in "Appendix A" is not the whole audit report. Individuals wishing a complete document should contact the Finance Director.

Certificate of Achievement for Excellence in Financial Reporting: The Government Finance Officers' Association of the United States and Canada ("GFOA") has awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Madison for its Comprehensive Annual Financial Reports for the fiscal years ending 2016 to 2024. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. The Town plans to submit the fiscal year ending 2025 ACFR to the GFOA for consideration of the Certificate of Achievement.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. The comprehensive annual financial report must satisfy both generally accepted accounting principles and applicable legal requirements.

BUDGETARY PROCEDURES

The referendum adopted budget is used by the Board of Selectmen as a management control device during the year.

Each department head and/or board, commission, committee and agency chairperson must, prior to the end of the third week in December, submit budget requests for the upcoming fiscal year. The requests must be accompanied by a clear explanation of all requests together with an estimate of the current year's expenditures. At this time, all anticipated revenues are submitted with the requests.

During the months of January and February the Board of Selectmen reviews the individual department budgets with department heads and/or commission chairpersons and holds budget workshops. Upon completion of the workshops the Board of Selectmen prepares its budget recommendations which are then presented to the Board of Finance along with the budget requests.

The Board of Finance, during the months of March and April, meets with department heads and/or commission chairpersons and reviews the budget requests. The final recommended budget is printed as a legal notice and goes to referendum for approval.

A public hearing is held by the Board of Finance at which the Board of Selectmen and the Board of Education presents their budget recommendations, at which time the public is encouraged to speak out on the budget. The Board of Finance recommends a preliminary budget no later than April 30.

In the event that the Board of Finance considers adding to the recommended budget as submitted by the Board of Selectmen, the Board of Finance will confer with the Board of Selectmen concerning such additions. The decision of the Board of Finance is final. During the last week of April, the Board of Finance holds a public hearing on the preliminary budgets as recommended by the Board of Finance. After the public hearing, the Board of Finance approves the final recommended budgets to be submitted for referendum. The Board of Finance publishes the final recommended budget no less than ten days prior to the referendum. The Board of Selectmen sets the date of the referendum vote on the budgets. The vote must take place no less than 20 days, or more than 30 days from the date of their action. In the event of a budget rejection, the Board of Finance will hold a public hearing. For the purposes of re-votes on the budget, the Board of Finance need only publish the details of changes of the budget that was previously published.

During the course of the year, the Board of Finance maintains supervision and control over expenditures and revenues through a monthly financial statement prepared by the Director of Finance.

All disbursements are handled by the assistant comptroller in the Finance Office. No appropriation may be used for any purpose other than for which it is made unless recommended by the Board of Selectmen and approved by the Board of Finance and referendum. A request for a Special Appropriation of \$250,000 or less may be recommended by the Board of Selectmen and approved by the Board of Finance without Town Meeting approval. All balances in the General Fund at the end of the fiscal year revert to the Fund Balance.

MUNICIPAL BUDGET EXPENDITURES CAP

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. For fiscal year ending June 30, 2026, the Town expects to receive \$175,258 in municipal revenue sharing grants.

PENSION PLANS

Defined Benefit Public Retirement System Pension Plans

The Town is the administrator of three single-employer Public Retirement Systems (“PERS”) established and administered by the Town to provide pension benefits for its employees. The PERS are considered to be part of the Town’s financial reporting entity and are accounted for in the fiduciary fund financial statements as Pension Trust Funds. The PERS include the Town Employees’ Pension Plan (the “Town Plan”), the Police Pension Plan (the “Police Plan”), and the Firemen’s Benefit Plan (the “Fire Plan”). The PERS covers substantially all of its employees except certified teachers, who are covered by the State of Connecticut Teachers’ Retirement Fund. Custodial employees of the Board of Education are covered under a defined contribution plan, under a collective bargaining agreement with the Teamsters, Chauffeurs, Warehousemen and Helpers Local 443, participating in the New England Teamsters and Trucking Industry Pension Fund. All Town plans are trusted contributory pension plans funded annually in an amount recommended by an actuary. The Town has invested money in an investment fund to provide partial or full retirement benefits to eligible members. It is the policy of the Town to have actuarial valuations every year. The most recent completed actuarial valuations for the Town Plan, Police Plan and Fire Plan is dated July 1, 2025.

In accordance with Government Accounting Standards Board's (GASB) Statement No. 67, the components of the net pension liability of the Town plans as of June 30, 2025 were as follows:

	Town Employees' Retirement Plan				
Fiscal Year Ending June 30	2025	2024	2023	2022	2021
Total pension liability.....	\$37,647,620	\$36,549,854	\$35,375,692	\$34,318,409	\$33,263,700
Plan fiduciary net position.....	28,354,538	26,173,738	24,196,493	22,388,045	25,778,252
Net pension liability.....	<u>\$ 9,293,082</u>	<u>\$10,376,116</u>	<u>\$11,179,199</u>	<u>\$11,930,364</u>	<u>\$ 7,485,448</u>
Plan fiduciary net position as a % of total pension liability.....	75.32%	71.61%	68.40%	65.24%	77.50%
Covered Employee Payroll.....	\$ 7,104,303	\$ 7,442,907	\$ 7,670,867	\$ 8,503,214	\$ 8,431,963
Net Pension liability as a % of covered employee payroll.....	130.81%	139.41%	145.74%	140.30%	88.77%

	Police Retirement Plan				
Fiscal Year Ending June 30	2025	2024	2023	2022	2021
Total pension liability.....	\$22,130,196	\$22,072,613	\$21,711,059	\$21,134,652	\$20,842,966
Plan fiduciary net position.....	15,920,804	15,179,640	14,435,197	13,854,821	16,834,453
Net pension liability.....	<u>\$ 6,209,392</u>	<u>\$ 6,892,973</u>	<u>\$ 7,275,862</u>	<u>\$ 7,279,831</u>	<u>\$ 4,008,513</u>
Plan fiduciary net position as a % of total pension liability.....	71.94%	68.77%	66.49%	65.55%	80.77%
Covered Employee Payroll.....	\$ 1,312,489	\$ 1,423,299	\$ 1,529,152	\$ 1,762,519	\$ 1,777,185
Net Pension liability as a % of covered employee payroll.....	473.10%	484.30%	475.81%	413.04%	225.55%

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	Volunteer Fire Supplement Retirement Plan				
Fiscal Year Ending June 30	2025	2024	2023	2022	2021
Total pension liability.....	\$3,754,421	\$3,768,997	\$3,591,318	\$2,024,067	\$1,956,643
Plan fiduciary net position.....	<u>3,385,454</u>	<u>3,065,898</u>	<u>2,511,367</u>	<u>1,467,995</u>	<u>1,802,669</u>
Net pension liability.....	<u>\$ 368,967</u>	<u>\$ 703,099</u>	<u>\$1,079,951</u>	<u>\$ 556,072</u>	<u>\$ 153,974</u>
Plan fiduciary net position as a % of total pension liability.....	90.17%	81.35%	69.93%	72.53%	92.13%
Covered Employee Payroll.....	N/A	N/A	N/A	N/A	N/A
Net Pension liability as a % of covered employee payroll.....	N/A	N/A	N/A	N/A	N/A

The following represents the net pension liability of the Town, calculated using the current discount rate of each plan, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Town Plan.....	\$13,312,081	\$ 9,293,082	\$ 5,874,255

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Police Retirement Plan...	\$ 8,593,713	\$ 6,209,392	\$ 4,199,873

	1% Decrease	Current Discount Rate	1% Increase
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Volunteer Fire Department Supplemental Retirement Plan...	\$ 790,933	\$ 368,967	\$ 10,249

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The following represents historic trend information of the Town's Pension Plans:

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
<u><i>Town Employees' Retirement Plan</i></u>						
7/1/2025	\$27,741,758	\$ 37,642,347	\$ 9,900,589	73.7%	\$3,139,008	315.4%
7/1/2024	26,520,778	36,843,838	10,323,060	72.0%	6,387,923	161.6%
7/1/2023	25,622,985	35,564,267	9,941,282	72.0%	7,104,303	139.9%
7/1/2022	24,892,471	34,305,788	9,413,317	72.6%	7,442,907	126.5%
7/1/2021	22,865,369	33,201,772	10,336,403	68.9%	7,670,867	134.7%
<u><i>Police Retirement Plan</i></u>						
7/1/2025	\$15,730,089	\$ 22,285,725	\$ 6,555,636	70.6%	\$1,097,716	597.2%
7/1/2024	15,347,803	21,991,649	6,643,846	69.8%	1,151,344	577.1%
7/1/2023	15,249,904	21,898,494	6,648,590	69.6%	1,312,489	506.6%
7/1/2022	15,345,438	21,500,505	6,155,067	71.4%	1,423,299	432.5%
7/1/2021	15,158,801	21,024,271	5,865,470	72.1%	1,529,152	383.6%
<u><i>Volunteer Fire Supplemental Retirement Plan</i></u>						
7/1/2025	\$ 3,300,158	\$ 3,650,994	\$ 350,836	90.4%	N/A	N/A
7/1/2024	3,078,768	3,619,576	540,808	85.1%	N/A	N/A
7/1/2023	2,624,564	3,607,335	982,771	72.8%	N/A	N/A
7/1/2022	1,625,601	3,436,591 ¹	1,810,990	47.3%	N/A	N/A
7/1/2021	1,639,922	1,980,129	340,207	82.8%	N/A	N/A

¹ Effective July 1, 2022 the Town modified the Volunteer Fire Supplemental Retirement Plan to phase-in an increase in retiree benefits from \$250/month to \$500/month.

Schedule of Employer Contributions

Fiscal Year	Schedule of Employer Contributions								
	Town Employee's Retirement Plan			Police Retirement Plan			Volunteer Fire Department Supplemental Retirement Plan		
	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed	Actuarially Determined Contribution	Actual Contribution	Percentage Contributed
2026 ¹	\$ 1,465,226	\$ 1,465,226	100.0%	\$ 657,345	\$ 657,345	100.0%	\$ 127,550	\$ 127,550	100.0%
2025 ²	1,473,226	1,473,226	100.0%	648,213	648,213	100.0%	173,768	173,768	100.0%
2024	1,447,028	1,447,028	100.0%	602,509	602,509	100.0%	252,651	452,651	179.2%
2023	1,500,563	1,500,563	100.0%	561,797	561,797	100.0%	64,952	1,064,952 ³	1639.6%
2022	1,554,614	2,558,316	164.6%	626,752	655,220	104.5%	70,856	71,949	101.5%

¹ Adopted budget.

² Unaudited budget.

³ In connection with the July 2022 increase in retiree benefits for the Volunteer Fire Supplemental Retirement Plan, the Town made a supplemental appropriation to increase the pension contribution in fiscal year 2022-23.

Source: Town officials and annual audit reports.

The Actuarial Determined Contributions for the Town Employee's Retirement Plan, Police Retirement Plan and Volunteer Fire Department Supplemental Retirement Plans are \$1,438,878, \$683,352, and \$110,348, respectively.

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education are eligible to participate in the State of Connecticut Teachers' Retirement System, a multiple employer public employees' retirement system described in the Connecticut General Statutes Chapter 167a. The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. The financial report for this may be obtained through the State Teachers' Retirement Board.

For further information regarding Pension Plans, fund information and other relevant information, see Appendix A – "Notes to the Financial Statements" herein.

OTHER POST-EMPLOYMENT BENEFITS

The Town provides a single-employer other post-employment benefits plan to all Town employees retiring under the Town of Madison's Retiree Medical Program. The level of these benefits is determined by contract for all union employees and by a Town ordinance for all non-represented employees. The Town currently pays for its other post-employment benefits on a pay-as-you-go basis.

The Town implemented GASB Statement No. 74. The following net OPEB liability of the Town OPEB Plan at June 30, 2025, determined by an actuarial valuation as of July 1, 2023 and based on actuarial assumptions as of that date, were as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Beginning Balance.....	\$ 13,429,757	\$ 16,796,057	\$ 15,707,902	\$ 27,010,475	\$ 28,147,634
Changes for the year:					
Service cost.....	230,959	259,324	304,022	476,679	543,473
Interest on total OPEB liability.....	524,559	610,237	553,258	585,518	625,901
Changes in benefit terms.....	-	-	-	277,552	230,577
Difference between expected and actual experience.....	-	(2,203,486)	-	(7,209,992)	-
Effect of assumptions changes or inputs.....	(1,887,600)	(1,353,186)	1,003,901	(4,668,654)	(1,793,438)
Benefit payments.....	(632,393)	(679,189)	(773,026)	(763,676)	(743,672)
Net changes.....	<u>(1,764,475)</u>	<u>(3,366,300)</u>	<u>1,088,155</u>	<u>(11,302,573)</u>	<u>(1,137,159)</u>
Ending Balance.....	<u>\$ 11,665,282</u>	<u>\$ 13,429,757</u>	<u>\$ 16,796,057</u>	<u>\$ 15,707,902</u>	<u>\$ 27,010,475</u>

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
	<u>4.20%</u>	<u>Discount Rate</u>	<u>6.20%</u>
		<u>5.20%</u>	
Town's Net OPEB Liability...	\$ 13,111,623	\$ 11,665,282	\$ 10,465,046

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

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
		<u>Healthcare Cost</u>	
		<u>Trend Rate</u>	
Town's Net OPEB Liability...	\$ 10,180,295	\$ 11,665,282	\$ 13,482,374

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The following represents historic trend information of the Town's OPEB Plans:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
7/1/2023	\$ -	\$13,854,172	\$(13,854,172)	0.00%	\$34,834,833	39.8%
7/1/2021	-	19,171,499	(19,171,499)	0.00%	33,412,168	57.4%
7/1/2019	-	22,159,177	(22,159,177)	0.00%	29,140,269	76.0%
7/1/2017	-	18,812,581	(18,812,581)	0.00%	28,320,133	66.4%
1/1/2015	-	17,046,172	(17,046,172)	0.00%	27,011,000	63.1%

For further information regarding Other Post-Employment Benefits, see Appendix A - "Notes to the Financial Statements" herein.

INVESTMENT POLICIES AND PROCEDURES

Under the Town Charter and Connecticut General Statutes Sections 7-400, as amended by Public Act 94-190, 7-401 and 7-402, the Town may invest in (a) obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal National Mortgage Association, the Federal Government National Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the federal home loan banks, all the federal land banks, the Tennessee Valley Authority, or any other agency of the United States government, (b) certain mutual funds and money market mutual funds investing in such obligations or repurchase agreements fully collateralized by such obligations, and (c) certain state and municipal bonds and notes, and may make deposits with certain "qualified public depositories". Under the Town's investment policy, the Town may invest in any obligation authorized under the Connecticut General Statutes as well as State of Connecticut Investment Pools.

The Town has an investment policy for all financial assets of the Town, excluding assets of funds of any pension plan held by or managed by the Town, dated January 21, 2004. As previously adopted, the policy limits investments to instruments maturing within one year at the time of purchase for funds required during the course of the fiscal year. The average maturity of all funds invested shall not exceed six months at any time to insure liquidity of funds. The policy has a provision which allows a portion of the fund balance reserve and non-cyclical funds to be invested in longer term securities with an objective of increasing the rate of return consistent with prudent risk management, subject to the following investment limitations: (a) maturities shall not exceed eight years, (b) securities shall have maturities evenly spread over the investment period ("laddering"), (c) the maximum dollar amount of the portion to be so invested shall be set by the Board of Finance and reviewed annually or as required, and (d) an investment committee, consisting of the First Selectman or Acting First Selectman and the Chairman of the Board of Finance shall oversee the investments. All investment securities purchased by the Town of Madison shall be held in third party safekeeping by an institution designated as the primary agent. The primary agent shall issue a safekeeping receipt to the Town of Madison listing the specific instrument, rate, maturity and other pertinent information. The Town does not invest in derivative products.

The Department of Finance is required to generate semi-annual reports for review by the Board of Selectmen and the Board of Finance. These reports shall indicate the specific instrument, rate and maturity of investments held as of that date.

All Town pension funds are invested with investment managers and for educators, the State of Connecticut Retirement Commission oversees the investment pool for teachers and administrators. For a further description of the Town's Pension Plans, see Appendix A, herein.

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COMPARATIVE GENERAL FUND OPERATING STATEMENT
FISCAL YEARS 2024-25 & 2025-26
(Budgetary Basis)

	Fiscal Year 2024-25			Fiscal Year 2025-26
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Adopted Budget
REVENUES				
Property taxes.....	\$ 92,351,532	\$ 93,224,790	\$ 873,258	\$ 94,034,578
Income on investments.....	1,600,000	3,382,110	1,782,110	1,900,000
Intergovernmental.....	1,107,541	2,526,332	1,418,791	1,437,491
Charges for services.....	1,953,183	2,864,309	911,126	2,272,764
TOTAL REVENUES	97,012,256	101,997,541	4,985,285	99,644,833
EXPENDITURES				
Current:				
General government.....	3,001,861	2,878,815	123,046	3,722,274
Public safety.....	6,910,134	6,887,949	22,185	8,292,459
Public works.....	4,074,437	4,009,485	64,952	5,668,015
Land and buildings administration.....	658,895	644,245	14,650	665,550
Health and welfare.....	1,855,558	1,770,489	85,069	1,853,090
Beach and recreation.....	1,739,676	1,661,625	78,051	1,870,067
Library.....	1,543,828	1,543,828	-	1,552,236
Education.....	63,193,326	62,802,069	391,257	65,152,582
Insurance and benefits.....	3,492,044	3,359,106	132,938	3,582,465
Miscellaneous.....	2,594,088	2,594,059	29	2,474,072
Contingency.....	11,705	-	11,705	60,000
Capital outlay.....	26,700	25,508	1,192	-
Debt Service.....	2,366,200	2,366,200	-	2,918,298
TOTAL EXPENDITURES	91,468,452	90,543,378	925,074	97,811,108
Excess (deficiency) of revenues over expenditures.....	5,543,804	11,454,163	5,910,359	1,833,725
Other financing sources (uses):				
Appropriation of Fund Balance.....	6,393,309	-	(6,393,309)	500,000
Cancellation of prior year's				
Encumbrances.....	-	132,404	132,404	-
Operating transfers in.....	107,000	46,500	(60,500)	-
Operating transfers out.....	(12,044,113)	(12,044,113)	-	(2,333,725)
Total Other financing sources (uses).....	(5,543,804)	(11,865,209)	(6,321,405)	(1,833,725)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses.....	\$ -	\$ (411,046)	\$ (411,046)	\$ -

Source: Fiscal year 2024-25 audited financial statements; fiscal year 2025-26 adopted budget.

COMPARATIVE GENERAL FUND BALANCE SHEET
Summary of Audited Assets and Liabilities
(GAAP Basis)

FISCAL YEAR ENDED:	2021	2022	2023	2024	2025
ASSETS					
Cash and cash equivalents.....	\$37,449,089	\$33,263,739	\$36,248,910	\$52,787,056	\$23,919,339
Investments.....	-	-	-	-	-
Receivables, net.....	1,507,088	1,218,770	1,131,937	908,840	847,769
Due from other funds.....	5,414,362	8,159,881	10,418,596	2,316,748	6,697,649
Prepaid items and inventories.....	8,675	-	-	27,573	-
TOTAL ASSETS.....	\$44,379,214	\$42,642,390	\$47,799,443	\$56,040,217	\$31,464,757
LIABILITIES, DEFERED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Accounts payable.....	\$ 802,289	\$ 699,290	\$ 823,131	\$ 652,180	\$ 514,612
Accrued expense.....	459,893	455,559	517,331	520,144	548,140
Due to other funds.....	18,221,817	14,573,414	19,949,421	24,319,522	1,054,509
Unearned revenue.....	-	-	-	1,900	-
Deposits payable.....	437,346	443,936	393,751	422,017	468,569
TOTAL LIABILITIES.....	19,921,345	16,172,199	21,683,634	25,915,763	2,585,830
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes.....	1,112,011	1,054,393	1,000,392	750,043	744,419
Advance property tax collections.....	3,331,711	3,293,691	3,570,878	3,456,652	3,101,073
TOTAL DEFERRED INFLOWS OF RESOURCES.....	4,443,722	4,348,084	4,571,270	4,206,695	3,845,492
FUND BALANCES					
Nonspendable.....	8,675	-	-	27,573	-
Assigned.....	1,605,711	1,350,702	1,455,280	1,674,530	1,200,945
Unassigned.....	18,399,761	20,771,405	20,089,259	24,215,656	23,832,490
TOTAL FUND BALANCES.....	20,014,147	22,122,107	21,544,539	25,917,759	25,033,435
TOTAL LIABILITIES, DEFERED INFLOWS OF RESOURCES AND FUND BALANCES.....	\$44,379,214	\$42,642,390	\$47,799,443	\$56,040,217	\$31,464,757

Source: Annual audited financial statements.

COMPARATIVE GENERAL FUND REVENUES AND EXPENDITURES
Summary of Audited Revenues and Expenditures
(GAAP Basis)

FISCAL YEAR ENDED:	2021	2022	2023	2024	2025
REVENUES					
Property taxes.....	\$83,864,517	\$86,154,537	\$ 89,633,623	\$ 92,589,817	\$ 93,224,790
Intergovernmental.....	9,777,578	9,684,225	10,834,322	12,126,413	12,215,502
Charges for services.....	3,188,418	3,187,393	2,590,871	2,670,386	2,909,544
Income on investments.....	701,891	400,270	1,857,748	2,986,007	3,382,110
Other.....	-	1,075	-	585	2,472
TOTAL REVENUES.....	97,532,404	99,427,500	104,916,564	110,373,208	111,734,418
EXPENDITURES					
Current:.....					
General government.....	2,548,105	2,704,263	2,746,145	2,718,888	2,841,886
Public safety.....	6,061,009	6,559,177	6,775,056	6,737,036	6,898,009
Public works.....	3,741,585	3,568,146	3,667,739	4,061,033	3,912,979
Land and buildings administration.....	492,465	499,707	540,262	587,965	653,664
Health and welfare.....	1,543,855	1,657,651	1,738,377	1,715,029	1,750,798
Beach and recreation.....	1,671,760	1,552,276	1,522,497	1,702,392	1,648,720
Education.....	63,378,730	64,546,602	1,457,837	70,279,345	72,642,338
Library.....	1,181,247	1,547,321	67,112,327	1,486,034	1,543,828
Insurance and benefits.....	5,332,178	6,238,830	6,307,158	5,951,643	6,006,186
Capital outlay.....	31,481	62,705	60,935	37,151	270,410
Debt Service.....	3,401,133	3,378,993	3,021,504	2,687,648	2,433,548
TOTAL EXPENDITURES.....	89,383,548	92,315,671	94,949,837	97,964,164	100,602,366
Excess (deficiency) of revenues over expenditures.....	8,148,856	7,111,829	9,966,727	12,409,044	11,132,052
Other financing sources (uses):					
Payment to refunded bond escrow agent..	(3,876,683)	-	-	-	-
Proceeds from bond refunding.....	3,230,000	-	-	-	-
Premium on bond refunding.....	710,878	-	-	-	-
Capital Lease Financing.....	-	-	-	-	100,535
Sale of general capital assets.....	-	2,300,000	-	-	-
Operating transfers in.....	107,181	318,412	362,982	130,800	101,983
Operating transfers (out).....	(6,658,543)	(7,622,281)	(10,907,277)	(8,166,624)	(12,218,894)
Total other financing sources (uses)	(6,487,167)	(5,003,869)	(10,544,295)	(8,035,824)	(12,016,376)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	1,661,689	2,107,960	(577,568)	4,373,220	(884,324)
Fund Balance - July 1.....	18,352,458	20,014,147	22,122,107	21,544,539	25,917,759
Fund Balance - June 30.....	<u>\$20,014,147</u>	<u>\$22,122,107</u>	<u>\$ 21,544,539</u>	<u>\$ 25,917,759</u>	<u>\$ 25,033,435</u>

Source: Annual audited financial statements.

PROPERTY TAX REVENUES

Fiscal Year	General Fund Revenues & Transfers In	Property Tax Revenues	Property Tax Revenues as a Percentage of Total General Fund Revenues
2026 ¹	\$ 100,144,833	\$ 94,034,578	93.9%
2025	111,836,401	93,224,790	83.4%
2024	110,504,006	92,589,817	83.8%
2023	105,279,549	89,633,623	85.1%
2022	102,045,912	86,154,537	84.4%

¹ Adopted Budget, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

INTERGOVERNMENTAL REVENUES

Fiscal Year	General Fund Revenues & Transfers In	Intergovernmental Revenues	Intergovernmental Revenue as a Percentage of Total General Fund Revenue
2026 ¹	\$100,144,833	\$ 1,437,491	1.4%
2025	111,836,401	12,215,502	10.9%
2024	110,504,006	12,126,413	11.0%
2023	105,279,549	10,834,322	10.3%
2022	102,045,912	9,684,225	9.5%

¹ Adopted Budget, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

EXPENDITURES

Fiscal Year	Education	Public Safety	Debt Service	Insurance & Benefits
2026 ¹	65.1%	8.3%	2.9%	6.0%
2025	72.2%	6.9%	2.4%	6.0%
2024	66.2%	6.3%	2.5%	5.6%
2023	57.9%	5.8%	2.6%	5.4%
2022	69.9%	7.1%	3.7%	6.8%
2021	70.9%	6.8%	3.8%	6.0%

¹ Adopted Budget, excludes on-behalf payments to the Connecticut State Teachers' Retirement System.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF INDEBTEDNESS

As of December 18, 2025
(Pro Forma)

Long-Term Debt

<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding</u>	<u>Fiscal Year Maturity</u>
06/09/16	Refunding - General Purpose.....	2.00 - 4.00	\$ 3,490,000	\$ 1,410,000	2030
06/27/19	General Purpose.....	2.25 - 5.00	9,100,000	6,700,000	2039
06/02/21	Refunding - General Purpose.....	5.00	3,230,000	1,805,000	2030
12/21/23	School Purpose.....	4.00 - 5.00	10,500,000	9,450,000	2044
12/19/24	General Purpose.....	3.00 - 5.00	6,715,000	6,715,000	2045
12/19/24	School Purpose	3.00 - 5.00	19,000,000	19,000,000	2045
12/18/25	<i>The Bonds - (This Issue).....</i>	4.00 - 5.00	20,670,000	20,670,000	2046
	Total		<u>\$ 72,705,000</u>	<u>\$ 65,750,000</u>	

Short-Term Debt

<u>Date of Issue</u>	<u>Issue</u>	<u>Coupon Rate %</u>	<u>Notes Maturing 12/18/2025</u>	<u>Debt Outstanding Including This Issue</u>	<u>Final Maturity</u>
12/18/25	<i>Bond Anticipation Notes (This Issue)....</i>	4.00	\$ 30,000,000	\$ 24,685,000	12/17/2026
	Total			<u>\$ 24,685,000</u>	

OTHER LONG-TERM COMMITMENTS

The Town has entered into an agreement to finance certain town equipment. The Town's capital leases lease obligations as of June 30, 2025 are as follows:

<u>Fiscal Year Ending</u>	<u>Principal Payments</u>
2026	\$ 543,568
2027	414,223
	<u>957,791</u>

SCHOOL BUILDING GRANT REIMBURSEMENTS

The State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Under the current program, the State of Connecticut will make proportional progress payments for eligible construction costs during the construction of the projects at the estimated reimbursement rates shown below. Currently, the Town is receiving reimbursement for the following projects:

<u>Project</u>	<u>Total Appropriation</u>	<u>Estimated Eligible Cost</u>	<u>Reimbursement Rate</u>	<u>Estimated Grant ¹</u>
New Elementary School & Systemwide Renovations.	\$ 89,200,000	\$ 55,187,876	28.21%	\$ 15,568,500

¹ Estimated grants receivable are based upon eligibility of reimbursable project costs. Final eligible costs to be determined at completion of post project audit. To date, the Town has received \$9,762,521 in progress payments for the project.

COMBINED SCHEDULE OF DEBT THROUGH MATURITY

As of December 18, 2025

(Pro Forma)

Fiscal Year	Existing Indebtedness			The Bonds (This Issue)	ALL ISSUES
	Principal Payments	Interest Payments	Total Debt Service		Total Principal
2025-26 ¹	\$ 840,000	\$ 849,753	\$ 1,689,753	\$ -	\$ 840,000
2026-27	1,655,000	1,641,431	3,296,431	-	1,655,000
2027-28	2,750,000	1,549,731	4,299,731	-	2,750,000
2028-29	2,750,000	1,430,081	4,180,081	850,000	3,600,000
2029-30	2,745,000	1,309,250	4,054,250	900,000	3,645,000
2030-31	2,480,000	1,191,513	3,671,513	950,000	3,430,000
2031-32	2,205,000	1,101,331	3,306,331	1,025,000	3,230,000
2032-33	2,355,000	1,017,331	3,372,331	1,075,000	3,430,000
2033-34	2,355,000	929,731	3,284,731	1,095,000	3,450,000
2034-35	2,455,000	839,531	3,294,531	1,150,000	3,605,000
2035-36	2,465,000	745,831	3,210,831	1,150,000	3,615,000
2036-37	2,475,000	659,156	3,134,156	1,200,000	3,675,000
2037-38	2,475,000	578,734	3,053,734	1,225,000	3,700,000
2038-39	2,600,000	494,438	3,094,438	1,225,000	3,825,000
2039-40	2,125,000	407,188	2,532,188	1,225,000	3,350,000
2040-41	2,175,000	333,375	2,508,375	1,225,000	3,400,000
2041-42	2,175,000	257,719	2,432,719	1,275,000	3,450,000
2042-43	2,175,000	180,000	2,355,000	1,275,000	3,450,000
2043-44	2,175,000	100,219	2,275,219	1,275,000	3,450,000
2044-45	1,650,000	29,906	1,679,906	1,275,000	2,925,000
2045-46	-	-	-	1,275,000	1,275,000
	<u>\$45,080,000</u>	<u>\$ 15,646,250</u>	<u>\$60,726,250</u>	<u>\$20,670,000</u>	<u>\$65,750,000</u>

¹ Includes principal payments of \$825,000 and interest payments of \$865,878 made as of December 18, 2025.

THE TOWN OF MADISON, CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

OVERLAPPING/UNDERLYING DEBT

The Town does not have overlapping or underlying debt.

Apart from the Town, other political subdivisions with power to issue debt or cause taxes to be levied on taxable property in the Town include various beach associations.

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DEBT STATEMENT
As of December 18, 2025
(Pro Forma)

Bonded Debt ¹	
<i>The Bonds (This Issue)</i>	\$ 20,670,000
General Purpose.....	16,630,000
Schools.....	28,450,000
Total Bonded Debt	<u>65,750,000</u>
Short-Term Debt.....	
<i>The Notes (This Issue)</i>	<u>24,685,000</u>
Total Short-Term Debt	<u>24,685,000</u>
Total Direct Debt	<u>90,435,000</u>
Exclusions	<u>-</u>
Total Net Direct Debt	<u><u>\$ 90,435,000</u></u>

¹ Excludes capital lease obligations.

CURRENT DEBT RATIOS
As of December 18, 2025
(Pro Forma)

Total Direct Debt ¹	\$90,435,000
Net Direct Debt ¹	\$90,435,000
Population (2023) ²	17,577
Net Taxable Grand List (10/1/24).....	\$4,251,580,044
Estimated Full Value.....	\$6,073,685,777
Equalized Net Taxable Grand List (2025) ³	\$6,074,723,196
Per Capita Income (2023) ²	\$85,234
Total Direct Debt:	
Per Capita.....	\$5,145.08
To Net Taxable Grand List.....	2.13%
To Estimated Full Value.....	1.49%
To Equalized Net Taxable Grand List.....	1.49%
Per Capita to Per Capita Income.....	6.04%
Net Direct Debt:	
Per Capita.....	\$5,145.08
To Net Taxable Grand List	2.13%
To Estimated Full Value	1.49%
To Equalized Net Taxable Grand List.....	1.49%
Per Capita to Per Capita Income.....	6.04%

¹ Excludes capital lease obligations.

² U.S. Census Bureau, American Community Survey, 2019-2023

³ State of Connecticut, Office of Policy and Management.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The Town has the power to incur indebtedness by issuing its bonds as authorized by the General Statutes of the State of Connecticut subject to statutory debt limitations and the requirements of the Town Charter for the authorization of indebtedness. Under the Charter, issuance of bonds and notes shall require approval by a town meeting except for notes issued in anticipation of taxes.

Pursuant to Section 7-370c of the General Statutes of the State of Connecticut, the elective legislative body of a municipality is empowered to authorize by resolution the issuance of refunding bonds.

TEMPORARY FINANCING

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and the legislative body schedules principal reductions by the end of the third year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for sewer projects and certain school projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years.

Temporary notes must be permanently funded no later than ten years from their initial borrowing date, except sewer notes issued in anticipation of State and/or Federal grants. If written commitment exists, the municipality may renew the sewer notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to 15 years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year following the original date of issue (whichever is sooner), and in each year thereafter, the notes must be reduced by 1/15th of the total amount of the notes issued by funds derived from sources of payment specified by statute. Temporary notes may be issued in one-year maturities for up to 15 years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

LIMITATION OF INDEBTEDNESS

Municipalities shall not incur indebtedness through the issuance of bonds or notes, which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:.....	4.50 times annual receipts from taxation
Sewer Purposes:.....	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Pension Obligation Purposes:.....	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the base. "Annual receipts from taxation," (the "base,") are defined as total tax collections (including interest, penalties, and late payment of taxes, and state payments for revenue loss under CGS Sections 12-129d and 7-528).

The statutes also provide for exclusion from the debt limit calculation debt issued in anticipation of taxes; for the supply of water, gas, electricity; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; and for two or more of such purposes. There are additional exclusions for indebtedness issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement and for indebtedness issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or contract but only to the extent such indebtedness can be paid from such proceeds. The statutes also provide for exclusion from the debt limitation any debt upon placement in escrow of the proceeds of refunding bonds, note or other obligations or other funds of the municipality in amount sufficient to provide for the payment when due of the principal and interest on such debt.

STATEMENT OF STATUTORY DEBT LIMITATION

As of December 18, 2025

(Pro Forma)

Total Fiscal Year 2025 tax collections (including interest and lien fees)(unaudited estimate)	\$ 93,283,079
State Reimbursement for Revenue Loss on:	
Tax Relief for the Elderly	-
Base for Establishing Debt Limit	<u>\$ 93,283,079</u>

Debt Limit ¹

	General Purpose	Schools	Sewers	Urban Renewal	Unfunded Past Pension	Total Debt
(2.25 times base).....	\$209,886,928					
(4.50 times base).....		\$419,773,856				
(3.75 times base).....			\$349,811,546			
(3.25 times base).....				\$303,170,007		
(3.00 times base).....					\$279,849,237	
(7.00 times base).....						\$652,981,553
Indebtedness						
Bonds Payable.....	\$ 16,630,000	\$ 28,450,000	\$ -	\$ -	\$ -	\$ 45,080,000
<i>The Bonds (This Issue).....</i>	-	20,670,000	-	-	-	20,670,000
<i>The Notes (This Issue).....</i>	-	24,685,000	-	-	-	24,685,000
Authorized but Unissued Debt.....	5,185,000	4,582,479	-	-	-	9,767,479
Total Bonded Indebtedness..	21,815,000	78,387,479	-	-	-	100,202,479
School Grants Receivable....	-	(5,805,979)	-	-	-	(5,805,979)
Net Bonded Indebtedness....	21,815,000	72,581,500	-	-	-	94,396,500
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$188,071,928</u>	<u>\$347,192,356</u>	<u>\$349,811,546</u>	<u>\$303,170,007</u>	<u>\$279,849,237</u>	<u>\$558,585,053</u>

AUTHORIZED BUT UNISSUED DEBT

<u>Project</u>	<u>Amount of Total Authorization</u>	<u>Prior Bonds Issued</u>	<u>Grants Received</u>	<u>The Bonds (This Issue)</u>	<u>The Notes (This Issue)</u>	<u>Authorized But Unissued Debt</u>
New Elementary School & Systemwide Renovations...	\$ 89,200,000	\$29,500,000	\$ 9,762,521	\$20,670,000	\$24,685,000	\$ 4,582,479
Academy Community Center & Municipal Building.....	15,900,000	6,715,000	4,000,000	-	-	5,185,000
Total All Projects	<u>\$105,100,000</u>	<u>\$36,215,000</u>	<u>\$13,762,521</u>	<u>\$20,670,000</u>	<u>\$24,685,000</u>	<u>\$ 9,767,479</u>

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HISTORICAL DEBT STATEMENT

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>
Population ¹	17,577	17,577	17,577	17,658	17,742
Net taxable grand list.....	\$4,252,033,237	\$3,075,473,482	\$3,039,579,187	\$2,973,715,966	\$2,952,368,358
Estimated full value.....	\$6,074,333,196	\$4,393,533,546	\$4,342,255,981	\$4,248,165,666	\$4,217,669,083
Equalized net taxable grand list ² ..	\$6,074,723,196	\$6,292,036,271	\$5,915,327,082	\$5,125,254,449	\$4,388,761,355
Per capita income ¹	\$85,234	\$85,234	\$85,234	\$81,103	\$71,493
Short-term debt.....	\$ 30,000,000	\$ 30,000,000	\$ 8,200,000	\$ -	\$ -
Long-term debt.....	<u>\$ 45,905,000</u>	<u>\$ 22,210,000</u>	<u>\$ 13,760,000</u>	<u>\$ 16,300,000</u>	<u>\$ 19,255,000</u>
Total Direct debt.....	\$ 75,905,000	\$ 52,210,000	\$ 21,960,000	\$ 16,300,000	\$ 19,255,000
Net Direct debt.....	\$ 75,905,000	\$ 52,210,000	\$ 21,960,000	\$ 16,300,000	\$ 19,255,000

¹ U.S. Census Bureau, American Community Survey, 2019-2023.

² Office of Policy and Management, State of Connecticut

HISTORICAL DEBT RATIOS

	<u>2024-25</u>	<u>2023-24</u>	<u>2022-23</u>	<u>2021-22</u>	<u>2020-21</u>
Total Direct debt:					
Per capita.....	\$4,318.43	\$2,970.36	\$1,249.36	\$923.09	\$1,085.28
To net taxable grand list.....	1.79%	1.70%	0.72%	0.55%	0.65%
To estimated full value.....	1.25%	1.19%	0.51%	0.38%	0.46%
To equalized net taxable grand list.....	1.25%	0.83%	0.37%	0.32%	0.44%
Debt per capita to per capita income.....	5.07%	3.48%	1.47%	1.14%	1.52%
Net direct debt:					
Per capita.....	\$4,318.43	\$2,970.36	\$1,249.36	\$923.09	\$1,085.28
To net taxable grand list.....	1.79%	1.70%	0.72%	0.55%	0.65%
To estimated full value.....	1.25%	1.19%	0.51%	0.38%	0.46%
To equalized net taxable grand list.....	1.25%	0.83%	0.37%	0.32%	0.44%
Debt per capita to per capita income.....	5.07%	3.48%	1.47%	1.14%	1.52%

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CAPITAL IMPROVEMENT PLAN

Proposed Projects \$(000)	2025-26	2026-27	2027-28	2028-29	2029-30	Total
Beach and Recreation.....	\$ 300,000	\$ -	\$ -	\$ -	\$ 430,000	\$ 730,000
Education.....	1,611,192	1,286,254	125,000	450,000	4,110,525	7,582,971
General Government.....	3,324,400	10,000	10,000	10,000	60,000	3,414,400
Facilities.....	113,812	353,497	55,000	55,000	372,722	950,031
Public Safety.....	1,286,350	812,690	731,896	645,127	1,252,794	4,728,857
Public Works.....	1,377,506	2,031,602	2,042,348	1,304,682	1,310,993	8,067,131
Technology.....	210,330	215,799	221,409	227,166	233,072	1,107,776
Total Project Costs	\$ 8,223,590	\$ 4,709,842	\$ 3,185,653	\$ 2,691,975	\$ 7,770,106	\$26,581,166
Funding Sources						
Capital Project Funds.....	\$ 5,752,090	\$ 3,783,588	\$ 3,185,653	\$ 2,691,975	\$ 6,741,769	\$22,155,075
Grants.....	2,471,500	926,254	-	-	1,028,337	4,426,091
General Obligation Bonds...	-	-	-	-	-	-
Total Funding Sources.....	\$ 8,223,590	\$ 4,709,842	\$ 3,185,653	\$ 2,691,975	\$ 7,770,106	\$26,581,166

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VII. LEGAL AND OTHER INFORMATION

LITIGATION

The Town of Madison, its officers, employees, boards and commissions are defendants in a number of lawsuits. After consultation with the Town Attorney and other attorneys providing legal counsel to the Town, it is the opinion of the Town officials that there are no claims or litigation pending, or to their knowledge threatened, which would individually or in the aggregate result in final judgments against the Town, which would have a material adverse affect on the finances of the Town.

MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds and the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds and the Notes is contingent upon the issuance and delivery of the Bonds and the Notes, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regards to the investment of Bond or the Note proceeds.

CLOSING DOCUMENTS

Upon the delivery of the Bonds and the Notes, the winning bidder(s) will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds and the Notes or the levy or collection of taxes to pay them;
2. A certificate on behalf of the Town, signed by the First Selectman and the Executive Director of Finance and Town Administrative Services, which will be dated the date of delivery and attached to a signed copy of the Official Statement, certifying that to the best of said officials' knowledge and belief, as of the date bids were received on the Bonds and the Notes, the descriptions and statements in the Official Statement (with such supplemental information concerning ratings, interest rates, and corrections) relating to the Town and its finances were true and correct in all material respects, and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement;
3. The approving opinions of Shipman & Goodwin LLP, Bond Counsel, in substantially the forms set out in Appendices B and C hereto;
4. Executed Continuing Disclosure Agreements in substantially the forms set out in Appendices D and E hereto; and
5. Receipts for the purchase prices of the Bonds and the Notes.

The Town has an Official Statement for the Bonds and the Notes which is dated December 3, 2025. The Town deems such Official Statement final as of its date for the purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment. Within seven business days of the award for the Bonds and the Notes, the Town will furnish the winning bidder(s) with a reasonable number of copies of the Official Statement, as prepared for this issue at the Town's expense.

CONCLUDING STATEMENT

Additional information may be obtained upon request from the Office of the Director of Finance and Town Administration at (203) 245-6310 or from Munistat Services, Inc. at (203) 421-2880.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized. This Official Statement is not to be constructed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds or the Notes.

This Official Statement is submitted only in connection with the sale of the Bonds and the Notes by the Town and may not be reproduced or used in whole or part for any other purpose.

Shipman & Goodwin LLP is not passing upon, and do not assume responsibility for, the accuracy or completeness of the statements made in this Official Statement, other than as set forth in Appendix B and Appendix C, herein, and they make no representation that they have independently verified the same.

TOWN OF MADISON, CONNECTICUT

By: /s/ Peggy Lyons
PEGGY LYONS
First Selectman

By: /s/ Stacy S. Nobitz
STACY S. NOBITZ, CPA
Executive Director of Finance and Town Administrative Services

Dated: December 3, 2025

APPENDIX A – AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Appendix A - Financial Statements - is taken from the Annual Financial Report of the Town of Madison for the Fiscal Year ended June 30, 2025, and does not include all the schedules or management letter in such report. A copy of the complete report is available upon request to the Director of Finance, Town of Madison, Connecticut.

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Madison, Connecticut

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Madison, Connecticut, (the Town) as of and for the year ended June 30, 2025, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Madison, Connecticut, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 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.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 14 to the financial statements, the Town implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, which represents a change in accounting principle. Our opinions are not modified with respect to this matter.

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's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the information on pages 65 through 80 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

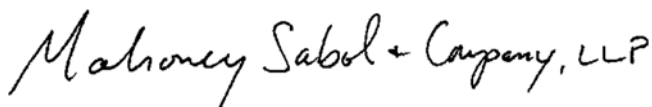
Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 8, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

The management of the Town of Madison, Connecticut, (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this Annual Comprehensive Financial Report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$125,857,719 (net position). Of this amount, \$14,725,341 represents the Town's unrestricted net position. The Town's total net position increased by \$14,770,656.
- The Town's total short-term and long-term debt, consisting of general obligation bonds, financed purchases, leases and bond anticipation notes increased by \$23,591,280.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$37,293,494, a decrease of \$32,948,589 in comparison with the prior year. Of this amount, \$4,231,860 constitutes unassigned fund balance.
- At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,832,490. Unassigned fund balance is sufficient to cover 2.9 months of and represents approximately 23.8% of the Town's fiscal year 2026 budgetary expenditure appropriations.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with the difference between these elements reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include: general government, public safety, public works, land and building administration, health and welfare, beach and recreation, library, and education. The Town does not have any business-type activities. The government-wide financial statements include only the Town itself because there are no legally separate organizations for which the Town is financially accountable. The government-wide financial statements can be found on pages 15 and 16 of this report.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements. Because the focus of governmental funds financial statements is narrower than that of the 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 Town'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.

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be major funds. Data from the other remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of combining statements. The basic governmental fund financial statements can be found on pages 17 through 20 of this report.

Proprietary Funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Health Internal Service Fund. Because these services benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 21 through 23 of this report.

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for the government-wide financial statements. The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and governmental funds financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and a statistical section.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$125,857,719 and \$111,087,063, as of June 30, 2025 and 2024, respectively, and are summarized as follows. As disclosed in Note 14 to financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The net position of the Town as of June 30, 2024 has been restated for the implementation of this statement.

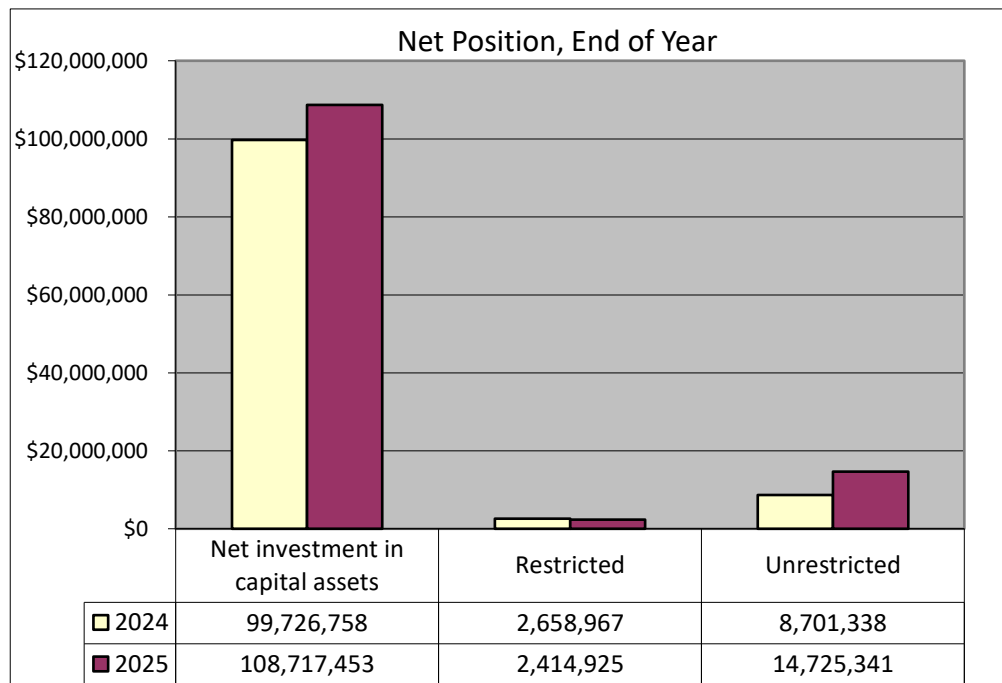
	2025	2024 As Restated	\$ Variance	% Variance
Current and other assets	\$ 80,892,505	\$ 90,963,793	\$ (10,071,288)	-11.1%
Capital assets, net	173,880,719	130,513,501	43,367,218	33.2%
Total assets	254,773,224	221,477,294	33,295,930	15.0%
Deferred outflows of resources	3,245,539	5,137,407	(1,891,868)	-36.8%
Long-term liabilities	81,206,024	60,963,606	20,242,418	33.2%
Other liabilities	35,227,419	38,812,815	(3,585,396)	-9.2%
Total liabilities	116,433,443	99,776,421	16,657,022	16.7%
Deferred inflows of resources	15,727,601	15,751,217	(23,616)	-0.1%
Net position:				
Net investment in capital assets	108,717,453	99,726,758	8,990,695	9.0%
Restricted	2,414,925	2,658,967	(244,042)	-9.2%
Unrestricted	14,725,341	8,701,338	6,024,003	69.2%
Total net position	\$ 125,857,719	\$ 111,087,063	\$ 14,770,656	13.3%

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

The Town's statement of net position continues to reflect the effects of ongoing capital projects, which are being funded through a combination of short-term and long-term borrowings. Additional information on these capital investments and related debt activity is provided in the capital asset and debt administration section of this Management's Discussion and Analysis. In addition, the Town's statement of net position reflects changes in its net pension and other post-employment benefit (OPEB) liabilities. The decrease in net pension liabilities was primarily the result of favorable market performance, while the reduction in the net OPEB liability was driven by positive experience and updated actuarial assumptions. These gains are deferred and will be recognized as components of pension and OPEB expense in future years.



86.4% of the Town's net position as of June 30, 2025 reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

1.9% of the Town's net position as of June 30, 2025 is subject to external restrictions on how they may be used and are, therefore, presented as restricted.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

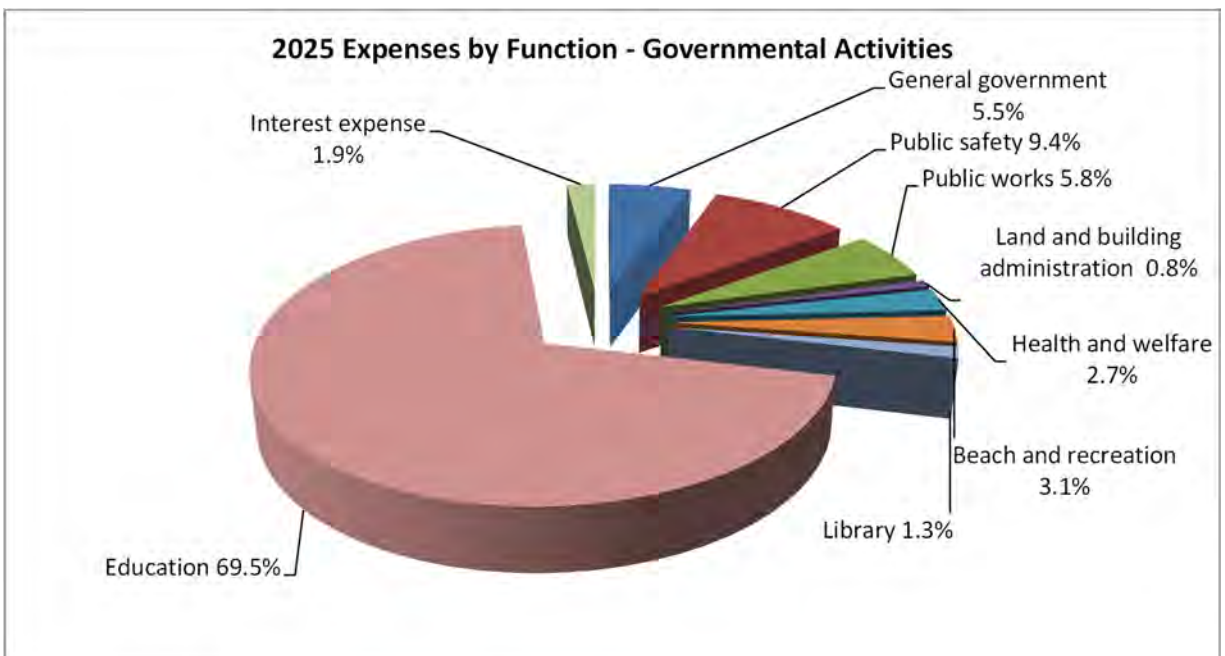
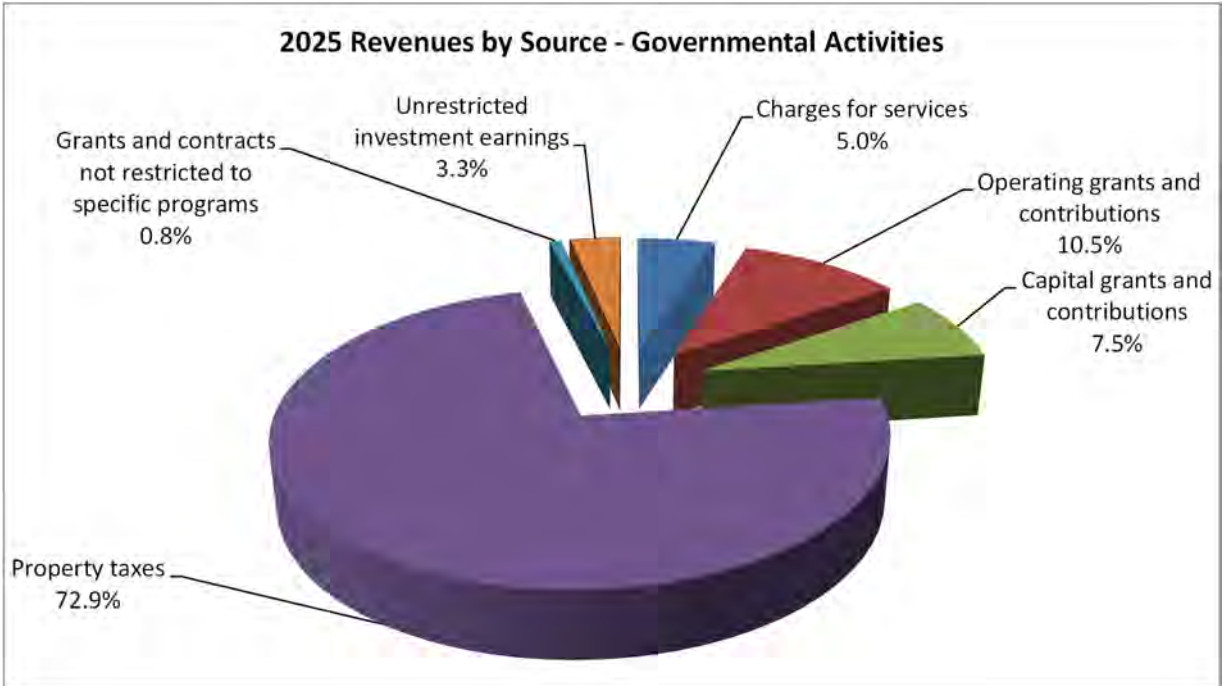
Changes in net position for the years ended June 30, 2025 and 2024, are as follows. As disclosed in Note 14 to financial statements, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. The change in net position of the Town for the year ended June 30, 2024 has not been restated for the implementation of this statement.

	2025	2024	\$ Variance	% Variance
Program revenues:				
Charges for services	\$ 6,369,268	\$ 5,673,701	\$ 695,567	12.3%
Operating grants and contributions	13,458,350	11,604,576	1,853,774	16.0%
Capital grants and contributions	9,589,918	4,299,323	5,290,595	123.1%
General revenues:				
Property taxes	93,219,166	92,339,468	879,698	1.0%
Grants and contracts not restricted to specific programs	978,353	1,354,160	(375,807)	-27.8%
Unrestricted investment earnings	4,176,251	3,350,696	825,555	24.6%
Total revenues	127,791,306	118,621,924	9,169,382	7.7%
Program expenses:				
General government	6,252,992	4,767,645	1,485,347	31.2%
Public safety	10,656,522	10,546,777	109,745	1.0%
Public works	6,501,067	7,698,031	(1,196,964)	-15.5%
Land and building administration	913,571	1,176,354	(262,783)	-22.3%
Health and welfare	3,024,338	3,176,526	(152,188)	-4.8%
Beach and recreation	3,532,383	3,504,623	27,760	0.8%
Library	1,513,541	1,495,823	17,718	1.2%
Education	78,487,334	74,378,156	4,109,178	5.5%
Interest expense	2,138,902	989,564	1,149,338	116.1%
Total expenses	113,020,650	107,733,499	5,287,151	4.9%
Change in net position	14,770,656	10,888,425	\$ 3,882,231	35.7%
Net position - beginning, as originally reported	113,168,820	102,280,395		
Cumulative effect of implementing new accounting standard	(2,081,757)	-		
Net position - beginning, as adjusted	111,087,063	102,280,395		
Net position - ending	\$ 125,857,719	\$ 113,168,820		

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)



TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Governmental Activities

Governmental activities increased the Town's net position by \$14,770,656. Revenues reported by the Town increased by \$9,169,382 or 7.7% and expenses increased by \$5,287,151 or 4.9% when compared to the prior year.

The increase in revenues was impacted by the following:

- Operating grants and contributions increased by \$1.8 million. The increase was primarily driven by a \$2.2 million increase in the amount of pension and other post-employment benefit revenues recognized by the Town for its participation in the Connecticut Teachers' Retirement System. This increase was partially offset by a decline in education-related grant revenues, as overall program expenditures were lower than in the prior year, resulting in reduced grant revenue recognized.
- Capital grants and contributions increased by approximately \$5.3 million from the prior fiscal year. Capital grants and contributions are utilized to finance the acquisition, construction, or improvement of capital assets, including infrastructure, buildings, and equipment. Fluctuations in these revenues typically reflect the timing of project activity and the availability of related grant funding. During the current year, the Town recognized \$6.4 million in grant reimbursements associated with the construction of a new elementary school and recorded revenue related to a federal geothermal energy tax credit received in connection with improvements made to the Town campus in the amount of \$930 thousand. These increases were partially offset by a decrease in American Rescue Plan Act (ARPA) funding recognized, as the Town's remaining allocation continues to be expended and the related revenue recognized over time.
- Property tax revenues increased by \$880 thousand or 1.0% to fund an overall increase in the expenditure budget for the General Fund.
- Investment earnings increased by \$825 thousand driven by a higher volume of cash invested in short-term investments combined with the continuation of elevated interest rates on debt securities.

The increase in expenses was impacted by the following:

- General government expenses increased by approximately \$1.4 million in the current year, primarily due to the expensing of costs associated with the Academy School into a Community Center project.
- Public works expenses decreased by \$1.2 million. This was a result of a decrease in non-capitalized road and related infrastructure improvements incurred in the prior year compared to the current year.
- There was a nominal increase in education expenses. Education expenses increased by \$2.2 million from an increase in pension and other post-employment benefit expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System. This is a non-cash expense and can fluctuate significantly from year to year based on changes in the various components of the State's net pension and other post-employment benefits liabilities. In addition, the Board of Education's operating budget increased as planned from the prior year, primarily due to higher wages and benefits.
- Interest expense increased by \$1.1 million driven by the impact of recent debt issuances to fund capital projects.

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$37,293,494, a decrease of \$32,948,589 from the prior year. This decrease was primarily due to increased capital outlays related to several ongoing and planned capital improvement projects. The timing of these expenditures coincides with the Town's long-term financing strategy, as the related costs are currently being financed through bond anticipation notes that are expected to be refinanced with the issuance of long-term bonds in a subsequent period.

General Fund

The General Fund is the chief operating fund of the Town. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$23,832,490. Unassigned fund balance is sufficient to cover 2.9 months of and represents approximately 23.8% of the Town's fiscal year 2026 budgetary expenditure appropriations. The General Fund has a total fund balance of \$25,033,435 as of June 30, 2025, a decrease of \$884,324 from the prior year. Revenues increased by \$1,361,210 or 1.2% driven by increases in property taxes and investment earnings. Expenditures increased by \$2,638,202 or 2.7% driven by an increase in educational expenditures.

Budgetary Highlights

The original budget for the year ended June 30, 2025 planned for the utilization of fund balance of \$500,000. During the year, additional appropriations were approved in the amount of \$5,893,309, resulting in a final planned use of fund balance of \$6,393,309. The actual change in fund balance on a budgetary basis was a decrease of \$411,046, resulting in an overall favorable budgetary variance of \$5,982,263. Revenues were \$4,985,285 higher than estimates, driven by favorable collections on property taxes, state-aid, building permits, investment earnings, and the receipt of federal energy credit revenue related to the Town campus improvement project. Expenditures were \$925,074 less than budget and other financing sources were \$71,904 more than budgeted.

Special appropriations during the year totaled \$5,893,309. Significant appropriations were approved for the following purposes:

- \$3,500,000 transferred to the Capital Projects Fund for funding of the Town's capital improvement plan;
- \$200,000 transferred to the Capital Projects Fund for funding of the installation of a fire water tank;
- \$200,000 for the purchase of an ambulance; and
- \$1,601,212 transferred to the Capital Projects Fund to fund the purchase of an emergency shelter generator.

Propriety Funds

The net position of the Town's internal service funds increased by \$1,060,055 during the current year. The Town currently maintains a net position of \$5,189,569 which represents just over 4.7 months of operating expenses.

TOWN OF MADISON, CONNECTICUT
MANAGEMENT DISCUSSION AND ANALYSIS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

Major capital asset events during the current fiscal year included \$38.7 million in construction in progress on the Town's new elementary school and \$2.4 million in construction in progress for the High School HVAC project.

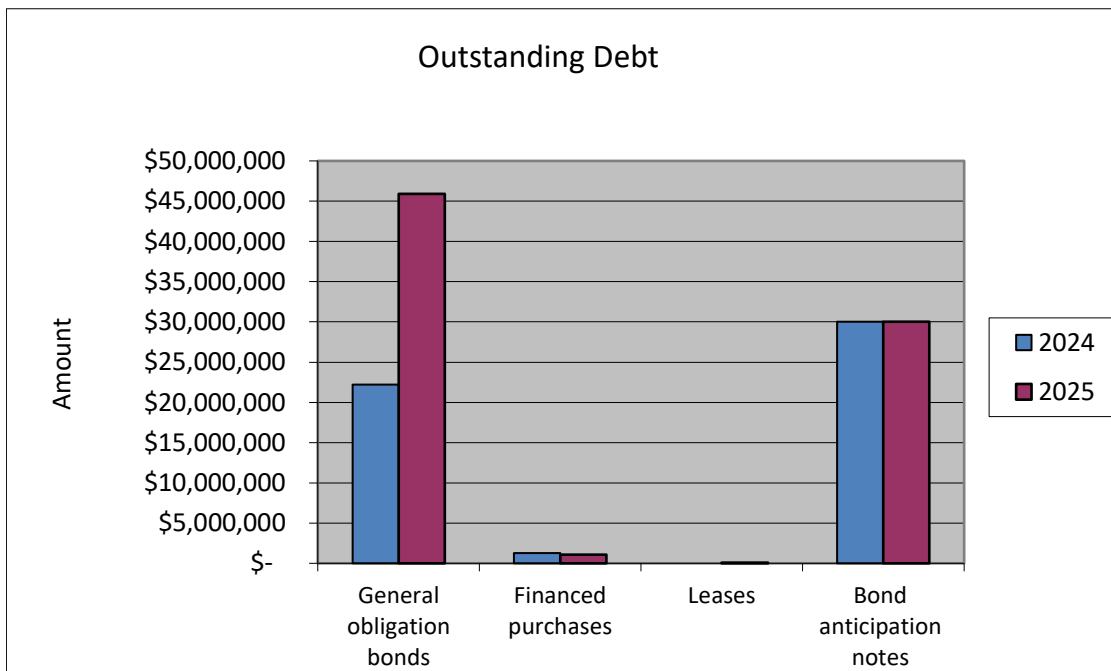
Additional information on the Town's capital assets can be found in Note 4 of this report starting on page 37.

Short-Term and Long-Term Debt

At the end of the current fiscal year, the Town had total principal outstanding on short-term and long-term debt, consisting of bonds, financed purchase contracts, leases and bond anticipation notes of \$77,061,947. This entire amount is comprised of debt backed by the full faith and credit of the Town.

The Town's total short-term and long-term debt increased by \$23,591,280 or 44.1% during the current fiscal year due to the issuance of general obligation bonds and bond anticipation notes to provide permanent and temporary financing for authorized capital project, offset by scheduled debt repayments. The following table is a two-year comparison of short-term and long-term debt:

	2025	2024	\$ Variance	% Variance
General obligation bonds	\$ 45,905,000	\$ 22,210,000	\$ 23,695,000	106.7%
Financed purchases	1,080,682	1,260,667	(179,985)	-14.3%
Leases	76,265	-	76,265	-
Bond anticipation notes	30,000,000	30,000,000	-	0.0%
Totals	<u>\$ 77,061,947</u>	<u>\$ 53,470,667</u>	<u>\$ 23,591,280</u>	44.1%



The Town appropriated \$89,200,000 for the construction of a new elementary school and systemwide renovations and \$15,900,000 for the reconstruction of the former Academy School Building into a community center and municipal offices.

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Short-Term and Long-Term Debt *(Continued)*

During the year ended June 30, 2025, the Town issued \$19,000,000 in general obligation bonds and \$30,000,000 in bond anticipation notes for the construction of the new elementary school and systemwide renovations. In addition, the Town has issued \$6,715,000 in general obligation bonds for the reconstruction of the former Academy School Building. Subsequent to the initial appropriation for the reconstruction of the former Academy School Building, estimated project costs increased substantially due to unexpected and unforeseen renovation challenges. A proposed supplemental appropriation to address the increased costs was later rejected by voters. The Town is currently evaluating options for the future use of the former Academy School Building, as well as the disposition of the approximately \$5.4 million in remaining unspent bond proceeds.

The Town's capital plan is established to control the level of capital expenditures and debt service expenditures in order to maintain a level amount of debt service expenditures and to avoid any sharp increase in property tax rates. Debt levels are managed to ensure that debt service requirements of new debt reasonably coincide with the normal amortization of existing debt service expenditures. State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current capacity of borrowing for the Town is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's short-term debt and long-term debt can be found in Notes 7 and 8 of this report starting on page 38.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- Inflationary trends in the region approximate the national indices.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2026, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.

All of these factors were considered in preparing the Town's budget for fiscal year 2026. The fiscal year 2026 budget was adopted by the Town in May 2025. The budget provides for \$100,144,833 in expenditures. The budget appropriation allows the Town to continue maintaining the same level of programs and services to its residents. The budget includes a planned use of fund balance in the amount of \$500,000.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, Town of Madison, at 8 Campus Drive, Madison, Connecticut 06443.

BASIC FINANCIAL STATEMENTS

TOWN OF MADISON, CONNECTICUT
STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 79,526,278
Receivables:	
Property taxes and interest	782,362
Grants and contracts	473,115
Other	73,426
Other	37,324
Capital assets:	
Non-depreciable	90,750,871
Depreciable, net	83,129,848
Total assets	<u>254,773,224</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	76,065
Pension related	395,850
OPEB related	2,773,624
Total deferred outflows of resources	<u>3,245,539</u>
LIABILITIES	
Accounts payable	3,441,906
Accrued liabilities	548,140
Accrued interest	663,469
Bond anticipation notes payable	30,000,000
Unearned revenue	105,335
Deposits payable	468,569
Noncurrent liabilities:	
Due within one year	3,394,335
Due in more than one year	77,811,689
Total liabilities	<u>116,433,443</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related	1,292,264
OPEB related	11,334,264
Advance tax collections	3,101,073
Total deferred inflows of resources	<u>15,727,601</u>
NET POSITION	
Net investment in capital assets	108,717,453
Restricted for:	
Trust purposes - expendable	485,564
Grant programs	1,569,427
Other purposes	359,934
Unrestricted	14,725,341
Total net position	<u>\$ 125,857,719</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Primary Government:					
Governmental activities:					
General government	\$ 6,252,992	\$ 1,133,085	\$ 196,270	\$ 1,296,453	\$ (3,627,184)
Public safety	10,656,522	198,032	163,126	138,345	(10,157,019)
Public works	6,501,067	438,741	75,202	1,368,950	(4,618,174)
Land and building administration	913,571	882,934	8,650	62,726	40,739
Health and welfare	3,024,338	270,818	307,751	179,326	(2,266,443)
Beach and recreation	3,532,383	1,198,406	107,801	49,849	(2,176,327)
Library	1,513,541	-	-	-	(1,513,541)
Education	78,487,334	2,247,252	12,599,550	6,494,269	(57,146,263)
Interest expense	2,138,902	-	-	-	(2,138,902)
Total governmental activities	113,020,650	\$ 6,369,268	\$ 13,458,350	\$ 9,589,918	(83,603,114)
General revenues:					
Property taxes, levied for general purposes					93,219,166
Grants and contributions not restricted to specific programs					978,353
Unrestricted investment earnings, net					4,176,251
Total general revenues					98,373,770
		Change in net position			14,770,656
		Net position - beginning, as restated			111,087,063
		Net position - ending			\$ 125,857,719

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT

BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 23,919,339	\$ 41,243,425	\$ 5,016,792	\$ 70,179,556
Receivables:				
Property taxes	734,770	-	-	734,770
Interest on property taxes	47,592	-	-	47,592
Grants and contracts	-	313,600	159,515	473,115
Other	65,407	1,547	6,472	73,426
Due from other funds	6,697,649	-	1,054,509	7,752,158
Other	-	-	37,324	37,324
Total assets	<u>\$ 31,464,757</u>	<u>\$ 41,558,572</u>	<u>\$ 6,274,612</u>	<u>\$ 79,297,941</u>
LIABILITIES				
Accounts payable	\$ 514,612	\$ 2,085,093	\$ 86,036	\$ 2,685,741
Accrued liabilities	548,140	-	-	548,140
Bond anticipation notes	-	30,000,000	-	30,000,000
Due to other funds	1,054,509	609,317	2,687,344	4,351,170
Unearned revenue	-	-	105,335	105,335
Deposits payable	468,569	-	-	468,569
Total liabilities	<u>2,585,830</u>	<u>32,694,410</u>	<u>2,878,715</u>	<u>38,158,955</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - property taxes and interest	744,419	-	-	744,419
Advance property tax collections	<u>3,101,073</u>	<u>-</u>	<u>-</u>	<u>3,101,073</u>
Total deferred inflows of resources	<u>3,845,492</u>	<u>-</u>	<u>-</u>	<u>3,845,492</u>
FUND BALANCES				
Nonspendable	-	-	37,324	37,324
Restricted	-	5,435,071	2,414,925	7,849,996
Committed	-	23,029,721	943,648	23,973,369
Assigned	1,200,945	-	-	1,200,945
Unassigned	<u>23,832,490</u>	<u>(19,600,630)</u>	<u>-</u>	<u>4,231,860</u>
Total fund balances	<u>25,033,435</u>	<u>8,864,162</u>	<u>3,395,897</u>	<u>37,293,494</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31,464,757</u>	<u>\$ 41,558,572</u>	<u>\$ 6,274,612</u>	<u>\$ 79,297,941</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
AS OF JUNE 30, 2025

Total fund balance for governmental funds	\$ 37,293,494
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land	\$ 23,197,674	
Construction in progress	67,553,197	
Buildings and improvements	113,511,007	
Equipment and vehicles	26,529,363	
Infrastructure	31,190,578	
Less accumulated depreciation and amortization	<u>(88,101,100)</u>	
Total capital assets, net		173,880,719

Some of the Town's taxes, assessments and interest receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.

744,419

Deferred outflows and inflows of resources resulting from changes in the components of the Town's net pension and total OPEB liabilities are reported in the statement of net position.

(9,457,054)

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Accrued interest	(663,469)	
Long-term debt:		
Bonds	(45,905,000)	
Unamortized bond premiums	(1,926,732)	
Deferred charges on refunding	76,065	
Financed purchases	(1,080,682)	
Leases	(76,265)	
Other long-term liabilities:		
Heart and Hypertension obligations	(1,134,560)	
Compensated absences	(3,440,468)	
Early retirement incentives	(105,594)	
Net pension liabilities	(15,871,441)	
Total OPEB liability	<u>(11,665,282)</u>	
Total long-term liabilities		(81,793,428)

An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

5,189,569

Net position of governmental activities	<u><u>\$ 125,857,719</u></u>
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TOWN OF MADISON, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 93,224,790	\$ -	\$ -	\$ 93,224,790
Intergovernmental	12,215,502	7,500,209	2,483,769	22,199,480
Charges for services	2,909,544	-	3,026,072	5,935,616
Investment earnings	3,382,110	794,141	-	4,176,251
Contributions	-	40,000	227,949	267,949
Other	2,472	426,406	10,131	439,009
Total revenues	<u>111,734,418</u>	<u>8,760,756</u>	<u>5,747,921</u>	<u>126,243,095</u>
EXPENDITURES				
Current:				
General government	2,841,886	-	71,876	2,913,762
Public safety	6,898,009	258,206	60,420	7,216,635
Public works	3,912,979	-	647,948	4,560,927
Land and building administration	653,664	-	20,338	674,002
Health and welfare	1,750,798	-	342,104	2,092,902
Beach and recreation	1,648,720	-	763,252	2,411,972
Library	1,543,828	-	-	1,543,828
Education	72,642,338	-	3,235,934	75,878,272
Insurance, employee benefits and other	6,006,186	-	-	6,006,186
Capital outlays	270,410	50,904,965	791,461	51,966,836
Debt service:				
Principal payments	1,609,993	1,068,539	-	2,678,532
Interest and fiscal charges	823,555	1,839,556	-	2,663,111
Total expenditures	<u>100,602,366</u>	<u>54,071,266</u>	<u>5,933,333</u>	<u>160,606,965</u>
Excess (deficiency) of revenues over expenditures	11,132,052	(45,310,510)	(185,412)	(34,363,870)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	25,715,000	-	25,715,000
Premium on bonds issued	-	651,968	-	651,968
Premium on bond anticipation notes issued	-	208,500	-	208,500
Repayment of bond anticipation notes	-	(25,715,000)	-	(25,715,000)
Leases	100,535	-	-	100,535
Financed purchases	-	454,278	-	454,278
Transfers in	101,983	12,176,839	233,641	12,512,463
Transfers out	(12,218,894)	(55,483)	(238,086)	(12,512,463)
Total other financing sources (uses)	<u>(12,016,376)</u>	<u>13,436,102</u>	<u>(4,445)</u>	<u>1,415,281</u>
Net change in fund balances	(884,324)	(31,874,408)	(189,857)	(32,948,589)
Fund balances - beginning	<u>25,917,759</u>	<u>40,738,570</u>	<u>3,585,754</u>	<u>70,242,083</u>
Fund balances - ending	<u>\$ 25,033,435</u>	<u>\$ 8,864,162</u>	<u>\$ 3,395,897</u>	<u>\$ 37,293,494</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Net change in fund balances - total governmental funds	\$ (32,948,589)
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Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 47,667,940	
Depreciation and amortization expense	(4,300,722)	
Net adjustment		43,367,218

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and total OPEB liabilities are amortized as a component of pension and OPEB expenses in the statement of activities.	(2,191,736)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Bonds	25,715,000	
Premium on bonds	(651,968)	
Financed purchases	(454,278)	
Leases	(100,535)	
Principal repayments:		
Bonds	2,020,000	
Financed purchases	634,263	
Leases	24,270	
Bond anticipation notes	(25,715,000)	
Net adjustment		1,471,752

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as unavailable revenues in the governmental funds. This amount represents the change in unavailable revenues.	(5,624)
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	48,845	
Amortization of deferred charges on refunding	(32,095)	
Amortization of bond premiums	298,958	
Heart and Hypertension obligations	26,232	
Compensated absences	(137,382)	
Early retirement incentives	(52,200)	
Net pension liabilities	2,100,747	
Total OPEB liability	1,764,475	
		4,017,580

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within governmental activities.	1,060,055
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Change in net position of governmental activities	\$ 14,770,656
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TOWN OF MADISON, CONNECTICUT
STATEMENT OF PROPRIETARY NET POSITION -
PROPRIETARY FUNDS
AS OF JUNE 30, 2025

	Governmental Activities Internal Service Funds
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 9,346,722
Total assets	<u>9,346,722</u>
LIABILITIES	
Current liabilities:	
Accounts payable	240,665
Claims payable	515,500
Due to other funds	3,400,988
Total liabilities	<u>4,157,153</u>
NET POSITION	
Restricted for medical benefits	11,198
Unrestricted	5,178,371
Total net position	<u><u>\$ 5,189,569</u></u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 14,404,444
OPERATING EXPENSES	
Claims incurred	11,559,808
Administrative expenses	1,784,581
Total operating expense	13,344,389
Operating income and change in net position	1,060,055
Net position - beginning of year	4,129,514
Net position - end of year	\$ 5,189,569

The accompanying notes are an integral part of these financial statements.

TOWN OF MADISON, CONNECTICUT
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities
	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from charges for services	\$ 16,734,635
Cash payments for claims incurred	(11,446,243)
Cash payments to providers of benefits	(1,784,581)
Net cash provided by operating activities	<u>3,503,811</u>
Net increase in cash and cash equivalents	3,503,811
Cash and cash equivalents - beginning of year	<u>5,842,911</u>
Cash and cash equivalents - end of year	<u><u>\$ 9,346,722</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 1,060,055
Adjustments to reconcile operating income to net cash provided by operating activities	
Change in accounts payable	240,665
Change in claims payable	(127,100)
Change in due to (from) other funds	2,330,191
Net cash provided by operating activities	<u><u>\$ 3,503,811</u></u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2025

	Pension Trust Funds
ASSETS	
Cash and cash equivalents	\$ 2,047,106
Investments:	
U.S. Treasury securities	4,620,471
Corporate bonds	4,745,334
Municipal bonds	943,189
Equity securities	9,836,772
Mutual funds	17,364,942
Mortgage-backed securities	2,196,171
Exchange traded funds	5,715,769
Real estate investment trust funds	185,812
Total investments	<u>45,608,460</u>
Total assets	<u>47,655,566</u>
LIABILITIES	
Payables	<u>17,318</u>
NET POSITION	
Restricted for pensions	<u>\$ 47,638,248</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Pension Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,295,207
Plan members	101,844
Total contributions	<u>2,397,051</u>
Investment earnings:	
Net change in the fair value of investment	4,232,152
Interest and dividends	665,035
Total investment earnings	<u>4,897,187</u>
Less investment expense	184,014
Net investment earnings	<u>4,713,173</u>
Total additions	<u>7,110,224</u>
DEDUCTIONS	
Benefit payments	3,814,893
Administrative expenses	76,192
Total deductions	<u>3,891,085</u>
Change in net position	3,219,139
Net position - beginning	<u>44,419,109</u>
Net position - ending	<u><u>\$ 47,638,248</u></u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Town of Madison, Connecticut, (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town's significant accounting policies are described below.

Financial Reporting Entity

The Town operates under the provisions of its charter and the General Statutes of the State of Connecticut. The legislative body is the Town Meeting. The executive body is made up of a Board of Selectmen, consisting of a First Selectman and four other board members. Election to the Board of Selectmen is for two-year terms. A six-member Board of Finance is responsible for presenting fiscal operating budgets to the Annual Town Meeting. Board of Finance members are elected for four-year terms. A nine-member elected Board of Education is responsible for the operation of the Town's public school system.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units - The Town has established three single-employer defined benefit pension plans to provide retirement benefits to employees and their beneficiaries. The Town performs the duties of a governing board for the pension plans and makes contributions to the plans. The financial statements of the fiduciary component units are reported as Pension Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities, however interfund services provided and used are not eliminated in the process of consolidation. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

The Town reports the following major governmental funds:

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

Capital Projects Fund - This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds). The major sources of revenue for this fund are annual transfers from the General Fund, bond proceeds and grant revenues.

In addition, the Town reports the following fund types:

Internal Service Funds - These funds account for certain risk management activities of the Town.

Pension Trust Funds - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's retirement pension plans.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease and subscription based technology liabilities, as well as expenditures related to compensated absences, claims and judgments, and postemployment benefits are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use tangible and intangible assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription based technology arrangements are reported as other financing sources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is either received or available to be received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when the cash is received.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for services. Operating expenses for the internal service funds include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

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. For purposes of the statement of cash flows, the Town's proprietary funds consider their demand deposits and all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are reported at cost or amortized cost. Investments in certain external investment pools that meet specific criteria for measuring its investments at amortized cost are reported at amortized cost. All other investments in external investment pools and investments with maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

Donor-restricted Endowments

The Town has received certain endowments for education scholarships. The amounts are reflected in net position as restricted for trust purposes. Investment income (including appreciation) is approved for expenditure by the Board of Education. The amount of appreciation included in restricted fund balance was \$485,564.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Under UPMIFA, investment income earned on donor-restricted endowment funds is considered to be unrestricted in the absence of explicit donor restrictions. Further, in the absence of explicit donor restrictions regarding investment appreciation, such appreciation is treated the same as the related investment income. Investment losses that reduce the value of endowment investments below the original principal amount serve to reduce restricted net position or unrestricted net position, depending on the applicable donor's stipulations regarding the treatment of investment income and appreciation.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Property Taxes and Assessments

Property taxes are assessed as of October 1 and are levied on the following July 1. Real estate and personal property taxes are due in two installments, July 1 and the following January 1. Motor vehicle taxes are payable on July 1 and supplemental motor vehicle taxes are payable on January 1. Taxes become delinquent thirty days after the installment is due and liens are filed on delinquent real estate taxes on May 1st following the due date. Interest is charged on delinquent amounts at a statutory rate of 1.5% per month. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest as of June 30, 2025 of \$84,000 and \$35,000, respectively.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the Town constructs or acquires capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. Other tangible and intangible property and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25 – 50
Equipment and vehicles	3 – 20
Infrastructure	10 – 65

Leases (as Lessor)

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The Town uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The Town monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time.

Deferred outflows and inflows of resources consists of deferred charges on refundings and deferred pension and OPEB expenses reported in the government-wide statement of net position. Deferred charges on refundings resulted from the difference in the carrying value of previously refunded debt and the reacquisition price of the debt and are being amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred pension and OPEB expenses resulted from changes in the components of the Town's net pension and OPEB liabilities and are being amortized as a component of pension and OPEB expenses on a systematic and rational basis.

Deferred inflows of resources also include unavailable revenues from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Unearned Revenue

Unearned revenue represents resources that have been received but not yet earned.

Long-term Obligations

Long-term Debt

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying assets.

In the government-wide financial statements, long-term debt is reported as liabilities in the statement of net position. Premiums and discounts on long-term debt are deferred and amortized over the life of the related debt using the effective interest rate method and the debt is reported net of any unamortized premium or discount. In the governmental fund financial statements, premiums and discounts are recognized in the current period.

In the governmental fund financial statements, debt premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

Compensated absences represent leave for which employees are entitled to receive payment. This includes cash payments for leave taken, payouts for unused leave upon termination of employment, and noncash settlements. Liabilities for compensated absences, including salary related payments, are reported in the government-wide financial statements for leave that is more likely than not to be used or otherwise paid or settled, and for leave that has been taken but not yet paid or settled. The Town considers benefits earned in the current year to be used before any benefits carried forward from prior years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Long-term Obligations *(Continued)*

Employee Retirement Obligations

Certain Board of Education personnel are eligible for certain retirement incentives that are paid out over time. In addition, certain police employees are eligible for heart and hypertension benefits. All employee retirement obligations are recorded when incurred in the government-wide financial statements. Expenditures for employee retirement obligations are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

Leases (as Lessee)

The Town recognizes a lease liability and an intangible right-to-use lease asset (lease asset) for a noncancellable lease in the government-wide financial statements. The Town recognizes lease liabilities with an initial, individual value of \$20,000 or more.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets. Deferred outflows and inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related are also included in this component of net position.

Restricted net position - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on the use of those assets either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted net position - This component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's practice to consider restricted net position to have been depleted before unrestricted net position is applied.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Fund Balance

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called fund balance. The Town's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the citizens of the Town (the highest level of decision making authority) specified by charter or ordinance and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken to commit fund balance includes formal voting procedures regulated by the Town Charter.

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by Town Charter. The Board of Finance has delegated the responsibility to assign funds to the Town's Director of Finance, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process. Funds are assigned through the approval of a valid purchase order resulting in an encumbering of the funds as of year-end.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. In accordance with the Town's policy, the Town uses restricted resources first, then unrestricted resources as needed. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Interfund Activity

During the course of operations the Town has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. Further, certain activity occurs during the year involving transfers of resources between funds reported at gross amounts as transfers in/out. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Use of Estimates

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2025 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 79,526,278
Statement of fiduciary net position:	
Cash and cash equivalents	<u>2,047,106</u>
	81,573,384
Less: cash equivalents considered investments for disclosure purposes	<u>(22,749,313)</u>
	<u><u>\$ 58,824,071</u></u>

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town's policy provides for uninsured demand and time deposits with banks and savings and loan institutions to be collateralized as prescribed in the Connecticut General Statutes. In addition, in order to anticipate market changes and provide for a level of security for all funds, all public deposits shall be held in qualified public depositories. As of June 30, 2025, \$57,374,094 of the Town's bank balance of \$80,660,608 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 51,636,685
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>5,737,409</u>
	<u><u>\$ 57,374,094</u></u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut General Statutes. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2025 is as follows:

Statement of fiduciary net position:	
Investments	\$ 45,608,460
	<u>45,608,460</u>
Add: cash equivalents considered investments for disclosure purposes	22,749,313
	<u>\$ 68,357,773</u>

As of June 30, 2025, the Town's investments consisted of the following:

Investment type	Valuation Basis	Value	Investment Maturities (In Years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
DEBT SECURITIES:						
<i>Governmental Activities:</i>						
Short-Term Investment Fund	Amortized cost	\$ 21,045,490	\$ 21,045,490	\$ -	\$ -	\$ -
<i>Fiduciary Activities:</i>						
Money market mutual funds	Amortized cost	1,703,823	1,703,823	-	-	-
U.S. Treasury securities	Fair value	4,620,471	43,338	1,583,879	590,701	2,402,553
Corporate bonds	Fair value	4,745,334	117,606	905,117	1,001,850	2,720,761
Mortgage-backed securities	Fair value	2,196,171	-	-	-	2,196,171
Municipal bonds	Fair value	943,189	-	-	46,387	896,802
		35,254,478	<u>\$ 22,910,257</u>	<u>\$ 2,488,996</u>	<u>\$ 1,638,938</u>	<u>\$ 8,216,287</u>
OTHER INVESTMENTS:						
<i>Fiduciary Activities:</i>						
Mutual funds	Fair value	17,364,942				
Equity securities	Fair value	9,836,772				
Exchange traded funds	Fair value	5,715,769				
Real estate investment trust funds	Fair value	185,812				
Total Investments		\$ 68,357,773				

Interest Rate Risk

The Town limits their maximum final stated maturities to 15 years, unless specific authority is given to exceed. To the extent possible, the Town will attempt to match its investments with anticipated cash flow requirements.

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those already limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the statutes cover specific municipal funds with particular investment authority. The provisions of the statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable pension plan.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk *(Continued)*

The Town's investments in debt securities were rated as follows at June 30, 2025:

	C	AAA	AA	A	BBB	Unrated	Total
<i>Governmental Activities:</i>							
Short-Term Investment Fund		\$ 21,045,490	\$ -	\$ -	\$ -	\$ -	\$ 21,045,490
<i>Fiduciary Activities:</i>							
Money market mutual funds		-	-	-	-	1,703,823	1,703,823
Corporate bonds		155,906	575,562	2,534,337	1,479,529	-	4,745,334
Mortgage-backed securities		-	-	-	-	2,196,171	2,196,171
Municipal bonds		320,989	495,053	127,147	-	-	943,189
		<u>\$ 21,522,385</u>	<u>\$ 1,070,615</u>	<u>\$ 2,661,484</u>	<u>\$ 1,479,529</u>	<u>\$ 3,899,994</u>	<u>30,634,007</u>
					Add: U.S. Treasury securities		4,620,471
							<u>\$ 35,254,478</u>

Custodial Credit Risk

Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2025, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. As of June 30, 2025, none of the Town's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5.0% or more of the total investments reported for the Town's governmental activities or fiduciary funds. Additional disclosures regarding concentration of credit risks related to the Town's pension trust funds have been disclosed in Note 9.

NOTE 3 - FAIR VALUE DISCLOSURES

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than those in Level 1; and
- Level 3: Unobservable inputs.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 3 - FAIR VALUE DISCLOSURES *(Continued)*

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2025, by level within the fair value hierarchy are presented in the table below:

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<i>Fiduciary Activities:</i>				
U.S. Treasury securities	\$ 4,620,471	\$ -	\$ -	\$ 4,620,471
Corporate bonds	-	4,745,334	-	4,745,334
Municipal bonds	-	943,189	-	943,189
Mortgage-backed securities	-	2,196,171	-	2,196,171
Mutual funds	17,364,942	-	-	17,364,942
Equity securities	9,836,772	-	-	9,836,772
Exchange traded funds	5,715,769	-	-	5,715,769
Real estate investment trusts	185,812	-	-	185,812
	<u>\$ 37,723,766</u>	<u>\$ 7,884,694</u>	<u>\$ -</u>	<u>45,608,460</u>
		Investments reported at amortized cost		<u>22,749,313</u>
				<u>\$ 68,357,773</u>

U.S. Treasury securities are normally valued using a model that incorporates market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers, and reference data. U.S. Treasury securities are categorized in level 1 or level 2 of the fair value hierarchy depending on the inputs and market activity levels for specific securities.

Corporate bonds, municipal bonds, asset-backed securities, and mortgage-backed securities are estimated using various techniques, which may consider the recently executed transactions in securities of the issuer or comparable issuers, market price quotations (where observable), bond spreads, and fundamental data relating to the issuer. To the extent the inputs are observable and timely, the values have been categorized in level 2 of the valuation hierarchy.

Mutual funds, equity securities, exchange traded funds and real estate investment trust funds that are traded on a national securities exchange are valued at the last reported sales price on the day of valuation. To the extent these securities are actively trade and valuation adjustments are not applied, they are categorized in level 1 of the fair value hierarchy.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 4 - CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 23,197,674	\$ -	\$ -	\$ -	\$ 23,197,674
Construction in progress	28,679,828	47,353,143	(605,515)	(7,874,259)	67,553,197
Total capital assets, not being depreciated	51,877,502	47,353,143	(605,515)	(7,874,259)	90,750,871
Capital assets, being depreciated:					
Buildings and improvements	107,417,229	-	-	6,093,778	113,511,007
Equipment and vehicles	24,107,221	925,612	(283,951)	1,780,481	26,529,363
Infrastructure	31,190,578	-	-	-	31,190,578
Total capital assets, being depreciated	162,715,028	925,612	(283,951)	7,874,259	171,230,948
Less accumulated depreciation and amortization for:					
Buildings and improvements	(48,844,256)	(2,369,454)	-	-	(51,213,710)
Equipment and vehicles	(16,498,427)	(1,543,144)	278,651	-	(17,762,920)
Infrastructure	(18,736,346)	(388,124)	-	-	(19,124,470)
Total accumulated depreciation and amortization	(84,079,029)	(4,300,722)	278,651	-	(88,101,100)
Total capital assets, being depreciated, net	78,635,999	(3,375,110)	(5,300)	7,874,259	83,129,848
Governmental activities capital assets, net	\$ 130,513,501	\$ 43,978,033	\$ (610,815)	\$ -	\$ 173,880,719

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General government	\$ 414,535
Public safety	975,321
Public works	830,017
Health and welfare	71,093
Beach and recreation	293,565
Education	1,716,191
Total depreciation and amortization expense - governmental activities	<u>\$ 4,300,722</u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2025 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Internal Service Funds	\$ 3,400,988
	Capital Projects Fund	609,317
	Other Governmental Funds	2,687,344
		<u>6,697,649</u>
Other Governmental Funds	General Fund	1,054,509
		<u>\$ 7,752,158</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES *(Continued)*

Certain expenditures of other funds are paid directly from the General Fund's operating cash account. In addition, cash receipts that are attributable to other funds are sometimes deposited or temporarily pooled in the General Fund's operating cash account. These interfund balances are temporary in nature and are generally expected to be reimbursed within one year.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2025 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Projects Fund	\$ 55,483
	Other Governmental Funds	46,500
		<u>101,983</u>
Capital Projects Fund	General Fund	12,055,253
	Other Governmental Funds	121,586
		<u>12,176,839</u>
Other Governmental Funds	General Fund	163,641
	Other Governmental Funds	70,000
		<u>233,641</u>
Total transfers		<u><u>\$ 12,512,463</u></u>

Transfers/ are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 - SHORT-TERM DEBT

The following is a summary of terms and changes in short-term capital borrowings for the year ended June 30, 2025:

	<u>Coupon Rate</u>	<u>Maturity Date</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities						
Bond anticipation notes	4.00%	12/19/2024	\$ 30,000,000	\$ -	\$ (30,000,000)	\$ -
Bond anticipation notes	3.50%	12/18/2025	-	30,000,000	-	30,000,000
			<u>\$ 30,000,000</u>	<u>\$ 30,000,000</u>	<u>\$ (30,000,000)</u>	<u>\$ 30,000,000</u>

The purpose of the bond anticipation notes are to provide interim financing for various ongoing construction projects until future general obligation bonds are issued.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2025, are as follows:

	Beginning Balance, As Restated	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
<i>Long-term Debt:</i>					
Bonds payable:					
General obligation bonds	\$ 22,210,000	\$ 25,715,000	\$ (2,020,000)	\$ 45,905,000	\$ 1,665,000
Unamortized premium	1,573,722	651,968	(298,958)	1,926,732	-
Total bonds payable	23,783,722	26,366,968	(2,318,958)	47,831,732	1,665,000
Financed purchases	1,260,667	454,278	(634,263)	1,080,682	429,114
Leases	-	100,535	(24,270)	76,265	33,051
<i>Other Long-term Liabilities:</i>					
Compensated absences	3,303,086	137,382	-	3,440,468	494,886
Heart and hypertension (See Note 12)	1,160,792	59,917	(86,149)	1,134,560	113,000
Early retirement incentives	53,394	87,588	(35,388)	105,594	29,284
Net pension liability (See Note 9)	17,972,188	-	(2,100,747)	15,871,441	-
Total OPEB liability (See Note 10)	13,429,757	-	(1,764,475)	11,665,282	630,000
	<u>\$ 60,963,606</u>	<u>\$ 27,206,668</u>	<u>\$ (6,964,250)</u>	<u>\$ 81,206,024</u>	<u>\$ 3,394,335</u>

Long-term liabilities have typically been liquidated in the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town for which full faith and credit are pledged and payable from taxes levied on all taxable properties located within the Town. General obligation bonds currently outstanding are as follows:

Purpose of Bonds	Date of Issue	Original Issue	Interest Rates	Maturity Date	Amount Outstanding
Governmental Activities					
Bonds Payable					
General Obligation Refunding Bonds	6/2016	\$ 8,555,000	2.0 - 4.0%	12/2030	\$ 1,710,000
General Obligation Bonds	6/2019	9,100,000	2.25 - 5.0%	6/2039	6,700,000
General Obligation Refunding Bonds	6/2021	3,230,000	5.0%	3/2030	1,805,000
General Obligation Bonds	12/2023	10,500,000	4.0 - 5.0%	12/2043	9,975,000
General Obligation Bonds	12/2024	25,715,000	3.0 - 5.0%	12/2044	25,715,000
					<u>\$ 45,905,000</u>

Financed Purchases

The Town has entered into financed purchase arrangements for the acquisition of capital assets. The contracts include non-appropriation clauses and provide the obligors with security interests in the underlying assets in the event of default. Ownership of the underlying assets are transferred to the Town at the end of the contract. The Town makes equal annual payments of principal and interest at an interest rates ranging from 1.3% to 5.9% through various maturity dates.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - LONG-TERM LIABILITIES *(Continued)*

Advance Refundings

The Town has refunded general obligation bonds in prior years. At June 30, 2025, \$5,870,000 of defeased bonds remain outstanding. The difference between the reacquisition price (the amount placed in escrow) and the net carrying amount of the refunded bonds resulted in deferred charges on refundings. This amount, net of accumulated amortization, has been presented as a deferred outflow of resources in the government-wide financial statements and is being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$32,095 for the year ended June 30, 2025.

The general obligation bonds refunded are considered defeased and the liability for those bonds has been removed from the statement of net position. Proceeds from the issuance of the refunding bonds are being held by an escrow agent in an irrevocable trust fund to provide all future debt service payments on the refunded bonds.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the statute. Further, the statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The statute does exclude from the Town's aggregate debt calculation any debt issued (a) in anticipation of taxes; (b) for water, gas, or electricity supply, electric demand response, conservation and load management, distributed generation, renewable energy projects, cable, wire, and pipe subway construction, underground cable, wire, and pipe conduit construction, constructing and operating a municipal community antenna television system, or a combination of such projects; (c) in anticipation of public improvement benefit assessment revenue; (d) in anticipation of state or federal grant funding; (e) for water pollution control projects in order to meet the energy and environmental protection commissioner's abatement order requirements; and debt issued (f) for which funds have been placed in escrow (from the proceeds of refunding bonds, notes, or other obligations or other municipal funds) in an amount sufficient, together with investment earnings, to provide for the payment when due of the principal of and interest on such debt. The Town did not exceed this statutory debt limitation as of June 30, 2025.

Authorized/Unissued Debt

As of June 30, 2025, the Town had authorized and unissued debt of \$5,185,000 for general purposes and \$28,115,253 for school purposes.

Long-term Debt Service Requirements

The debt service requirements for the Town's long-term debt are as follows:

Year ending June 30:	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2026	\$ 1,665,000	\$ 1,715,632	\$ 429,114	\$ 46,816
2027	1,655,000	1,641,432	316,677	30,337
2028	2,750,000	1,549,732	240,405	14,818
2029	2,750,000	1,430,082	94,486	3,939
2030	2,745,000	1,309,251	-	-
2031-2035	11,850,000	5,079,441	-	-
2036-2040	12,140,000	2,885,350	-	-
2041-2045	10,350,000	901,207	-	-
	<u>\$ 45,905,000</u>	<u>\$ 16,512,127</u>	<u>\$ 1,080,682</u>	<u>\$ 95,910</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - LONG-TERM LIABILITIES *(Continued)*

Leases

The Town has entered into a noncancelable lease agreement for land used as a parking lot. The lease term is four years and requires fixed annual payments at an interest rate of 4.0%. The right-to-use leased asset related to the land had a carrying value of \$100,535 as of June 30, 2025. The related lease liability totaled \$76,265 as of that date. Future principal and interest lease payments as of June 30, 2025, are as follows:

Year ending June 30:	Governmental Activities
2026	\$ 35,500
2027	35,500
2028	8,875
Total minimum lease payments	79,875
Less: amount representing interest	3,610
Present value of minimum lease payments	<u>\$ 76,265</u>

Compensated Absences

Employees may accumulate unused vacation and sick leave in accordance with Board policies, union contracts, and employment agreements. As of June 30, 2025, accumulated benefits totaled approximately \$17,142,000, of which \$3,440,468 has been recorded as a liability for amounts more likely than not to be used or paid. This liability is based on estimates of the amount of vacation and sick leave employees will use in future years. Actual leave usage could differ from those estimates and such differences could be material to the financial statements.

Early Retirement Incentives

The Town provides special termination benefits to former employees in the form of early retirement incentives. During the year ended June 30, 2025, the Town entered into new early retirement incentives in the amount of \$87,588 and made payments totaling \$35,388. As of June 30, 2025, the Town's liability for early retirement incentives totaled \$105,594. Future annual payments on early retirement incentives as of June 30, 2025 are as follows:

Year ending June 30:	Governmental Activities
2026	\$ 29,284
2027	29,284
2028	29,283
2029	17,743
	<u>\$ 105,594</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS

Defined Benefit Pension Plans

The Town accounts for activity relating to four defined benefit pension plans, (1) the Town Employees' Pension Plan, (2) the Police Pension Plan, (3) the Firemen's Benefit Plan, and (4) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2025, the four plans had the following balances reported in the Town's government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	Pension Expense
Town Employees' Pension Plan	\$ 9,293,082	\$ 278,346	\$ 638,305	\$ -	\$ 1,394,383
Police Pension Plan	6,209,392	-	215,409	-	428,661
Firemen's Benefit Plan	368,967	117,504	438,550	-	71,209
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	10,128,872	10,128,872
	<u>\$ 15,871,441</u>	<u>\$ 395,850</u>	<u>\$ 1,292,264</u>	<u>\$ 10,128,872</u>	<u>\$ 12,023,125</u>

Detailed disclosures for each plan follow.

Plan Descriptions

The Town maintains three single employer Public Retirement Systems (PERS) established and administered by the Town to provide pension benefits for its employees. The PERS are considered to be part of the Town's financial reporting entity and are accounted for in the fiduciary fund financial statements as Pension Trust Funds. The Town does not issue stand-alone financial statements for the Pension Trust Funds. The plans are established under authority of a Town Meeting and any changes to the plans must also be approved at a Town Meeting.

Management of the Town Employees' Pension Plan (the Town Plan) rests with the Employee Retirement Board, which consists of five members, one being the Selectman designated as the Pension Liaison (Chairman).

Management of the Firemen's Benefit Plan (the Fire Plan) rests with the Firemen's Benefit Committee, which consists of seven members; one member from North Madison Fire Company, one member from Madison Hose Company, four members-at-large, and the Selectman designated as the Pension Liaison.

Management of the Police Pension Plan (the Police Plan) rests with the Police Retirement Board, which consists of five members. The members consist of a Police Union Representative, three members-at-large, and the Selectman designated as the Pension Liaison.

Summary of Significant Accounting Policies

The PERS are accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plans are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plans.

Investments - Investments are generally measured at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments in money market mutual funds are measured at net asset value per share as determined by the fund. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plans *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

Investment policy - The investment policy in regard to the allocation of invested assets is established and may be amended by the PERS Board by a majority vote of its members. It is the policy of the PERS Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Concentrations - As of June 30, 2025, there were no investments in any one issuer, that is subject to concentration of credit risk disclosures, that represented 5.0% or more of each plan's total investments.

Rate of return - For the year ended June 30, 2025, the annual money-weighted rate of return on the Town Plan's, the Police Plan's and the Fire Plan's investments, net of pension plan investment expense, was 11.26%, 9.97% and 10.49%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Administrative costs - A portion of the administrative costs of the Plans are funded through the Town's General Fund with the remaining portion funded from investment earnings of the Plans.

Plan Membership

Membership of the PERS consisted of the following as of at the date of the latest actuarial valuations:

	Town Plan	Police Plan	Fire Plan
Retirees and beneficiaries currently receiving benefits	163	46	30
Terminated employees entitled to benefit but not yet receiving them	75	4	3
Active employees	118	10	71
	<u>356</u>	<u>60</u>	<u>104</u>

Benefit Provisions

Town Plan - The retirement plan for Town and Board of Education employees is a noncontributory plan that provides retirement benefits only. However, Town United Public Service Employees Union members (UPSEU Members) are required to pay 2.0% of pre-tax salary through payroll deduction to the plan. Effective January 1, 2014, the plan is closed to new employees. Beginning July 1, 2004, the vesting period was reduced from 10 years to 5 years of credited service. Members who retire at or after age 65 with 5 years of credited service are entitled to an annuity benefit, payable monthly for life, in an amount equal to 2.0% average compensation (average salary over highest 5 consecutive years) times credited service, with a maximum benefit of 70.0% of average compensation. Employees may elect actuarial equivalent options including joint and survivor or contingent annuities. Early retirement is available at age 55 and 5 years of employment at a reduced benefit level.

Police Plan - The Police Plan provides retirement benefits as well as disability benefits. Effective January 1, 2014, the plan is closed to new employees. All benefits vest after 10 years of service. Members who retire after age 55 with 10 years of service, or 20 years of service, are entitled to an annuity retirement benefit, payable monthly for life, in an amount equal to 2.0% of average monthly compensation, times years of credited service (maximum 20 years).

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plans *(Continued)*

Benefit Provisions *(Continued)*

Fire Plan - The Fire Plan provides benefits to volunteer firemen. All active firemen on who have completed 6 months of service and are age 20 (applicable for the Madison Hose #1 Fire Company) or age 18 (applicable for the North Madison Fire Company) are eligible for the plan. One year of service is earned for each Plan year during which the member has been credited with 60 credits by one of the fire companies. Benefits vest 50% after 12 years, 75% after 16 years and 100% after 20 years of active service for the Madison Hose #1 Fire Company. Benefits vest 50% after 15 years, 75% after 18 years and 100% after 20 years of active service for the North Madison Fire Company. Upon retirement after 20 years of active service and having attained the age of 60, members are entitled to a 15 Year Certain and Life Annuity. Deferred retirement benefit age is noted to be age 65.

Funding Policy

Employer contribution rates are established by the Board of Selectmen and approved by the Board of Finance. Employees covered under the police plan are required to contribute 7.5% of their earnings to the Plan. Police hired after January 1, 2006 are required to contribute 9.0% of their salary. Employees covered under the fire plan are not required to contribute to their plan. For the town plan, UPSEU Members only are required to pay 2.0% salary through payroll deduction to the plan, effective July 1, 2004. The Town is required to contribute the remaining amounts necessary to finance the benefits for the participants as determined by its actuaries. The Town made contributions to the Town Plan, Police Plan and Fire Plan of \$1,473,226, \$648,213 and \$173,768, respectively, for the year ended June 30, 2025.

Net Pension Liabilities

The components of the Town's net pension liabilities for each PERS as of June 30, 2025 were as follows:

	Town Plan	Police Plan	Fire Plan
Total pension liability	\$ 37,628,797	\$ 22,126,661	\$ 3,754,231
Plan fiduciary net position	28,335,715	15,917,269	3,385,264
Town's net pension liability	<u>\$ 9,293,082</u>	<u>\$ 6,209,392</u>	<u>\$ 368,967</u>
Plan fiduciary net position as a percentage of the total pension liability	75.3%	71.9%	90.2%

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plans *(Continued)*

Net Pension Liabilities *(Continued)*

The components of the changes in the net pension liability for each of the PERS for the year ended June 30, 2025, were as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Town Plan			
Balance as of June 30, 2024	\$ 36,553,412	\$ 26,177,296	\$ 10,376,116
Changes for the year:			
Service cost	548,221	-	548,221
Interest	2,408,850	-	2,408,850
Effect of economic/demographic gains or losses	313,827	-	313,827
Contributions - employer	-	1,473,226	(1,473,226)
Contributions - employee	-	6,760	(6,760)
Net investment income	-	2,905,976	(2,905,976)
Benefit payments, including refunds	(2,195,513)	(2,195,513)	-
Administrative expense	-	(32,030)	32,030
Net changes	1,075,385	2,158,419	(1,083,034)
Balance as of June 30, 2025	<u>\$ 37,628,797</u>	<u>\$ 28,335,715</u>	<u>\$ 9,293,082</u>
Police Plan			
Balance as of June 30, 2024	\$ 22,069,078	\$ 15,176,105	\$ 6,892,973
Changes for the year:			
Service cost	148,900	-	148,900
Interest	1,451,598	-	1,451,598
Effect of economic/demographic gains or losses	(86,429)	-	(86,429)
Contributions - employer	-	648,213	(648,213)
Contributions - employee	-	95,084	(95,084)
Net investment income	-	1,483,151	(1,483,151)
Benefit payments, including refunds	(1,456,486)	(1,456,486)	-
Administrative expense	-	(28,798)	28,798
Net changes	57,583	741,164	(683,581)
Balance as of June 30, 2025	<u>\$ 22,126,661</u>	<u>\$ 15,917,269</u>	<u>\$ 6,209,392</u>
Fire Plan			
Balance as of June 30, 2024	\$ 3,768,807	\$ 3,065,708	\$ 703,099
Changes for the year:			
Service cost	63,547	-	63,547
Interest	243,905	-	243,905
Effect of economic/demographic gains or losses	(159,134)	-	(159,134)
Contributions - employer	-	173,768	(173,768)
Net investment income	-	324,046	(324,046)
Benefit payments, including refunds	(162,894)	(162,894)	-
Administrative expense	-	(15,364)	15,364
Net changes	(14,576)	319,556	(334,132)
Balance as of June 30, 2025	<u>\$ 3,754,231</u>	<u>\$ 3,385,264</u>	<u>\$ 368,967</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Net Pension Liabilities (Continued)

Actuarial Assumptions - The Town's net pension liabilities were measured as of June 30, 2025. The total pension liabilities were determined by actuarial valuations as of July 1, 2024 for each plan, using the following actuarial assumptions, applied to all periods included in the measurement:

	Town Plan	Police Plan	Fire Plan
Inflation	2.50%	2.50%	2.50%
Salary increases, including inflation	Age related	Graded by age	Not applicable
Investment rate of return, net	6.75%	6.75%	6.50%

Mortality rates were based on the PubG-2010 Mortality with generational projection per MP-2021 Ultimate Scale for the Town Plan, and PubS-2010 Mortality with generational projection per MP-2021 Ultimate Scale for the Police and Fire Plans.

The long-term expected rates of return on investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2025 are summarized in the following table:

Asset Class	Target Allocation			Long-term Expected Real Rate of Return		
	Town Plan	Police Plan	Fire Plan	Town Plan	Police Plan	Fire Plan
US Cash	3.00%	3.00%	3.00%	0.83%	0.83%	0.83%
US Interm Govt/Credit Bonds	27.00%	27.00%	32.00%	1.89%	1.89%	1.89%
US High Yield Bonds	5.00%	5.00%	5.00%	4.03%	4.03%	4.03%
US Large Cap Equity	11.00%	10.00%	7.88%	5.39%	5.39%	5.39%
US Broad Equity Market	-	-	5.75%	-	-	5.48%
US Large & Mid Cap Equity	-	-	5.25%	-	-	5.41%
US Large & Mid Cap Growth Equity	11.00%	7.00%	5.25%	5.49%	5.49%	5.49%
US Large & Mid Cap Value Equity	-	5.00%	-	-	5.34%	-
US Mid Cap Equity	-	-	5.25%	-	-	5.83%
US Mid Cap Growth Equity	-	3.75%	-	-	6.23%	-
US Small Cap Value Equity	-	3.25%	-	-	6.44%	-
US Small Cap Equity	10.50%	-	4.13%	6.80%	-	6.80%
US Small & Mid Cap Equity	3.50%	7.00%	-	6.04%	6.04%	-
Foreign Developed Equity	14.00%	14.00%	12.00%	6.61%	6.61%	6.61%
Emerging Markets Equity	8.00%	8.00%	8.00%	8.78%	8.78%	8.78%
US REITs	7.00%	7.00%	6.50%	6.71%	6.71%	6.71%

Discount Rate - The discount rate used to measure the total pension liabilities were 6.75% for the Town and Police plans and 6.50% for the Fire plan. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, each plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on each plan's investments were applied to all periods of projected benefit payments to determine the total pension liabilities.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Pension Plans (Continued)

Net Pension Liabilities (Continued)

Sensitivity of the Net Pension Liabilities to Changes in the Discount Rate - The following presents the net pension liabilities of the Town, calculated using the current discount rate for each plan as well as what the Town's net pension liabilities would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town Plan - Net pension liability	\$ 13,312,081	\$ 9,293,082	\$ 5,874,255
Police Plan - Net pension liability	8,593,713	6,209,392	4,199,873
Fire Plan - Net pension liability	790,933	368,967	10,249

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the Town recognized pension expense of \$1,394,383 for the Town Plan, \$428,661 for the Police Plan and \$71,209 for the Fire Plan. At June 30, 2025, the Town reported deferred outflows and inflows of resources related to each plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Town Plan:			
Differences between expected and actual experience	\$ 278,346	\$ 1,648	\$ 276,698
Change of assumptions	-	23,878	(23,878)
Net difference between projected and actual earnings on pension plan investments	-	612,779	(612,779)
	<u>278,346</u>	<u>638,305</u>	<u>(359,959)</u>
Police Plan:			
Differences between expected and actual experience	-	24,694	(24,694)
Change of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	190,715	(190,715)
	<u>-</u>	<u>215,409</u>	<u>(215,409)</u>
Fire Plan:			
Differences between expected and actual experience	50,396	313,900	(263,504)
Change of assumptions	67,108	39,355	27,753
Net difference between projected and actual earnings on pension plan investments	-	85,295	(85,295)
	<u>117,504</u>	<u>438,550</u>	<u>(321,046)</u>
Total	<u>\$ 395,850</u>	<u>\$ 1,292,264</u>	<u>\$ (896,414)</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plans *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources related to each of the plans will be recognized as an increase or (decrease) to pension expense in future years as follows:

Year ended June 30,	<u>Town Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total</u>
2026	\$ 803,713	\$ 380,450	\$ 1,096	\$ 1,185,259
2027	(504,273)	(292,540)	(71,343)	(868,156)
2028	(422,036)	(206,513)	(67,079)	(695,628)
2029	(237,363)	(96,806)	(45,598)	(379,767)
2030	-	-	(20,607)	(20,607)
Thereafter	-	-	(117,515)	(117,515)
	<u>\$ (359,959)</u>	<u>\$ (215,409)</u>	<u>\$ (321,046)</u>	<u>\$ (896,414)</u>

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for each of the Town's defined benefit plans as of and for the year ended June 30, 2025.

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Fire Plan</u>	<u>Total Pension Trust Funds</u>
ASSETS				
Cash and cash equivalents	\$ 1,209,272	\$ 669,761	\$ 168,073	\$ 2,047,106
Investments	27,126,443	15,247,508	3,234,509	45,608,460
Total assets	<u>28,335,715</u>	<u>15,917,269</u>	<u>3,402,582</u>	<u>47,655,566</u>
LIABILITIES				
Payables	-	-	17,318	17,318
	<u>-</u>	<u>-</u>	<u>17,318</u>	<u>17,318</u>
NET POSITION				
Restricted for pension benefits	<u>\$ 28,335,715</u>	<u>\$ 15,917,269</u>	<u>\$ 3,385,264</u>	<u>\$ 47,638,248</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Defined Benefit Pension Plans *(Continued)*

Plan Financial Statements *(Continued)*

	Town Plan	Police Plan	Fire Plan	Total Pension Trust Funds
ADDITIONS				
Contributions:				
Employer	\$ 1,473,226	\$ 648,213	\$ 173,768	\$ 2,295,207
Plan members	6,760	95,084	-	101,844
Total contributions	1,479,986	743,297	173,768	2,397,051
Investment earnings:				
Interest and dividends	377,721	249,103	38,211	665,035
Net change in the fair value of investments	2,638,950	1,296,613	296,589	4,232,152
Total investment earnings	3,016,671	1,545,716	334,800	4,897,187
Less investment expense	110,695	62,565	10,754	184,014
Net investment earnings	2,905,976	1,483,151	324,046	4,713,173
Total additions	4,385,962	2,226,448	497,814	7,110,224
DEDUCTIONS				
Benefit payments	2,195,513	1,456,486	162,894	3,814,893
Administration	32,030	28,798	15,364	76,192
Total deductions	2,227,543	1,485,284	178,258	3,891,085
Change in net position	2,158,419	741,164	319,556	3,219,139
Net pension held in trust for pension benefits:				
Beginning of year	26,177,296	15,176,105	3,065,708	44,419,109
End of year	\$ 28,335,715	\$ 15,917,269	\$ 3,385,264	\$ 47,638,248

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

NOTE 9 - PENSION PLANS (*Continued*)

Connecticut Teachers' Retirement System (*Continued*)

Benefit Provisions

The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Each teacher is required to contribute 7.0% of pensionable salary.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2024. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.560% as of the most recent measurement date.

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2024, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		\$ 15,771,213,000
	Proportion	Proportionate Share
Town's proportionate share of the Collective Net Pension Liability	0.000%	\$ -
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.560%	\$ 88,306,000

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$8,704,160 or 0.560% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2025.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Pension Expense *(Continued)*

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$10,128,872 or 0.560% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2025.

Actuarial Assumptions

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

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females at ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3.0% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 9 - PENSION PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return *(Continued)*

The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	100%	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

The Town accounts for activity relating to two other post-employment benefits plans, (1) the Town and Board of Education Other Post-employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2025, the two plans had the following balances reported in the Town's government-wide financial statements:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Town and Board of Education Other Post-employment	\$ 11,665,282	\$ 2,773,624	\$ 11,334,264	\$ -	\$ (640,139)
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	250,989	250,989
	\$ 11,665,282	\$ 2,773,624	\$ 11,334,264	\$ 250,989	\$ (389,150)

Detailed disclosures for each plan follow.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Town and Board of Education Plan

Plan Description

Plan administration - The Town provides a single-employer other post-employment benefits plan to all Town employees retiring under the Town of Madison's Retiree Medical Program. The level of these benefits is determined by contract for all union employees and by a Town ordinance for all non-represented employees. The Town does not issue a stand-alone financial report for the plan.

Plan membership - As of July 1, 2023, the date of the most recent actuarial valuation, membership data was as follows:

Current retirees and eligible surviving spouses	61
Current active participants	489
	<u>550</u>

Benefits Provided

Unrepresented Retired Employees - Health Insurance is offered to non-represented, retired employees, between the ages of 55 and 65, hired before July 1, 2013, receiving pension benefits. The retired employee is responsible to pay the full premium coverage on a timely basis.

UPSEU Building & Grounds Retired Employees - Retiree health insurance is offered to retired employees, between the ages of 55 and 65, hired before July 1, 2013, receiving pension benefits. The retired employee is responsible to pay the full premium coverage on a timely basis. Premium payments are due on the 20th of the month prior to the coverage month.

Police - For employees hired before January 1, 2006, the Town pays the full cost of retiree medical insurance for the retiree and his/her spouse. Retirees and their spouse must opt for and maintain medical insurance coverage at the time of retirement or they will forfeit this benefit. For those retired participants hired before January 1, 2006, and their spouses, who reach Medicare/Medicaid eligibility, the Town will provide a supplemental health insurance coverage for both for life at no cost to the retiree or spouse. This is a Medicare Supplementary plan in which Medicare is the primary coverage. No health insurance benefits are offered to those retirees hired after January 1, 2006.

Board of Education - The Board of Education provides certain post-retirement benefits to retirees through negotiated contracts. Eligibility for benefits are as follows:

Teachers/Administrators - Post-retirement insurance can be purchased through Medicare eligibility; if not eligible for Medicare.

Para-professionals/Secretaries - If retiring under pension, insurance may be purchased between ages 55 and 65.

Custodians - For employees who retired before July 1, 2018, post-retirement insurance can be purchased through Medicare eligibility; if not eligible for Medicare.

Cafeteria Workers - No post-retirement benefits are provided for health insurance for retirees.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Town and Board of Education Plan *(Continued)*

Funding Policy

The Town currently pays for its other post-employment benefits on a pay-as-you-go basis. As of June 30, 2025, the Town has not established a trust fund to irrevocably segregate assets to fund liabilities associated with these other post-employment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. The contribution requirements of plan members and the Town are also negotiated with the various unions representing the employees.

Total OPEB Liability

The Town's total OPEB liability reported as of June 30, 2025 totaled \$11,665,282. The total OPEB liability was measured as of June 30, 2025 and determined by an actuarial valuation as of July 1, 2023.

Actuarial Assumptions and Other Inputs - The total OPEB liability as of June 30, 2025 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	5.20%
Inflation	2.50%
Medical trend rates - Pre-65	6.70% - 3.90% over 50 years
Medical trend rates - Post-65	7.00% - 3.90% over 50 years
Salary increases, including inflation	Graded by service

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years. Mortality rates were based on generational projection per Scale AA to the PubT-2010 Mortality Table projected with MP ultimate scale.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance as of June 30, 2024	\$ 13,429,757
Changes for the year:	
Service cost	230,959
Interest	524,559
Changes of benefit terms	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	(1,887,600)
Benefit payments	(632,393)
Net changes	(1,764,475)
Balance as of June 30, 2025	\$ 11,665,282

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Town and Board of Education Plan *(Continued)*

Changes in the Total OPEB Liability *(Continued)*

Changes of assumptions primarily reflects a change in the discount rate from 3.93% to 5.20%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 13,111,623	\$ 11,665,282	\$ 10,465,046

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 10,180,295	\$ 11,665,282	\$ 13,482,374

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, the Town recognized a negative OPEB expense of \$(640,139). As of June 30, 2025, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Differences between expected and actual experience	\$ -	\$ 5,547,527	\$ (5,547,527)
Change of assumptions	2,773,624	5,786,737	(3,013,113)
Total	<u>\$ 2,773,624</u>	<u>\$ 11,334,264</u>	<u>\$ (8,560,640)</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a decrease to OPEB expense in future years as follows:

Year ended June 30,	
2026	\$ (1,395,657)
2027	(1,406,485)
2028	(1,846,648)
2029	(1,987,816)
2030	(1,067,399)
Thereafter	(856,635)
	<u>\$ (8,560,640)</u>

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System (TRS or the Plan) is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board (TRB). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School Town employers are not required to make contributions to the Plan.

Employees/Retirees - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with the other postemployment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2024. The net OPEB liability has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net OPEB liability, deferred outflows and inflows of resources and OPEB expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the expected contribution effort as of the date of the latest biennial valuation. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.560% as of the most recent measurement date.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2024, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		\$ 3,235,218,000
	Proportion	Proportionate Share
Town's proportionate share of the Collective Net OPEB Liability	0.000%	\$ -
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.560%	\$ 18,115,000

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$121,866 or 0.560% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2025.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled \$250,989 or 0.560% of the total collective OPEB expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2025.

Actuarial Assumptions

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females at ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return
U.S. Treasuries (Cash Equivalents)	100.0%	1.26%
Long-Term Inflation Expectation		2.50%
Long-Term Expected Nominal Return		3.76%

Discount Rate

The discount rate used to measure the total OPEB liability was 3.93% compared to 3.64 in the prior year. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2024. In addition to the actuarial methods and assumptions of the June 30, 2024 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate of 3.93% was used in the determination of the single equivalent rate.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 - FUND BALANCE

The Town's adopted policy states that the Town shall endeavor to maintain a minimum unassigned fund balance in the General Fund of 10.0% of budgeted expenditures.

The components of fund balance for the governmental funds at June 30, 2025 are as follows:

	General Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Nonspendable:				
Prepaid items and inventories	\$ -	\$ -	\$ 37,324	\$ 37,324
Restricted for:				
Grant programs	-	-	1,569,427	1,569,427
Education	-	-	19,722	19,722
Student and Alumni Activities	-	-	340,212	340,212
Endowments	-	-	485,564	485,564
Capital purposes, unspent debt proceeds	-	5,435,071	-	5,435,071
Committed to:				
Capital purposes	-	23,029,721	-	23,029,721
Public safety	-	-	14,844	14,844
Health and welfare	-	-	182,278	182,278
Beach and recreation	-	-	311,384	311,384
Education	-	-	435,142	435,142
Assigned to:				
Encumbrances:				
General government	24,460	-	-	24,460
Public safety	8,195	-	-	8,195
Public works	158,425	-	-	158,425
Land and building administration	16,579	-	-	16,579
Health and welfare	7,174	-	-	7,174
Beach and recreation	33,834	-	-	33,834
Education	446,068	-	-	446,068
Insurance, employee benefits and other	4,412	-	-	4,412
Insurance, employee benefits and other	1,798	-	-	1,798
Use in subsequent year's budget	500,000	-	-	500,000
Unassigned	23,832,490	(19,600,630)	-	4,231,860
	<u>\$ 25,033,435</u>	<u>\$ 8,864,162</u>	<u>\$ 3,395,897</u>	<u>\$ 37,293,494</u>

The unassigned fund balance deficit in the Capital Projects Fund reflects the use of short-term financing to temporarily fund authorized capital projects. The Town plans to eliminate this deficit through the issuance of general obligation bonds and the receipt of school construction grant reimbursements.

Encumbrances are commitments as of June 30, 2025 related to unperformed (executory) contracts for goods or services. Such amounts have been included in assigned fund balance within the balance sheet of the General Fund.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 12 - RISK MANAGEMENT

Insurance

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for management of these risks. Neither the Town nor its insurers have settled claims, which exceeded the Town's insurance coverage in any of the last three fiscal years. In addition, there have been no significant reductions in any insurance coverage from amounts maintained in the prior year.

The Town provides medical and dental coverage to employees through a self-insured plan. The Town retains the risk of loss under the plan and claims are processed by a third party administrator. The Town utilizes a Health Insurance Internal Service Fund to report the activities of the plan. The Town contributes based on estimates made using historical data. The Town covers all claims up to \$200,000 per employee per year with a stop-loss policy covering amounts exceeding this limit. The Town has also purchased an aggregate stop-loss policy that would cover claims exceeding 125% of the total estimated claims for the plan year. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported as of yearend. This estimate is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

Changes in the claims liability for the previous two fiscal years were as follows:

Year Ended June 30	Claims Payable Beginning of Year	Claims and Changes in Estimates	Claim Payment	Claims Payable End of Year
2024	\$ 705,700	\$ 11,981,578	\$ 12,044,678	\$ 642,600
2025	642,600	11,559,808	11,446,243	756,165

Heart and Hypertension

The Town also maintains the risk related to heart and hypertension claims payable to police employees under State benefit requirements. The Town does not maintain a separate cash reserve to cover the benefits provided by the heart and hypertension program and does not prefund the benefits to be paid in future years. Expenditures related to this program are funded annually through General Fund appropriations. The estimated liability at June 30, 2025 is \$1,134,650. This liability is reported in the government-wide financial statements.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Litigation, Claims and Assessments

The Town, in the normal course of operations, is named as defendants in lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. The outcome and eventual liability to the Town, if any, for such matters are not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such matters would not materially affect the financial position of the Town.

Federal Awards and State Financial Assistance

The Town has received state and federal funding for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 13 - COMMITMENTS AND CONTINGENCIES *(Continued)*

Federal Energy Tax Credit

During the fiscal year, the Town filed for and received a federal energy tax credit under the Inflation Reduction Act related to the installation of a geothermal heat pump system at the Town campus. The credit was claimed through the filing of a federal Form 990-T. Although the Town believes it has satisfied all program requirements and that the amount claimed is appropriate, the credit remains subject to examination by the Internal Revenue Service. The outcome of any such review cannot presently be determined, and no provision has been recorded for any potential liability that may result.

Arbitrage

The Town may be subject to arbitrage rebate penalties to the federal government relating to various bond and note issues. The Town expects such amounts, if any, would not have a material adverse effect on the financial condition of the Town.

Construction Contracts

The Town has total project authorizations totaling approximately \$121.1 million as of June 30, 2025. The remaining balance of those authorizations totaled approximately \$57.5 million as of June 30, 2025. Outstanding commitments on construction contracts totaled approximately \$13.8 million as of June 30, 2025.

NOTE 14 - RESTATEMENT

Change in Accounting Principle

For the year ended June 30, 2025, the Town implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. This statement establishes updated recognition and measurement guidance for compensated absences.

Adjustment to and Restatement of Beginning Balances

During the year ended June 30, 2025, the change in accounting principle resulted in an adjustment to and restatement of beginning net position as follows:

	<u>6/30/2024 As Previously Reported</u>	<u>Change in Accounting Principle</u>	<u>6/30/2024 As Restated</u>
Government-Wide			
Governmental Activities	<u>\$ 113,168,820</u>	<u>\$ (2,081,757)</u>	<u>\$ 111,087,063</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 15 - SUBSEQUENT EVENTS

In July 2025, the Town authorized a special appropriation in an amount not to exceed \$2,602,900 for the Madison Hose Company Fire House Expansion/EOC Project from the unassigned fund balance of the General Fund. In addition, the Town authorized a special appropriation in an amount not to exceed \$228,200 for the Green Hill Softball Turf Replacement Project from the unassigned fund balance of the General Fund.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
PROPERTY TAXES				
Property taxes	\$ 92,249,932	\$ 92,249,932	\$ 93,008,264	\$ 758,332
Interest and lien fees	101,600	101,600	216,526	114,926
Total property taxes	92,351,532	92,351,532	93,224,790	873,258
INTERGOVERNMENTAL REVENUES				
General Government:				
In lieu of taxes - state-owned property	401,828	401,828	522,800	120,972
In lieu of taxes - water	149,230	149,230	129,514	(19,716)
Local capital improvement program	107,918	107,918	161,657	53,739
Telecommunications property tax share	37,770	37,770	144,269	106,499
Miscellaneous state/federal grants	6,795	6,795	34,866	28,071
Municipal revenue sharing	-	-	175,790	175,790
Additional veterans exempt	-	-	5,280	5,280
Disability exempt	-	-	700	700
Court fees	-	-	4,585	4,585
Federal energy credit	-	-	930,098	930,098
Total general government	703,541	703,541	2,109,559	1,406,018
Board of Education:				
Medicaid reimbursement	9,000	9,000	22,468	13,468
Education cost sharing	395,000	395,000	386,367	(8,633)
Private school health and welfare	-	-	7,938	7,938
Total board of education	404,000	404,000	416,773	12,773
Total intergovernmental revenues	1,107,541	1,107,541	2,526,332	1,418,791
LICENSES, FEES AND CHARGES FOR SERVICES				
General government:				
Board of selectman	326,693	326,693	364,898	38,205
Town clerk	558,500	558,500	751,650	193,150
Public works - landfill	15,000	15,000	12,331	(2,669)
Police department	59,545	59,545	183,710	124,165
Fire, ambulance and civil preparedness	2,500	2,500	3,363	863
Land use	15,645	15,645	14,065	(1,580)
Building department	500,000	500,000	882,934	382,934
Beach and recreation	311,000	311,000	359,867	48,867
Youth services	100,300	100,300	193,215	92,915
Senior citizens council	12,000	12,000	8,478	(3,522)
Health department	52,000	52,000	56,228	4,228
EV charging revenue	-	-	2,472	2,472
Total general government	1,953,183	1,953,183	2,833,211	880,028
Board of education:				
Other	-	-	31,098	31,098
Total board of education	-	-	31,098	31,098
Total licenses, fees and charges for services	1,953,183	1,953,183	2,864,309	911,126
INVESTMENT INCOME				
Interest on temporary funds	1,600,000	1,600,000	3,382,110	1,782,110
Total revenues	97,012,256	97,012,256	101,997,541	4,985,285

(Continued)

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT				
Board of Selectmen	\$ 203,062	\$ 281,870	\$ 273,618	\$ (8,252)
Human resources	203,075	207,780	205,452	(2,328)
Fiscal services	464,583	441,808	372,200	(69,608)
Town counsel	200,000	200,000	199,063	(937)
Town clerk	309,954	316,373	315,924	(449)
Election expense (registrars)	106,589	107,508	105,261	(2,247)
Assessor's office	389,594	399,402	387,585	(11,817)
Board of assessment appeals	1,120	1,120	329	(791)
Tax collector	208,771	213,951	213,476	(475)
Courts	8,000	8,000	8,000	-
Technology	252,175	210,791	210,409	(382)
Town administration	544,843	613,258	587,498	(25,760)
Total general government	2,891,766	3,001,861	2,878,815	(123,046)
PUBLIC SAFETY				
Police service	4,044,103	4,110,966	4,104,264	(6,702)
Animal control	85,163	85,163	81,461	(3,702)
Communications	966,740	897,280	897,280	-
Fire/ambulance/civil preparedness	1,835,070	1,816,725	1,804,944	(11,781)
Total public safety	6,931,076	6,910,134	6,887,949	(22,185)
PUBLIC WORKS				
Public works	2,387,499	2,392,965	2,343,577	(49,388)
Maintenance	1,536,442	1,558,404	1,542,873	(15,531)
Landfill	125,718	123,068	123,035	(33)
Total public works	4,049,659	4,074,437	4,009,485	(64,952)
LAND AND BUILDING ADMINISTRATION				
Land use office	335,751	316,384	303,454	(12,930)
Building department	198,371	244,511	242,791	(1,720)
Town campus operations	98,000	98,000	98,000	-
Total land and building administration	632,122	658,895	644,245	(14,650)
HEALTH AND WELFARE				
Department of health	279,193	285,113	275,539	(9,574)
Youth services	979,805	1,002,268	963,184	(39,084)
Community support services	26,500	27,095	25,695	(1,400)
Senior citizen council	540,295	541,082	506,071	(35,011)
Total health and welfare	1,825,793	1,855,558	1,770,489	(85,069)
BEACH AND RECREATION				
Beach and recreation	1,781,658	1,739,676	1,661,625	(78,051)
LIBRARY	1,543,828	1,543,828	1,543,828	-

(Continued)

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
EMPLOYEE BENEFITS				
Employee benefits	\$ 3,505,055	\$ 3,492,044	\$ 3,359,106	\$ (132,938)
Town health benefit	2,594,088	2,594,088	2,594,059	(29)
	<u>6,099,143</u>	<u>6,086,132</u>	<u>5,953,165</u>	<u>(132,967)</u>
CONTINGENCY	<u>60,000</u>	<u>11,705</u>	<u>-</u>	<u>(11,705)</u>
CAPITAL OUTLAYS				
Beach and recreation	14,300	10,300	10,300	-
Public works/engineering	14,900	14,900	13,879	(1,021)
Youth services	1,500	1,500	1,330	(170)
General government	-	-	(1)	(1)
Total capital outlays	<u>30,700</u>	<u>26,700</u>	<u>25,508</u>	<u>(1,192)</u>
BOARD OF EDUCATION				
Public schools	53,273,833	53,365,024	52,981,278	(383,746)
Private schools	313,676	313,676	305,146	(8,530)
Health benefits	9,514,626	9,514,626	9,515,645	1,019
Total board of education	<u>63,102,135</u>	<u>63,193,326</u>	<u>62,802,069</u>	<u>(391,257)</u>
DEBT SERVICE				
General government	1,999,000	1,999,000	1,999,000	-
Board of education	367,200	367,200	367,200	-
Total debt service	<u>2,366,200</u>	<u>2,366,200</u>	<u>2,366,200</u>	<u>-</u>
Total expenditures	<u>91,314,080</u>	<u>91,468,452</u>	<u>90,543,378</u>	<u>(925,074)</u>
Excess of revenues over expenditures	5,698,176	5,543,804	11,454,163	5,910,359
OTHER FINANCING SOURCES (USES)				
Appropriations from fund balance	500,000	6,393,309	-	(6,393,309)
Cancellation of prior year encumbrances	-	-	132,404	132,404
Transfers in:				
Dog Fund	3,500	3,500	3,500	-
Beach and Recreation Program Fund	103,500	103,500	43,000	(60,500)
Transfer out:				
Capital Projects Fund	(6,305,176)	(12,044,113)	(12,044,113)	-
Total other financing sources (uses)	<u>(5,698,176)</u>	<u>(5,543,804)</u>	<u>(11,865,209)</u>	<u>(6,321,405)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (411,046)</u>	<u>\$ (411,046)</u>

(Concluded)

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY -
TOWN PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 548,221	\$ 597,916	\$ 643,253	\$ 661,084	\$ 668,410	\$ 626,981	\$ 620,164	\$ 608,909	\$ 544,440	\$ 520,219
Interest	2,408,850	2,362,057	2,302,694	2,231,249	2,132,864	1,890,397	1,815,981	1,728,187	1,674,964	1,591,804
Effect of plan changes	-	-	-	-	111,529	-	-	301,441	-	-
Effect of economic/demographic gains and losses	313,827	205,077	151,834	(67,548)	490,786	460,386	27,280	4,188	158,138	286,267
Effect of assumption changes or inputs	-	-	(167,137)	-	851,421	1,952,277	-	-	606,991	298,115
Benefit payments, including refunds	(2,195,513)	(1,987,330)	(1,873,361)	(1,770,076)	(1,555,725)	(1,456,614)	(1,365,315)	(1,429,470)	(1,208,988)	(1,068,587)
Net change in total pension liability	1,075,385	1,177,720	1,057,283	1,054,709	2,699,285	3,473,427	1,098,110	1,213,255	1,775,545	1,627,818
Total pension liability - beginning	36,553,412	35,375,692	34,318,409	33,263,700	30,564,415	27,090,988	25,992,878	24,779,623	23,004,078	21,376,260
Total pension liability - ending	37,628,797	36,553,412	35,375,692	34,318,409	33,263,700	30,564,415	27,090,988	25,992,878	24,779,623	23,004,078
Plan fiduciary net position										
Contributions - employer	1,473,226	1,447,028	1,500,563	2,558,316	1,511,805	1,249,336	1,142,688	1,030,611	905,263	890,486
Contributions - members	6,760	7,981	7,402	7,433	7,473	7,901	7,703	10,196	10,489	10,516
Net investment income	2,905,976	2,538,094	2,221,600	(4,138,718)	5,569,986	635,916	1,268,887	1,304,145	1,740,211	(50,651)
Benefit payments, including refunds	(2,195,513)	(1,987,330)	(1,873,361)	(1,770,076)	(1,555,725)	(1,456,614)	(1,365,315)	(1,429,470)	(1,208,988)	(1,068,587)
Administrative expense	(32,030)	(24,970)	(47,756)	(47,162)	(42,046)	(24,717)	(44,321)	(64,719)	(20,082)	(24,581)
Net change in plan fiduciary net position	2,158,419	1,980,803	1,808,448	(3,390,207)	5,491,493	411,822	1,009,642	850,763	1,426,893	(242,817)
Plan fiduciary net position - beginning	26,177,296	24,196,493	22,388,045	25,778,252	20,286,759	19,874,937	18,865,295	18,014,532	16,587,639	16,830,456
Plan fiduciary net position - ending	28,335,715	26,177,296	24,196,493	22,388,045	25,778,252	20,286,759	19,874,937	18,865,295	18,014,532	16,587,639
Town's net pension liability	<u>\$ 9,293,082</u>	<u>\$ 10,376,116</u>	<u>\$ 11,179,199</u>	<u>\$ 11,930,364</u>	<u>\$ 7,485,448</u>	<u>\$ 10,277,656</u>	<u>\$ 7,216,051</u>	<u>\$ 7,127,583</u>	<u>\$ 6,765,091</u>	<u>\$ 6,416,439</u>
Plan fiduciary net position as a percentage of total pension liability	75.30%	71.61%	68.40%	65.24%	77.50%	66.37%	73.36%	72.58%	72.70%	72.11%
Covered payroll	\$ 7,104,303	\$ 7,442,907	\$ 7,670,867	\$ 8,503,214	\$ 8,431,963	\$ 8,301,642	\$ 8,446,424	\$ 7,593,574	\$ 7,511,806	\$ 7,969,860
Town's net pension liability as a percentage of covered payroll	130.81%	139.41%	145.74%	140.30%	88.77%	123.80%	85.43%	93.86%	90.06%	80.51%

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
TOWN PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,473,226	\$ 1,447,028	\$ 1,500,563	\$ 1,554,614	\$ 1,511,805	\$ 1,249,336	\$ 1,142,688	\$ 1,030,611	\$ 905,263	\$ 890,486
Contributions in relation to the actuarially determined contribution	1,473,226	1,447,028	1,500,563	2,558,316	1,511,805	1,249,336	1,142,688	1,030,611	905,263	890,486
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (1,003,702)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,104,303	\$ 7,442,907	\$ 7,670,867	\$ 8,503,214	\$ 8,431,963	\$ 8,301,642	\$ 8,446,424	\$ 7,593,574	\$ 7,511,806	\$ 7,969,860
Contributions as a percentage of covered payroll	20.74%	19.44%	19.56%	30.09%	17.93%	15.05%	13.53%	13.57%	12.05%	11.17%
Annual money-weighted rate of return, net of investment expense	11.26%	10.55%	9.73%	-15.44%	26.95%	3.29%	6.83%	7.45%	10.62%	-0.30%

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY -
POLICE PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 148,900	\$ 175,677	\$ 201,337	\$ 108,210	\$ 270,311	\$ 302,692	\$ 295,578	\$ 291,187	\$ 280,532	\$ 280,866
Interest	1,451,598	1,429,666	1,393,756	1,368,825	1,381,314	1,316,309	1,293,845	1,277,727	1,256,838	1,278,794
Effect of economic/demographic gains and losses	(86,429)	196,314	418,345	189,738	(118,184)	34,539	144,944	(67,435)	(410,348)	(33,634)
Effect of assumption changes or inputs	-	-	(31,496)	-	530,166	552,508	-	-	468,903	526,516
Benefit payments, including refunds	(1,456,486)	(1,443,638)	(1,405,535)	(1,375,087)	(1,336,993)	(1,349,550)	(1,302,609)	(1,254,673)	(1,241,807)	(1,356,577)
Net change in total pension liability	57,583	358,019	576,407	291,686	726,614	856,498	431,758	246,806	354,118	695,965
Total pension liability - beginning	22,069,078	21,711,059	21,134,652	20,842,966	20,116,352	19,259,854	18,828,096	18,581,290	18,227,172	17,531,207
Total pension liability - ending	22,126,661	22,069,078	21,711,059	21,134,652	20,842,966	20,116,352	19,259,854	18,828,096	18,581,290	18,227,172
Plan fiduciary net position										
Contributions - employer	648,213	602,509	561,797	655,220	755,497	645,044	598,363	586,962	543,323	526,000
Contributions - members	95,084	102,815	102,745	130,225	142,554	151,039	155,311	158,336	155,007	168,570
Net investment income	1,483,151	1,497,949	1,340,284	(2,372,450)	3,562,693	340,045	739,145	965,464	1,363,252	(33,225)
Benefit payments, including refunds	(1,456,486)	(1,443,638)	(1,405,535)	(1,375,087)	(1,336,993)	(1,349,550)	(1,302,609)	(1,254,673)	(1,241,807)	(1,356,577)
Administrative expense	(28,798)	(18,727)	(18,915)	(17,540)	(15,620)	(18,995)	(24,323)	(20,703)	(10,472)	(25,540)
Net change in plan fiduciary net position	741,164	740,908	580,376	(2,979,632)	3,108,131	(232,417)	165,887	435,386	809,303	(720,772)
Plan fiduciary net position - beginning	15,176,105	14,435,197	13,854,821	16,834,453	13,726,322	13,958,739	13,792,852	13,357,466	12,548,163	13,268,935
Plan fiduciary net position - ending	15,917,269	15,176,105	14,435,197	13,854,821	16,834,453	13,726,322	13,958,739	13,792,852	13,357,466	12,548,163
Town's net pension liability	\$ 6,209,392	\$ 6,892,973	\$ 7,275,862	\$ 7,279,831	\$ 4,008,513	\$ 6,390,030	\$ 5,301,115	\$ 5,035,244	\$ 5,223,824	\$ 5,679,009
Plan fiduciary net position as a percentage of total pension liability	71.94%	68.77%	66.49%	65.55%	80.77%	68.23%	72.48%	73.26%	71.89%	68.84%
Covered payroll	\$ 1,312,489	\$ 1,423,299	\$ 1,529,152	\$ 1,762,519	\$ 1,777,185	\$ 1,734,081	\$ 1,678,549	\$ 1,634,080	\$ 1,701,371	\$ 1,996,009
Town's net pension liability as a percentage of covered payroll	473.10%	484.30%	475.81%	413.04%	225.55%	368.50%	315.82%	308.14%	307.04%	284.52%

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
POLICE PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 648,213	\$ 602,509	\$ 561,797	\$ 626,752	\$ 755,497	\$ 645,044	\$ 598,365	\$ 586,962	\$ 543,323	\$ 514,887
Contributions in relation to the actuarially determined contribution	648,213	602,509	561,797	655,220	755,497	645,044	598,363	586,962	543,323	526,000
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (28,468)	\$ -	\$ -	\$ 2	\$ -	\$ -	\$ (11,113)
Covered payroll	\$ 1,312,489	\$ 1,423,299	\$ 1,529,152	\$ 1,762,519	\$ 1,777,185	\$ 1,734,081	\$ 1,678,549	\$ 1,634,080	\$ 1,701,371	\$ 1,996,009
Contributions as a percentage of covered payroll	49.39%	42.33%	36.74%	37.18%	42.51%	37.20%	35.65%	35.92%	31.93%	26.35%
Annual money-weighted rate of return, net of investment expense	9.97%	10.64%	9.79%	-14.32%	26.03%	2.56%	5.50%	7.46%	11.15%	-0.26%

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF CHANGES IN NET PENSION LIABILITY -
FIRE PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service cost	\$ 63,547	\$ 73,812	\$ 36,477	\$ 37,113	\$ 31,854	\$ 34,788	\$ 31,794	\$ 33,608	\$ 41,044	\$ 38,426
Interest	243,905	233,562	129,493	125,760	127,565	122,862	123,710	128,944	125,384	108,942
Effect of plan changes	-	-	1,590,647	-	-	-	-	-	-	-
Effect of economic/demographic gains and losses	(159,134)	16,845	(27,322)	24,802	(49,268)	(28,892)	(43,727)	(113,522)	41,596	-
Effect of assumptions changes or inputs	-	-	(22,793)	-	48,184	56,734	-	-	(48,803)	-
Benefit payments	(162,894)	(146,730)	(139,251)	(120,251)	(117,084)	(109,251)	(144,793)	(105,083)	(104,151)	(101,501)
Net change in total pension liability	(14,576)	177,489	1,567,251	67,424	41,251	76,241	(33,016)	(56,053)	55,070	45,867
Total pension liability - beginning	3,768,807	3,591,318	2,024,067	1,956,643	1,915,392	1,839,151	1,872,167	1,928,220	1,873,150	1,827,283
Total pension liability - ending	3,754,231	3,768,807	3,591,318	2,024,067	1,956,643	1,915,392	1,839,151	1,872,167	1,928,220	1,873,150
Plan fiduciary net position										
Contributions - employer	173,768	452,651	1,064,952	71,949	83,799	58,113	68,247	97,342	102,856	95,956
Net investment income	324,046	262,676	134,570	(247,787)	366,235	38,297	79,265	71,077	102,711	3,077
Benefit payments, including refunds	(162,894)	(146,730)	(139,251)	(120,251)	(117,084)	(109,251)	(144,793)	(105,083)	(104,151)	(101,501)
Administrative expenses	(15,364)	(14,256)	(16,899)	(38,585)	(1,000)	(7,740)	(13,305)	-	-	-
Net change in plan fiduciary net position	319,556	554,341	1,043,372	(334,674)	331,950	(20,581)	(10,586)	63,336	101,416	(2,468)
Plan fiduciary net position - beginning	3,065,708	2,511,367	1,467,995	1,802,669	1,470,719	1,491,300	1,501,886	1,438,550	1,337,134	1,339,602
Plan fiduciary net position - ending	3,385,264	3,065,708	2,511,367	1,467,995	1,802,669	1,470,719	1,491,300	1,501,886	1,438,550	1,337,134
Town's net pension liability	\$ 368,967	\$ 703,099	\$ 1,079,951	\$ 556,072	\$ 153,974	\$ 444,673	\$ 347,851	\$ 370,281	\$ 489,670	\$ 536,016
Plan fiduciary net position as a percentage of total pension liability	90.17%	81.34%	69.93%	72.53%	92.13%	76.78%	81.09%	80.22%	74.61%	71.38%

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
FIRE PLAN (UNAUDITED)
LAST TEN FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 173,768	\$ 252,651	\$ 64,952	\$ 70,856	\$ 83,799	\$ 58,113	\$ 68,247	\$ 85,475	\$ 82,077	\$ 102,856
Contributions in relation to the actuarially determined contribution	173,768	452,651	1,064,952	71,949	83,799	58,113	68,247	97,342	102,856	95,956
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (200,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ (1,093)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,867)</u>	<u>\$ (20,779)</u>	<u>\$ 6,900</u>
Annual money-weighted rate of return, net of investment expense	10.49%	9.65%	8.82%	-14.00%	24.82%	2.67%	5.43%	4.96%	7.69%	0.23%

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY* -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST TEN FISCAL YEARS
(Rounded to nearest thousand)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	88,306,000	96,479,000	103,127,000	85,321,000	107,728,000	102,595,000	79,106,000	81,772,000	86,270,000	66,390,000
Total	<u>\$ 88,306,000</u>	<u>\$ 96,479,000</u>	<u>\$ 103,127,000</u>	<u>\$ 85,321,000</u>	<u>\$ 107,728,000</u>	<u>\$ 102,595,000</u>	<u>\$ 79,106,000</u>	<u>\$ 81,772,000</u>	<u>\$ 86,270,000</u>	<u>\$ 66,390,000</u>
Town's covered payroll	\$ 27,082,000	\$ 28,347,000	\$ 25,747,000	\$ 25,727,000	\$ 24,882,000	\$ 26,379,000	\$ 25,969,000	\$ 25,921,000	\$ 24,984,000	\$ 24,678,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

* Amounts presented for each year are based on a measurement date as of June 30 of the previous year.

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)*
LAST EIGHT FISCAL YEARS**

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 230,959	\$ 259,324	\$ 304,022	\$ 476,679	\$ 543,473	\$ 339,736	\$ 325,311	\$ 339,036
Interest	524,559	610,237	553,258	585,518	625,901	741,250	759,242	720,567
Changes in benefit terms	-	-	-	277,552	230,577	-	-	-
Differences between expected and actual experience	-	(2,203,486)	-	(7,209,992)	-	(527,529)	-	-
Effect of assumptions changes or inputs	(1,887,600)	(1,353,186)	1,003,901	(4,668,654)	(1,793,438)	7,115,179	1,161,839	(901,124)
Benefit payments, including refunds	(632,393)	(679,189)	(773,026)	(763,676)	(743,672)	(713,522)	(687,890)	(620,512)
Net change in total OPEB liability	(1,764,475)	(3,366,300)	1,088,155	(11,302,573)	(1,137,159)	6,955,114	1,558,502	(462,033)
Total OPEB liability - beginning	13,429,757	16,796,057	15,707,902	27,010,475	28,147,634	21,192,520	19,634,018	20,096,051
Total OPEB liability - ending	<u>\$ 11,665,282</u>	<u>\$ 13,429,757</u>	<u>\$ 16,796,057</u>	<u>\$ 15,707,902</u>	<u>\$ 27,010,475</u>	<u>\$ 28,147,634</u>	<u>\$ 21,192,520</u>	<u>\$ 19,634,018</u>
 Covered employee payroll	 \$ 34,934,833	 \$ 34,934,833	 \$ 33,412,168	 \$ 33,412,168	 \$ 26,004,163	 \$ 29,140,269	 \$ 29,140,269	 \$ 28,320,133
 Town's total OPEB liability as a percentage of covered employee payroll	 33.39%	 38.44%	 50.27%	 47.01%	 103.87%	 96.59%	 72.73%	 69.33%

* There are no assets being accumulated in a trust to pay benefits.

** This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

TOWN OF MADISON, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY* -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST EIGHT FISCAL YEARS**
(Rounded to Nearest Thousand)

	2025	2024	2023	2022	2021	2020	2019	2018
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	18,115,000	9,039,000	9,032,000	9,296,000	16,068,000	16,000,000	15,814,000	21,047,000
Total	<u>\$ 18,115,000</u>	<u>\$ 9,039,000</u>	<u>\$ 9,032,000</u>	<u>\$ 9,296,000</u>	<u>\$ 16,068,000</u>	<u>\$ 16,000,000</u>	<u>\$ 15,814,000</u>	<u>\$ 21,047,000</u>
Town's covered payroll	\$ 28,299,000	\$ 26,638,000	\$ 26,447,000	\$ 25,372,000	\$ 25,371,000	\$ 26,379,000	\$ 25,969,000	\$ 25,921,000
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	7.40%	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

* Amounts presented for each year are based on a measurement date as of June 30 of the previous year.

** This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF MADISON, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements in accordance with provisions of Connecticut General Statutes and annually adopted budget policies.

- An annual referendum to vote on the recommended Town budget, including the Board of Education budget, shall be held no later than the 25th of May by use of voting machines. The operating budget includes proposed expenditures and the means of financing them.
- The legal level of budgetary control is the department level. The Board of Finance is authorized to make special appropriations from unassigned fund balance of up to \$250,000 to any department. Any special appropriation over \$250,000 must be approved at a Town Meeting. Transfers up to \$20,000 of unexpended balances from one appropriation to another within a single department, or departments with a common department head can be authorized by the First Selectmen or their designee. Transfers in excess of \$20,000 in the aggregate within a single department's budget can be authorized by the Board of Finance on request by the Board of Selectmen.
- Formal budgetary integration is employed as a management control device during the year for the General Fund. Additional appropriations approved during the year amounted to \$5,893,309. All unencumbered appropriations lapse at year end, except those for capital projects and certain special revenue grants. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assigned fund balance and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis may differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2025:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Uses, Net</u>	<u>Net Change in Fund Balance</u>
Budgetary basis	\$ 101,997,541	\$ 90,543,378	\$ (11,865,209)	\$ (411,046)
"On-behalf" payments -				
State Teachers Retirement Fund	8,826,026	8,826,026	-	-
Adjustment for encumbrances	-	340,874	(132,404)	(473,278)
Leases not recorded				
for budgetary purposes	-	100,535	100,535	-
Reimbursement for certain grant				
and other revenues recorded as a				
reduction to expenditures				
for budgetary purposes	910,851	910,851	-	-
Consolidation of reserve funds	-	141,189	141,189	-
Certain transfers recorded as				
expenditures for budgetary				
purposes	-	(260,487)	(260,487)	-
GAAP basis	<u>\$ 111,734,418</u>	<u>\$ 100,602,366</u>	<u>\$ (12,016,376)</u>	<u>\$ (884,324)</u>

TOWN OF MADISON, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 2 - SCHEDULE OF THE CHANGES IN NET PENSION LIABILITY - TOWN PLAN

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2024.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability, except as noted below:

- In 2021, the discount rate was decreased from 7.00% to 6.75%
- In 2020, mortality tables were updated.

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - TOWN PLAN

Actuarially determined contributions rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percent
Remaining amortization period:	Closed 16 years from July 1, 2024
Asset valuation method:	5 Year Non-asymptotic
Actuarial assumptions:	
Inflation rate	2.50%
Discount rate	6.75%
Projected salary Increases	Graded by age
Amortization growth rate	3.50%

Mortality rates were based on the PubG-2010 Mortality with generational projection per MP-2021 Ultimate improvement scale.

NOTE 4 - SCHEDULE OF THE CHANGES IN NET PENSION LIABILITY - POLICE PLAN

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2024.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability, except as noted below:

- In 2021, the discount rate was decreased from 7.00% to 6.75%
- In 2020, mortality tables were updated.

TOWN OF MADISON, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - POLICE PLAN

Actuarially determined contributions rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percent
Remaining amortization period:	Closed 16 years from July 1, 2024
Asset valuation method:	5 Year Non-asymptotic
Actuarial assumptions:	
Inflation rate	2.50%
Discount rate	6.75%
Projected salary Increases	Graded by age
Amortization growth rate	3.50%

Mortality rates were based on the PubS-2010 Mortality with generational projection per MP-2021 Ultimate Scale.

NOTE 6 - SCHEDULE OF THE CHANGES IN NET PENSION LIABILITY - FIRE PLAN

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2024.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability, except as noted below:

- In 2023, a plan amendment was adopted that resulted in increased benefits for both current and future retirees. The plan change doubled retiree benefits over the course of a ten year phase-in period.

Assumption Changes - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability.

NOTE 7 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - FIRE PLAN

Actuarially determined contributions rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2025.

Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percent
Remaining amortization period:	Closed 16 years from July 1, 2024
Asset valuation method:	5 Year Non-asymptotic
Actuarial assumptions:	
Inflation rate	2.50%
Discount rate	6.50%
Projected salary Increases	N/A
Amortization growth rate	3.50%

Mortality rates were based on the PubS-2010 Mortality with generational projection per MP-2021 Ultimate Scale.

TOWN OF MADISON, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2024. The liabilities were estimated based on a measurement date of June 30, 2024. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2025.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the Town's proportionate share of the net pension liability.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the Town's proportionate share of the net pension liability.

NOTE 9 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2019. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2023. The July 1, 2023 valuation was utilized to calculate the total OPEB liability as of June 30, 2025.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the total OPEB liability.

Assumption Changes - The discount rate used to measure the total OPEB liability is determined annually based on current municipal bond yields. Year-to-year fluctuations in these market yields result in corresponding changes to the discount rate and, consequently, the reported OPEB liability.

NOTE 10 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2024. The liabilities were estimated based on a measurement date of June 30, 2024. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2025.

Benefit Changes - There have been no changes in benefit terms that have had a significant effect on the measurement of the Town's proportionate share of the collective net OPEB liability.

Assumption Changes - There have been no changes in assumptions that have had a significant effect on the measurement of the Town's proportionate share of the collective net OPEB liability.

APPENDIX B – FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION FOR THE BONDS

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

Town of Madison, Connecticut
Town Hall
8 Campus Drive
Madison, Connecticut 06443

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Madison, Connecticut (the "Town") of its \$20,670,000 General Obligation Bonds, Issue of 2025, dated December 18, 2025, maturing December 15, 2028-2045 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of December 18, 2025, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Bonds under the authority of the constitution and statutes of the State of Connecticut, and that the Bonds are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from *ad valorem* taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds if interest on the Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Bonds. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. We are of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The rights of the holders of the Bonds and the enforceability of the Bonds and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a bond. Prospective owners of the Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

Recent Tax Legislation. The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Alternative Minimum Tax. The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt "private activity bonds" is treated as an item of tax preference. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. However, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds **shall not be** designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Changes in Federal Tax Law. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or the market price of the Bonds.

Other. Ownership of the Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Bonds is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth in this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

ORIGINAL ISSUE PREMIUM.

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Bond for federal income tax purposes. Prospective purchasers of Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

* * * * *

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

APPENDIX C – FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION FOR THE NOTES

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Notes are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Notes. The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

Town of Madison, Connecticut
Town Hall
8 Campus Drive
Madison, Connecticut 06443

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Madison, Connecticut (the "Town") of its \$24,685,000 General Obligation Bond Anticipation Notes, dated December 18, 2025, maturing December 17, 2026 (the "Notes").

In connection with our representation of the Town as bond counsel with respect to the Notes, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of December 18, 2025, the executed Notes, and certified records of proceedings of the Town authorizing the Notes. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Notes under the authority of the constitution and statutes of the State of Connecticut, and that the Notes are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from *ad valorem* taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes if interest on the Notes is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Notes. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

4. We are of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The rights of the holders of the Notes and the enforceability of the Notes and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Notes.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Notes under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Recent Tax Legislation. The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Alternative Minimum Tax. The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt “private activity bonds” is treated as an item of tax preference. The Town’s Tax Compliance Agreement will contain certain representations and covenants to ensure that the Notes are not “private activity bonds” so that interest on the Notes will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. However, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than “qualified tax-exempt obligations”. The Notes **shall not be** designated by the Town as “qualified tax-exempt obligations” for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Changes in Federal Tax Law. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation proposed or enacted after the date of issuance of the Notes will not have an adverse effect on the tax exempt status or the market price of the Notes.

Other. Ownership of the Notes may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Notes, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Notes and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Notes held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of the Notes (the “OID Notes”) may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of the OID Notes to the public (excluding bond houses and brokers) at which a substantial amount of the OID Notes is sold will constitute original issue discount (“OID”). The offering price relating to the yield set forth on the cover page of this Official Statement for the OID Notes is expected to be the initial offering price to the public at which a substantial amount of the OID Notes are sold. Under existing law, OID on the Notes accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Notes is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Note, OID treated as having accrued while the owner holds the OID Note will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Note.

Prospective purchasers of OID Notes should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Notes purchasing such Notes after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Notes.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of the Notes (the “OIP Notes”) may be more than the stated principal amount. An owner who purchases a Note at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Note for federal income tax purposes. Prospective purchasers of OIP Notes should consult their tax advisors regarding the amortization of premium and the effect upon basis.

* * * * *

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Notes, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

APPENDIX D - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE BONDS

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date, all pursuant to a Continuing Disclosure Agreement for the Bonds in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 18th day of December, 2025 by the Town of Madison, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$20,670,000 General Obligation Bonds, Issue of 2025 (the "Bonds"), dated December 18, 2025 for the benefit of the beneficial owners from time to time of the Bonds.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Annual Financial Information.

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2026), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

(ii) the following financial information and operating data to the extent not included in the financial statements described in (i) above:

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,

- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2026. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format for the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required or permitted by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a "Voluntary Filing"). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

Section 3. Listed Events.

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

Section 4. Notice of Failure to Provide Annual Financial Information.

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

Section 5. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

Section 6. Termination.

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Town ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 7. Identifying Information.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 8. Enforcement.

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Director of Finance receives written notice from any beneficial owner of the Bonds of such failure. The present address of the Executive Director of Finance and Town Administrative Services is Town of Madison, Town Hall, 8 Campus Drive, Madison, Connecticut 06443. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

Section 9. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Bonds. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

TOWN OF MADISON, CONNECTICUT

By _____
Peggy Lyons
First Selectman

By _____
Stacy S. Nobitz
Executive Director of Finance and
Town Administrative Services

APPENDIX E - FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE NOTES

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes, pursuant to a Continuing Disclosure Agreement for the Notes in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 18th day of December, 2025 by the Town of Madison, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of \$24,685,000 General Obligation Bond Anticipation Notes of the Town, dated December 18, 2025 (the "Notes"), for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Listed Events.

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;

- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

Section 3. Use of Agents.

Any notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purposes from time to time.

Section 4. Termination.

The obligations of the Town under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the Town ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Identifying Information.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Enforcement.

The Town acknowledges that the undertakings set forth in Section 2 of this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding five business days with respect to the undertakings set forth in Section 2 hereof) from the time the Director of Finance receives written notice from any beneficial owner of the Notes of such failure. The present address of the Executive Director of Finance and Town Administrative Services is Town of Madison, Town Hall, 8 Campus Drive, Madison, Connecticut 06443.

In the event the Town does not cure such failure within the time specified above, the beneficial owner of the Notes shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 7. Miscellaneous.

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Notes. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provision of this Agreement, the Town may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Town, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Notes. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB.

TOWN OF MADISON, CONNECTICUT

By _____
Peggy Lyons
First Selectman

By _____
Stacy S. Nobitz
Executive Director of Finance and
Town Administrative Services

APPENDIX F – NOTICE OF SALE – THE BONDS

NOTICE OF SALE

\$20,670,000

TOWN OF MADISON, CONNECTICUT

**GENERAL OBLIGATION BONDS, ISSUE OF 2025
BOOK-ENTRY-ONLY**

ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System (“PARITY”) will be received by the Town of Madison, Connecticut (the "Town") at the Office of the First Selectman, 8 Campus Drive, Madison, Connecticut 06443, until **12:00 (NOON) (Eastern Time) on WEDNESDAY,**

DECEMBER 3, 2025

for the purchase, when issued, of the whole of the Town's \$20,670,000 General Obligation Bonds, Issue of 2025, dated December 18, 2025, bearing interest payable semiannually on June 15 and December 15 in each year until maturity, commencing December 15, 2026, and maturing on December 15 in each year as follows:

2028	\$850,000	2037	\$1,225,000
2029	\$900,000	2038	\$1,225,000
2030	\$950,000	2039	\$1,225,000
2031	\$1,025,000	2040	\$1,225,000
2032	\$1,075,000	2041	\$1,275,000
2033	\$1,095,000	2042	\$1,275,000
2034	\$1,150,000	2043	\$1,275,000
2035	\$1,150,000	2044	\$1,275,000
2036	\$1,200,000	2045	\$1,275,000

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about December 18, 2025. The Bonds **shall not be** designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

The Bonds maturing on or before December 15, 2031 are not subject to redemption prior to maturity. The Bonds maturing on December 15, 2032 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after December 15, 2031, at any time in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Redemption Dates</u>	<u>Redemption Price</u>
December 15, 2031 and thereafter	100%

Proposals. All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$20,670,000 Bonds, or for less than par and accrued interest, will be considered.**

Basis of Award. As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to December 18, 2025, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY® by **12:00 (NOON) (Eastern Time), on Wednesday, December 3, 2025**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY®, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY® is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY®, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY®, the use of such facilities being the sole risk of the prospective bidder.

Disclaimer - Each PARITY® prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY® for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY® shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY®. The Town is using PARITY® as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY® to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY® are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY® at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY®, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY® shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Bonds. A copy of the opinion will be delivered to each purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the “Code”), based on existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code; and (3) that interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Bonds. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Mr. William N. Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Bonds, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Bonds pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of December 3, 2025 (the “Sale Date”).

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity, the winning bidder:

- (i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;
- (ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

Preliminary Official Statement and Official Statement. The Town has prepared a Preliminary Official Statement dated November 24, 2025 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

DTC Book-Entry. The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

Certifying, Transfer and Paying Agent; Registrar. The Bonds will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

CUSIP Numbers. The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal Advisor, Munistat Services, Inc., to apply for CUSIP numbers for the Bonds by no later than one business day after dissemination of this Notice of Sale. Munistat Services, Inc. will provide CUSIP Global Services with the final details of the sale of the Bonds in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of Munistat Services, Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Continuing Disclosure Agreement. The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Bonds; and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date. The winning purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Additional Information. For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated November 24, 2025. The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement and Official Statement may be obtained from Mr. William N. Lindsay, Managing Director, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (203) 421-2880.

November 24, 2025

Peggy Lyons
First Selectman

Stacy Nobitz
Executive Director of Finance
and Town Administrative Services

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Madison, Connecticut
\$20,670,000 General Obligation Bonds, Issue of 2025

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated November 24, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
12/15/2028	\$ 850,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2029	900,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2030	950,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2031	1,025,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2032	1,075,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2033	1,095,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2034	1,150,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2035	1,150,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2036	1,200,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2037	1,225,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2038	1,225,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2039	1,225,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2040	1,225,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2041	1,275,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2042	1,275,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2043	1,275,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2044	1,275,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
12/15/2045	1,275,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Bonds.)

[NAME OF UNDERWRITER/REPRESENTATIVE]

By: _____

Name:

Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on December 4,2025:

Bond Counsel: dbraun@goodwin.com

Municipal Advisor: bill.lindsay@munistat.com

APPENDIX G – NOTICE OF SALE – THE NOTES

NOTICE OF SALE

\$24,685,000

TOWN OF MADISON, CONNECTICUT

GENERAL OBLIGATION BOND ANTICIPATION NOTES

ELECTRONIC PROPOSALS via PARITY® ("PARITY") will be received by the Town of Madison, Connecticut (the "Town") at the Office of the First Selectman, 8 Campus Drive, Madison, Connecticut 06443 until **12:30 P.M. (Eastern Time) on WEDNESDAY,**

DECEMBER 3, 2025

for the purchase, when issued, of the Town's \$24,685,000 General Obligation Bond Anticipation Notes dated December 18, 2025, maturing December 17, 2026 (the "Notes"). The Notes are not subject to redemption prior to maturity. The Notes will be payable with interest at maturity and delivered against payment in Federal funds in New York, New York on or about December 18, 2025. The Notes will be general obligations of the Town payable, as to both principal and interest, unless paid from other sources, from *ad valorem* taxes levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

Certifying Bank, Transfer and Paying Agent; Registrar. The Notes will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

DTC Book-Entry. The Notes will be issued by means of a book-entry-only system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Notes will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Town or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Notes must be submitted through the facilities of PARITY by **12:30 P.M. (Eastern Time), on Wednesday, December 3, 2025.** Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, (telephone (212) 849-5021). The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Notes via PARITY, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

Disclaimer- Each PARITY prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. The Town is using PARITY as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Notes. The Town is not bound by any advice and determination of PARITY to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY are the sole responsibility of the bidders, and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Notes, the prospective bidder should telephone PARITY at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the net interest cost to the Town, as described under "Basis of Award" below, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

Proposals. Proposals may be made for all or any part of the Notes, but any proposal for a part must be for \$100,000 or a whole multiple thereof, except that one such proposal may include the odd \$85,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. No proposal for less than the minimum denomination or for less than par and accrued interest will be accepted. Each proposal must specify the amount bid for the Notes (which shall be the aggregate par value of the Notes, and, at the option of the bidder, a premium), and must specify one rate of interest in a multiple of one-hundredth (1/100) of one percent (1%) per annum for each part of the Notes bid for in the proposal. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Basis of Award. As between proposals which comply with this Notice of Sale, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest cost to the Town, which will be determined by computing as to each interest rate stated the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making an offer to purchase all or any portion of the Notes at the same lowest net interest cost, the Notes will be sold to the responsible bidder with the proposal for the largest principal amount of the Notes specified. If more than one responsible bidder makes an offer to purchase all or any portion of the Notes at the same lowest net interest cost and for the same largest principal amount of the Notes specified, the Notes or any portion thereof will be sold to the responsible bidder who is chosen by lot. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Town with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four decimal places. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The Town reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

The Town further reserves the right to postpone the sale to another time and date in its sole discretion for any reason. The Town will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement.

Qualified Tax-Exempt Obligations. The Notes will not be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Notes. A copy of the opinion will be delivered to each purchaser of the Notes. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Notes is excludable from

gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals, however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code and (3) that interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the Town must establish the “issue price” of the Notes. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting Mr. William Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone: (203) 421-2880, municipal advisor to the Town (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”).

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Notes as of December 3, 2025 (the “Sale Date”).

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes. The rule selected with respect to each maturity of the Notes shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Notes. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Notes of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

- (i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;
- (ii) will neither offer nor sell to any person any Notes of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Notes of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and
- (iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

Preliminary Official Statement and Official Statement. The Town has prepared a Preliminary Official Statement dated November 24, 2025 for this Note issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to each winning purchaser a reasonable number of copies of the final Official Statement at the Town’s expense by the delivery of the Notes or, if earlier, by the seventh business day after the day proposals on the Notes are received. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

CUSIP Numbers. The deposit of the Notes with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town’s Municipal Advisor, Munistat Services, Inc., to apply for CUSIP numbers for the Notes by no later than one business day after dissemination of this Notice of Sale. Munistat Services, Inc. will provide CUSIP Global Services with the final details of the sale of the Notes in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Notes with DTC due to the failure of Munistat Services, Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Continuing Disclosure Agreement. The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5), to provide timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes. The winning purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Additional Information. For more information regarding this Note issue and the Town, reference is made to the Preliminary Official Statement dated November 24, 2025. The Preliminary Official Statement may be accessed via the Internet at www.i-dealprospectus.com. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement and the Official Statement may be obtained from Mr. William Lindsay, Managing Director, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (203) 421-2880.

November 24, 2025

Peggy Lyons
First Selectman

Stacy S. Nobitz
Executive Director of Finance
and Town Administrative Services

ISSUE PRICE RULE SELECTION CERTIFICATE

Town of Madison, Connecticut
\$24,685,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated November 24, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)	Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)		
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
12/17/2026	\$24,685,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Notes.)

[NAME OF UNDERWRITER/REPRESENTATIVE]

By: _____
Name:
Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on December 4, 2025:

Bond Counsel: dbraun@goodwin.com

Municipal Advisor: bill.lindsay@munistat.com

Municipal Advisory Services

Provided by

